



Meeting of the

Tower Hamlets Council

Agenda

Wednesday, 28 February 2024 at 7.00 p.m.

VENUE

Council Chamber,
Whitechapel Town Hall
160 Whitechapel Road,
London E1 1BJ

Meeting Webcast

The meeting is being webcast for viewing through the Council's webcast system.
<http://towerhamlets.public-i.tv/core/portal/home>. The press and public are encouraged to watch the meeting on line.

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Chief Executive's Office

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To the Mayor and Councillors of the London Borough of Tower Hamlets

You are summoned to attend a meeting of the Council of the London Borough of Tower Hamlets to be held in **COUNCIL CHAMBER - TOWN HALL, WHITECHAPEL** at **7.00 p.m.** on **WEDNESDAY, 28 FEBRUARY 2024**

Stephen Halsey
Chief Executive



Tower Hamlets Council
Tower Hamlets Town Hall
160 Whitechapel Road
London E1 1BJ

Public Information

Viewing Council Meetings

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Please note: It is also possible to attend meetings in person. Places in the public gallery are allocated on a first come, first served basis from the reception at the Town Hall on the day of the meeting.

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Public Information

The meeting is being held at the Council's Town Hall.

This guidance provides an overview of how the Budget Council meeting will work.

Full Council is made up of the Mayor and the 45 Councillors. The Budget Council meeting is a special meeting held every year, for the purposes of setting the Council's budget and Council Tax for the forthcoming financial year. The agenda typically comprise, as set out on the agenda front sheet:

- Apologies for absence from Members
- Declarations of Interests.
- Announcements from the Speaker or the Chief Executive of the Council.
- Petitions relating to the budget/Council Tax, in accordance with the Council's Petitions Scheme
- The Mayor and the Executive's proposals on the Council budget and the Council Tax.
- Any other items requiring the Council's approval

There are no Members' Questions or Motions on Notice at the Budget Meeting.

How can I watch the meeting?

Except when an exempt item is under discussion, the meeting will be broadcast live for public viewing via our Webcasting portal <https://towerhamlets.public-i.tv/core/portal/home>. Details of the broadcasting arrangements will be published on the agenda front sheet.

Public Attendance and Conduct at Meetings

The public may also watch the Council meeting in the public gallery. We request that you show courtesy to all present and do not interrupt the meeting. Whilst the intention is to not film the public gallery, it is possible that you may be filmed in the background. By attending the meeting you are agreeing to this condition.

Please also switch off mobile phones or turn them on silent. If the fire alarm rings please follow the instructions of the Facilities Staff who will direct you to the exits.

If you are scheduled to present a petition in person at the meeting, please sit in the reserved seating in the front row. You will be called to address the meeting at the appropriate time.

Procedure at the meeting.

Just before the start of the meeting, the macebearer will ask everyone to be upstanding for the Speaker. The Speaker of the Council is the Chair of the meeting and is in charge of the debate. Their role is to control the meeting, including the order of speakers, and to ensure that the business is carried out properly in accordance with procedural rules.

Whilst all Members may contribute to the discussions, only the Members physically present in the meeting room may vote on items requiring a decision in accordance with the regulations.

Budget Debate

At the start of the debate, the Mayor and/ or the Cabinet Member for Resources will present their proposals, as contained in the agenda. Once the Executive's proposals have been moved, the Speaker will invite the mover and seconder of any amendments in turn to speak and move their amendments. Any proposed amendments will be published on the website before the meeting (including Officers' comments) in the



supplementary pack. After all the amendments have been moved, the Council will debate the proposals. At the end of the debate, the Mayor or the Cabinet Member who has moved the proposals may exercise a right of reply.

Order of business

The Speaker may agree to change the order of business at the meeting. In addition, the Speaker may adjourn the meeting for a period of time or agree an extension to the time limit for the meeting (by up to half hour beyond the three-hour limit). To change the order of business, a Member will need to formally move a motion seeking approval for the requested change. Any such motions will be put to the vote.

Voting

Full Council will vote on each amendment in the order they were moved and finally the substantive budget motion moved by the Administration. The votes will be conducted through a roll-call vote of all Members present in the chamber. If there are an equal number of votes for and against an item of business, the Speaker will have a second or casting vote.

If the Council adopts the budget proposals without amendment, the decision will take effect immediately. If however, the Council votes to make any amendments to the budget proposals, it shall request that the Mayor reconsider the proposed budget in light of their amendments and resubmit the budget (amended or not) to a further Council meeting the following week.

If the Council still wishes to amend the Mayor's proposals, such a decision will require a two thirds majority of the Members present. If no valid amendment receives two thirds support, the Mayor's proposals are deemed adopted.

Decisions and Minutes

The decisions will be published on the website 2 days after the meeting. The draft minutes will be published around 10 working days after the meeting.

Publication of Agenda papers.

Electronic copies of the Council agenda will be published on the Council's Website on the relevant Committee pages at least five clear working days before the meeting.

To view meeting papers and to be alerted when agendas have been published visit: www.towerhamlets.gov.uk/committee

Council documents are also available on 'Mod.Gov' iPad, Android and Windows tablet apps downloadable for free from their respective app stores.

Publication of tabled papers and amendments

Any additional documents (such as the Mayor's report, amendments to the budget motions) will normally be published on the Council meeting website either shortly before or during the meeting.



London Borough of Tower Hamlets

Council

Wednesday, 28 February 2024

7.00 p.m.

PAGE
NUMBER

1. **APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

2. **DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS**

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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. **TO RECEIVE ANNOUNCEMENTS (IF ANY) FROM THE SPEAKER OF THE COUNCIL OR THE CHIEF EXECUTIVE**

4. **TO RECEIVE PETITIONS**

The Council Procedure Rules provide for a maximum of four petitions to be discussed at the Budget Meeting of the Council where those petitions relate directly to the Council Budget and Council Tax.

There are no petitions for consideration at this meeting.

5. **BUDGET AND COUNCIL TAX 2024/25**

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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 Monitoring Officer, Tel: 0207 364 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.

Agenda Item 5

<p>Council</p> <p>28 February 2024</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Julie Lorraine, Corporate Director of Resources (Section 151 Officer)</p>	<p>Classification: Unrestricted</p>
<p>The Council's 2024-25 Budget Report and Medium Term Financial Strategy 2024-27</p>	

Lead Member	Councillor Saied Ahmed, Cabinet Member for Resources and the Cost of Living
Originating Officer(s)	John Harrison, Interim Director of Finance, Procurement and Audit
Wards affected	All wards
Key Decision?	Yes
Reason for Key Decision	To approve the 2024-25 Council Tax resolution and to consider and agree the proposals of the Mayor in Cabinet for the Council's Budget for 2024-25 and approve the Treasury Management Strategy Statement, Investment Strategy and Capital Strategy for 2024-25.
Strategic Plan Priority / Outcome	All Strategic Plan Priorities

Executive Summary

This report sets out the proposals of the Mayor in Cabinet for the Council's Budget and Council Tax 2024-25.

This report also includes the Chief Finance Officer's Section 25 statement, the Treasury Management Strategy Statement, Investment Strategy Report and Capital Strategy Report for 2024-25, approved for recommendation to Council by the Audit Committee on 22 January 2024.

Recommendations:

In accordance with the recommendation of the Mayor in Cabinet, Full Council is recommended:

Revenue 2024-27 and Capital 2024-27

1. To note a General Fund Revenue Budget of £462.606m and approve a Council Tax (Band D) of £1,204.11 (Council share) for 2024-25 as set out in the motion and Council Tax Resolution attached at Annex 1 to this report. This incorporates a 2.99% increase to the Tower Hamlets element of Council Tax and a 2% Adult Social Care precept for 2024-25.
2. To note the GLA precept as set out in the Council Tax Resolution is subject to the approval of the GLA Assembly at their meeting scheduled for 22 February, any changes as a result of that meeting will be made known to Council before the date of this meeting.
3. To note the change in the budget report appendices to reflect the final Local Government Finance Settlement grant allocation for the Social Care Grant, Services Grant and Public Health Grant. (Annex 2 Appendix 1A, 1B, 2, 3A and 6).
4. To note the Capital Programme, Housing Revenue Account budget and Dedicated Schools budget.

Treasury Management Strategy Statement, Investment Strategy and Capital Strategy 2024-25

5. To adopt the Treasury Management Strategy Statement set out in Annex 3 Appendix A attached to this report.
6. To adopt the Investment Strategy Report set out in Annex 3 Appendix B attached to this report.
7. To adopt the Capital Strategy Report (which incorporates the Minimum Revenue Provision Policy Statement) set out in Annex 3 Appendix C attached to this report.

Section 25, Local Government Act 2003

8. To note the Section 151 officer's view on the robustness of estimates and adequacy of reserves required under Section 25 of the Local Government Act 2003, set out in section 2 of this report.

Local Council Tax Reduction Scheme (LCTRS)

9. To note that the Local Council Tax Reduction Scheme will remain unchanged for 2024-25.

1. **CABINET MEETING, 31 JANUARY 2024**

- 1.1 The Cabinet received the report of the Corporate Director - Resources on the Council's 2024-27 Budget Report.
- 1.2 In considering the information in the reports, the Mayor and Cabinet considered the comments of the Overview and Scrutiny Committee (OSC) on the Mayor's initial budget proposals.
- 1.3 The Mayor and Cabinet also considered feedback from the budget consultation process.
- 1.4 The Mayor and Cabinet also agreed to authorise the Corporate Director – Resources, after consultation with the Mayor and Cabinet Member for Resources and the Cost of Living, to make any changes required to the budget following the final Local Government Finance Settlement announcement.
- 1.5 The final Local Government Finance Settlement was received on 5 February 2024 and this increased the Social Care Grant allocation by £3.052m, Services Grant allocation by £0.069m and Public Health Grant allocation by £0.125m.

The report has been updated to reflect these changes as follows:

Description	2024-25 £'000	2025-26 £'000	2026-27 £'000
Social Care Grant	(3,052)	(3,052)	(3,052)
Service Grant	(69)	-	-
Public Health Grant	(125)	(125)	(125)
Additional Resources	(3,246)	(3,177)	(3,177)
Additional resources for Public Health	125	125	125
Transfer to Social Care Risk Contingency	1,529	1,529	1,529
Resources transferred to ASC to meet additional ringfenced obligations	1,523	1,523	1,523
Additional Expenditure	3,177	3,177	3,177
Net Increase in Resources Transferred to Reserves	(69)	-	-

- 1.6 Please note that the following appendices from the Cabinet meeting of 31 January 2024 have been updated to reflect the final Local Government Finance Settlement grant allocations:

- Appendix 1A - MTFS Summary
- Appendix 1B - MTFS Detail by Service Area

- Appendix 2 - Tower Hamlets Core Spending Power
- Appendix 3A - New Growth, Core Grants and Inflation Summary
- Appendix 6 - Projected Movement in Reserves

2. **SECTION 25, LOCAL GOVERNMENT ACT 2003**

Introduction

- 2.1 The Local Government Act 2003 (Section 25) requires that the Chief Financial Officer reports the following matters to members when agreeing its annual budget and precept:
- the robustness of the estimates made for the purposes of the budget calculations, and
 - the adequacy of the proposed financial reserves.
- 2.2 This Section 25 statement provides critical context for budgetary discussions. The provision of this information is a legal requirement and ensures that all members have regard to the professional advice provided by your Chief Financial Officer (CFO) when final budget decisions are made being made. Members of the Council are not automatically obliged to accept my advice, but you should pay due regard to it and be satisfied that you have met your own public obligations if you are minded to depart from that advice.
- 2.3 The financial resilience of all local authorities is under strain. Since 2010-11, local authority spending has fallen from 7.4 to 5.0 per cent of GDP and is forecast to fall further. Given local authorities' statutory duty to provide a range of services where demand is likely to continue to grow, for example adult and child social care and homelessness, pressure on local authority finances and services will continue.
- 2.4 I have advised the Mayor and Cabinet of the financial challenges the Council faces over the next financial year, the medium and longer term. The levels of government funding for 2024-25 have been clearly identified in this report and it must be recognised and understood that a one-year funding settlement, as is currently the case, creates a level of uncertainty and, therefore, creates a financial planning risk. There is uncertainty on future arrangements for devolution of business rates and the awaited Government's 'Fair Funding' review which could result in new responsibilities for the Council and related risks.
- 2.5 The Council recognises that it faces an increasing financial challenge due to the combination of high inflation and interest rates, the cost-of-living crisis, legacy impacts from the COVID-19 pandemic, Brexit, government grant changes, demographic trends including increasing demand and complexity and cost of that demand.
- 2.6 The Council set a clear objective at the start of this financial year to deliver a balanced sustainable position across the medium term. Clear guiding principles were established for identifying the required funding to meet the

identified budget gap. The parameters for savings put in place were designed to:

- protect frontline services to residents,
- avoid compulsory redundancy where possible.
- increase permanent employment opportunities by reducing reliance on temporary and interim resources.

2.7 Strong governance arrangements were put in place to oversee the delivery and identification of the savings. Cabinet, Portfolio Holders, Corporate Directors, and wider budget holders have been fully engaged in a robust and detailed evaluation process for agreed contributors to the budgeted sum. The process put in place by the Chief Executive featured strong “for purpose” governance arrangements, supported by internal resources from the Strategy, Improvement and Transformation Team. Corporate Directors have each provided assurance as to the delivery of both the agreed budget for the coming period and the savings proposals to the timeframes indicated within their respective directorates (Annex 5). All matters relating to the budget including growth and savings, financial planning assumptions and the HRA, including the proposed resourcing strategy budget, have been subject to the scrutiny process.

2.8 The Council’s Annual Governance Statement and Corporate Risks Register highlight the challenges that the Council currently faces and the key risks affecting the achievement of its Strategic Plan. Maintaining and developing a robust system of internal control and risk governance will help to navigate these challenges. In also recognising the need to improve and strengthen internal control processes, management is also reviewing key finance processes to ensure that they are fit for purpose, this will include:

- Setting out and implementing a Control and Assurance Framework, based on CIPFA guidance, to strengthen management accountability throughout the Council.
- Review and update the Council’s Financial Regulations and related Financial Administration procedures.
- As part of Internal Audit planning for 2024-25, to ensure that planned work is properly aligned to key risks/exposures and can be promptly flexed to meet emerging risks.

These measures will further support improved financial management and prudent decision-making over the medium-term.

2.9 The mayor has proposed an increase in council tax, in accordance with legislative guidance. This will significantly contribute to the council’s resilience over the medium term, by reducing the Council’s reliance on reserves and ensuring that the Council’s spending power is maintained going forward. Not increasing council tax would have added significant risk to the sustainability of the Council’s finances. The position presented in the Report achieves the objective of securing a sustainable financial position with no ongoing reliance on the use of reserves to fund recurring costs throughout the life of the financial

plan resulting in the council being well placed financially and maintaining a significantly improved and comparatively strong reserves position.

- 2.10 The financial plan provides the bases on which the council can resource the delivery of the intended outcomes. Increased resilience because of reduced reliance on reserves provides a safety net for unforeseen events and a prudent risk contingency provides some protection against slippage of planned timings or returns. Delivery and agile progress against measurable milestones in the financial plan are critical in the coming period and the Chief Executive is further strengthening governance arrangements in this key area.
- 2.11 As I have stressed throughout the Budget Setting process, maintaining financial resilience is critical to the financial well-being of the organisation.
- 2.12 The Council continues to comply with relevant codes and standards. The CIPFA Financial Management Code (FM Code) supports good practice in financial management and assists local authorities in demonstrating their financial sustainability. It is important that we assess ourselves fully against this FM Code.
- 2.13 The wider funding position from Government for all councils remains challenging if the sector is to accommodate the demand led pressures, particularly around temporary accommodation, and homelessness. Many peer councils are experiencing financial crises with some having little option but to warn of and in some cases issue Section 114 notices because their future costs will or do exceed their resources. Effective and prudent financial planning in Tower Hamlets over the past few months has ensured that the Council's financial position is much stronger than reported last year with all mayoral priorities delivered within its funding envelope. My assessment is that Tower Hamlets is not at any medium-term risk of issuing a Section 114 notice.

The robustness of the budget estimates

- 2.14 Budget estimates are estimates of anticipated spending and income at a future point in time.
 - a) Strong governance arrangements were put in place to oversee the delivery and identification of the savings required comprising four delivery boards each with terms of reference reflective of different aspects of financial control and management of resources.
 - b) Budget proposals have been developed following the guidance issued. A robust process of challenge with Corporate Directors and Cabinet members has taken place.
 - c) Corporate Leadership Team has reviewed all budget proposals and Corporate Directors have provided assurance that all savings are deliverable.
 - d) The Mayor and Cabinet members have reviewed and challenged all budget proposals. The Overview & Scrutiny committee have scrutinised the budget proposals.

- e) The budget proposals have been consulted upon in line with the statutory requirement.
- f) Arrangements are in place to monitor areas of expenditure and the delivery of budget proposals, including appropriate management and monitoring for the delivery of on-going savings programmes.
- g) Contract inflation has been provided for based on government inflation forecasts, although Council members need to be aware of the risk to the estimates if the current high levels of inflation and interest were to continue for the medium term.
- h) Adequate allowance is made for pension costs with budgeted contributions in line with the recommendations from the 2022 triennial pension review. The 2025 triennial pension review is not expected to increase the recommended level of contributions to the Pension Fund.
- i) The revenue effects of the capital programme are reflected in the budget. It is essential that the Council continues to maintain tight control of the capital programme and its revenue and cash flow impacts.
- j) The financial implications of insourcing Leisure services have been considered during the budget process. Risks associated with dilapidations and future investment in leisure facilities continue to be assessed and will need to be considered in accordance with existing corporate arrangements.
- k) Prudent assumptions have been made about interest rates payable and the budget proposals are joined up with the requirements of the Prudential Code and the Council's Treasury Management Strategy Statement.
- l) Corporate Directors have made reasonable assumptions about growth pressures, for example demographic pressures in adult social care and increasing numbers in homelessness. A robust approach has been adopted to growth, which have followed the same governance processes as savings.
- m) Budget monitoring data has been used to support the re-alignment of budgets and growth has been provided where appropriate to meet identified budget pressures.
- n) The recommendations regarding fees and charges are in line with the assumptions in the budget.
- o) In my view, a prudent approach has been adopted on the local share of income receivable through business rates and losses from appeals. It should be noted that there is significant volatility in business rate income in particular risks arising from appeals, which could be backdated several years, as well as a potential reset of the business rate baseline. The Collection Fund smoothing reserve helps manage and mitigate this risk.
- p) Reasonable assumptions have been made on the use of S106 and CIL funding based principally on actual receipts.
- q) Capital receipts assumptions have been challenged and capital financing only includes realised receipts or where there is reasonable assurance on receipt.
- r) The Council's HRA faces a number of pressures with respect to meeting demand for affordable housing, building safety, fire safety, stock condition

and repairs and maintenance. The Council's proposed HRA resourcing strategy seeks to tackle this through "Better Homes", "More Homes" and "Less Homelessness" identifies the planned approaches in each area. This strategy together with a 7.7% increase in rents and the additional measures taken to ensure a viable business plan, will support additional investment in the stock. Unknown additional demand for future investment may be informed by Decent Homes 2 once public. The HRA business plan has been stress tested using both single and multi-variant scenarios to assess the degree to which such future pressures can be accommodate should the need arise. As a final mitigation for unforeseeable events the plan could be flexed and adjusted to accommodate need.

- s) Ensuring increased levels of debt within the HRA remain affordable is a key risk which will need to be closely managed going forward. A minimum interest cover ratio (ICR) of 1.15 must be adhered to. Agility in the delivery of the growth is critical as this is what will drive increased headroom for future investment.
- t) I am satisfied that adequate provision for VER/ER costs arising from the planned restructure and downsizing has been made and that appropriate governance arrangements are in place to manage the process.
- u) Estimates and forecasts have been supported by third party advice where appropriate.

Risk

- v) The Council is acutely aware of the budgetary impact of risk in its budgets and has provided risk budgets to allow for potential impacts. The impact of a 1% change in key areas can be assessed as:
 - Pay award - £2.5m per annum
 - Inflation/contracts - £1.7m per annum
 - Interest rates – there is a borrowing requirement of £110m over the MTFS period. A 1% increase would eventually add £1.1m per annum to interest payments. There would be a favourable impact in 2024-25 as the Council has net investment balances.
- w) Managing financial risk is of critical importance. Setting a balanced and realistic budget is a key element in this process. Key risks have been identified and considered and the Council maintains a range of budget provisions for specific risks and general reserves for unforeseen events and risks. These include:
 - A General Reserve (£20m) for unforeseen events and risks
 - a Risk Reserve (£18.2m) specifically to mitigate risks around income generation, council tax cost of living relief fund costs and inflation
 - a social care risk contingency (£1.5m) and social care pressures reserve (£3.1m)
 - a Collection Fund smoothing reserve (£33.2m) to manage business rate and council tax income risks
 - an HRA reserve (£10.2m)

2.15 Longer term service and financial planning is an important part of any organisation's activity so that it can prepare for challenges and take opportunities which may lie ahead. Servicing debt costs associated with capital investment (interest and principal repayments) have revenue implications running many years into the future. It is crucial in deciding its level of affordable borrowing that the Council continues to undertake its capital investment decisions within a robust, prudential framework. This is particularly critical within the HRA in the context of the decision to suspend principal repayments (MRP) in the HRA Business Plan.

Adequacy of reserves

2.16 As the Council's S151 officer I am also required under the Act to include in budget reports my view of the adequacy of the balances and reserves that the budget provides for. The balance levels are examined each year along with the level of reserves considering the risks facing the authority in the medium term.

2.17 Reserves play a crucial role in good public financial management. They exist so that a council can make one-off investments in service transformation for the future or to respond to one-off unexpected events or emerging needs. They are the foundation for good financial management and resilience. As one-off resources they can only be spent once. See Section 3.9 of the Budget Report for a more detailed view.

2.18 CIPFA's Financial Resilience Index is a comparative analytical tool intended to support good financial management. CIPFA considers reserves as one of the key risk indicators. Whilst benchmarking indicates the Council is in a relatively strong position, reserves are on a downward trend, with earmarked and General Fund revenue reserves projected to reduce from £221.3m at 31 March 2023 to £137.7m by the end of 2026-27. The forecast use of reserves includes £40m for investment in mayoral priorities (as approved in setting the 2023-24 budget), part utilisation of the Collection Fund smoothing reserve, and the planned utilisation of reserves set aside for service purposes in particular the Public Health Reserve and the Health and Adult Social Care joint funding agreement. Additional funds have been earmarked for the Mayors priority delivery fund (£19m).

2.19 In my view, the financial standing of the Council is sound, however, maintaining financial resilience is a priority and a necessity critical to the financial well-being of the Council. Any significant reduction in reserves beyond those planned would not be sustainable given the risks of containing net expenditure in line with approved budgets.

2.20 The Council has a deficit on its DSG (Dedicated Schools Grant) of £13.1m. It is probable that the Council may have to use some of its resources, likely to be from earmarked reserves without restriction, to pay off the DSG high needs deficit when the statutory deficit override is expected to come to an end in

2026-27. Due consideration will be given to agreeing a safety valve arrangement with the Department for Education at the appropriate time.

- 2.21 The Council's General Fund balance, subject to audit, is forecast to be maintained at the prescribed level of £20m as at 31 March 2024. Given the on-going scale of change in local government funding, and potential further as yet unknown risks facing the Council, I consider that the general fund balance needs to be maintained at this minimum level, in accordance with Council policy, for the foreseeable future.

Conclusion

- 2.22 As with all local authorities, the budget and medium-term financial strategy is not without some risk and uncertainty, particularly regarding future Government funding, demand led and inflationary pressures on services and temporary accommodation costs. In addition, the council must ensure delivery of £43m of savings and a £587m three-year capital programme commitment. The delivery of savings is critical, and the Mayor, Cabinet and Corporate Leadership Team must continue to work together to meet this challenge. I am further assured as to the robustness of the saving plans by the assurance statements received from the Corporate Directors.
- 2.23 Based upon the measures in place to resource and manage the delivery of the savings, the provisions made in relation to risk and contingency sums and the levels of reserves and balances, I am satisfied that the estimates are sufficiently robust and that reserves are adequate.
- 2.24 This statement about the robustness of estimates cannot give a guaranteed assurance about the Budget but gives Council reasonable assurances that the budget has been based on the best available information and assumptions indexed to appropriate independent 3rd party reference sources.

3 EQUALITIES IMPLICATIONS

- 3.1 Equalities implications are set out in the reports which are appended.

4 OTHER STATUTORY IMPLICATIONS

- 4.1 a) 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.

b) Statutory implications are set out in the reports which are appended.

5 COMMENTS OF THE CHIEF FINANCE OFFICER

5.1 As this report is financial in nature the comments of the Chief Finance Officer (S151 officer) have been incorporated throughout this report. Particular reference should be made to the S151 officer's statement included in this report, as required by Section 25 of the Local Government Act 2003, relating to the adequacy of reserves, robustness of estimates and the Council's annual contingency budget.

6 COMMENTS OF LEGAL SERVICES

6.1 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 of which this report forms part. It is consistent with these arrangements for the Council to receive information about the revenue and capital budgets as set out in this report.

6.2 The Chief Finance Officer (the section 151 officer) has made a statement regarding the robustness of the various estimates included in this report and the adequacy of the proposed reserves in accordance with S,25 of the Local Government Act 2003. Under the same law the Council must have regard to such statement before agreeing or otherwise the recommendations stated in this report.

6.3 The setting of budgets and 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.

6.4 There are areas covered in the report where persons with a protected characteristic may be indirectly affected by changes to the budget for the purposes of the Equality Act 2010. However, where changes in the budgetary position result in a change to the delivery of a service, the effect on persons should be considered immediately prior to the making of a change to the service.

Linked Reports, Appendices and Background Documents

The following documents are attached to this report for the Council's consideration: -

Annex 1: Budget Motion from Councillor Saied Ahmed, Cabinet Member for Resources and the Cost of Living

- Appendix A - Council Tax Resolution

Annex 2: Report of the Corporate Director – Resources to Cabinet on 31 January 2024: Budget Report 2024-25 and Medium-Term Financial Strategy 2024-27. *(Updated to reflect the final Local Government Finance Settlement which was published on 5 February 2024)*

- Appendix 1A Medium Term Financial Strategy Summary
- Appendix 1B Medium Term Financial Strategy Detail by Service Area
- Appendix 2 Core Spending Power
- Appendix 3A New Growth, Core Grants & Inflation Summary
- Appendix 3B New Growth Business Cases
- Appendix 4A New Savings & Unachievable Savings Summary
- Appendix 4B New Savings Business Cases
- Appendix 5 Reserves Policy
- Appendix 6 Projected Movement in Reserves
- Appendix 7A Housing Revenue Account (HRA) Budget Summary
- Appendix 7B HRA Growth and Savings Summary
- Appendix 7C HRA Growth Business Cases
- Appendix 7D HRA Savings Business Cases
- Appendix 8 Capital Programme 2023-27 Report
- Appendix 8A Capital Budget by Programme 2023-2027 - GF
- Appendix 8B Capital Budget Detail 2023- 27 - GF
- Appendix 8C Capital Growth and Reductions 2023-2027
- Appendix 8D Capital Budget by Programme 2023-27 - HRA
- Appendix 9 Overview of Governance Arrangements
- Appendix 10 Budget Consultation
- Appendix 11 Glossary of Terms – Local Government Finance

Annex 3: Report of the Corporate Director - Resources to the Audit Committee 22nd January 2024: Treasury Management Strategy Statement, Investment Strategy Report and Capital Strategy Report for 2024-25.

- Appendix A Treasury Management Strategy Statement
- Appendix B Investment Strategy Report
- Appendix C Capital Strategy Report
- Appendix D Prudential and Treasury Indicators
- Appendix E Treasury Management Policy Statement
- Appendix F Treasury Management Scheme of Delegation
- Appendix G Treasury Management Reporting Arrangement
- Appendix H Glossary

Annex 4: Report of the Corporate Director – Resources to Cabinet on 31 January 2024: Housing Revenue Account (HRA) Financial Resourcing Strategy

Annex 5: Assurance Statements

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

- None

Officer contact details for documents:

John Harrison, Interim Director of Finance, Procurement and Audit

Abdulrazak Kasim, Director of Finance, Procurement and Audit

Chris Leslie, Head of Strategic & Corporate Finance

Shakil Rahman, Senior Accountant (Strategy)

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ANNEX 1

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BUDGET COUNCIL
28 FEBRUARY 2024
COUNCIL TAX REQUIREMENT 2024-25

**BUDGET MOTION FROM COUNCILLOR SAIED AHMED,
CABINET MEMBER FOR RESOURCES AND THE COST OF LIVING**

I propose the following motion in relation to the Council's 2024-25 Budget Report:

That Council:

1. Approve the Council Tax Resolution, detailed in Appendix A to this motion.
2. Agree a General Fund revenue budget of £462.606m and a Council Tax Requirement for Tower Hamlets in 2024-25 of £138.168m.
3. Agree the Council's 2024-25 Budget Report and 2024-27 Medium Term Financial Strategy set out in Annex 2.
4. Agree the Treasury Management Strategy Statement, Investment Strategy Report and Capital Strategy Report for 2024-25 set out in Annex 3.

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**LONDON BOROUGH OF TOWER HAMLETS
COUNCIL 28 FEBRUARY 2024
COUNCIL TAX RESOLUTION**

1. That the revenue estimates for 2024-25 be approved.
2. That it be noted that, at its meeting on 3 January 2024, Cabinet agreed 114,747 as its **Council Tax base** for the year 2024-25 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]
3. That the following amounts be now calculated by the council for the year 2024-25 in accordance with Section 31 to 36 of the Local Government Finance Act 1992 as amended and the Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2011:
 - a) £1,477,223,042 Being the aggregate of the amounts which the council estimates for the items set out in Section 31A(2) of The Act. [**Gross Expenditure**]
 - b) £1,339,055,032 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of The Act. [**Gross Income**]
 - c) £138,168,010 Being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 31A(4) of The Act, as its council tax requirement for the year. (Item R in the formula in Section 31B of The Act). [**Council Tax Requirement**]
 - d) £1,204.11 Being the amount at 3(c) above (Item R), all divided by Item T (2 above), calculated by the Council, in accordance with Section 31B(1) of The Act, as the basic amount of its Council Tax for the year. [**Council Tax**]

4. Being the amount given by multiplying the amount at 3(d) above by the number which, in the proportion set out in Section 5(1) of The Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of The Act, as the amount to be taken into account for the year in respect of categories of dwellings listed in different valuation bands. **Tower Hamlets Council Tax:**

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£802.74	£963.52	£1,070.32	£1,204.11	£1,471.70	£1,739.27	£2,006.85	£2,408.22

5. That it be noted that for the year 2024-25 the **Greater London Authority (GLA)** has stated the following amounts in precepts issued to the council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£314.27	£366.64	£419.02	£471.40	£576.16	£680.91	£785.67	£942.80

6. That, having calculated the aggregate in each case of the amounts at 4 and 5 above, the council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of **Council Tax for the year 2024-25** for each of the categories of dwellings shown below:

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£1,117.01	£1,303.16	£1,489.34	£1,675.51	£2,047.86	£2,420.18	£2,792.52	£3,351.02

7. That the council hereby determines in accordance with Section 52ZB of the Local Government Finance Act 1992, that its relevant basic amount of Council Tax for 2024-25 is not excessive in accordance with the principles approved by the Secretary of State under Section 52ZC of the Local Government Finance Act 1992. As the billing authority, the council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2024-25 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992.


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ANNEX 2

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This report has been updated to reflect the changes following the publication of the final Local Government Finance Settlement (LGFS) on 5th February 2024.

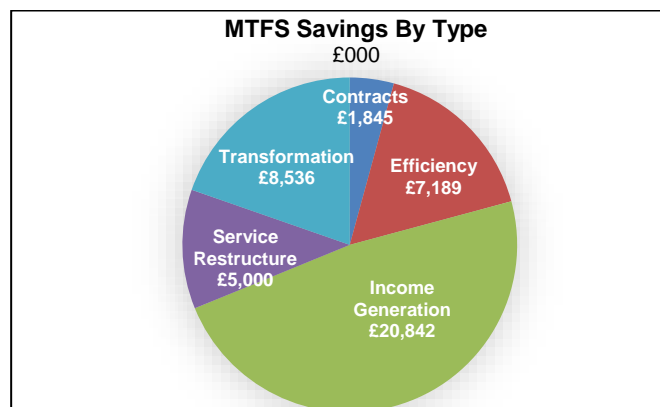
The original report can be located on the Tower Hamlets Council website under the 31st January 2024 Cabinet meeting.

<p>Cabinet</p> <p>31 January 2024</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Julie Lorraine, Corporate Director of Resources (Section 151 Officer)</p>	<p>Classification: Unrestricted</p>
<p>Budget Report 2024-25 and Medium-Term Financial Strategy 2024-27</p>	

Executive Summary & Context

- 1 This Report provides an updated proposed Budget and medium-term financial plan position to Cabinet. The changes incorporated from the previous draft are summarised in table form in sections 3.5 of the report The revised Medium Term Financial Strategy is set out in Appendix 1A, and the detail by service area in Appendix 1B. The detailed figures and assumptions incorporated in these tables are explained more fully in this report. The figures assume a Council budget requirement of £462.606m for 2024-25.
- 2 The changes at paragraph 3.5.1 set out:
 - additional income of £3.2m from free school meals grant and leasing of temporary accommodation.
 - additional expenditure of £2.930m for investment in community improvements and priority projects.
 - Additional income of £3.277m from a 2.99% increase in council tax, net of a Council Tax Cost of Living Relief Fund.
- 3 The contents of this financial report are necessarily technical in nature. It seeks to provide relevant context and to highlight the key issues for consideration by all those charged with the governance and the maintenance of financial sustainability for the London Borough of Tower Hamlets.
- 4 The Budget set by the Council on 1st March 2023 secured a balanced position reliant on the planned use of relatively significant reserves in the first 2 years (£22.1m in 2023-24 and a further £15.6m in 2024-25). As a result, the Council committed to achieving what were at the time unidentified savings of £37.8m.

- 5 The Council further committed to securing a sustainable balanced position across the medium term. This objective was to ensure that beyond the use of reserves set out in the MTFS in March 2023 there would be no need for further reliance on reserves. This updated draft position has made considerable progress and now shows a reduction in the use of reserves by £19.1m over the life of the MTFS.
- 6 Strong governance arrangements were put in place to oversee the delivery and identification of the savings required comprising four delivery boards each with terms of reference reflective of various aspects of financial control and management of resources. Appendix 9 provides more detail about the approach adopted to securing the savings required and meeting the objective of a securing a sustainable financial position across the medium term.
- 7 The Council has worked hard to achieve these objectives and has made good progress. A summary schedule of savings identified to date, together with the individual proformas providing further detail are attached at Appendix 4.
- 8 Whilst some savings are cross cutting, each proforma has been categorised under one of the following heads:
- Contracts, this reflects savings on third party contractual spend. For example, where lower than expected inflationary uplifts have been successfully negotiated. A Council wide target of 1% reduction in expected spend on third party goods and services (excluding adults and children’s services) has been set.
 - Efficiency, this reflects value for money improvements. For example, changes to service delivery models to secure the same or better outcomes at lower costs.
 - Income Generation, this reflects a Council wide focus on optimising returns on all our assets. For example, increased revenue from hosted advertising.
 - Transformation, this reflects changes to service delivery that deliver the same outcomes in a different way. For example, the application of new technologies.
 - Service restructure, this reflects changes to the Council’s establishment in keeping with paragraph 8. For example, reducing management costs by changes to management / staff ratios.
- 9 At a summary level the proportion of savings by category are shown as follows:



- 10 The Council set clear criteria for its savings identification process designed to protect frontline services to residents, avoid compulsory redundancy where possible and increase permanent employment opportunities by reducing reliance on temporary and interim resources. To assist this a council wide voluntary redundancy/early retirement programme has been launched which is currently in train. The Council is currently implementing a comprehensive restructure, to ensure that savings, efficiencies and service delivery are maximised and improved. Some of the restructure proposals are in the Council's MTFs, including restructuring of the Mayor's Office and Resources along with further work to be undertaken on Adult Social Care. Part of the proposals include Voluntary Redundancy/Early Retirement schemes and reducing the use of agency workers. Ongoing structural changes to the Housing and Regeneration and Children's Services directorates will also be part of this ongoing restructuring process. Proposals to reduce contractual spend also form part of the savings. As a matter of principle only clearly identified savings with supporting equality impact assessments are included in the Councils budget reports for approval.
- 11 During the year further growth pressures have emerged largely as a result of:
- Demand led pressures, particularly in the areas of temporary accommodation, children's services and inflationary costs of adult social care packages, all of which are pressures faced by local authorities across the country. In the case of homelessness, which drives temporary accommodation demand, London boroughs have faced extreme pressures. This is visible on forecast out-turn positions for the current year as set out in the quarter two budget monitoring report presented to Cabinet on 13th December 2023. As illustrated in that report Tower Hamlets has accommodated these pressures comparatively well when compared to peers. These pressures have been driven by a combination of the legacy of the pandemic, high inflation, high energy costs driven by international events and the multiple impacts of Brexit. All outside of the Council's direct control.
 - Necessary investment required to accommodate new national initiatives such as the regulatory demand for building safety, emergency responses such as the RAAC problems and in the case of climate change, global pressures to meet carbon neutral targets and higher than expected costs associated with wider London schemes such as Transport for London's (TFLs) discounted rail programme.
 - The requirement to resource the resolution of some longstanding legacy issues, such as outstanding draft and audited accounts, annual governance statements, historical VAT underpayments and pensions administration issues. In the period this investment has resulted in major progress made including completion of the final audited positions for financial years 2016-17, 2017-18, 2018-19 and 2019-20, publication of draft accounts for 2020-21 and 2021-22 (with public inspection commenced), 2022-23 draft accounts due to

be published at the end of January 2024, publication of all relevant annual governance statements and successful resolution of the waste strike.

- 12 All growth items are presented for consideration in Appendix 3. A robust approach has been adopted to growth, which have followed the same governance processes as savings. As a result, the growth bids presented for consideration by Cabinet align to the primary areas of in-year budget pressures and protecting services for the most vulnerable residents.
- 13 As a result of the Mayor's declaration of a Waste Emergency in November 2022, £5million in additional one-off growth has been provisioned for investment in Waste Services in Tower Hamlets in 2024-25. Full details of this growth can be found in Appendix 3.
- 14 The wider funding position from government for all councils remains inadequate to accommodate the demand led pressures described above. During the year many peer councils are facing financial crises with some having little option but to issue Section 114 notices because their future costs exceed their current resources.
- 15 Considering all the above, the updated draft position set out in this report represents a significant improvement on that presented to members at the last budget setting meeting on 1st March 2023 and of that presented to Cabinet on 3rd January 2024. Effective and prudent financial planning undertaken over the last few months has ensured that the Council's financial position is much stronger than reported last year with all mayoral priorities delivered within its funding envelope. Tower Hamlets is not at any risk of issuing a Section 114 notice.
- 16 The position presented achieves the objective of securing a sustainable financial position with no ongoing reliance on the use of reserves to fund recurring costs throughout the life of the financial plan. Resulting in the council being well placed financially and maintaining a significantly improved and comparatively strong reserves position. The proposed budget improves the council's financial resilience, which in the current financial climate of insufficient public sector funding, is a necessity critical to the financial well-being of the organisation and our ability to continue to invest in and protect much needed services to our residents.
- 17 For the reasons outlined above, there should be no ongoing reliance on reserves to fund recurring costs across the medium term as this will erode our resilience and increase risk for the Council, which continues to operate in a very challenging environment.
- 18 The Council's HRA, as for a large proportion of local authorities, faces a number of pressures in respect of the net cost of homelessness, and forthcoming proactive regulation for the ownership of affordable housing. The Council's proposed strategy seeks to tackle this through "Better Homes", "More Homes" and "Less Homelessness" with identified approaches.

In summary these include:

- Maintaining required levels of investment in the housing stock.
 - Resourcing a risk focused team in the short-term to prioritise immediate works to properties via surveys on high-risk properties.
 - Mitigating risk and preparing for a new stronger regulatory requirement.
 - Reducing the Council's reliance on high-cost temporary accommodation by utilising the HRA to support an additional 300 homes rather than placing households in non-LBTH owned housing.
- 19 In order to achieve these the following steps have been taken to ensure a viable business plan to support additional investment:
- The Council's previous approach to Minimum Revenue Provision (MRP) within the HRA is to be discontinued to create additional revenue resources (at the expense of an increasing HRA CFR).
 - In addition, the 'golden rule' in terms of prudential borrowing levels from the HRA, has changed from a minimum of an interest cover ratio (ICR) of 1.5 to 1.15.
- 20 In terms of changes to investment levels with the plan the following have been made:
- A re-modelled level of up-front investment into the existing stock from 2024-25 to 2026-27 plus an additional safety net of £10 million which can be drawn down at any time.
 - An indicative acquisition of an additional 600 properties to be let at social rent levels supported by grant from the GLA as part of the recently announced round of funding at an assumed average cost.
- 21 This strategy based on understanding the immediate requirements of the stock, investing additional resources to identify those works that are presenting the highest risk in terms of regulation and compliance and the moves to create additional capacity in terms of the removal of MRP and lowering the minimum interest cover level to create capacity to acquire additional properties, be it for temporary accommodation or secure tenancies.
- 22 The delay to consultation on decent homes 2 results in continued uncertainty around the timing of meeting any new requirements and as such the Council has ensured capacity in terms of additional headroom and flexibility in changing investment priorities and has specifically stress tested these actions to demonstrate resilience and ability to accommodate changes quickly.
- 23 The figures presented in this report relating to the HRA incorporate the above changes.
- 24 In 2020 the government introduced a statutory override which separates local authorities' DSG deficits from their wider financial position. This is currently due to expire on 1st April 2026 and would therefore impact the Council's wider finances. At the start of the year there was a DSG deficit of £13.1m. Current demand trends indicate that without larger than forecast growth in DSG allocations then we will not be a position to reduce the accrued DSG deficit that has been bought forward. This position is in common with many local authorities, and we wait a direction on a longer-term solution from government.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Propose a draft General Fund Revenue Funding Requirement of **£462.606m** for 2024-25 subject to any other necessary adjustments.
2. Propose to levy a 2% Adult Social Care precept and an increase of 2.99% on the general Council Tax element for 2024-25.
3. Approve that the Corporate Director Resources, in consultation with the Mayor and Cabinet Member for Resources & Cost of living, be authorised to make any changes required to the draft budget following receipt of the Final Local Government Finance Settlement (LGFS).
4. Note the latest draft position of the Council's reserves, subject to final audit of the statements of accounts.
5. Approve the creation of the Council Tax Cost of Living Relief Fund.
6. Note the results of the budget consultation at Appendix 10.
7. Propose the 2024-25 Housing Revenue Account budget as set out in Appendix 7A.
8. Agree that the National Schools Funding Formula (NSFF) adopted by Tower Hamlets originally in 2019-20 continues for 2024-25. The only changes included are increases to the factor values in line with the NSFF.
9. Agree that the Minimum Funding Guarantee (the mechanism that guarantees schools a minimum uplift in per-pupil funding) is set as close to 0.5% as affordable, the maximum allowed after consideration for growth and factor changes in School allocations.
10. Agree that the structure of the Early Years Funding Formula remains unchanged except for the introduction of the expanded two-year-old entitlement and new provision from 9 months from September 2024 with revised hourly rates increases in line with the Early Years National Funding Formula.
11. Note that the Local Council Tax Reduction Scheme will remain unchanged for 2024-25.
12. Note the School funding position set out at Section 3.10, in particular the overall Dedicated Schools Grant (DSG) deficit.
13. Note the Equalities Implications as set out in Section 4.
14. Approve the three-year General Fund (GF) Capital Programme 2024-27 as set out in Appendix 8A, totalling £202.255m.

15. Approve the three-year Housing Revenue Account (HRA) Capital Programme 2024-27 as set out in Appendix 8D, totalling £384.918m.
16. Approve the revised 2023-24 General Fund and HRA Capital Programme budgets as set out in Appendix 8A and 8D, totalling £88.862m and £72.157m respectively.
17. Approve the budget allocation growth and reductions to schemes in the General Fund and Housing Revenue Account capital programme as detailed in Appendix 8C, subject to sign off through the council's capital governance process.
18. Approve delegated authority to the Corporate Director of Housing and Regeneration in consultation with the Corporate Director of Resources to take any steps required to deliver the capital programme including but not limited to going out to tender, appointing consultants and contractors in accordance with the Procurement Procedures, acquiring land interests and appropriating land from the General Fund to the Housing Revenue Account (HRA) for the delivery of new council homes, subject to approved budgets and in consultation with the Mayor and the Cabinet Member.
19. Approve budget provisions relating to the housing capital rolling programme to maintain and improve the existing council stock, amounting to 23.903m in 2023-24, £23.000m in 2024-25, £28.000m in 2025-26 and £34.000m in 2026-27, totalling £108.903m, in line with the latest update to the 30-year HRA Business Plan, with spend to be only committed in consultation with the Mayor and the Cabinet Member for budget provisions relating to financial years 2024-25 to 2026-27.
20. All capital projects within the capital programme will only proceed once all due diligence relating to the council's capital governance process has been completed.

1. REASONS FOR THE DECISIONS

- 1.1 The Council has a statutory duty to set a balanced and sustainable budget and to set the Council Tax Levels for the financial year 2024-25 by 11 March 2024 at the latest. The Council's Chief Financial (S151) Officer must confirm the robustness of the estimates applied and the adequacy of the Council's reserves as part of the budget setting report to Council.
- 1.2 The setting of the budget is a decision reserved for Full Council. The Council's Budget and Policy Framework requires that a draft budget be issued for consultation with the Overview & Scrutiny Committee to allow for their comments to be considered before the final budget proposals are made to Full Council.

- 1.3 The announcements and consultations made about Government funding in the Chancellor's Autumn Statement, the Local Government Finance Settlement, and challenges such as high inflation and the ongoing impact of the Covid-19 pandemic, require a robust and timely response to enable a balanced budget to be set.
- 1.4 A Medium-Term Financial Strategy (MTFS) covering the entirety of the resources available to the Council is the best way that resource prioritisation and allocation decisions can be considered and agreed in a way that provides a stable and considered approach to service delivery and takes into account relevant risks and uncertainty.
- 1.5 As the Council develops its detailed proposals it must continue to keep under review those key financial assumptions which underpin the Council's MTFS. Significant funding reforms have been signalled by Government and the Council has a reliance on funding sources that are potentially subject to change significantly in the medium term, and therefore it is important to continue to monitor the position.
- 1.6 The Mayor is required by the Local Government and Housing Act 1989 to determine a balanced Housing Revenue Account (HRA) budget prior to the start of the new financial year.
- 1.7 In accordance with Financial Regulations, capital schemes must be included within the Council's capital programme, and capital estimates adopted prior to any expenditure being incurred.

2. ALTERNATIVE OPTIONS

- 2.1 Whilst the Council will adopt a number of approaches to the identification of measures aimed at delivering its MTFS, it must set a legal and balanced budget and maintain adequate reserves for the coming financial year. The Mayor can propose the Council's priorities, in terms of the services it delivers and the level of investment, for agreement by the Council.
- 2.2 Additionally, the Council has a statutory duty to set a balanced HRA. Whilst there may be other ways of delivering a balanced HRA, the budget setting process outlined in this report is considered the most effective, in realising all the Council's statutory duties having regard to the matters set out in the report. The starting point for this is the agreement of rents and services charges.

3. DETAILS OF THE REPORT

3.1 BACKGROUND

3.1.1 On 3rd January 2024, Cabinet received a draft report on the MTFs and budget 2024-25. This report has subsequently been updated to include the Capital appendices (Appendix 8) the HRA budget (Appendix 7) and to reflect the Local Government Finance Settlement. Changes to the General Fund position included since the 3rd January Cabinet report and 31st January Cabinet report are shown in Section 3.5 of this report.

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

3.1.3 The drivers for the Council's financial strategy are:

- To set a balanced budget over the life of the MTFs. This objective was to ensure that, beyond the use of reserves set out in the MTFs in March 2023, it would remove any further reliance on reserves. The latest position shows a reduction in the use of reserves by £19m over the life of the MTFs, this ensures we are protecting residents from excessive council tax increases, as defined by the government, through the legislative framework covering Council Tax referenda.
- To fund priorities agreed within the Strategic Plan, ensuring that service and financial planning delivers these priorities.
- To deliver a programme of planned reviews and agreed savings initiatives designed to keep reductions to service outcomes for residents to a minimum.
- To maintain and strengthen the Council's resilience, maintaining a financial position that it has sufficient contingency sums, reserves and balances to address any future risks and unforeseen events without jeopardising key services and delivery of service outcomes for residents.
- Ensuring the Council maximises the impact of its spending, securing demonstrable value for money to deliver priority outcomes and respond proactively to external pressures in the context of the current challenging operating environment.

3.1.4 In the context of uncertainty and challenges facing the Council from a number of forthcoming fundamental changes to the financial environment in which local authorities operate, this Report updates members on the impact of these changes and proposes changes to growth, inflation, and previously agreed savings that will inform consideration of the budget package by the Overview and Scrutiny Committee. With reserves to support the position, the proposals

will deliver a balanced budget for 2024-25; taking into account the views of residents, business rate payers and other interested stakeholders.

3.1.5 The main body of the report has the following sections:

- Strategic Approach (Section 3.2)
- Medium Term Financial Strategy & Proposed Budget (Section 3.3)
- Impact on Council Services (Section 3.4)
- Financial Resources (Section 3.5)
- Budget Pressures, Growth and Inflation (Section 3.6)
- Savings Proposals (Section 3.7)
- Risks and Opportunities (Section 3.8)
- Reserves (Section 3.9)
- Schools' Funding (Section 3.10)
- Housing Revenue Account (Section 3.11)
- Capital (Section 3.12)
- Treasury Management Strategy (Section 3.13)
- Budget Consultation and Scrutiny Process (Section 3.14)

3.1.6 The key planning assumptions that support the draft budget proposals are set out in the body of the report and in the attached appendices.

3.2 STRATEGIC APPROACH

3.2.1 In August 2022, Cabinet approved the 2022-26 Strategic Plan. The strategic plan is the council's main plan. It sets out the most important priorities for the council between 2022 and 2026. These priorities are translated from the Mayor's vision and the administration's manifesto. All local authorities must deliver certain services and make decisions: these are set out in law. The plan also includes important actions that the council will take to make sure these services and decisions are the best they can be.

3.2.2 There are eight key priorities identified in the Strategic Plan:

1. Tackling the cost-of-living crisis
2. Homes for the future
3. Accelerate education
4. Boost culture, business, jobs and leisure
5. Invest in public services
6. Empower communities and fight crime
7. A clean and green future
8. A council that listens and works for everyone

2021 Census

3.2.3 The 2021 Census found that Tower Hamlets had the fastest growing population in England and Wales. Between 2011 and 2021 the local population grew by 56,200 to 310,300, an increase of 22%. The borough is the most densely populated area in England and Wales with 15,695 residents per square

kilometre compared to an average of 424 residents per square kilometre in England.

- 3.2.4 The Borough also has the youngest median age in the country (30). The proportion of working age adults aged 20-64 is large (71%) and there is a large population of children and young people aged 0-19 (23.4%) whilst the proportion of older people is the lowest in England and Wales (5.6%).
- 3.2.5 The Borough is extremely diverse with the large majority (77%) coming from non-White British ethnic backgrounds. This includes the largest Bangladeshi population in the country (34.6%) as well as a large White Other population and sizeable Somali, Chinese and Roma communities. 6.2% of residents reported not being able to speak English well or at all, which was the 8th highest proportion of any local authority area.
- 3.2.6 Socio economic pressures and inequalities in the Borough persist and addressing them are among the highest priorities for the Council. Children and older people are far more likely to be living in poverty in Tower Hamlets than elsewhere in the country with a 47% child poverty rate. Overcrowding is a major issue with 15.8% of households overcrowded – the highest in the country. 87.8% of households in the borough are living in a flat or apartment compared with 22.2% in England. Homelessness numbers are high and are rising with 2,821 households currently in Temporary Accommodation. 17,085 (75%) of children of those on the TH Housing Register lack one or more bedrooms. These high numbers place pressure on the use of expensive nightly booked bed & breakfast accommodation, there are currently 574 households in B&B accommodation compared with 363 a year ago.

3.3 MEDIUM TERM FINANCIAL STRATEGY & PROPOSED BUDGET

- 3.3.1 The revised Medium Term Financial Strategy is set out in Appendix 1A, and the detail by service area in Appendix 1B. The detailed figures and assumptions incorporated in these tables are explained more fully in this report. The figures assume a Council budget requirement of £462.606m for 2024-25.
- 3.3.2 The previous multi-year funding settlement agreed with the Government expired at the end of the 2019-20 financial year. Single year settlements have been announced since. The Governments 2021 Spending Review provided resource budgets for Government departments for the three years 2022-23 to 2024-25. However, the Government again published a single year settlement for 2024-25. The absence of a long-term settlement hinders the ability of local authorities to plan for the medium-term effectively and drives us to make assumptions and judgements about future years. All such assumptions and judgements are underpinned where possible by third party reference sources. For example, the Office of budget Responsibility (OBR), the Bank of England (BOE) and LG Futures.
- 3.3.3 London Councils recent budget briefing highlighted the following key issues.

- The 2023 Autumn Statement did little to inspire confidence for local authorities facing financial difficulty or provide hope for those who rely on local government services.
- Demand for ever-more costly services is growing, but the resources to provide them continue to shrink. Today, London boroughs' overall resources remain about 18% lower than 2010-11 in real terms. Over that same period, London's population has grown by almost 800,000—equivalent to a city the size of Leeds.
- Adult and children's social care, a key driver of boroughs' overall demand pressures, was hardly mentioned in the Autumn Statement, and there was no new funding for social care services or any general local government funding beyond what was announced last year.
- Based on initial analysis of the statement, London boroughs will still need to make over £500 million of savings in 2024-25, as part of an estimated £2 billion funding gap over the next four years. They have worked hard to protect their budgets, but there is no painless way to make savings on the scale required. Any low hanging fruit and general efficiencies are long gone. Boroughs plan to use a quarter of their reserves to balance budgets over the next four years. This is not sustainable.

3.4 IMPACT ON COUNCIL SERVICES

- 3.4.1 The one-year provisional Local Government Finance Settlement (LGFS) for 2024-25 rolled forward a number of funding streams for an additional year. The MTFs also includes another year of business rates growth that Tower Hamlets has been able to retain since the baselines were set in 2013-14. Reform is now not expected before 2026-27.
- 3.4.2 This one-year settlement marks the end of the current Spending Review period. In the Autumn Statement, announced on 22nd November 2023, departmental resource spending for the years beyond the current Spending Review period (2025-26 to 2028-29) are indicated to continue to grow at 1% a year on average in real terms, which implies real terms cuts for 'unprotected departments' like Local Government.
- 3.4.3 Reforms of local government funding, including a 'fair funding' review of the needs assessment formula and a reset of business rates baselines, have been announced in past years but never implemented. This remains a risk to the Council and the reset of business rates baselines has the potential to wiping-out growth since 2013-14. In early 2021 the Government also consulted on altering New Homes Bonus funding.
- 3.4.4 Any proposed changes could have significant implications for Tower Hamlets over the medium term. Retained business rates above the Council's baseline accounts for approximately £18.8m of the Council's funding. If these funding sources under the current mechanisms are changed and removed or reduced,

it is not clear how the money would be redistributed across local government, and this remains a significant future funding risk for the Council.

3.4.5 In addition to funding uncertainties in the medium term, the Council continues to face increases in demand for services, inflationary cost increases, demographic cost pressures particularly in Adult Social Care and temporary accommodation.

3.5 FINANCIAL RESOURCES

3.5.1 Since the 3rd January 2024 Cabinet report, updates have been made to the general fund position. The changes from the 3rd January position are shown in the following table:

Summary of Changes	2024-25 £000	2025-26 £000	2026-27 £000
3rd Jan - Budget Gap/(Surplus) after Approved Reserves Drawdown	(5,599)	(5,520)	7,145
Primary Free School Meals Grant	(2,200)	0	0
Leasing of Temporary Accommodation	(1,000)	(1,000)	(1,000)
Council Tax increase 2.99% in each year	(3,935)	(8,343)	(13,310)
Creation of Council Tax Cost of Living Relief Fund (17% of CTax increase)	658	1,411	2,278
(Surplus) / Deficit - after Funding	(12,077)	(13,453)	(4,887)
Community Improvements			
Acceleration Education - EMA / University Bursary Fund / Education Awards	1,350	1,350	1,350
Free swimming sessions for women and 55+ Male Seniors	248	248	248
Bengali Communications and Engagement team & General Engagement Officer	505	505	505
Love Tower Hamlets to complement and work alongside TH_IS place campaign	300	300	234
Street Advertising Income Generation & Venue Marketing	67	67	67
Community Improvements Total	2,470	2,470	2,404
Priority Projects			
Extra Care Housing Development	0	305	0
Somali Community Hub	60	60	60
Women's Resource Centre	400	400	400
Priority Projects Total	460	760	460
(Surplus) / Deficit - after Priorities	(9,147)	(10,218)	(2,023)
Contribution to the Budget Risk Reserve	2,300	0	0
Revised Budget Gap / (Unutilised allocated reserves) – after Risk Reserve	(6,847)	(10,218)	(2,023)
Contribution to Mayor's Accelerated Delivery Fund	6,847	10,218	2,023
Budget Gap / (Surplus)	0	0	0

3.5.2 The Primary Free School Meals grant reflects the recent decision by the Mayor of London to continue funding for 2024-25 and the amount is based on the current allocation.

3.5.3 Leasing of Temporary Accommodation reflects the Council securing a minimum of 35 units for use as temporary accommodation resulting in a saving from more expensive accommodation types such as B&Bs.

3.5.4 Creation of a Council Tax Cost of Living Relief Fund has been budgeted for to support those most impacted by an increase of 2.99% in the general Council Tax. Eligibility will be for any household with a total household income of up to £49,500 and further details are available in the relevant proforma in Appendix 3B. This means that any household with an income of up to £49,500 will be able to claim relief against the entire increase in Council Tax of 2.99%. It is

clear from our public consultation (appendix 10) that affordability of an increase in council tax maybe a point of concern for many residents. The council has been able to avoid any increases since 2022 covering the period when the cost-of-living crises was at its worst. However, our investment requirements in the things of most importance to residents alongside the challenging and uncertain current public sector funding environment from Government leave the council with no option other than to apply an increase. The Council Tax Cost of Living Relief Fund has been created to alleviate the impact of the increase on a wider group than those who will continue to be covered by our comparatively generous council tax discount scheme, which remains unchanged.

3.5.5 Further to the capital allocation for the Culturally Sensitive Substance Misuse Treatment Centre, £250k of grant from the Substance Misuse Supplementary Grant will be used to fund the revenue costs. The grant is expected to continue after 2024-25 with the costs needing to be funded from the general fund should the grant cease.

3.5.6 There is currently a risk reserve of £15.7m in earmarked reserves as a prudent means to ensure resilience in the MTFs. As good practice a review of the amount has been undertaken and the assessment shows an additional £2.3m is required. There is no prescribed method to calculate the level of reserve required and this is a matter of judgement. The current level of £18m is based on £10.8m for risks around income generation savings and £7.2m for inflation (equivalent to an in-year inflation variance of 1.5%). The calculation of the income generation risk is show as follows:

Risk Rating	Saving Areas	Risk %	2024-25 Income £'000	2024-25 Risk £'000	2025-26 Income £'000	2025-26 Risk £'000	2026-27 Income £'000	2026-27 Risk £'000
Low	Existing income generating schemes	5%	(12,489)	(624)	(7,859)	(393)	(7,219)	(361)
Medium	Fees and charges demand or charge increase	25%	(1,128)	(282)	(5,070)	(1,268)	(7,556)	(1,889)
High	New Income generating schemes	50%	(1,585)	(793)	(4,568)	(2,284)	(5,867)	(2,934)
Total			(15,202)	(1,699)	(17,497)	(3,944)	(20,642)	(5,183)
Cumulative Total								(10,826)

3.5.7 Since the 31st January 2024 Cabinet report, the final Local Government Finance Settlement was received on 5 February 2024 and this increased the Social Care Grant allocation by £3.052m, Services Grant allocation by £0.069m and Public Health Grant allocation by £0.125m. The report has been updated to reflect these changes as follows

Description	2024-25 £'000	2025-26 £'000	2026-27 £'000
Social Care Grant	(3,052)	(3,052)	(3,052)
Service Grant	(69)	-	-
Public Health Grant	(125)	(125)	(125)
Additional Resources	(3,246)	(3,177)	(3,177)
Additional resources for Public Health	125	125	125
Transfer to Social Care Risk Contingency	1,529	1,529	1,529
Resources transferred to ASC to meet additional ringfenced obligations	1,523	1,523	1,523
Additional Expenditure	3,177	3,177	3,177
Net Increase in Resources Transferred to Reserves	(69)	-	-

3.5.8 The revised summary MTFs is shown in the following table.

MTFS Summary 2024-27	2024-25 £'000	2025-26 £'000	2026-27 £'000
Net Service Costs	487,880	471,649	460,110
Growth - New	19,158	(1,142)	4,742
Grants and Funding impact on services - New	(18,086)	(4,730)	-
Inflation - New	6,250	(60)	6,510
Savings - Unachievable	1,213	-	-
Savings - New	(33,808)	(5,607)	(3,997)
Total Funding Requirement	462,606	460,110	467,365
Core Grants:			
- Revenue Support Grant	(41,954)	(43,213)	(43,905)
- New Homes Bonus	(2,171)	(2,171)	(2,171)
- Services Grant	(779)	(710)	(710)
- Improved Better Care Fund	(16,810)	(16,810)	(16,810)
- Social Care Grant	(34,012)	(34,012)	(37,212)
- ASC Discharge Fund	(3,928)	-	-
- ASC Market Sustainability & Improvement Fund	(6,409)	(6,409)	(6,409)
- Public Health Grant	(39,224)	(39,224)	(39,224)
Core Grants	(145,287)	(142,550)	(146,442)
Business Rates	(172,744)	(174,347)	(162,631)
Council Tax	(138,168)	(148,609)	(160,316)
Total Funding	(456,199)	(465,506)	(469,388)
Budget Gap / (Surplus) before Reserves Adjustments	6,407	(5,396)	(2,023)
Reserves Adjustments:			
Previously Approved Drawdown from Reserves	(15,622)	(4,822)	-
Contribution to the Budget Risk Reserve	2,300	-	-
Budget Gap / (Surplus) after Reserve Adjustments	(6,915)	(10,218)	(2,023)
Contribution to Mayor's Accelerated Delivery Fund	6,915	10,218	2,023
Revised Budget Gap / (Surplus)	0	0	0
Contribution to Mayor's Accelerated Delivery Fund over MTFs			19,156

Assumptions:

- Adult Social Care (ASC) precept increase of 2% allocated to help fund demographic pressures in Adult Social Care (i.e. spend on additional packages of care to support older and disabled people with increasingly complex needs) and 2.99% general Council Tax increase in all years.
- Business Rates income - assumes reset will occur in 2026-27.
- Core Grant allocations are based on the Local Government Finance Settlement announced in February 2024.
- Pay and contractual inflation at Autumn Statement (Office of Budget Responsibility) figures – 3.0% for 2024-25; 1.6% for 2025-26 and 1.5% for 2026-27.

Council Tax

3.5.9 Council tax income is a key source of funding for Council services. The amount generated through council tax is principally determined by the council tax taxbase (the number of properties adjusted for exemptions and discounts) and the rate of charge per property.

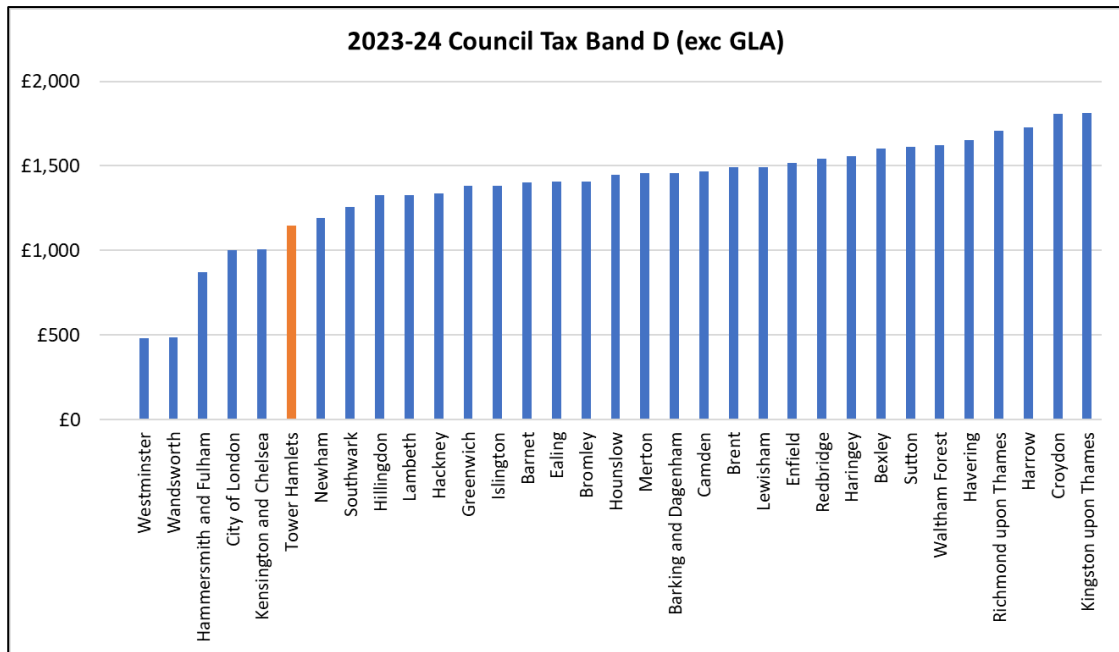
3.5.10 The Council can currently, subject to legislative constraints, increase its council tax rate through two mechanisms; general tax rate increases and the Adult Social Care precept.

3.5.11 The Government has stated the referendum level for general tax rate increases will be 2.99% for 2024-25 and a further maximum level of 2% for the ASC precept (specifically to fund Adult Social Care pressures). The Government assumes in the Core Spending Power calculation that councils will increase council tax at the maximum allowed level.

3.5.12 A 1% increase to council tax generates c£1.3m per annum which is sustainable and ongoing extra income.

3.5.13 Currently Tower Hamlets has one of the lowest council tax rates across the 33 London boroughs as shown in Chart 1 below.

Chart 1: 2023-24 Council Tax Rates Across London



3.5.14 For 2024-25, Tower Hamlets is expected to remain 6th lowest in London for Council Tax after factoring in increases. The Council also has one of the most generous Local Council Tax Reduction Schemes (LCTRS) in the country with those most in need able to get up to 100% reduction in their Council Tax. There are around 28,000 households in receipt of LCTRS.

3.5.15 The existing CTR scheme remains generous and unchanged and will continue to ensure that the poorest in the borough are not impacted by the proposed rise. Tower Hamlets residents straddle 2 economic extremes; from the poorest (who are already supported as set out above) to the very wealthy, for whom the impact of the increase is modest. It is therefore envisaged that those most financially disadvantaged by this necessary increase will be households not cushioned by the current discount scheme and not receiving enough income to be able to absorb even modest increases in outgoings. This group is often referred to as the “squeezed middle”.

3.5.16 It is difficult to find a reference source covering this section of our community. Integral to our proposals is a commitment to secure more data around this group which will enable a more targeted approach in the future. HMRC upper earning threshold for higher rate tax remains £50,270 which reflects the freeze in personal tax allowances at the equivalent 2022-23 rates.

3.5.17 We propose to establish a Council Tax Cost of Living Relief Fund with access for all who qualify, the criteria for accessing the increase relief is set at a total gross household income threshold of £49,500 per annum for financial year 2024-25. Access to the fund will be available to all residents occupying their primary sole residence within the Borough. We commit to maintaining the fund across the full 3-year period of this medium-term financial plan and will review

the total household income threshold annually as part of our budget setting process.

3.5.18 The existing local council tax discount scheme alongside the proposed Council Tax Cost of Living Relief Fund, which has a total household income threshold of £49,500 does reflect significant investment by the council in mitigating financial hardship. Further, the council provides an additional fully open access emergency grant scheme, the “Resident Support Scheme”, offering financial support for anyone in the borough experiencing financial difficulty. The Council funds £600k of emergency grants per year, and the Mayor has also allocated a proportion of the Household Support Fund to ensure more funding for open access applications from residents in need. This took the 23/24 allocation to over £1.3 million. Any resident in the Borough experiencing financial crises can submit an application to this fund.

3.5.19 We have a council tax base of c140,000 dwellings. c28,000 households currently benefit from our council tax discount scheme. Using the average weekly band d equivalent as an illustration the Council Tax Cost of Living Relief Fund proposed for the coming year would protect an additional c19,000 households.

3.5.20 We have considered the risks associated with higher-than-expected demand on the scheme and have mitigated the risk by a combination of a clear cap relating to only to the value of the increase for those meeting the maximum gross household income criteria (£49,500) and making adequate provision within our overall risk contingency for the coming year.

3.5.21 The table below illustrates the weekly impact of the proposed rise by council tax band.

Property Band	A	B	C	D	E	F	G	H
Weekly increase	£0.44	£0.51	£0.59	£0.66	£0.81	£0.95	£1.10	£1.32

3.5.22 Using the total household gross income takes account of all household incomes and seems a fair bases on which to access the fund. The threshold set remains below the higher rate income tax threshold and circa 8% above the ONS average national weekly total earnings (AWE).

3.5.23 Significant investment into the community has been funded from Council Tax. The list of revenue and capital growths set out in Appendices 3A and 8A demonstrates this and includes the Mayor’s priority projects and numerous community improvements such as free swimming sessions and waste services.

3.5.24 The Covid-19 pandemic increased significantly those claiming benefits including through the Local Council Tax Reduction Scheme (LCTRS). The LCTRS impact on the Council’s tax base has not yet returned to pre-pandemic levels.

- 3.5.25 The council tax collection rate decreased during the pandemic and has improved during 2023. However, in year collection rates remain lower than pre-pandemic levels by around 1%.
- 3.5.26 Additionally, growth in the council tax base has been below average for the Council at 1.7% for the year to September 2023. Nationally there has been an increase of 1.0% in the average Council Tax base which is 0.5% lower than growth in the previous year (1.5%) and below the average level of annual growth of 1.5% in the three years to September 2019.
- 3.5.27 The Council tax taxbase calculation for 2024-25 has assumed growth based on the average over the last five years of 3.1% and a 97.79% collection rate. This rate is higher than last year by 0.29% due to the additional collection activity the Council will undertake in 2024-25.

Local Council Tax Reduction Scheme (LCTRS) 2024-25

- 3.5.28 The Council did not make any changes to the Local Council Tax Reduction Scheme (LCTRS) for 2022-23 and 2023-24. The level of claimants has reduced from the increased pandemic level but remains higher than before the pandemic (19,704 band D equivalent claimants in 2019 compared to 20,217 in 2023).
- 3.5.29 The current LCTRS scheme remains amongst the most generous in the UK protecting Tower Hamlets residents on low incomes. Those on the lowest income can receive 100% relief and pay no council tax.
- 3.5.30 Each year, the Council is required to consider whether it wishes to change its LCTRS. Any changes to the scheme require a full public consultation and impact analysis. This draft budget and MTFS assumes the council will not make any changes to the existing 100% LCTRS for 2024-25 protecting our residents on low incomes.

Business Rates Retention Scheme

- 3.5.31 The Council retains 30% of business rates collected with 37% passported to the Greater London Authority (GLA) and 33% to central government.
- 3.5.32 Due to the impact of the pandemic, there was a Business Rates Collection Fund deficit to the end of 2022-23, of which the estimated Council share is £17.0m. Government funding did not match the year in which the deficit is recognised so the additional funding was put into a Collection Fund Smoothing Reserve and is being released to meet this deficit.
- 3.5.33 The Council entered a business rates pool with seven other neighbouring London boroughs in 2022-23 (the 8 Authority Pool) and will continue in this pool arrangement for 2024-25. This will enable the Council to retain some of the levy on growth that would otherwise be required to be paid to Central Government.

The amount of extra growth retained is estimated to be £2.0m one-off extra income in 2024-25 and 2025-26.

3.5.34 The business rates baseline was due to be reset in 2022-23, however this has been delayed and is unlikely to happen before 2026-27.

3.5.35 The current business rates system allows councils to retain a proportion of the growth in the local business rates tax base, however this is typically lost during funding rebasing. For Tower Hamlets this is c£18m of funding that could be lost, allowing for transition relief, because of a reset and the annual delays are expected to have improved the budget. Beyond this, there is significant uncertainty around when the government will implement the reset, how the money would be redistributed across local government and the amount of any transitional relief provided to the Council; therefore, the level of business rates income is uncertain in future with a risk of reduced funding for the Council going forward.

Core Grants

3.5.36 The Council is in receipt of several core grants to support specific service priorities. Assumptions have been made in respect of most grants after 2024-25 due to the one-year settlement based on modelling by specialists LG Futures. The final Local Government Finance Settlement (LGFS) was announced on 5 February 2024 and provides the 2024-25 grant allocations for core grants.

Revenue Support Grant

3.5.37 Revenue Support Grant (RSG) is a central government grant given to local authorities which can be used to finance revenue expenditure on any service. The amount of Revenue Support Grant to be provided to authorities is established through the Local Government Finance Settlement using the relevant funding formulae; the revision of these formulae is the focus of the (deferred) Fair Funding review process.

3.5.38 Inflationary increases in RSG have been included based on the inflation assumptions in the Autumn Statement. RSG for 2024-25 is £42.0m.

New Homes Bonus

3.5.39 The New Homes Bonus (NHB) scheme was introduced in 2011-12 to help tackle the national housing shortage. The scheme was designed to reward those authorities that increased their housing stock either through new build or by bringing empty properties back into use. Tower Hamlets is a high growth area and has in the past attracted one of the highest levels of NHB in the country.

3.5.40 A consultation was launched after the 2021-22 settlement on the future of NHB with options including increasing the threshold for payment and various other factors that could be included for calculations. There is uncertainty in the

amounts to be received going forward and payments have reduced significantly in recent years.

3.5.41 If the NHB were to end in the medium term, it is expected that decreases in NHB will be re-allocated nationally into other funding streams such as the Revenue Support Grant or other core grants. Over the medium term the level of funding potentially lost will depend on which changes are announced, the timescales for implementation and any transitional funding for Councils. The grant in 2024-25 will be £2.2m (£3.9m in 2023-24) with the MTFs assuming that funding will be at the same amount in all future years.

Services Grant

3.5.42 In the 2022-23 LGFS, the Government introduced a Services Grant and the allocation for Tower Hamlets was £7.688m. This grant was not ringfenced, and conditions on reporting requirements were not attached. It was provided in recognition of the vital services, including social care, delivered at every level of local government and also included funding for local government costs for the increase in employer National Insurance Contributions.

3.5.43 The Council's allocation was reduced to £4.3m in 2023-24 and was further reduced to £0.8m for 2024-25.

Improved Better Care Fund

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

3.5.45 In addition to this, an Improved Better Care Fund (IBCF) was announced in the 2016-17 budget to support local authorities to deal with the growing health and social care pressures during the period 2017-20. The Spending Rounds since 2019 have extended this grant for one year at a time. The Local Government Finance Policy Statement 2024 to 2025 confirmed the grant will continue in 2024-25 and this funding is built into the MTFs at £16.8m for all years.

Social Care Grant

3.5.46 The 2020-21 LGFS confirmed that the previous Social Care Support Grant allocations will be rolled into a new Social Care Grant for 2020-21. The Social Care Support Grant allocation for Tower Hamlets of £2.499m was used to support the revenue budget funding for demographic and inflationary growth for the directorates. The grant was increased in 2020-21 to £9.367m. This increase of £6.868m was allocated 50% to supporting the revenue budget funding for demographic and inflationary growth for the directorates, and the remaining 50% directly allocated as budget to the services (75% to adult social care and 25% to children's social care). The Social Care Grant was increased by £2.974m in 2021-22 and then a further £4.261m in 2022-23 (to a total of £16.602m).

3.5.47 The Government announced previously that proposed Adult Social Care reforms would have their implementation delayed from October 2023 to October 2025, yet the accompanying funding would be provided to Local Government to support alleviating pressures within Adult Social Care. The Social Care Grant in 2023-24 was therefore increased to £25.958m. The grant for 2024-25 within the MTFS is £34.012m.

3.5.48 The table below demonstrates the allocations of the Social Care Grant.

Social Care Grant Allocations	Total £m
2019-20 Funding	2.499
2020-21 Additional Funding	6.868
2021-22 Additional Funding	2.974
2022-23 Additional Funding	4.261
2023-24 Additional Funding	9.356
2024-25 Additional Funding	8.053
Total 2024-25	34.012

ASC Discharge Fund

3.5.49 The fund of £500m nationally was announced on 22 September 2022 as part of the government's Our Plan for Patients policy paper, to help people get out of hospitals and into social care support.

3.5.50 This fund will continue in 2024-25 and government has confirmed that this will be in addition to the existing Better Care Fund. Funding of £3.9m is included in the MTFS for 2024-25 only as it is unclear if the funding will continue.

ASC Market Sustainability and Improvement Fund

3.5.51 The 2022-23 LGFS announced the new Market Sustainability and Fair Cost of Care Fund grant for 2022-23 intended to help local authorities to prepare their markets for reform and move towards paying the fair cost of care. The government distributed funding using the adult social care relative needs formula and the 2022-23 allocation for Tower Hamlets was £0.989m. The budget allocated this funding in full to the Health, Adults and Community directorate.

3.5.52 The funding was intended for local authorities to carry out activities including:

- Conduct a cost of care exercise to determine sustainable rates.
- Engage with local authorities to improve data on operational costs and the number of self-funders.
- Strengthen capacity to plan and implement greater market oversight.
- Use the funding to increase fee rates (appropriate to local circumstances).

3.5.53 The 2023-24 finance settlement increased this funding to £3.430m in 2023-24 and to £6.4m in 2024-25. The grant was renamed to the ASC Market

Sustainability and Improvement Fund. It is envisaged that this will primarily be required to pay higher rates to providers towards a fair cost of care and to fund administration costs for the development of the market.

Public Health Grant

3.5.54 The Public Health grant is ring-fenced for use on public health functions exclusively and covers all ages. The allocation of the Public Health grant to Tower Hamlets for 2023-24 was £37.372m. The 2024-25 allocation has increased to £39.224m.

Social Care Reform

3.5.55 In December 2021 the Government published its long-awaited white paper on Adult Social Care reform entitled 'People at the Heart of Care' setting out a 10-year vision for transforming support and care in England. The document set out a range of priorities that the Government will seek to take forward with the sector in coming years.

3.5.56 The Government published 'Build Back Better: Our Plan for Health and Social Care' in September 2021 introducing a new health and social care levy to National Insurance Contributions, initially to help fund the clearance of NHS backlogs, a cap on care costs of £86,000 and the ability of self-funders to ask their Local Authority to arrange their care for them. The Government reversed the health and social care levy in November 2022 and has announced that implementation of the reforms would be delayed from October 2023 to October 2025.

3.5.57 The 2022-23 LGFS stated that to ensure that local authorities were able to move towards paying a fair cost of care, the Government was providing an additional £1.4 billion over the next 3 years. This formed part of the £3.6 billion confirmed at Spending Review 2021 to implement Charging Reform. £162 million will be allocated in 2022 to 2023 to support local authorities as they prepare their markets for reform. A further £600 million will be made available in both 2023-24 and 2024-25.

3.5.58 The Autumn Statement 2023 reaffirms the commitments made at Autumn Statement 2022 to provide additional support to the NHS and adult social care in England in response to the pressures facing the health service.

3.6 BUDGET PRESSURES, GROWTH AND INFLATION

3.6.1 A key part of the annual budget setting process is the review of growth pressures across the MTF period arising from demographic changes, new requirements or responsibilities or inflationary pressures.

- 3.6.2 In line with this review methodology, previously agreed demographic growth funding for Adult Social Care (ASC) has been updated for 2024-25 to 2026-27. For 2024-25 the demographic growth is estimated to be £2.9m, a reduction of £3.9m and reflective of the demand management measures that include more effective price controls to mitigate pressures. However, this reduction is offset in part by an additional £1.5m of inflationary pressures due to the higher levels of inflation experience in 2023-24. Funded through the 2% ASC precept in 2024-25 would bring in c£2.6m to assist fund these pressures.
- 3.6.3 The 2024-25 pay award was agreed nationally in November 2023 and the final cost to the General Fund was £12.4m. The award was the higher of £2,352 or 3.88%. The MTFs has been updated for 2024-25 to provide budget for the 2023-24 short-fall and a 3% pay award assumption for 2024-25, due to continuing cost of living pressures on national negotiations. The allowance for 2025-26 and 2026-27 assumes pay awards in line with the Office of Budget Responsibility (OBR) inflation forecasts of 1.6% and 1.5% respectively.
- 3.6.4 Next year's 10% increase in the national living wage (NLW) will trigger adult social care pressures without increased government funding for councils. Shire authorities said the NLW rise would cost them £6.3m each on average in 2024-25, totalling £230m across the sample polled by the County Councils Network (CCN) following last month's autumn statement. The rise in the NLW from £10.42 to £11.44 an hour, announced in the autumn statement, will benefit many adult social care staff in independent providers commissioned by local authorities.
- 3.6.5 For non-pay inflation, provision has been made in line with the OBR inflation forecasts, i.e. 3% in 2024-25, 1.6% in 2025-26 and 1.5% in 2026-27. In October 2023 the CPI inflation rate was 4.6%.
- 3.6.6 Directorates in the Council have reviewed their service areas for unavoidable growth and budget pressures that are requested to be funded in 2024-25. The growth requests are listed in Appendix 3.

3.7 SAVINGS PROPOSALS

Savings Proposals – General Fund

- 3.7.1 The Council has previously approved savings in past years and a further unidentified savings requirement to ensure that a balanced budget was in place for the MTFs three-year period. There are also new savings proposed in this budget for 2024-25 totalling £33.808m and these are listed in Appendix 4.
- 3.7.2 The identified savings previously approved by Council total £1.802m in 2024-25.

Historic savings to be written off - £1.213m

3.7.3 Following a robust review, the following previously agreed savings are no longer achievable or will be achieved through a different route, and it is proposed in this budget that these are now formally removed:

- **Review of Printing/Scanning/Use of Multifunctional Devices (SAV / ALL 001 / 17-18) £0.263m.** This saving was approved in 2017-18 and totalled £1.5m. There is £0.263m remaining relating to hybrid mail where the savings have not matched projections.
- **Using Section 106 funding to fund Housing Supply Team (SAV / PLA 001 / 23-24) £0.050m.** This was duplicated with savings SAV / PLA 005 / 23-24 - Removal of Development Officer Vacant Post.
- **Consolidation of Management Positions (SAV / PLA 008 / 23-24) £0.200m.** Saving has been superseded by the wider planned corporate restructuring.
- **Human Resources – Reprofiled to 2024-25 (SAV / RES 001 / 17-18) £0.700m.** The saving has slipped since approval in 2017-18 and relates to cross Council restructure savings that have been superseded by the new structure review.

3.8 RISKS AND OPPORTUNITIES

3.8.1 When setting the MTFS, best estimate of service costs and income based on the current information is used. However, there will always be factors outside of the Council's direct control which have the potential to vary the key planning assumptions that underpin those estimates.

3.8.2 There are several significant risks that could affect either the level of service demand (and therefore service delivery costs) or its main sources of funding. In addition, there are general economic factors, such as the level of inflation and interest rates that can impact on the net cost of services going forward.

3.8.3 Existing pressures in service demand are reported in the Council's budget monitoring for 2023-24 reports. The main MTFS risks and opportunities are summarised below.

Inflation

- CPI Inflation stood at 4.6% in October 2023, down from 6.7% in September. Inflation is expected to continue to fall but it has proven persistent and the economy resilient to date so there is a risk that the Council's current assumptions will need to be revised.
- A 1% change in pay inflation equates to c£2.4m.

Regulatory

- **Business Rate Reset** – A proposed business rates reset by the Department for Levelling Up, Housing and Communities (DLUHC) could mean that the baseline level will be raised to the current level of business rates, and therefore Tower Hamlets will only retain extra income for growth that occurs above the new baseline expected level.
 - The target business rates amount since 2013-14 was set on cash amounts received in previous years. This created winners and losers depending on the timing of appeals. Tower Hamlets benefited from the methodology chosen, plus has benefitted from growth achieved locally since 2013-14.
 - It was always DLUHC's intention to update the target amounts. This was planned to take place in 2019-20 but has been regularly delayed and not expected until at least 2026-27, so, in this regard, Tower Hamlets has benefitted. It is envisaged that resets will also occur periodically going forward.
 - Once the reset takes place, it is expected the growth will be redistributed based on need (within the funding formula) and Tower Hamlets will receive a share. Tower Hamlets should also receive more resources going forward if local growth continues.

- **Review of relative needs and resources (also called the Fair Funding Review)** - the government has committed to reforming the way local authorities are funded. Its Fair Funding Review aimed to introduce a new funding formula from April 2021, which was now delayed and not expected until at least 2026-27. The government has said that the Fair Funding Review will: -
 - set new baseline funding allocations for local authorities;
 - deliver an up-to-date assessment of the relative needs of local authorities;
 - examine the relative resources available to local authorities;
 - focus initially on the services currently funded through the local government finance settlement;
 - be developed through close collaboration with local government to seek views on the right approach.

It is considered likely that London authorities will be adversely affected by the changes.

Adult Social Care Services

- **Price pressures in the social care market** – impact of workforce shortages and inflation on labour, fuel, food and clothing costs.
- **Discharge from hospital** – reduction in NHS funding for the short-term funding of care costs for residents that are discharged from hospital.
- **Increased demand** – Population growth estimates are built in and changes in the complexity of needs also impacts demand.

General Economic Factors

- Economic growth slowing down or disappearing
- Reductions in grant and third-party funding
- Reductions in the level of income generated through fees and charges
- A general reduction in debt recovery levels

Increases in Service Demand

- Adult Social Care homecare and residential care services
- Children's Social Care including an increase in the number of looked after children, unaccompanied asylum seekers or those with no recourse to public funds
- Support for children with special educational needs including transportation.
- Housing (including homelessness and temporary accommodation)
- General demographic trends (including a rising and ageing population)
- Impact of changes to Welfare Benefits

Efficiencies and Savings Programme

- Non-delivery of savings is a risk to the Council and will continue to be monitored during the current and next financial year
- Slippage in the expected delivery of the savings programme

Local Taxation

- Collection rates are impacted by the economy which affects taxpayers' ability to pay.
- An increase in the Council's tax base has occurred over previous years and growth above current projections will generate more income.

Other Opportunities

- Growth in local taxbase for both housing and businesses
- Service transformation and redesign including digital services
- Invest to save approach (including capital improvements) to reduce revenue costs
- Income generation opportunities including through a more commercial approach

3.9 RESERVES

3.9.1 Reserves are an important part of the Council's financial strategy and are held to create long-term budgetary stability. They are the foundation for good financial management and resilience. They enable the Council to mitigate future risks, such as increased demand and costs; to help absorb the costs of future liabilities; and to enable the Council to resource policy developments and initiatives without a disruptive impact on rates of Council Tax. As one-off resources they can only be spent once.

3.9.2 The Council's key sources of funding face an uncertain future and the Council, therefore, holds earmarked reserves and a working balance to mitigate financial risks. There are two main types of reserves:

- Earmarked Reserves – held for identified purposes and are used to maintain a resource to provide for ideally, one-off expenditure in a future year/s
- General Reserves – these are held for ‘unforeseen’ events. Recent lessons learned from valued fellow councils in the current challenging operating environment serve to emphasise the importance of this.
- General Balance – This is strongly recommended not to be less than £20m.
- Reserves in the circumstances referred to above, support financial resilience, providing a cushion to “buy time” in the event of stormy waters.
- Reserves invested wisely in schemes that reduce future costs can build added resilience (e.g. in invest to save schemes).
- The council’s resilience and financial capacity underpin key judgements as to our risk profile and credit worthiness, in turn contributing to our ability to secure future borrowing.

3.9.3 The Council also maintains reserves in respect of its Housing Revenue Account (HRA), this together with our headroom again underpins our ability to borrow, which is critical during this time of a nationally recognised housing shortage crisis. An issue of particular focus at Tower Hamlets.

3.9.4 In 2020, the government also introduced a statutory override which separates local authorities’ DSG deficits from their wider financial position. The statutory override was put in place and meant that local authorities’ DSG deficits could be separated from their wider accounts. This is currently due to expire on 1st April 2026. At the start of the year there was a DSG deficit of £13.1m. Current demand trends indicate that without larger than forecast growth in DSG allocations then we will not be a position to reduce the accrued DSG deficit that has been bought forward. This position is in common with most Local Authorities, and we wait a direction on a longer-term solution from government.

3.9.5 The amount held in reserves is a matter of judgment which considers the purpose for which they are maintained and the Council’s potential financial exposure to risks. The Council’s current Reserves Policy is included in Appendix 5. The level of balances is examined each year along with the level of reserves considering the risks facing the authority in the medium term. The S151 officer is required under Section 25 of the Local Government and Finance Act to include in Budget Reports, their view of the adequacy of the balances and reserves the budget provides for.

3.9.6 Reserves are one-off funds and, therefore, the Council should always aim to avoid using reserves to meet on-going financial commitments other than as part of a sustainable budget plan. In the current challenging environment, it is even more important to ensure reserves are maintained and not on a continuing declining trajectory. The minimum level of General Revenue balance is £20m.

3.9.7 The following table is an overview of forecast balances on reserves at 31 March 2024 (subject to outturn and audit of outstanding Accounts).

Reserves Summary	Forecast 31/03/2024 £m
General Fund Reserve	20.0
Earmarked Reserves	
Earmarked Reserves with Restrictions on use	84.9
Earmarked Reserves without Restrictions	62.2
Other Reserves	
Housing Revenue Account	10.2
Housing Revenue Account Major Repairs Reserve	0.6
Dedicated Schools Grant Surplus / (Deficit)	(13.1)
Reserves restricted by law to finance Capital Expenditure	
Capital Grants Unapplied	213.4
Capital Receipts Reserve	164.7
Overall Reserves Total	542.9

3.9.8 Please refer to Appendix 6 for the detailed projected movement in reserves over the period 2023-27. The proposed corporate reserve movements for 2023-24 and 2024-25 are set out below.

Projected Corporate reserve movements 2023-24

Description	Transfer from Reserves £m	Transfer to Reserves £m
Contribution to fund Collection Fund deficit costs (from Collection Fund Smoothing Reserve)	11.3	
Contribution to fund Primary Schools Free School Meals costs (from Free School Meals Reserve)	1.8	
Contribution to fund MTFS (from Mayor's Priority Investment Fund)	22.1	
Contribution to fund Social Care pressures (from Mayor's Priority Investment Fund)		4.6
Transfer from Mayor's Priority Investment Reserve (to create Social Care pressures reserve)	4.6	

Proposed Corporate reserve movements 2024-25:

Description	Transfer from Reserves £m	Transfer to Reserves £m
Contribution to fund MTFS (from the Mayor's Priority Investment Reserve)	15.6	
Contribution to Mayor's Accelerated Delivery Fund (from MTFS update - see table at paragraph 3.5)		6.9
Contribution to Risk Reserve (from MTFS update – see table at paragraph 3.5)		2.3
Contribution to fund Collection Fund deficit (from Collection Fund Smoothing Reserve)	8.3	

3.10 SCHOOLS' FUNDING

- 3.10.1 The largest single grant received by the Council is the Dedicated Schools Grant (DSG), which is ring-fenced to fund school budgets and services that directly support the education of pupils. The Local Authority receives its DSG allocation gross (including allocations relating to academies and post 16 high needs provision), and then the Education & Skills Funding Agency (ESFA) recoups the actual budget for Academies to pay them directly, based on the same formula as the funding allocations made to Tower Hamlets maintained schools. This leaves a net LA cash budget.
- 3.10.2 The DSG is allocated through four blocks: The Schools Block, Central School Services Block, High Needs Block and Early Years Block. All elements of the DSG are calculated based on a national funding formula, however these are calculated using historic funding as a baseline.
- 3.10.3 Whilst the Schools Block allocation for 2024-25 is based on allocating a school level budget calculation, the method of distribution to schools is still through a local formula methodology.
- 3.10.4 In December 2023, the ESFA published final allocations for 2024-25 for the Schools Block and Central Services Block, as well as indicative allocations of the High Needs and Early Years Blocks. The High Needs block and Early Years blocks are amended during the year after taking consideration of changes to places and take up.
- 3.10.5 The Main element of the school's block of the DSG has been calculated by building in the previously separately paid schools additional pay grant and a 0.5% per pupil increase from 2023-24.
- 3.10.6 The High Needs Block is funding to support costs of pupils with additional education needs, across mainstream and special schools as well as the associated support costs. The allocation of the high needs block for 2024-25 has increased by a 4% increase. There continues to be an accrued deficit that will be bought forward and can, in line with government guidance, be bought back into balance over several future financial years.
- 3.10.7 Significant work continues to take place to identify efficiencies in high needs provision, including remodelling of central services, review of top ups paid to individual schools as well as building local capacity to prevent expensive placements outside of LBTH. Tower Hamlets is currently part of the Department of Education, delivering better value (DBV) programme which will further explore cost avoidance in 2024-25.
- 3.10.8 The Central Schools Services Block (CSSB) was introduced in 2018-19 to fund LAs for their statutory duties relating to maintained schools and academies. The CSSB brings together funding previously allocated through the retained duties element of the Education Services Grant (ESG) funding for ongoing central functions e.g., admissions and funding for historic commitments

including items previously agreed locally such as contributions to central Education budgets.

- 3.10.9 As part of the national funding formula the DfE are reducing the allocation within the CSSB of historic commitments and the CSSB for Tower Hamlets has been decreased by £251k in relation to historic commitment for 2024-25, and therefore significantly reduces central education spending power.
- 3.10.10 In addition to the Central Schools Services Block, maintained schools can, through the schools Forum, agree to de-delegate some of their Schools Block resources for certain specific services that schools would benefit from the economies of being managed centrally. Schools can also make contributions to support the former Education Services Grant (ESG) general duties which was removed as a separate grant in 2017. This contribution supports costs the Council is obliged to carry out as statutory duties for maintained schools, for example in relation to financial regulation, asset management, internal audit, HR and the provision of information to government departments and agencies. Schools Forum will be asked at the school Forum of 17th January 2024 to increase these contributions and de-delegations by 0.5% to match the increase in the schools funding.
- 3.10.11 The early years free entitlement is increasing in the 2024-25 financial year in line with Government policy. Free entitlement for working parents of two-year-olds is introduced from April 2024 and provision is then extended to an entitlement for Children from nine months old for working parents from September 2024. This increase in entitlement is reflected in the large indicative increase in the Early Years block.
- 3.10.12 The table below sets out the initial DSG allocation over the funding blocks for 2024-25. Please note that the final 2023-24 allocations will be finalised in July 2024.

Dedicated Schools Grant – 2024-25 and Current 2023-24

Block Gross	2024-25 £m	2023-24 £m	Change £m
Schools Block	303,864	295,265	8,599
CSSB	2,906	3,157	(251)
High Needs Block	85,993	82,472	3,521
Early Years Block	*40,510	30,163	10,347
Total	433,273	411,057	22,216

** Includes funding for new statutory provision for 2 years olds and 9mth+*

- 3.10.13 In addition, the Council receives, and passports fully to schools, funding for the pupil premium (£23m in 2023-24) and sixth form funding (circa £15m) 2023-24).

Final allocations for the pupil premium will be confirmed in July 2024, Sixth form funding in March 2024.

Tower Hamlets' Funding Formulae

3.10.14 The agreement on the local Schools Funding Formula and Early Years Funding Formula is a decision for the Council following consultation with the Schools Forum. Schools Forum have agreed in principle to mirror the national funding formula, which was confirmed in the November Forum meeting, and is in line with the direction of travel stated by government. Schools Forum in January will consider the following:

- That the formula adopted by Tower Hamlets originally in 2019-20 continues for 2024-25.
- That the Minimum Funding Guarantee (the mechanism that guarantees schools a minimum uplift in per-pupil funding) has been set at close to 0.5%, the maximum allowed, as affordable.
- That the structure of the Early Years Funding Formula is maintained whilst allowing for amended rates reflecting the increases and the changing entitlements for 2024-25.

3.11 HOUSING REVENUE ACCOUNT (HRA)

3.11.1 The Housing Revenue Account (HRA) was introduced as part of the Local Government & Housing Act 1989. It is a ringfenced account that contains the income and expenditure relating to the activities of the Council as landlord of its dwelling stock.

3.11.2 Being a ringfenced account means that any surplus or deficit on the HRA cannot be transferred to the General Fund and must remain within the HRA. The HRA cannot subsidise or be subsidised by the General Fund and must remain in balance.

3.11.3 Prior to April 2012 the provision of Local Authority Housing was managed through a subsidy system with rents being collected at a local level, pooled and redistributed back to Local Authorities based on a formulaic calculation.

3.11.4 From April 2012, the Localism Act abolished the subsidy grant and replaced it with self-financing, under which local authorities took a one-off share of the national housing debt in return for retaining all rental income collected. Therefore, the HRA retains all benefits associated with its property portfolio but also incurs the risk and costs associated with them.

3.11.5 These freedoms were introduced with strings attached in the form of a debt cap. This was set by the Government individually for each Authority and represented the maximum level of borrowing allowed to fund investment in any

new build programme or investment in the existing stock. In Tower Hamlets the debt cap was set at £184m.

3.11.6 In October 2018 the Government abolished the debt cap as it was felt to have been set artificially low and was restricting Local Authorities in their new homes programme which was contributing to the shortage of available housing. As a result, the HRA is now able to borrow at higher levels than the debt cap and monitors the affordability of its current and planned future borrowing through parameters set within the HRA business plan.

3.11.7 The HRA business plan is a requirement of self-financing and is a 30-year plan that models both revenue and capital income and expenditure and assesses the affordability of current and future plans and their impact on HRA reserve balances. The HRA business plan is updated annually as part of the budget setting process to ensure activities within the HRA are affordable.

2024-25 Rent Increase

3.11.8 Annual rental increases or decreases are set nationally by Central Government. Section 23 of the Welfare Reform and Work Act forced local authorities to implement a rent reduction of 1% for four years starting in 2016-17. The last year to which the rent reduction applied was 2019-20.

3.11.9 In September 2018 the Government published a consultation entitled “Rents for social housing from 2020-21” in which it set out its proposals for social rent policy from 2020-21. The proposals are that the Regulator of Social Housing’s rent standard will, from 2020-21, apply to local authorities. This will mean that, in common with other Registered Providers (RPs), local authorities will be permitted to increase their rents by a maximum of CPI + 1% for at least five years.

3.11.10 Any rent increase is based on the September CPI figure, and therefore the maximum rent increase would be this CPI figure + a further 1%. The financial year 2024-25 represents the final year of this commitment and the Government has yet to announce its rent policy beyond this year.

3.11.11 In 2023-24, faced with an unprecedented rise in inflation and the exceptional cost of living pressures on households, the Government restricted the social housing rent increase by capping it at a lower than inflation level of 7%. The Mayor at Cabinet on the 23rd January 2023 approved this maximum rent increase.

3.11.12 The capped rent increase only applied to existing tenants and the Council had further flexibility on rents for new properties and relets where the formula rent and full CPI plus 1% rent increase could be applied if Tower Hamlets chose to do so. The Mayor at Cabinet approved this flexibility, with CPI +1% rent increases being implemented on new properties and those being re-let.

3.11.13 DLUHC has published an impact assessment alongside the consultation which estimates the loss of rental income for councils nationally at £3.4billion in the 5-year period between 2023 and 2028.

3.11.14 In its Autumn Statement on the 22nd November 2023 the Government announced that Local Authorities will be able to increase rents in line with its Social Housing Policy, up to a maximum of CPI +1% for 2024-25. There will be no cap restrictions applied. The CPI level for September 2023 is 6.7%, with the maximum rent increase therefore being 7.7%.

3.11.15 The government intends to consult separately next year on social housing rent policy from 2025 onwards. To inform this, DLUHC will launch a call for evidence on whether social landlords should be permitted, gradually over time, to bring rents back up to the level they would have been had 7% cap not been applied. Other factors including affordability for tenants and welfare expenditure will also be considered.

3.11.16 The mayor at Cabinet on 3rd January 2024 approved an increase in housing rents for all properties of 7.7% for 2024-25. The table below shows the new weekly rental charges for 2024-25. A 7.7% rent increase will generate £5.6m of additional income within the HRA that will be used to fund the borrowing costs associated with investment in the existing stock and new developments. Comparative Council data has not yet been published but it is anticipated that the 7.7% will be consistent with the majority of Councils.

Bedroom Numbers	2023-24 Average Weekly Rent £	7.7% Increase	2024-25 Average Weekly Rent £
0 Bed	91.68	7.06	98.74
1 Bed	107.56	8.28	115.84
2 Bed	120.56	9.28	129.84
3 Bed	137.79	10.61	148.40
4 Bed	161.96	12.47	174.43
5 Bed	167.24	12.88	180.12
6 Bed	174.24	13.42	187.66
7 Bed	179.41	13.81	193.22
Weighted Average	123.21	9.49	132.70

3.11.17 It is acknowledged that a 7.7% rent increase represents an uplift in the weekly rental charge to tenants. However, the HRA is currently experiencing unprecedented increases in its costs resulting from Brexit, Covid pandemic and cost of living crisis following the war in Ukraine. High inflation and interest rates mean that many of the costs incurred within the HRA are rising by more than the 7.7% rent increase and the Council is therefore also bearing a proportion of these cost increases and not passing them all on to the tenant. The additional income generated will maximise the ability of the council to invest in the housing stock, both in the existing property portfolio and new build schemes. The Council's strategic plan commits it to building 4,000 new homes, and the rent increase will help to facilitate this target. The increase will also ensure that further funds do

not have to be taken from other services within the HRA, and that these services will continue to operate without depletion to their budgets.

2024-25 Increase in Tenanted Service Charges

- 3.11.18 LBTH budget to recover the cost it incurs on providing services to tenants through the service charge made to them. Historically these charges have been subject to an inflationary increase, with the assumption being that the cost of providing the services will incur an annual inflationary uplift, up to the September CPI figure. They are calculated on a service charge basis to ensure full cost recovery.
- 3.11.19 The charge levied on tenants reflects the cost of providing the chargeable services to them. If service charges are not increased to reflect costs incurred, then the HRA will be subsidising these services and in effect tenants that do not receive these services will be meeting the cost through their rent payments.
- 3.11.20 The table below details the current service charges and the impact of the proposed weekly charges for 2024-25 to enable the HRA to recover its costs from tenants. Comparative Council data has not yet been published but it is anticipated that the rises will be broadly consistent with other Councils.

Service Charge	2023-24 Average Weekly Charge	2024-25 Average Weekly Charge	£ Weekly Increase (23-24 to 24-25)
Block Cleaning	6.53	6.97	0.44
Estate Cleaning	2.88	3.07	0.19
Concierge	11.42	11.99	0.57
Horticulture	0.93	0.98	0.05
ASB	1.35	1.42	0.07
Boiler Fuel	28.93	28.93*	-
Communal Energy	3.35	3.35	-

* Gas and Electricity charges are currently extremely volatile and therefore subject to change. The charges above will be continually reviewed and liable to change as a result of market conditions.

Building & Fire Safety

- 3.11.21 There are 78 buildings within the scope of the building safety act for which building safety cases, full building plans, external wall systems surveys and type 4 fire risk assessments. The programme of works has been expanded to include inspections of doors. There is a need to further strengthen the work to ensure the delivery of this programme, completion of inspections and the safety of tenants.

HRA Business Plan

- 3.11.22 In April 2012, the Localism Act introduced a self-financing system and the management of housing at a local level. This required LBTH to take on a one-off share of the national housing debt in return for retaining all rental streams in respect of the housing stock. The aim was to allow local decision making to drive the level of investment in the housing stock and to agree spending

priorities in line with local demand. The HRA Business Plan is a 30-year financial model and is the key tool used to ensure the short, medium and long-term viability of the HRA and affordability of its investment programmes.

3.11.23 Since the abolition of the HRA debt cap in 2018 Council's have been free to extend their borrowing but should be within their own pre-defined limits as part of the overall prudential code.

3.11.24 Three factors have been used to date to assess the borrowing constraints within the HRA are:

- A minimum reserve balance of £10m within the HRA
- A Voluntary Revenue Provision of debt repayment based on 2% of opening debt (equivalent to c£2.9m per annum)
- A minimum Income Cover Ratio of 1.5 was maintained

3.11.25 In order to maximise the resources available to invest in the existing stock and new build housing programme, it is proposed to reduce the Interest Cover ratio to 1.15 and stop making voluntary revenue provision for debt repayment within the HRA. These changes have been discussed with the Council's technical advisor and are in line with those of other London Boroughs.

3.11.26 The HRA budget includes savings and growths shown in Appendix 7B to 7D.

3.12 CAPITAL

3.12.1 The Capital Programme report and detailed projects for the general fund and HRA are at Appendices 8 – 8D.

3.13 TREASURY MANAGEMENT STRATEGY

3.13.1 The Treasury Management Strategy Statement will be revised and agreed with Audit Committee on 22 January 2024, and recommended for Full Council approval in February 2024 in accordance with the CIPFA Treasury Management Code of Practice. The Statement sets out the proposed strategy regarding borrowing, the investment of cash balances and the associated monitoring arrangements.

3.13.2 The proposed prudential indicators set out in the Treasury Management Strategy will be based on the proposed Capital Programme.

3.14 BUDGET CONSULTATION AND SCRUTINY PROCESS

3.14.1 The Council must undertake statutory budget consultation with business rates payers in the Borough and it is also good practice to consult with council taxpayers and a broad range of other key stakeholders. Furthermore, the Council's Budget and Policy Framework sets out the need for the Overview and Scrutiny Committee to be involved in the setting of the Council's budget.

3.14.2 The budget consultation 2024-25 began on 23 October 2023 and closed on 4 December 2023. The consultation sought to provide details of the financial

challenges the Council currently faces and requested feedback on priorities for Council services from residents and businesses. The results of the survey are at Appendix 10.

- 3.14.3 Overview and Scrutiny Commitment play a key role in scrutinising the budget proposals. This covers all aspects of the budget including revenue growths and savings, the capital programme, Housing Revenue Accountant (HRA) and the Schools Budget which will be proposed for approval by the Cabinet, from the Schools Forum.

4 EQUALITIES IMPLICATIONS

- 4.1 The Equality Act 2010 requires the Council, in the exercise of its functions to have due regard to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.
- 4.2 Our Borough's strength lies in its diversity and the different communities and cultures living side by side. The Council is working to make the Borough safe, welcoming and a place of opportunity for all however inequalities still exist. The borough is the most densely populated local authority in the country. Tower Hamlets has one of the highest levels of children living in poverty in the country. Additionally, Tower Hamlets continues to experience exceptionally large population increases and since the 2021 census the population has risen from 310,306 in March 2021 to 325,789 just over a year later, the second fastest growing area in England.
- 4.3 These inequalities and rapid growth mean that ensuring equality is embedded throughout Council plans, services and activities is the number one priority and at the heart of all decision making. To help meet its duty under the Equality Act, on all proposed changes, the Council undertakes an equality impact screening and where required a full Equality Impact Analysis to determine whether the proposal will have a disproportionate impact on persons who share a protected characteristic and to also outline actions to mitigate against the equality risks. All savings proposals (Appendix 4A & 3B) include an equalities screening and identifies the relevant proposal that will require a full equality impact analysis.
- 4.4 Corporate Directors will ensure equality analysis are completed to inform decision making for implementation of these proposals.
- 4.5 Increasing pressures on the Council's limited finances mean that the Council needs to continue making savings in the next three years to achieve a balanced budget. This is a major challenge which needs to consider every penny spent while ensuring that equality remains at the heart of all decision making. The proposed growth items represent a positive impact for residents and organisations in the Borough.

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 Council is required to consider the value for money implications of its decisions and to secure best value in the provision of all its services. It is important that, in considering the budget, Members satisfy themselves that resources are allocated in accordance with priorities and that best value is achieved.
- 5.3 The preparation of the MTFs takes account of the Council's obligations in relation to its Best Value duty. The budget proposals are based on securing best value within the context of continuing reductions in Council funding and service demand pressures.
- 5.4 The sustainable action for a greener environment implication of individual proposals in the budget are set out in the papers relating to those proposals.
- 5.5 Managing financial risk is of critical importance to the Council and maintaining financial health is essential for sustaining and improving service performance. Setting a balanced and realistic budget is a key element in this process. Specific budget risks will be reported to Cabinet as the budget process develops. The Council will maintain a range of budget provision (contingency) earmarked reserves for specific risks and general reserves for unforeseen events and risks.
- 5.6 The crime and disorder implications of individual proposals in the budget are set out in the papers relating to those proposals.
- 5.7 Any safeguarding implications of individual proposals in the budget are set out in the papers relating to those proposals.

6 COMMENTS OF THE CHIEF FINANCIAL OFFICER (CFO)

- 6.1 As this Report is financial in nature, the comments of the Chief Financial Officer (s151 officer) are contained throughout. Section 25 of the Local Government Finance Act 2003 requires that when a local authority is agreeing its annual budget and council tax precept, the Chief Finance Officer must report on the robustness of the estimates made for the purposes of the calculations and that the Council has adequate reserves should risks materialise. The Section 25 statement will be in the budget report to Council in February 2024.

- 6.2 Despite significant financial pressures the Council has managed to put forward a balanced MTFs over the next three financial years. However, several risks to this position exists including persistent high levels of inflation and increasing costs including those from Adult Social Care providers.
- 6.3 It is, therefore, vital that the Council continues to robustly monitor its financial position and take action to reduce costs or generate additional income where required.
- 6.4 The government's Core Spending Power calculation makes assumptions about the level of growth in the Council Tax base and that authorities will increase Council Tax each year up to the referendum limit. The Council's decisions on this matter are therefore key to ensuring we maximise the amounts shown in the Core Spending Power calculation.

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 of which this report forms part. It is consistent with these arrangements for Cabinet to receive information about the revenue and capital budgets from time to time and as set out in this report. It is also consistent to be continually reviewing the position on a rolling basis and setting strategic directions for the coming months.
- 7.2 The monitoring of budgets and 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.
- 7.3 Schedule 1 of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 mandates those Council duties that cannot be the responsibility of the Executive. The duty to make arrangements for the proper management of the Council's finances is one such duty. Therefore, at this stage the report makes recommendations that the Mayor proposes the recommendations to full Council as part of the overall annual budget setting process.
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Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Appendix 1A Medium Term Financial Strategy Summary
- Appendix 1B Medium Term Financial Strategy Detail by Service Area
- Appendix 2 Core Spending Power
- Appendix 3A New Growth, Core Grants & Inflation Summary
- Appendix 3B New Growth Business Cases
- Appendix 4A New Savings & Unachievable Savings Summary
- Appendix 4B New Savings Business Cases
- Appendix 5 Reserves Policy
- Appendix 6 Projected Movement in Reserves
- Appendix 7A Housing Revenue Account (HRA) Budget Summary
- Appendix 7B HRA Growth and Savings Summary
- Appendix 7C HRA Growth Business Cases
- Appendix 7D HRA Savings Business Cases
- Appendix 8 Capital Programme 2023-27 Report
- Appendix 8A Capital Budget by Programme 2023-2027 - General Fund (GF)
- Appendix 8B Capital Budget Detail 2023- 27 - General Fund (GF)
- Appendix 8C Capital Growth and Reductions 2023-2027
- Appendix 8D Capital Budget by Programme 2023-27 - HRA
- Appendix 9 Overview of Governance Arrangements
- Appendix 10 Budget Consultation
- Appendix 11 Glossary of Terms – Local Government Finance

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

- NONE

Officer contact details for documents:

John Harrison, Interim Director of Finance, Procurement and Audit

Chris Leslie, Head of Strategic & Corporate Finance

Shakil Rahman, Senior Accountant (Strategy)

Medium Term Financial Strategy (MTFS) Summary 2024-27

Appendix 1A

	2024-25 £'000	2025-26 £'000	2026-27 £'000
Net Service Costs	487,880	471,649	460,110
Growth - New	19,158	(1,142)	4,742
Grants and Funding impact on services - New	(18,086)	(4,730)	-
Inflation - New	6,250	(60)	6,510
Savings - Unachievable	1,213	-	-
Savings - New	(33,808)	(5,607)	(3,997)
Total Funding Requirement	462,606	460,110	467,365
Core Grants:			
- Revenue Support Grant	(41,954)	(43,213)	(43,905)
- New Homes Bonus	(2,171)	(2,171)	(2,171)
- Services Grant	(779)	(710)	(710)
- Improved Better Care Fund	(16,810)	(16,810)	(16,810)
- Social Care Grant	(34,012)	(34,012)	(37,212)
- ASC Discharge Fund	(3,928)	-	-
- ASC Market Sustainability & Improvement Fund	(6,409)	(6,409)	(6,409)
- Public Health Grant	(39,224)	(39,224)	(39,224)
Core Grants	(145,287)	(142,550)	(146,442)
Business Rates	(172,744)	(174,347)	(162,631)
Council Tax	(138,168)	(148,609)	(160,316)
Total Funding	(456,199)	(465,506)	(469,388)
Budget Gap / (Surplus) before Reserves Adjustments	6,407	(5,396)	(2,023)
Reserves Adjustments:			
Previously Approved Drawdown from Reserves	(15,622)	(4,822)	-
Contribution to the Budget Risk Reserve	2,300	-	-
Budget Gap / (Surplus) after Reserves Adjustments	(6,915)	(10,218)	(2,023)
Contribution to Mayor's Accelerated Delivery Fund	6,915	10,218	2,023
Revised Budget Gap / (Surplus)	-	-	-
Contribution to Mayor's Accelerated Delivery Fund Over Life of MTFS			19,156
Assumptions:			
<ul style="list-style-type: none"> • Adult Social Care (ASC) precept increase of 2% allocated to help fund demographic pressures in Adult Social Care. • General Council Tax increase of 2.99% in each year. • Business Rates income - assumes reset to occur in 2026-27. • Core Grants allocations are based on the provisional Local Government Finance Settlement (LGFS) announced in December 2023. • Pay and contractual Inflation at Autumn Statement (Office of Budget Responsibility) figures – 3.0% for 2024-25; 1.6% for 2025-26 and 1.5% for 2026-27. 			

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Medium Term Financial Strategy (MTFS) Detail by Service Area 2024-27

Appendix 1B

2023-24 <small>as at Period 9</small>	Savings		Growth		2024-25 <small>Total</small>	Savings		Growth		2025-26 <small>Total</small>	Savings		Growth		2026-27 <small>Total</small>	
	<small>Total</small> £'000	<small>Approved</small> £'000	<small>New</small> £'000	<small>Approved</small> £'000		<small>New</small> £'000	<small>Approved</small> £'000	<small>New</small> £'000	<small>Approved</small> £'000		<small>New</small> £'000	<small>Approved</small> £'000	<small>New</small> £'000	<small>Approved</small> £'000		<small>New</small> £'000
Funding Requirement																
Services																
Health and Adult Social Care	132,812	(365)	(9,183)	13,185	(747)	135,702	(373)	1,541	4,463	(3,891)	137,442	-	(179)	-	4,799	142,062
Public Health	37,683	-	-	1,511	(877)	38,317	-	-	802	(802)	38,317	-	-	-	-	38,317
Children's Services	90,794	(287)	(2,733)	5,256	725	93,755	(56)	1,566	(1,800)	2,350	95,815	-	-	-	-	95,815
Communities	52,700	(40)	(3,929)	(208)	9,130	57,653	(40)	(4,688)	-	(2,731)	50,194	-	(3,697)	-	1,342	47,839
Housing and Regeneration	43,958	430	(1,717)	343	1,713	44,727	-	350	(81)	(1,500)	43,496	-	-	-	(2,200)	41,296
Chief Executive's Office	18,306	(400)	(4,510)	(35)	1,477	14,838	(230)	(100)	(480)	-	14,028	-	(150)	-	(66)	13,812
Resources	48,386	(1,140)	(2,992)	(157)	1,852	45,949	(160)	(2,101)	35	702	44,425	-	-	-	867	45,292
Net Service Costs	424,640	(1,802)	(25,064)	19,895	13,273	430,941	(859)	(3,432)	2,939	(5,872)	423,717	-	(4,026)	-	4,742	424,434
Corporate Costs																
Inflation	(3,716)	-	-	10,000	6,250	12,534	-	-	6,900	(60)	19,374	-	-	-	6,510	25,884
Capital Charges	6,181	-	-	-	-	6,181	-	-	-	-	6,181	-	-	-	-	6,181
Levies	2,091	-	-	87	-	2,178	-	-	46	-	2,224	-	-	-	-	2,224
Contribution to Local Government Pension Scheme (LGPS) deficit	12,790	-	-	-	-	12,790	-	-	-	-	12,790	-	-	-	-	12,790
Corporate Contingency	3,100	-	-	-	-	3,100	-	-	-	-	3,100	-	-	-	-	3,100
Other Corporate Costs	395	-	(7,531)	14,219	(12,201)	(5,118)	(100)	(2,175)	117	-	(7,276)	-	29	-	-	(7,247)
Net Corporate Costs	20,841	-	(7,531)	24,306	(5,951)	31,665	(100)	(2,175)	7,063	(60)	36,393	-	29	-	6,510	42,932
Total Funding Requirement	445,481	(1,802)	(32,595)	44,201	7,322	462,606	(959)	(5,607)	10,002	(5,932)	460,110	-	(3,997)	-	11,252	467,365
Funding																
Core Grants																
Revenue Support Grant	(39,347)	-	1,180	(1,180)	(2,607)	(41,954)	-	1,216	(1,216)	(1,259)	(43,213)	-	-	-	(692)	(43,905)
New Homes Bonus	(3,890)	-	1,719	-	-	(2,171)	-	-	-	-	(2,171)	-	-	-	-	(2,171)
Services Grant	(4,510)	-	3,800	-	(69)	(779)	-	-	-	69	(710)	-	-	-	-	(710)
Improved Better Care Fund	(16,810)	-	-	-	-	(16,810)	-	-	-	-	(16,810)	-	-	-	-	(16,810)
Social Care Grant	(25,958)	-	11,900	(11,900)	(8,053)	(34,012)	-	-	-	-	(34,012)	-	-	-	(3,200)	(37,212)
ASC Discharge Fund	(2,357)	-	1,580	(1,580)	(1,571)	(3,928)	-	3,928	-	-	-	-	-	-	-	-
ASC Market Sustainability & Improvement Fund	(3,430)	-	2,570	(2,570)	(2,979)	(6,409)	-	-	-	-	(6,409)	-	-	-	-	(6,409)
Public Health Grant	(38,591)	-	1,511	(1,511)	(634)	(39,224)	-	802	(802)	-	(39,224)	-	-	-	-	(39,224)
Homelessness Prevention Grant	(6,010)	-	6,080	(70)	-	-	-	-	-	-	-	-	-	-	-	-
Rough Sleeping Initiative	(658)	-	658	-	-	-	-	-	-	-	-	-	-	-	-	-
Core Grants	(141,561)	-	30,997	(18,811)	(15,913)	(145,287)	-	5,946	(2,018)	(1,190)	(142,550)	-	-	-	(3,892)	(146,442)
Business Rates																
Collection Fund - in year income	(148,044)	74	-	-	27,440	(120,530)	-	-	(11,852)	11,025	(121,357)	-	-	-	209	(121,148)
Top up / (Tariff)	-	-	-	-	(1,781)	(1,781)	18,800	-	-	(18,800)	(1,781)	-	-	-	(39,702)	(41,483)
S31 Grants	-	-	(49,209)	-	-	(49,209)	-	-	-	-	(49,209)	49,209	-	-	-	-
Collection Fund deficit / (surplus)	-	-	-	-	776	776	-	-	-	(776)	-	-	-	-	-	-
Damping / Scaling (transitional funding for Business Rates reset) (Levy) / Safety Net adjustment	-	-	-	-	-	-	-	-	(14,100)	14,100	-	-	-	-	-	-
Government compensation towards 2020-21 deficit	(2,552)	2,552	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business Rates & Authority Pool	(2,000)	2,000	-	-	(2,000)	(2,000)	-	-	-	-	(2,000)	2,000	-	-	-	-
Business Rates	(152,596)	4,626	(49,209)	-	24,435	(172,744)	18,800	-	(25,952)	5,549	(174,347)	51,209	-	-	(39,493)	(162,631)
Council Tax	(129,176)	1,097	3,563	(5,024)	(8,628)	(138,168)	-	3,660	(3,660)	(10,441)	(148,609)	-	-	-	(11,706)	(160,316)
Total Funding	(423,333)	5,723	(14,649)	(23,835)	(106)	(456,199)	18,800	9,606	(31,630)	(6,083)	(465,506)	51,209	-	-	(55,091)	(469,388)
Budget Gap / (Surplus) before Reserves	22,148					6,407					(5,396)					(2,023)
Previously Approved Drawdown from Reserves	(22,148)					(15,622)					(4,822)					-
Contribution to the Budget Risk Reserve	-					2,300					-					-
Budget Gap / (Surplus) after Approved Reserves Drawdown	-					(6,915)					(10,218)					(2,023)
Contribution to Mayor's Accelerated Delivery Fund	-					6,915					10,218					2,023
Budget Gap / (Surplus) after Reserves	-					-					-					-

Illustrative Core Spending Power of Local Government:										
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions
Settlement Funding Assessment	187.9	170.7	158.1	151.1	143.0	145.3	145.5	146.6	155.0	164.0
Compensation for under-indexing the business rates multiplier	1.5	1.5	1.6	2.5	3.6	4.5	5.8	11.4	19.7	22.0
Council tax requirement excluding parish precepts ^{1,2,3}	69.8	76.9	85.8	93.8	100.3	108.4	114.2	121.7	129.5	140.8
Improved Better Care Fund	0.0	0.0	8.7	11.9	14.9	16.3	16.3	16.8	16.8	16.8
New Homes Bonus	24.8	28.6	23.9	20.7	19.2	22.0	17.6	16.3	3.9	2.2
New Homes Bonus returned funding	0.3	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rural Services Delivery Grant ⁴	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transition Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adult Social Care Support Grant	0.0	0.0	1.5	0.9	0.0	0.0	0.0	0.0	0.0	0.0
Winter Pressures Grant ⁵	0.0	0.0	0.0	1.5	1.5	0.0	0.0	0.0	0.0	0.0
Social Care Support Grant ⁶	0.0	0.0	0.0	0.0	2.5	0.0	0.0	0.0	0.0	0.0
Social Care Grant ⁷	0.0	0.0	0.0	0.0	0.0	9.4	12.3	16.6	26.0	34.0
Market Sustainability and Fair Cost of Care Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
ASC Market Sustainability and Improvement Fund ⁸	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.4	6.4
Lower Tier Services Grant	0.0	0.0	0.0	0.0	0.0	0.0	1.4	1.5	0.0	0.0
ASC Discharge Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.4	3.9
Services Grant ⁹	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.7	4.5	0.8
Grants rolled in ¹⁰	1.0	1.2	1.1	1.0	1.0	1.0	1.1	1.1	2.2	0.0
Funding Guarantee ¹¹	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Core Spending Power	285.3	279.1	280.9	283.4	285.9	306.9	314.4	340.6	363.5	390.9
Change since 2015-16 (£ millions)										105.6
Change since 2015-16 (% change)										37.0%

¹Council tax projections for 2024-25 assumes local authorities increase their Band D council tax in line with the maximum allowable level set out by the council tax referendum principles for 2024-25. That is: a 3% core principle; a 2% adult social care precept; the greater of 3% or £5 cash principle for shire districts; 3% plus a cash principle of £20 on Band D bills for the Greater London Authority; and a cash principle of £13 on Band D bills for the police element of the Greater London Authority.

²Council tax projections for 2024-25 includes the additional flexibility granted by the Secretary of State to Woking, Thurrock and Slough Councils to increase council tax in 2024-25 by an additional amount above the referendum principles applied to other councils. This additional amount is 7% for Woking and 5% for Thurrock and Slough. This additional flexibility has been granted in very specific circumstances, where the scale of the issues facing the councils is exceptional. The additional flexibility of 5% granted to Birmingham will be reflected in Core Spending Power figures in due course.

³Due to a reporting error in Eastleigh's Council Tax for 2023-24, their Core Spending Power for 2023-24 and 2024-25 is overstated by approximately £65k. The department will revise their Core Spending Power and any grant determinations affected by this in due course.

⁴In January 2024 the Secretary of State announced that Rural Services Delivery Grant will increase by £15m. Consequently, allocations have increased from those announced at provisional settlement.

⁵From 2020-21, Winter Pressures Grant allocations were rolled into the Improved Better Care Fund, and no longer ringfenced for alleviating winter pressures.

⁶From 2020-21, Social Care Support Grant allocations were rolled into the Social Care Grant.

⁷In January 2024 the Secretary of State announced that Social Care Grant will increase by £500m. Consequently, allocations have increased from those announced at provisional settlement.

⁸From 2023-24, Market Sustainability and Fair Cost of Care Fund allocations were rolled into the ASC Market Sustainability and Improvement Fund.

⁹The Services Grant allocation for the Isle of Wight council includes an additional £1 million in 2022-23, £1 million in 2023-24, and £4 million in 2024-25, in recognition of the unique circumstances facing the Isle of Wight and its physical separation from the mainland. The Services Grant also includes £150k allocated to the Isles of Scilly for 2024-25 as part of the same arrangements. This funding is reviewed each year as part of the local government finance settlement.

¹⁰The Grants rolled in row states the value of grants which have been consolidated into the settlement, for financial years prior to 2024-25. This is to maintain the integrity of Core Spending Power comparisons between years. Grants rolled in include grants rolled in at this settlement: £115 million allocation of Fire Pension Grant for the years 2019-20 to 2023-24 (included in the Settlement Funding Assessment for 2024-25); and the Market Sustainability and Improvement Fund Workforce Fund, worth £365m for the year 2023-24 (included in ASC Market Sustainability and Improvement Fund for 2024-25). Also included in this row are grants rolled in at previous settlements, including: the Family Annexe Council Tax Discount grant, Local Council Tax Support Administration Subsidy grant, the Independent Living Fund.

¹¹In January 2024 the Secretary of State announced that the funding guarantee will increase from 3% to 4%. Consequently, allocations have increased from those announced at provisional settlement.

¹²Core spending power per dwelling for 2023-24 and 2024-25 available here: <https://www.gov.uk/government/collections/final-local-government-finance-settlement-england-2024-to-2025>

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

<https://www.gov.uk/government/collections/final-local-government-finance-settlement-england-2024-to-2025>

The figures presented in Core Spending Power do not reflect the changes to Settlement Funding Assessment made for authorities with increased Business Rate Retention arrangements. For information about authorities with increased Business Rates Retention Arrangements see the Explanatory Note. For Settlement Funding Assessment figures after adjustments for increased Business Rate Retention authorities please see the Key Information for Local Authorities table on the website.

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New Growth, Core Grants and Inflation Summary

Appendix 3A

Title	Reference	Growth Type	Directorate	Service	2024-25 £'000	2025-26 £'000	2026-27 £'000	Total Ongoing £'000
New Growth Proposals								
Legal services - recruitment and retention of core legal team including market supplements	GRO / CEO 001 / 24-25	Budget Pressure	Chief Executive's Office	Legal and Monitoring Officer Services	100	-	-	100
Member Development Programme	GRO / CEO 002 / 24-25	Mayoral Priority	Chief Executive's Office	Democratic Services	45	-	-	45
Bengali Communications and Engagement team & General Engagement Officer	GRO / CEO 003 / 24-25	Mayoral Priority	Chief Executive's Office	Communications and Marketing	505	-	-	505
Love Tower Hamlets	GRO / CEO 004 / 24-25	Mayoral Priority	Chief Executive's Office	Communications and Marketing	300	-	(66)	234
Street Advertising Income Generation and Venue Marketing – Marketing Officer (Invest to Earn)	GRO / CEO 005 / 24-25	Mayoral Priority	Chief Executive's Office	Communications and Marketing	67	-	-	67
Somali Community Hub - Granby Hall	GRO / CEO 006 / 24-25	Mayoral Priority	Chief Executive's Office	Strategy, Policy and Intelligence (H&R), Corporate Strategy and Communities (CEO)	60	-	-	60
Women's Resource Centre	GRO / CEO 007 / 24-25	Mayoral Priority	Chief Executive's Office	Corporate Strategy and Communities Team	400	-	-	400
SEN Transport	GRO / CHI 001 / 24-25	Unavoidable Growth	Children's Services	SEN Transport	1,121	-	-	1,121
SEND Improvements - SEN Service	GRO / CHI 002 / 24-25	Unavoidable Growth	Children's Services	SEN and Preparing for Adulthood	454	150	-	604
Accelerating Education - EMA / University Bursary Grant Funding / Education Awards	GRO / CHI 003 / 24-25	Mayoral Priority	Children's Services	Education	1,350	-	-	1,350
Universal Primary School Free School Meals Grant	GRO / CHI 004 / 24-25	Mayoral Priority	Children's Services	Education	(2,200)	2,200	-	-
Leisure Services Insourcing	GRO / COM 001 / 24-25	Mayoral Priority	Communities	Leisure	2,105	205	-	2,310
Coroner's Consortium	GRO / COM 002 / 24-25	Unavoidable Growth	Communities	Environmental Health and Trading Standards	250	-	-	250
Freedom Passes 2024-27	GRO / COM 003 / 24-25	Unavoidable Growth	Communities	Parking Services	1,527	2,064	1,342	4,933
Waste Operations	GRO / COM 004 / 24-25	Mayoral Priority	Communities	Waste Services	5,000	(5,000)	-	-
Free Swimming for Women and 55+ Male Seniors	GRO / COM 005 / 24-25	Mayoral Priority	Communities	Leisure	248	-	-	248
Temporary Accommodation (cost pressure above Housing Benefit subsidy)	GRO / HAR 001 / 24-25	Unavoidable Growth	Housing and Regeneration	Housing Options	4,500	-	-	4,500
Temporary Accommodation – increasing temporary accommodation rates to increase supply	GRO / HAR 002 / 24-25	Unavoidable Growth	Housing and Regeneration	Housing Options	3,450	(1,450)	(2,000)	-
Future of Building Control – Responding to Grenfell Part 2	GRO / HAR 003 / 24-25	Unavoidable Growth	Housing and Regeneration	Planning and Building Control	501	(50)	(200)	251
Care Technology Transformation (linked to Capital bid)	GRO / HAS 001 / 24-25	Invest to Save	Health and Adult Social Care	Adult Social Care & Integrated Commissioning	962	(449)	146	659
Adult Social Care Demographic Pressures and Inflation	GRO / HAS 002 / 24-25	Unavoidable Growth	Health and Adult Social Care	Adult Social Care	(2,381)	181	4,958	2,758
Culturally Sensitive Extra Care Housing Development	GRO / HAS 003 / 24-25	Mayoral Priority	Health and Adult Social Care	Adult Social Care	-	305	(305)	-
Comino hosting, licence, and contract renewal	GRO / RES 001 / 24-25	Unavoidable Growth	Resources	IT	136	(51)	-	85
Council Tax Cost of Living Relief Fund	GRO / RES 002 / 24-25	Mayoral Priority	Resources	Revenues and Benefits	658	753	867	2,278
TOTAL NEW GROWTH					19,158	(1,142)	4,742	22,758
Grants and Funding Impact on Services								
Public Health - reduction in funding assumptions	GRA / COP 001 / 24-25	Core Grant	Health and Adult Social Care	Public Health	(877)	(802)	-	(1,679)
ASC Discharge Fund - reduction in funding assumptions	GRA / COP 002 / 24-25	Core Grant	Health and Adult Social Care	Adult Social Care	(9)	(3,928)	-	(3,937)
ASC Market Sustainability & Improvement Fund - increase in funding	GRA / COP 003 / 24-25	Core Grant	Health and Adult Social Care	Adult Social Care	409	-	-	409
Social Care Grant - reduction in funding assumptions	GRA / COP 004 / 24-25	Core Grant	Corporate	Corporate	(7,776)	-	-	(7,776)
Social Care Grant - adjustments in risk contingency	GRA / COP 005 / 24-25	Core Grant	Corporate	Corporate	(4,425)	-	-	(4,425)
Social Care Grant - additional funding	GRA / COP 006 / 24-25	Core Grant	Health and Adult Social Care	Adult Social Care	272	-	-	272
Homelessness Prevention Grant - transfer of grant to the service	GRA / HAR 001 / 24-25	Core Grant	Housing and Regeneration	Homelessness	(6,080)	-	-	(6,080)
Rough Sleeping Initiative - transfer of grant to the service	GRA / HAR 002 / 24-25	Core Grant	Housing and Regeneration	Homelessness	(658)	-	-	(658)
Offset savings that have increased Council Tax income to avoid double count	GRA / RES 001 / 24-25	Funding	Resources	Revenues and Benefits	1,058	-	-	1,058
TOTAL GRANTS AND FUNDING IMPACT ON SERVICES					(18,086)	(4,730)	-	(22,816)
Inflation								
Pay Inflation	INF / COP 001 / 24-25	Pay Inflation	Corporate	Corporate	7,340	230	3,840	11,410
Contractual Inflation	INF / COP 002 / 24-25	Non-Pay Inflation	Corporate	Corporate	(1,090)	(290)	2,670	1,290
TOTAL INFLATION					6,250	(60)	6,510	12,700

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GROWTH PROPOSAL

Proposal Title:	Legal services - recruitment and retention of core legal team including market supplements
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Reference:	GRO / CEO 001 / 24-25	Growth Type:	Budget Pressure
Directorate:	Chief Executive's Office	Growth Service Area:	Central services
Directorate Service:	Legal and Monitoring Officer Services	Strategic Priority:	8. A council that listens and works for everyone
Lead Officer and Post:	Janet Fasan, Director of Legal and Monitoring Officer	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	3,390	100	-	-	100

Staffing Impact (if applicable):	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE) or state N/A	53	-	-	-	-

Proposal Summary:

Legal services - recruitment and retention of core legal team including market supplements.

A review of the hard to recruit posts has highlighted the need to incorporate a market supplement to improve the uptake of applicants recruited to permanent posts. This will reduce the reliance on interim/agency cover and therefore reducing the substantial agency costs that is currently being experienced by the service.

Budgeted Outcomes / Accountability (focus on improved performance):

Increasing permanent staff in posts will enable better service delivery as there will be a reduction in staff turnover which has a negative impact on the delivery of the service. Also, the costs of agency and interims will be reduced and enable the service to maintain spend within budget.

Risks and Implications:

A risk could be that the market supplement/increased salary does not attract suitable candidates to the roles.

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

GROWTH PROPOSAL

Proposal Title:	Member Development Programme		
Reference:	GRO / CEO 002 / 24-25	Growth Type:	Mayoral Priority
Directorate:	Chief Executive's Office	Growth Service Area:	Central services
Directorate Service:	Democratic Services	Strategic Priority:	5. Investing in public services
Lead Officer and Post:	Matthew Mannion, Head of Democratic Services	Lead Member and Portfolio:	Mayor Lutfur Rahman, Executive Mayor

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	15	45	-	-	45

Staffing Impact (if applicable):	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

Achieving the LGA Member Learning and Development Charter Mark and transforming the Council's Member Development Programme.

As Lord Gary Porter, Chair of the LGA says:

"The environment in which we work is ever changing and if we're to continue to meet our residents' expectations we've got to keep pace with it. That means recognising that the role of the councillor is different to what it was five, 10, even 20 years ago. We're wardens of places, leaders who represent the interest of our residents, protectors who mitigate the impact of funding constraints, facilitators who help partners and communities work together and develop new possibilities for their local areas.

Our roles are being redefined and we need to make sure we have the skills and expertise to continue delivering for our communities. The Member Development Charter and Charter Plus has provided councils with a robust framework and has encouraged member development across the sector.The charter ... make[s] sure we're capturing current and future challenges so that councillors are able to shape debate whilst continuing to fulfil their role as the community representatives.

I would strongly encourage local areas to adopt the Member Development Charter and Charter Plus as a guide and a benchmark as part of your improvement journey. Every profession has continuing professional development at the heart of their improvement and so should we. The Member Development Charter and Charter Plus supports this continuing professional development for councillors by being a contract between the council and its councillors that commits to invest in councillors' growth and development."

Commentary:

The Council has always operated a standard Member Learning and Development Programme covering key statutory and other requirements for Members. Development training has also been offered on skills and professional development but usually on an ad-hoc, general, basis. The training programme is seen as having met the goals that were set for it but that these were generic rather than Member specific.

The proposal is to transform the nature of the Programme turning it into a support tool that is geared to the individual needs of all our Members. This recognises that the programme should not just be about core statutory requirements for training but should also encompass all the skills that Members need to best undertake their roles and that development of these skills is very much down to the individual and their needs.

Skills and personal development is an area that is expected to require significant support from external trainers as Council officers are unlikely to have the relevant qualifications to run such training. The training is also likely to be on a 121 or small group basis depending on the issue. In addition, for statutory and similar training, the council will look to make sure of external organisations where this is useful/appropriate to the training to be delivered.

Budget:

The proposal is that at the core of the new Programme each Member should be able to call upon at least £1k each per year for their own personal development (with additional allowance potentially available for role specific training).

A general budget would also be retained to allow the provision of external trainers for statutory and other 'All Member' training and for general training programme expenses.

Historically there was a budget of £10k which officers had agreed to increase by £5k through internal virements within the Member Budget. However, this year the total spend is currently expected to be closer to £25k-£30k and that is without the proposed new individual training budgets (although it does include some training which would be covered by that plan).

The proposal at this stage is therefore to increase the budget to £60k with which to cover the likely take-up of the individual member training budgets and to allow a significant additional sum for group/all member training as required.

In future the new Member Learning and Development Group will monitor use of the Training Budget and related issues and could request that officers seek further budget increases if that proved necessary (or budget reductions).

Member Learning and Development is managed by Democratic Services within the Member Support Team. At this stage there are no proposals to increase the number of staff posts as it is planned that this increased support will be managed within existing resources.

Budgeted Outcomes / Accountability (focus on improved performance):

The aim of the improved programme is to increase the capacity of all Members so that they can fully undertake the wide variety of roles that they have to take on.

Effective Members increase the general effectiveness of the Council but also of its partner bodies and other local organisations where our Members play a formal role.

Risks and Implications:

Where Members are not training/able to undertake their roles effectively there are significant risks both to the Council and also to its partners. For example, Members are expected to take major strategy and policy decisions, sit on boards of outside organisations, scrutinise and audit the Council's work, support and represent local residents and businesses amongst many other roles. This requires a wide range of different skills and training to support these roles.

Value for Money and Efficiency:

Accreditation to the LGA Charter Mark will provide a guarantor that the Council's programme is of a good quality. The Member Learning and Development Group will be able to monitor training provision and costs to ensure that they are appropriate and of a good value to the Council.

Members will be required to complete personal development plans or similar to demonstrate a need for any particular training.

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

GROWTH PROPOSAL

Proposal Title:	Bengali Communications and Engagement Team & General Engagement Officer		
Reference:	GRO / CEO 003 / 24-25	Growth Type:	Mayoral Priority
Directorate:	Chief Executive's Office	Growth Service Area:	Central services
Directorate Service:	Communications Service	Strategic Priority:	8. A council that listens and works for everyone
Lead Officer and Post:	Andreas Christophorou, Director of Communications and Marketing	Lead Member and Portfolio:	Mayor Lutfur Rahman, Executive Mayor

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	N/A	505	-	-	505
Staffing Impact (if applicable):	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE) or state N/A	N/A	4	-	-	4

Proposal Summary:

1. A Bengali focused Communications and Engagement Team – one Communications and Engagement uplift and three Communications and Engagement Officers

The first part (A) is for three (Bengali-focused Communications and engagement Officers). They would work with our existing BME Communications Officer – who would require an uplift to become Manager of the team – to create a Bengali-focused communications and engagement unit in the Communications Service.

2. One Engagement Officer focused on other residents and uplift of existing post in team to become Head of Engagement and Consultation

The second part (B) is to create one more role which will make a borough focused consultation and engagement team adding to part A. This would be managed by an existing member of the Communications Service who would require an uplift in pay to create a Head of Engagement and Consultation.

Altogether the two areas come to a growth bid of £505k

Promotional budget = £165k per year

3 FTEs (Grade L) = £225k total (inc. on-costs)

1 uplift – Bengali Communications and Engagement manager (grade L) = £20k

1 uplift Head of engagement = £20k

1 FTE (Grade L) – non-Bengali engagement officer £75k (inc. on-costs)

Rationale

Tower Hamlets has the UK's largest Bangladeshi population. While this is a tremendous asset, it provides a challenge for the council to reach much of that population. There can be issues of language and cultural issues that prevent residents from engaging with the council and its communications.

We need to do more to solve this issue, so everyone feels included. In turn, by encouraging more people to interact with the council and its services, and those of partner organisations, we will be able to improve more lives in our borough at a faster rate.

There are a few ways we can achieve this through this growth bid:

1. Greater focus on Bengali media:

We understand the power of the Bengali media to reach the Bengali and BME communities and particularly those who do not speak English as a first language. These roles will mean greater work with the Bengali and BME media – both in terms of creating stories and content such as film for them, but also to advertise campaigns and key information in the Bengali and BME media and the Council's own extensive media, communications, and marketing channels.

3 positions/FTEs, all with overarching focus on engagement. However, engagement is broken into 3 specialisms: 1, Digital Media, 2, TV and Video News Story, 3) Content writing, translating and productions

Of the three new Bengali-focused FTEs, 1 will be full-time (Digital Media) and the remaining two will be split into 4 part-time positions.

2 part-time and 1 full-time position will be formally seconded to the Mayor's Office, with oversight in conjunction with the formal line manager.

In addition, all positions are to be line managed by the formal line manager in conjunction with the Mayor's BME media advisor.

2. Engagement on the ground – to complement our Communications

For at least the last 8 years, the council has not had a centralised engagement team that can talk to residents face to face, build trust, work with diverse communities and cocreate communications and projects that will resonate with those communities.

We have suffered as a result with continued drops in sentiment by residents in areas such as feelings of trust, involvement, listening, informed and satisfaction. Factors that are influenced by whether people feel the council involves them, is accessible and working for them. Often people only understand the council if they are able to interact with the council on a personal level. That is what engagement provides.

For example:

Trust in 2017 was 79%, in 2023 it is 65%

Feeling involved in 2017 was 58%, in 2023 it is 42%

Listens to residents in 2017 was 68%, in 2023 it is 48%

Satisfaction in 2017 was 72%, in 2023 it is 63%

Feeling informed in 2017 was 68%, in 2023 it is 57%

Most local authorities of our stature and complexity have a Consultation and Engagement Unit. Communications and engagement are two sides of the same coin. Communications is broadcast by its nature but can be improved through feedback from face to face engagement – for example the best communication messages and approaches can differ depending on demographics such as ethnicity.

Likewise engagement (face to face) is crucial to building trust and reaching seldom heard parts of the community, but those doing engagement need the right communication materials to support them in their engagement.

The Communications Service does consultations working with services and Strategy though our Let's Talk Tower Hamlets Consultation Hub – but it is online only, so on the ground engagement would support more of our residents to have their voice heard and help shape the borough through consultation, as well as being able to use and shape our services better.

Case study: Covid

A good example of this working is during the pandemic when the Government gave funding to the council via Public Health for on the ground engagement team to help with issues such as social distancing and uptake of the vaccine in diverse communities.

Communications and the engagement team worked together effectively to share intelligence, support each other with materials and information that would be well received by different communities. As a result, we moved from certain ethnic groups such as Bangladeshi having low vaccination rates, to being an example to other local authorities of best practice in increasing vaccination rates in different communities.

The engagement team was only temporary and closed when the pandemic stopped and funding ran out from central government.

Responsibilities:**Part A: A Bengali focused Communications and Engagement Team – one Communications and Engagement Manager and two Communications and Engagement Officers**

The roles would:

- include greater interaction with the Bengali and BME media
- placing advertising in the Bengali and BME media for council campaigns
- securing advertising from Bengali community for Our East End
- working on the place promotion of areas including Brick Lane
- to establish champions in the community that can advocate and disseminate information for the council.
- engagement – both physically and virtual – of the Bengali community for campaigns, consultations and general engagement in the council.
- help increase levels of trust, informed, feeling involved and feeling of being able to influence decisions in the borough – all of which have consistently dropped since 2017.
- Encourage the Bengali community to interact with the council to cocreate campaigns, be advocates for the services and behaviour change to improve lives, and given seldom heard groups the opportunity to shape our services and our borough through consultation participation.
- Help create a network of institutions and community groups – from faith organisations to residents associations that we can use, alongside our Love Tower Hamlets Champions, as advocates and provide the council with a much needed centralised Stakeholder Database that we have to hand not only for proactive campaigns, but also in times of crisis.

Part B: One engagement Officer focused on non-Bengali residents and uplift of existing post in team to become Head of Engagement and Consultation

The roles would:

- include greater two way interaction with our residents
- Encourage residents to interact with the council to cocreate campaigns, be advocates for the services and behaviour change to improve lives, and given seldom heard groups the opportunity to shape our services and our borough through consultation participation.
- securing advertising from community organisations for Our East End
- promote and encourage residents to feel civic pride and have greater cohesion through the TH_IS Community – place campaign. We have so far struggled to get community buy in as we did not have engagement officers to work with residents associations, community groups and partners to use it.
- to establish champions in the community that can advocate and disseminate information for the council.
- engagement – both physically and virtual –for campaigns, consultations and general engagement in the council.
- help increase levels of trust, informed, feeling involved and feeling of being able to influence decisions in the borough – all of which have consistently dropped since 2017.
- Help create a network of institutions and community groups – from faith institutions to residents associations that we can use as advocates and provide the council with a much needed centralised Stakeholder Database that we have to hand not only for proactive campaigns, but also in times of crisis.

Budgeted Outcomes / Accountability (focus on improved performance):

A council that works and listens to everyone (Communication and Engagement)

Risks and Implications:

The risk of not doing this is to continue to be out of touch with our residents, creating issues such as:

- Failure to deliver priority 8 of the Strategy Plan – a council that works and listens to everyone
- Failure to deliver priority 2 of our Corporate Communications Strategy – expanding from broadcast to two way communication
- Lack of opportunities for residents to shape services and the borough through consultation and cocreation
- Lack of understanding what the council does
- Lack of civic pride which is important to the environment and cohesion in our borough
- Lack of trust
- Lack of feelings of involvement
- Lack of feelings of being able to influence
- Lack of satisfaction in the council
- Resident not being able to access services that will improve their lives
- Isolation of residents such as parts of our Bengali or Somali communities

Value for Money and Efficiency:

The team would be able to save the council money currently spent by some services for third parties to do engagement. It would also help the council to save money by having more effective communications and engagement that reach target audiences, making our services more effective, and making behaviour change more effective – whether health, clean streets or ASB – which would save the council money in other areas due to better outcomes. We would merge into our existing Digital Content Team that covers consultation and also bring our current Communications Officer – Bengali into the team.

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

GROWTH PROPOSAL

Proposal Title:	Love Tower Hamlets		
Reference:	GRO / CEO 004 / 24-25	Growth Type:	Mayoral Priority
Directorate:	Chief Executive's Office	Growth Service Area:	Central services
Directorate Service:	Communications Service	Strategic Priority:	8. A council that listens and works for everyone
Lead Officer and Post:	Andreas Christophorou, Director of Communications and Marketing	Lead Member and Portfolio:	Mayor Lutfur Rahman, Executive Mayor

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	N/A	300	-	(66)	234

Staffing Impact (if applicable):	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

Overall Vision and mission:

Tower Hamlets offers the best of London in one borough.
It is the beating heart of the East End that epitomises the capital's past and its future.
Diversity has always been our strength.
We are one of the most popular places to live, work, study and visit.
Tower Hamlets has a unique mix of old and new, combined with award winning parks, international cultural destinations, world class learning institutions and entrepreneurship with one of the UK's largest economies.
We mix London's youngest population with a borough draped in history.
Whether you are in Wapping, Isle of Dogs, Spitalfields, Mile End, Bethnal Green, Canary Wharf, St Katharine Dock, Stepney, East India, Whitechapel or Poplar, every area is a cornerstone of London's history.

This is a bid is for £834k over three years to work with our residents, businesses, partners and other stakeholders to:

- Promote civic pride among residents with champions in areas including cost of living, housing, jobs, skills, young people and education, older people, clean streets/recycling, culture, history, community safety and opportunity.
- Promote the past, present, and future of Tower Hamlets via direct engagement with residents drawn from diverse backgrounds
- Elevate 'people' alongside 'place' as a visible element in our wider campaigns and communications
- **Bring the Council more directly into Tower Hamlets' diverse communities, promoting community cohesion, inclusivity, tolerance and celebrating our communities and bringing them together
- Promote the borough as a place for tourism, and retain tourists in the borough to visit other Tower Hamlets venues during a day out.
- Promote our people (residents and businesses) to build civic pride, with a focus on residents who have achieved something outstanding and/or are leaders in their communities
- Promote the borough as a great place to work and study
- Help to attract new business opportunities and talent, including increased footfall for our existing small businesses and markets.
- Encourage local businesses to become Council suppliers.

To enhance the borough's image by telling stories about what is special in Tower Hamlets – from a resident to a community group, and from a local business to a multinational.

Elements will include:

1. Creating a comprehensive champions programme to formally recognise individual members of the community in areas such as cost of living, housing, jobs, skills, young people, older people, clean streets/recycling, culture, history, community and opportunity.
2. Branding and merchandise for residents, businesses and partners, including at community events.
3. Branding for themed Love Tower Hamlets champions to complement TH_IS place campaign.
4. Themed events in Tower Hamlets where the community is invited to discuss issues to improve the borough.
5. Annual Community Awards process and event to celebrate people and organisations that contribute to the borough
6. Marketing promotion/advertising of the borough as a place to invest in the trade sector.
7. Utilisation of every available promotional channel and/or medium at the Council's disposal to promote
8. Marketing promotion/advertising to domestic and international tourists through advertising, influencers and media (including local BME media), and working with partners including Airports, Rail Stations and the Underground.
9. Celebrate our history through the roll out of blue plaques marking where famous people lived or worked (currently on 8% of blue plaques in the UK are for people from BAME backgrounds).
10. Promotional films of the borough – the place and the people
11. Bringing together organisations and institutions under themes of history to promote Tower Hamlets, including (Tower of London, Young V&A, Museum of London Docklands), culture (All Points East/AEG, The Troxy, Rich Mix etc), Community (community groups, charities such as Felix Project) and opportunity (businesses, Canary Wharf Group, East London Business Association, Queen Mary University of London, other Universities/Colleges) and faith groups.

Budgeted Outcomes / Accountability (focus on improved performance):

A council that works and listens to everyone
Boost Culture, Business, Jobs and Leisure

Risks and Implications:

The risk of not doing this is:

- Not realising our potential for domestic and international tourism and associated opportunities in Tower Hamlets
- Lack of civic pride which will cost the council money in the long run – for example residents not advocating clean streets, or community safety
- Less community cohesion leading to issues including polarisation of communities and community safety/tension.
- Less people involved in the council and making the borough a better place
- Less inward investment and development in Tower Hamlets which provide new homes, training, jobs, supply chain opportunities as well as local spend.
- Greater involvement of diverse community groups in the borough

Value for Money and Efficiency:

The project will help attract investment into the borough including tourism, inward investment, development, jobs, skills, supply chain opportunities and local economy spend. It will also help to reduce some financial burdens on the council if the public take greater civic pride in looking after their borough.

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

GROWTH PROPOSAL

Proposal Title:	Street Advertising Income Generation and Venue Marketing – Marketing Officer (Invest to Earn)		
Reference:	GRO / CEO 005 / 24-25	Growth Type:	Mayoral Priority
Directorate:	Chief Executive's Office	Growth Service Area:	Central services
Directorate Service:	Communications Service	Strategic Priority:	5. Investing in public services
Lead Officer and Post:	Andreas Christophorou, Director of Communications and Marketing	Lead Member and Portfolio:	Mayor Lutfur Rahman, Executive Mayor

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	N/A	67	-	-	67

Staffing Impact (if applicable):	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE) or state N/A	-	1	-	-	1

Proposal Summary:

This is a proposal for a Marketing Officer to support income generation through street advertising and some marketing for services to help them generate more income.

This role is an invest to save so the Communications Service can reach the target of generating £300,000 a year in advertising revenue over 24/25, 25/26 and 26/27.

The Communications Service currently does not have any staff to work on street advertising. Our two marketing officers work on publications, leaflets and other collateral and are at full capacity delivering around 150 projects a quarter. They do bring in some advertising revenue from Our East End too.

The Communications Service however does have knowledge of the street advertising market having got involved a few years ago because contracts were being mismanaged in the Place directorate and advertisers were contacting Communications because no one from the council was maintaining a relationship with them. As a result, some contracts expired before without any replacement agreements could be finalised or put back out to the commercial market.

The Design and Marketing Team picked up extra work to help find the contracts and build relationships with the advertisers, and then Place decided to pick up the work again.

The Design and Marketing Team did let out a street advertising contract for six sheets in 2019 which generates £90,000 a year which currently goes to Public Realm (the Place Directorate). So the team has delivered above and beyond, but does not have the research to take this work forward as this resource formerly sat in the Place directorate.

Now the Chief Executive and the Mayor have given responsibility for street advertising to Communications Service and this is part of the Overall Income Generation Working Group work being overseen by Raj Mistry. One of the actions from that group is for Communications to set up a Street Advertising Working Group to look at new opportunities.

The Marketing Officer is needed to pick up the work to find and secure new street advertising opportunities, and can also help with the process of setting up infrastructure and relationships such as the Street Advertising Working Group.

As the council continues to move into more commercialisation it is going to need more marketing support on top of this to marketing venues and to market services such as pest control and commercial waste, so this role is a prelude to a bigger team and a restructure in 2024 of the Design and Marketing Team to support the council's aspirations for income generation.

If the Marketing Officer has capacity they can also support with:

- **Better uptake of our venues:** The Communication's Service Design and Marketing Team will need to work with the venues such as St George's Hall to market their venues. This will include traditional marketing such as publications and fares, and also digital marketing such as programmatic advertising which can target people in geographic areas and based on their interest and searches on the intranet and social media.
- **Commercialisation of services:** The Communications Service Design and Marketing Team and its Digital Team will need to support the commercialisation of services. For example, when Commercial Waste or Pest Control is ready to market, they will need a microsite and webforms for advertising, bookings and transactions, and they will need marketing support – particularly digital marketing such as programmatic advertising and advertising to businesses. The same will be needed for other services and venues.

This means we must invest in and restructure the Communications Service. However, in the interim, we need a Marketing Officer to take forward the street advertising work and they can also start to pick up some of the other commercial work being taken forward by Raj Mistry and Andreas Christophorou.

We believe there could be in the region of £300,000 that can be generated in street advertising, and hundreds of thousands more in supporting our venues and services to be commercial and market them. So this is an invest to earn proposal.

This role will:

- Find new street advertising opportunities
- Work with advertisers
- Work with planning, highways, legal and procurement to ensure that planning permission can be granted and the process fast-tracked to bring income into the council's coffers.
- Begin working on wider commercial opportunities that are ready such as our venues (starting with the most lucrative, for example Weddings), and expand to wider work, capacity permitting, when some services are ready to go commercialise such as Commercial Waste.

Note: As commercialisation of services increases, more than one Marketing Officer will be required and this should be reviewed ahead of a Communications Service restructure in 2025.

Budgeted Outcomes / Accountability (focus on improved performance):

A council that works and listens to everyone (Communication and Engagement)
 Boost Culture, Business, Jobs and Leisure / Invest in public services (Marketing/Income Generation/Commercialisation)

Risks and Implications:

We will not achieve our income generation targets

Value for Money and Efficiency:

This role will not only generate income from street advertising but will support services such as our venues to advertise themselves to generate more custom and more income – for example our profitable Registrars Service. If there is capacity, the person can also start supporting some of the commercialisation of services work such as advertising for commercial waste.

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

GROWTH PROPOSAL

Proposal Title:	Somali Community Hub - Granby Hall		
Reference:	GRO / CEO 006 / 24-25	Growth Type:	Mayoral Priority
Directorate:	Chief Executive's Office	Growth Service Area:	Central services
Directorate Service:	Strategy, Policy and Intelligence (H&R) Corporate Strategy and Communities (CEO)	Strategic Priority:	6. Empowering communities and fighting crime
Lead Officer and Post:	Afazul Hoque, Head of Corporate Strategy & Communities	Lead Member and Portfolio:	Mayor Lutfur Rahman, Executive Mayor

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	0	60	-	-	60

Staffing Impact (if applicable):	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

The proposal is to establish and support the development of a community hub that focusses on the needs of the Somali community in Tower Hamlets, managed, through a service agreement, by a suitably competent and experienced Somali led not-for-profit organisation.

A designated community hub focussed on services and activities for and delivered by the Somali community has been identified as a Mayoral priority and is included in the council's Strategic Plan 2022-26 under priority 6 – Empower communities and fight crime. This includes the following action:

- Support a dedicated resource centre for the Somali community, which is underrepresented in employment and local institutions, run by community members and open to the public.

Granby Hall has been used by Somali community groups for many years and currently the majority of regular users are from that community. Previously designated as a community hub and renovated by the council in 2019, Granby Hall has been identified as the most appropriate premises to become the Somali led Community Hub.

Since our 2011 census analysis [Somali Census report](#) and our work with the Somali community through the Somali Task Force and Somali Working Group we know that the Somali community in Tower Hamlets has significant disadvantages compared with the wider population in health, employment and educational achievement. Overall, one quarter of Somali households are deprived on at least three out of four different dimensions of deprivation - housing, health, education and employment - compared with 10 per cent of households generally. A dedicated community hub focussing on services for the Somali community will not only provide a venue for the community to organise its own activities but will also provide an opportunity for statutory providers to deliver bespoke services.

The project will deliver a physical focus for activities and services organised for and by the Somali community in Tower Hamlets. The Somali Community Hub should be able to demonstrate,

1. Strong community links – Somali residents are able to influence its operation and decision-making processes;
2. An animating presence – new activities and services are encouraged including providing space and support to smaller groups;
3. Meeting local needs – social, economic, and environmental benefits are delivered through the hub;
4. Embracing diversity – working to improve community cohesion and reduce inequalities;
5. Good governance – transparent and accountable processes, with adequate monitoring, evaluation and financial management systems;
6. Good premises management – sustainably, legally, and safely managed premises supporting the delivery of services.

Benefits to residents – providing a designated hub will provide Somali residents with a focus for community based activity and the opportunity to provide a holistic range of services to meet the needs of the community. Initial discussions have indicated that Somali groups currently based at Granby would want to continue to offer the facilities at Granby Hall to other local community groups and residents of the surrounding area. This would provide the opportunity to develop activities to promote community cohesion. There is capacity at Granby Hall to provide facilities for locally based community groups and residents as well as providing additional services specifically targeting the Somali community.

Benefits to residents are embedded in the high level deliverables and will be assessed through the outcomes framework and KPIs incorporated into the service agreement with the proposed management group.

Budgeted Outcomes / Accountability (focus on improved performance):

The proposal directly meets a key action in the council's strategic plan to, 'Support a dedicated resource centre for the Somali community, which is underrepresented in employment and local institutions, run by community members and open to the public'

The service agreement will include an outcomes framework and KPIs to ensure the commissioned management organisation demonstrates,

- Higher levels of use of the premises
- Strong community links
- An animating presence
- Meeting local needs
- Embracing diversity, working to improve community cohesion and reduce inequalities
- Good governance through open and accountable processes
- Good premises management

Value for Money and Efficiency:

Granby Hall is currently managed by the council as a venue for hire. The current costs of running the centre may be utilised as 'seed money' to support the new Hub in the first years of operation. Some additional resource will be needed to provide a management fee if the council commissions a management organisation. After this period, the council may reduce its financial support.

In the longer term, if the premises are leased to a Somali led consortium, there may be potential savings of up to £40k per annum as the hub becomes more self sufficient.

In the project budget below, it is assumed that the new management organisation will take responsibility for business rates, energy and utilities, soft services such as cleaning, security and waste disposal, and staffing. The council will retain responsibility for statutory testing, repairs and maintenance and other hard services.

As far as possible, the budget is based on the average of three years' costs from 2020/21 to 22/23. The council is expecting higher usage under the new arrangements, but it will be for the management organisation to balance additional costs against additional income. There is no budget transfer in relation to hard services as the council will retain responsibility for these services.

The balance required to fund the project, including the management fee, is the growth requirement.

	£s	£s	Comment
Business rates	0		100% NNDR relief assumed
Energy and utilities	12,000		Currently a cost to council - responsibility passed to managing organisation
Soft services	14,000		Currently a cost to council - responsibility passed to managing organisation
Hard services	0		Retained by the council
Sub-total running costs	26,000	26,000	
Management fee	50,000	50,000	Payment to contractor to include staff presence on site
Hire charges (income)	-16,000	-16,000	Estimated retained income
Growth requirement		60,000	

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

GROWTH PROPOSAL

Proposal Title:	Women's Resource Centre		
Reference:	GRO / CEO 007 / 24-25	Growth Type:	Mayoral Priority
Directorate:	Chief Executive's Office	Growth Service Area:	Central services
Directorate Service:	Corporate Strategy and Communities Team	Strategic Priority:	6. Empowering communities and fighting crime
Lead Officer and Post:	Afazul Hoque, Head of Corporate Strategy and Communities	Lead Member and Portfolio:	Cllr Suluk Ahmed , Cabinet Member for Equalities and Social Inclusion

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	N/A	400	-	-	400

Staffing Impact (if applicable):	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE)	0	1	-	-	1

Proposal Summary:

What is the proposal and its objectives?

This proposed project sets out to establish a Women's Resource Centre. It is a strategic priority in the current corporate plan. The objectives are to provide a safe space for learning and development for women as part of addressing the challenges around equitable opportunities for marginalised women. This proposal includes on-going costs with the PFI costs associated with identified site.

What will the proposal deliver?

In addition to the learning and development courses that will be delivered from site, the centre will also provide a vital advice base for VAWG issues, as well as having a creche on site to support childcare needs for women wanting to access services at the centre.

What is the motivation and reason for the proposal? Any changes in legislation etc.

The project aims to provide a dedicated resource centre to enable opportunities for the development of all marginalised women, especially Bangladeshi women. Local data suggests Bangladeshi women continue to be marginalised and face economic, health, social and gender inequalities disproportionately. Despite efforts to address the gaps in opportunities for Bangladeshi and other ethnic women, the issue remains prevalent as the disadvantages they experience are not based on a level playing field compared to their counterparts, which is why it has been recognised as a priority in the council's corporate plan.

Why is this desirable?

The centre will provide women the opportunity to seek support in a centre carefully designed to meet their needs. It will be an exclusive centre for women, with their childcare needs addressed. The proposed centre is based in a gated location between Osmani School and Osmani Trust, set within a mile of the former Jagonari Women's Education and Resource Centre.

Evidence any numbers and cost drivers.

We anticipate by establishing this centre, we would facilitate the needs of local women to seek development and employment opportunities, especially economically in-active women who might have language or skills barriers preventing them from seeking employment. This would impact the wider cost-saving implications for the local authority with an improved household income. It would alleviate the challenges of the cost-of-living crisis.

- 72.9% of people aged 16-64 are economically active in Tower Hamlets. The rate is considerably higher for males (80.2%) than females (65%). Source: ONS, 2021
- Percentage of children in relative low-income families, aged 0-15 years (DWP; Children in low income families, local area statistics) Tower Hamlets 25.3% (2021) Comparator 16.6% London (2021)

Budgeted Outcomes / Accountability (focus on improved performance):

How does this proposal contribute to achieving the strategic priorities of the Council?

This project directly impacts the following strategic priorities:

- Tackling the cost of Living – supporting women to access learning and employment support
- Accelerating Education – supporting women with gaining accredited qualifications
- Boost culture, business, jobs and leisure – the centre will be a tangible outcome for the borough and will deliver a culturally sensitive resource centre
- Investment in Public Services – it will be an investment in a community asset, for the benefit of residents
- Empowering Communities and Fighting Crime – the site will have VAWG advice provisions on site and will impact reporting of crime and support through the process

What are the expected improvements in service delivery & performance? Provide performance information data.

At present, the Idea Stores have a learning programme of Lifelong Learning and Skills for Life courses, we will extend these courses in the women's resource centre so that they can be delivered in a safe space, where women feel comfortable to participate. There are some cultural nuances, including childcare restrictions which prevent some women from seeking development opportunities in some settings, and this project aims to tackle these issues.

Once established performance related information will be gathered and identify for year on year improvements.

Risks and Implications:

Highlight any service and corporate associated risks

The initial key project risks identified are listed below:

- Delays with project launch due to factors outside of project group control
- External and Internal user disengagement and lack of input in co-design/co-production
- Issues around the current PFI contract may lead to the decision that this site is not suitable, which will impact on timeline as a new site will need to be identified
- Renovating the site whilst in PFI contract could significantly hike up the overall costs
- Budget restraints could result in the centre's renovation being minimal, therefore affecting the service plans and what the centre can provide in reality.

Value for Money and Efficiency:

Provide justification for VFM and efficiency

The long-term value for money and efficiency will go beyond cost savings as it will provide an opportunity for marginalised women, who might never have taken up the opportunity to develop their skills and confidence. Supporting women, especially mothers will not only impact them, but also their children's opportunities as well as their household income.

The centre will provide a space for women to learn, seek advice and help, as well as build friendships and confidence. Public Health and NHS partners have documented the challenges with early screening for certain diseases affecting women – this centre could provide that safe space for women to learn and be educated about getting screened. The centre will work with external and internal stakeholders to ensure their services can be sensitively delivered to some of the most vulnerable members of our community.

Similarly, for VAWG issues, the centre aims to build a positive environment for learning, developing and empowering women to seek help. This public health approach of 'prevention is better than cure' by providing early intervention services will ensure that longer-term cost savings are made.

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	No	
Changes to a Service		
Does the change alter who is eligible for the service?	Yes	The proposed centre is a dedicated space for women as gender inequalities have been identified for this group which this proposal aims to address. The centre will deliver services to mitigate inequality and is a proportionate means of achieving a legitimate aim.
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	
Summary:		Additional Information and Comments:
To be completed at the end of completing the Screening Tool.		
Based on the Screening Tool, will a full EA be required?	No	

GROWTH PROPOSAL

Proposal Title:	SEN Transport		
Reference:	GRO / CHI 001 / 24-25	Growth Type:	Unavoidable Growth
Directorate:	Childrens's Services	Growth Service Area:	Education services
Directorate Service:	SEN Transport	Strategic Priority:	5. Investing in public services
Lead Officer and Post:	Lisa Fraser, Director of Education	Lead Member and Portfolio:	Cllr Maium Talukdar, Statutory Deputy Mayor & Cabinet Member for Education, Youth and Lifelong Learning

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	6,757	1,121	-	-	1,121

Staffing Impact (if applicable):	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

The transport provision is delivered through several different routes: -

The most cost-effective delivery as well as the most flexible for parents and carers is through personnel transport budgets and where possible families are offered this as an option for supporting their Child in their Journey to School. However, this does not always work for Parents who have Children at different School or who are not able to access transport.

Internal Transport services are offered through the Place directorate and deliver a multi-route bus service for Children, primarily at Special School or resource bases. The Cost of this service is shared with adult services who have access to the transport during the day for clients to attend day centres, while the routes are utilised for Schools in the morning and late afternoon Historically the split of these costs had been 70/30 with Children picking up the higher element of the cost. With the reduction in the use by Adults post Covid this has now changed to an 80/20 split. The cost base has also increased, with no subsequent increase in the budget for the service over the last three year. The Increase in costs was masked by Covid, where grants were used to support the increased cost.

The current mid-point forecast from the External transport Team is 80% of £5,641K = £4,513k against a current budget of £3,405k, giving an increase of £1,108k

The third route of transport provision is through the use of call off contracts for individual taxi transport, the 2022/23 budget overspend in this area was £1,670k. Much of this overspend relates to build up of inflationary pressures which had not been built into the base budget, which have now been agreed for 2023/24 of £1,257k leaving a volume pressure of £413k.

These two pressures equate to £1,521k. However, the service believe that further mitigations would be possible through the use of personnel budgets, route optimisation, travel training and review of current non statutory provision. This would mitigate the cost by an estimated £400k giving a growth proposal of £1,121.

Budgeted Outcomes / Accountability (focus on improved performance):

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

Risks and Implications:

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

Value for Money and Efficiency:

The Transport demand board has been reconstituted and will regularly review best value delivery of the service as well as alternative arrangements that offer longer term support for young people towards independence.

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

GROWTH PROPOSAL

Proposal Title:	SEND Improvement – SEN Service		
Reference:	GRO / CHI 002 / 24-25	Growth Type:	Unavoidable Growth
Directorate:	Childrens's Services	Growth Service Area:	Education services
Directorate Service:	Special Educational Needs and Preparing for Adulthood	Strategic Priority Outcome:	Priority 3: Accelerating education Priority 8: A council that listens and works for everyone
Lead Officer and Post:	Dr. Tina Sode and Lewis Teasdale Joint Heads of Special Educational Needs	Lead Member and Portfolio:	Councillor Maium Talukdar, Deputy Mayor and Cabinet Member for Education, Youth and Lifelong Learning

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	7,641	454	150	-	604
Staffing Impact (if applicable):	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total FTE Increase
Employees (FTE) or state N/A	48	11	-	-	11

Proposal Summary:

This growth bid is in line with the Council's Strategic Plan 2022-26 priorities 3 and 8.

- **Priority 3:** Accelerating education: Improve support for children and young people with Special Educational Needs.
- **Priority 8:** A council that listens and works for everyone: Work to ensure staffing at every level of the council reflects the diversity of the borough / Implement a rigorous improvement programme for those services subject to external inspection.

This proposal is a request for additional staffing within SEN and PFA, to meet the increase in demand for statutory SEN services and to maintain the pace of improvement within SEN. This bid is for an additional 8 EHC Coordinators, 1 Senior EHCP Coordinator, 1 assistant EHC Coordinator, and a Quality Assurance lead.

The table below outlines a breakdown of the growth requested within this bid.

Job role:	Grade:	Salary with on-costs, second spinal point:	Number of roles:	Salary with on-costs, second spinal point:
EHCP assistant coordinator	F	£41,825	1	£41,825.00
EHCP Coordinator	I	£53,857	8	£430,856.00
Senior EHCP Coordinator	J	£60,831	1	£60,831.00
Quality Assurance lead	L	£70,243	1	£70,243.00
Total				£603,755.00

The SEN Service is a statutory service that assesses, issues and reviews Education, Health and Care plans for children and young people who have Special Educational Needs and who require levels of support beyond what their schools/educational settings receive from central government. These top-ups to settings are funded via the Dedicated Schools Gant but the service is funded via the General Fund. The growth for 2022-23 was recognition of long-term underfunding of the service and a response to the Written Statement of Action received following the June 2021 Local Area SEND Inspection. Additional funding has meant that rapid improvement was seen in the key areas of the quality of EHCPs, and the administration of Annual Reviews of EHCPs.

The SEN Service will be inspected again by OFSTED under the new SEND-AP Inspection Framework within the next 12 months. Building on existing good practice, the Local Authority must ensure that it is in the best position to meet current and future demand and need in SEN, as well as continue to drive and evidence good work within the Local Area when inspected.

However, over the last year there has been a significant increase in the number of requests for assessment (for an EHCP) have been received, and a corresponding increase in the number of EHCPs issued, and therefore an increase in the total number of EHCPs which the Local Authority is responsible for.

There has been significant increase in the number of new requests for EHCNA seen in recent years:

- A 25% increase, 2021 against 2022 (calendar).
- A 35% increase, 2022 against 2021 (calendar).
- A 100% increase (doubling) for the 2022/23 academic year, compared to the 2020/21 academic year.
- The Local Authority currently receives between 90-110 requests for an EHCP each month. As a snapshot, there were 39 requests for assessment in June 2021, 64 in June 2022, and 90 in June 2023.
- At the time of writing (August 2023) it has received 778 requests for the 2022/23 academic year (September 2022 – July 2023); last academic year it received 555 in the same period.

In one year, the number of EHCPs issued by Tower Hamlets has increased from 400 in the 2021/22 academic year, to 700 in the 2022/23 academic year.

The total number of EHCPs for which the LA is responsible for has risen from 3257 (January 2021), to 3464 (January 2022), to 4111 (January 2023), to 4371 (July 2023), a 34% increase in 2 ½ years. It is expected that by the end of the 2023/24 financial year – by Easter 2024 – the Local Authority will be responsible for between 4750-5000 EHCPs.

This increase in demand is reflected nationally: there has been a 14% increase in the total number of Plans between 2020 and 2022 (last available DFE figures), and a 51% increase in the number of requests for assessment at the same time-period.

Historically, there had been challenges with the timeliness of EHC Needs Assessments in Tower Hamlets. However, recent additional interim capacity has been brought into the SEN Service to address the demand and case management of new assessments, as well as clear overdue and outstanding assessments; this latter work is completed though the demand for new assessments remains. Cumulatively for this calendar year to date, 55% of all EHCPs have been delivered in-timescale, which is slightly above the national average. However, month-by-month, our performance is higher, and over the last 3 months (May, June, July 2023) we have issued 66% of EHCPs within the statutory 20 weeks as a result of this additional capacity, putting Tower Hamlets in the top third of LAs.

With the rapid increase in both the number of EHCPs held, as well as the demand for new requests, SEN colleagues have been working with split focus. The SEN Service will be moving to a model of teams split working exclusively on new assessments, and exclusively on ongoing casework for issued EHCPs, Annual Reviews, and Phase Transfer.

This proposal seeks to maintain the performance and continue the improvement of timeliness of EHC Needs Assessments, whilst ensuring that each child or young person receives continued support on their EHCP in their journey through the SEND system into adulthood. It seeks to ensure that there are sufficient Coordinators to undertake and complete the requests for new assessments within the legally required 20-week timescale, as well as deliver on commitments to co-produce our EHCPs with families, children and young people, and involved professionals, whilst at the same time bring writing EHCPs back into the Local Authority. It seeks to ensure that every child's EHCP is amended at each Key Stage and point of transition (from nursery into primary school, primary to secondary school, and secondary into post-16 education). It seeks to ensure that there is sufficient support for our young adults as they move from education into employment and training.

Each casework/Annual Review coordinator (including Preparing for Adulthood) would hold a caseload of 225 pupils; each new assessment coordinator would deliver 125 new EHCPs each year, written internally and properly co-produced.

Within this proposal it seeks to balance management of an increased workforce and workloads as well: not with senior managers, but with assistant team leaders who would work with professionals, schools and settings, to manage demand and advise on alternative services before statutory SEN. These new roles will deliver opportunities for retention and development of good and ambitious colleagues, fulfilling Tower Hamlets' ambition to 'grow our own', and providing a stepping-stone from front-line work into management and then leadership.

Budgeted Outcomes / Accountability (focus on improved performance):

Priority 3: Accelerating education: Improve support for children and young people with Special Educational Needs

New assessments: There will be sufficient capacity to ensure that the SEN Service can meet the demand for statutory assessment, delivering any agreed assessments within the 20-week timescale greater than national averages. At the other end of the scale, there will be renewed and greater scrutiny of new requests, with further advice and support back to targeted and universal support services where requests for assessment are declined. Both will ensure that Tower Hamlets children and young people receive the support and assessment which they need, at the time and in the manner which they need it. It is expected that all new assessments will be written in-house, rather than outsourced, and all EHCPs will be co-produced with families and children and young people.

Annual Reviews: Building on the newly implemented two-step Annual Review process, there will be greater co-production with families and children and young people on their existing Plans as they move through the SEND system. There will be SEN representation at the most important Annual Reviews, especially at Phase Transfer, to ensure that EHCPs remain relevant, reflective of the aspirations, outcomes and need of children and young people. There will be closer scrutiny of the need for continuing EHCPs, with a focus on ceasing where appropriate EHCPs, where a child or young person has completed their outcomes and is ready to 'graduate' onto a lower level of support.

Co-production: With the above in place, all children and young people with an EHCP (new and existing) will have co-production in their EHCP along their entire SEND journey. This will be first with their families and then into secondary school and post-16. Young people will have an ever-greater stake in their educational direction.

Preparing for Adulthood: Building on the successes of the PFA Service, more Tower Hamlets young people will attend colleges and training provision locally; more Tower Hamlets young people will be in meaningful apprenticeships, supported internships, and ultimately employment, locally and in the London area. More young people with SEN will live happy and successful independent / semi-independent lives. There will be fewer young people Not in Education, Employment or Training (NEET).

Accountability: Parents-carers, families, children and young people, and professionals / stakeholders, will have an increased and measured confidence in the Local Area SEND system as a whole and through the gathering of user feedback on the process and the systematic recording of outcomes, will demystify the whole SEND journey for all, increasing transparency and allowing the service to respond to the needs of our local communities. Regular reporting of service user feedback, statutory timescales and progress against individual outcomes will ensure accountability, as will Director oversight.

Priority 8: A council that listens and works for everyone: Work to ensure staffing at every level of the council reflects the diversity of the borough / Implement a rigorous improvement programme for those services subject to external inspection.

A diverse and reflective workforce: This growth proposal allows the SEN Service to continue to develop and be a reflective face of our local area. It will allow the SEN Service too, to promote and develop good and ambitious colleagues internally – 'grow our own' – with a focus on front line roles, rather than senior management. The Quality Assurance role will ensure that this is embedded and continuously improved upon, as standard practice.

A rigorous improvement programme for those services subject to external inspection: The SEN Service will be inspected again by OFSTED under the new SEND-AP Inspection Framework within the next 12 months. Building on existing good practice, the Local Authority must ensure that it is in the best position to meet current and future demand and need in SEN, as well as continue to drive and evidence good work within the Local Area when inspected.

Risks and Implications:

Reputational: Reduction in the local community's confidence in the LA and SEND Services, which has taken time to rebuild and develop,
Legal: An increase in tribunal and mediation cases with associated risk of parental preference for out of borough schools and settings, Non-compliance with statutory duties (Children and Families Act 2014, SEN Code of Practice 2015),
LGSCO: Delays in processing new assessments and Annual Reviews may yet increase number of matters going to Ombudsman and potential compensation payments,
Ofsted: Written Statement of Action not delivered – failure to meet the significant weaknesses identified in the Written Statement of Action, leading to further action from Ofsted/CQC and central government,
Adverse inspection judgement at next re-inspection of the Local Area under the new SEND-AP Inspection Framework, particularly on amended and updated Plans.

Value for Money and Efficiency:

This investment will bring the capacity in line with neighbouring LAs and deliver better value for residents.

With a focus on front-line staff and internal staff development, this investment brings greater value for money than before and will reduce the spend on high-cost interim staff, meeting demand from a permanent and stable workforce.

The increase in capacity will also enable data held within the service to be used more effectively in future planning and in meeting the outcomes of children and young people. This will improve the quality of provision for children and young people with SEND.

A smoother assessment process, and further improved Annual Review process, both with co-production at their heart, will support efficient assessment and review of EHCPs ensuring that outcomes are met with maximum cost-return.

It will enable the Local Authority to demonstrate the pace and impact required by the Written Statement of Action following the joint OFSTED/CQC inspection, as well as reassure external monitors of continued improvement and a commitment to SEND.

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

GROWTH PROPOSAL

Proposal Title:	Accelerating Education – Education Maintenance Allowance (EMA) / University Bursary Grant Funding / Education Awards		
Reference:	GRO / CHI 003 / 24-25	Growth Type:	Mayoral Priority
Directorate:	Children's Services	Growth Service Area:	Education services
Directorate Service:	Education	Strategic Priority:	1. Tackling the cost-of-living crisis 3. Accelerating education
Lead Officer and Post:	Lisa Fraser, Director of Education	Lead Member and Portfolio:	Cllr Maium Talukdar, Statutory Deputy Mayor & Cabinet Member for Education, Youth and Lifelong Learning

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	1,100	1,350	-	-	1,350

Staffing Impact (if applicable):	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE) or state N/A	4.0	2.0	-	-	2.0

Proposal Summary:	
	<p>School Governance, Information and Traded Services will require £200k to deliver the Mayors Education Maintenance Allowance (EMA), University Bursary Awards and Education Awards. Below is a breakdown of the funding allocation.</p> <ul style="list-style-type: none"> - Education Maintenance Allowance (EMA) <ul style="list-style-type: none"> o £600 x 1250 = £750k - University Bursary Awards <ul style="list-style-type: none"> o £1,500 x 800 = £1.2m - £50k for appeals - £250k staffing cost. <ul style="list-style-type: none"> o Education Awards Support Officer - £189,000 <ul style="list-style-type: none"> ▪ 4.5 FTE at grade F (£41,092 with oncost), Education Awards Support Officers to deliver the mayors EMA/UNI Bursary pledges. These positions are important staffing requirement as per mayoral priorities, which cannot be delivered without this provision. ▪ Previously only 3FTE was required, however with the growth in grant now being awarded by almost double, additional provision will be needed to successfully deliver the grants awards scheme. o Digital Officer need <ul style="list-style-type: none"> ▪ 1 FTE at grade J (£58,137 with oncost), Digital Officer to support all four of the Accelerating Education pledges. The Education Awards team found it a real struggle getting continuous digital support, which had an impact on workload. This position will help deliver efficiencies in the long haul. The officer can also support the finance team digitalising processes of primary school data collection, creating more long-term savings. - Education Awards <ul style="list-style-type: none"> o Event celebrating and acknowledging the academic accomplishment of our student community. <ul style="list-style-type: none"> o £200k cost to cover: <ul style="list-style-type: none"> ▪ Venue hire - £20k (benchmarked from quote provided by Troxy) ▪ Catering - £30k (benchmarked from quote provided by Troxy and Sapphire London catering group) ▪ Staffing cost (equivalent to 0.5FTE at grade F)/ Administration - £20k ▪ Keynote Speakers- £5k ▪ Publicity/promotions/Communications/activities – £5k ▪ Awards Vouchers - 300x£400 = £120k

Budgeted Outcomes / Accountability (focus on improved performance):

The growth bid will deliver on two key mayoral pledges directly linked with the following Tower Hamlets strategic priorities:

- Priority 1: Tackling the cost-of-living crisis Our Ambition: No child will go hungry, and no pensioner will go cold for the next four years
- Priority 3: Accelerate Education: Every child achieves their best in education

Risks and Implications:

Should funding not be approved, there is no resource elsewhere within LBTH to deliver on the Mayors Educational Maintenance Allowance, Universality Bursary pledges and student awards.

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

GROWTH PROPOSAL

Proposal Title:	Universal Primary School Free School Meals Grant		
Reference:	GRO / CHI 004 / 24-25	Growth Type:	Mayoral Priority
Directorate:	Children's Services	Growth Service Area:	Education services
Directorate Service:	Education	Strategic Priority:	3. Accelerating education
Lead Officer and Post:	Lisa Fraser, Director of Education	Lead Member and Portfolio:	Cllr Maium Talukdar, Statutory Deputy Mayor & Cabinet Member for Education, Youth and Lifelong Learning

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	-	(2,200)	2,200	-	-

Staffing Impact (if applicable):	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

It is a continuing Tower Hamlets Council priority to provide universal free school meals to all primary school age children in the borough. Currently funding is provided directly to Schools from the Dedicated Schools Grant (DSG) through the schools funding formula. This supports providing free school meals to all children eligible through income based assessment and through a specific grant for universal provision for Children in Reception and Key Stage 1. Tower Hamlets currently extends the universal provision to all children at Key Stage 2, through direct Council funding. £2m was funded in 2023-24 from the Free School Meals reserve, on top of £1m per year provided through the Public Health grant. These funds are included in the council's medium term financial strategy.

A permanent growth bid was approved by Council last year for the continuation of the offer from 2024-25 as £2m ongoing base budget (with the continued extra £1m per year funding from the Public Health grant). Since then, the Mayor of London has announced a one-off grant for the Primary School Free School Meals for 2024-25 so this bid is delaying the ongoing base budget request to begin from 2025-26 rather than 2024-25. The amount is based on the 2023-24 allocation.

Budgeted Outcomes / Accountability (focus on improved performance):

- Free school meals are associated with improved educational engagement, better attendance at school, improved level concentration, behaviour, health and well-being.
- There is currently an over 90% per cent take up for the Primary free school meals programme in Tower Hamlets Primary schools.
- Reduction in childhood obesity; children have access to a nutritious, healthy school meal and are ready to learn.
- High levels of take up encourage Children to develop important social skills through eating and socialising communally.
- Continual free meal provision encourages school attendance which is essential to support post Covid catch up for all Children.

Risks and Implications:

If the Mayor's free school meal programme is not funded through this bid, the programme will cease. In addition, the programme is reliant on a public health grant funding of £1m per annum; this would need to continue to maintain the level of spend.

Value for Money and Efficiency:

Having a universal provision ensures that no means testing is required, reducing administration, and making the scheme run at a school level. Schools will not need to process any cash payments for meals reducing issues for schools including the chasing of non-payment.

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	No	
Changes to a Service		
Does the change alter who is eligible for the service?	Yes	This ensures all children are eligible for the service and a nutritious meal regardless of family income.
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	
Summary:		
To be completed at the end of completing the Screening Tool.		
Based on the Screening Tool, will a full EA be required?	No	
Additional Information and Comments:		

GROWTH PROPOSAL

Proposal Title:	Leisure Service Insourcing		
Reference:	GRO / COM 001 / 24-25	Growth Type:	Mayoral Priority
Directorate:	Communities	Growth Service Area:	Cultural and related services
Directorate Service:	Leisure	Strategic Priority:	4. Boosting culture, business, jobs, and leisure 5. Investing in public services
Lead Officer and Post:	Tom Alexander, Project Director, Leisure Capital Programme and Procurement	Lead Member and Portfolio:	Cllr Iqbal Hossain, Cabinet Member for Culture and Recreation

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	0	2,105	205	-	2,310

Staffing Impact (if applicable):	Current FTE 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE) or state N/A	0	Circa 250	TBC	plus circa 50 for St Georges	Circa 250

Proposal Summary:

In August 2022 the Mayor & Cabinet agreed that the Leisure Service will be insourced from May 2024. It is currently outsourced to GLL under a contract that will expire on 30 April 2024. This change will provide greater control over the operation of the Leisure Service, as delivered through the Council's 7 leisure centres. It also requires the Council to assume all commercial and operational risks associated with running the service. The insourcing of the leisure service is a key deliverable of the Council's Strategic Plan

The new in-house service will run all 7 leisure centres (noting that St George's is shut but a new facility is due to open on that site in the next 5 years). It will also deliver outreach services using non-Leisure sites (e.g. community centres, parks, etc.), although that is to be determined after engagement with residents and validation through business planning. The service will manage, maintain and operate the leisure centres, initially to a similar specification to the current GLL contract, but evolving to a more holistic wellbeing model to ensure it meets a wider range of need, offer a different combination of programmes and interventions and generates new income.

Officers are undertaking a detailed financial modelling exercise to understand the true costs of running the service given recent inflationary pressures, a reduction in discretionary spend for most residents, additional running costs and new technological developments within the leisure industry.

The decision will provide the Council with greater control over the operation of the service, and full responsibility for its performance. It is our intention that, with sufficient planning and investment, the service could perform above the model's expectations, however learning from other areas suggests a deficit budget.

	24/25	25/26
Direct Income	9,629,650	10,505,073
Direct Expenditure	10,540,484	11,498,710
Net Direct Operating Cost	(910,834)	(993,637)
Central Support Cost	1,194,903	1,317,166
Growth Request	2,105,737	2,310,803

These are provisional costs and our forecast will be more accurate as the modelling is informed by further data and analysis. We are shortly to receive additional key information from GLL on staffing and programming that will refine our estimates, will find more as part of the final hand back and will be able to validate and stress test the model with the new governance arrangements, we are putting in place between now and the end of April 2024.

We have not maintained any central contingency amount in the project, however there is significant risk in the project as we do not know the number of staff we will receive at this point, now do we know their grades and salaries. There would also be significant recruitment costs if key personnel do not transfer. Therefore, an amount of £550k is held within the corporate risk reserve which could be called on if required.

These figures do not include any inflation or costs that may be identified in the condition surveys being undertaken currently. Some of those surveys are likely to identify invest-to-save opportunities on issues like utility consumption.

Budgeted Outcomes / Accountability (focus on improved performance):

The proposal to insource meets strategic priorities 4. Boosting culture, business, jobs, and leisure & 5. Investing in public services

The Mayor and Cabinet anticipate an improvement in service quality from the Council being able to intervene directly in the service.

Risks and Implications:

The Leisure Delivery Board's risk register monitors the implications of this change. It highlights a number of significant risks rated R using the Council's RAG methodology. These include (but not exclusively):

1. The Council will be responsible for the cost of any deficit in the trading performance of the service, currently estimated to be £2.6m per annum.
2. The Council needs to recruit a bespoke management team to oversee the delivery of this service, employing individuals with the requisite skills and experience to manage the service as effectively as possible. Failing to do so, or to retain staff that have been recruited, will significantly undermine the ability of the service to function effectively.
3. All operational risks will sit with the Council – staffing shortfalls, health and safety incidents, equipment failure, planned and reactive maintenance, customer service, etc.
4. A transition team with experience of undertaking a similar insourcing needs to be maintained to give the Council the best chance possible of meeting the tight deadline of 1 May 2024 for having the in-house model in place and to ensure the offer is fully developed whilst the operational team can deliver the day-to-day services.
5. The risk of deteriorating performance from the current provider as the contract nears end.

Value for Money and Efficiency:

The proposal to insource the Leisure Service will provide the Council with greater control over how it operates, and thus the potential opportunity to alter aspects of its delivery to meet Council objectives, particularly public health priorities. The in-house option does not offer a fiscal advantage over other delivery model options. Its value is based on having a more flexible model, in terms of adjusting its delivery quickly and without any recourse to contractual change and the potential to widen the service offer to attract new customer and additional revenue streams.

The service is more likely to be successful in widening its offer and reducing the initial deficit to the Council if sufficient resource is dedicated to allow for:

- as smooth a transition as possible to an insourced operation,
- continuing development past the initial hand-back date,
- ensuring the operational management and staffing of the service has the requisite skills, expertise and experience required to run it.

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	Yes	This proposal creates a new front-line service, albeit non-statutory, in the form of the in-house leisure service providing facilities and activities directly to residents.
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	Yes	For existing Council staff who manage the contract with GLL and the strategic direction of the current contract, there will be changes to roles, including preferable T&C and focus on community wellbeing.

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

Additional Information and Comments:
This is a substantive change in how the service is managed, although users will hopefully not see any negative impact upon service quality if the transition is smooth and the new service resourced to succeed. There are, however, some implications for staff – existing Council, and employees who will TUPE across.

GROWTH PROPOSAL

Proposal Title:	Coroner's Consortium		
Reference:	GRO / COM 002 / 24-25	Growth Type:	Unavoidable Growth
Directorate:	Communities	Growth Service Area:	Cultural and related services
Directorate Service:	Environmental Health and Trading Standards	Strategic Priority:	5. Investing in public services
Lead Officer and Post:	David Tolley, Head of Environmental Health and Trading Standards	Lead Member and Portfolio:	Cllr Kabir Hussain, Cabinet Member for Environment and Climate Emergency

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	342	250	-	-	250

Staffing Impact (if applicable):	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

The Council is within the statutory Inner London North Coroners Consortium with Camden, Hackney and Islington. This is a statutory arrangement governed by legislation for the provision of the Coroners Service. Camden are the lead Authority. The costs of the Coroners Service are divided equally between the four Boroughs. There has been a considerable increase in costs of running the Service due to a backlog of Coroners Hearings, pathology costs and general uplift of contracts that the Coroner has to have in place. The Coroner also has opened an additional Court within Tower Hamlets (Bromley Public Hall) – to assist with the backlog of Hearings that have built up during covid.

Budgeted Outcomes / Accountability (focus on improved performance):

This is a statutory requirement to provide this Service, costs are managed by Camden.

Risks and Implications:

The provision of this Service is a statutory requirement.

Value for Money and Efficiency:

The Coroner is responsible for running the Service and the Authorities are have a statutory responsibility to fund the Service. The Coroner and her Officers are accountable to the Ministry Of Justice and not the Local Authority.

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

GROWTH PROPOSAL

Proposal Title:	Freedom Passes 2024-27		
Reference:	GRO / COM 003 / 24-25	Growth Type:	Unavoidable Growth
Directorate:	Communities	Growth Service Area:	Highways and transport
Directorate Service:	Parking, Mobility and Market Services	Strategic Priority:	5. Investing in public services
Lead Officer and Post:	Michael Darby, Head of Parking, Mobility and Market Services	Lead Member and Portfolio:	Cllr Kabir Hussain, Cabinet Member for Environment and Climate Emergency

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	8,067	1,527	2,064	1,342	4,933
Staffing Impact (if applicable):	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

The Freedom Pass scheme provides free travel on public transport for pass holders over 66 and registered as disabled throughout London. The scheme is administered by London Councils and decisions on apportioning the costs of the scheme between boroughs are made by Members of London Councils' Transport & Environment Committee.

London Councils manage the negotiation of the Freedom Pass settlement with TfL and the allocation process between all the London Boroughs of their respective budget contributions to TfL.

Based on London Councils latest model (assumptions) of concessionary fares

- 2024-25 figures are confirmed, and all ongoing years are estimates and could be subject to change.
- We're using HM Treasury inflation estimates for future years – as you know these are imprecise.
- The amounts for future years are much less reliable and will depend on journey numbers and inflation and for that reason we have included several scenarios regarding the extent to which journey demand.

Appendix 2: 2024/25 Apportionment by quarter and borough

Authority	Total per borough (£) Paid to TfL	Total per borough (£) Paid to London Councils	2024-25 Total per borough (£)
Tower Hamlets	9,386,620.00	207,648.00	9,594,268.00

BOROUGH	2025-26			2026-27		
	Lower range	Baseline	Higher range	Lower range	Baseline	Higher range
Tower Hamlets	£11,201,924	£11,658,200	£12,376,599	£12,475,815	£13,000,200	£13,784,942

Funding for this growth will be subjected to annual reviews to ascertain demand.

Budgeted Outcomes / Accountability (focus on improved performance):

The Freedom pass allows for older persons and disabled people to freely travel across London and free bus journeys nationally.

Risks and Implications:

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

The settlement is usually confirmed annually in November/December which provides the information on what the Authority's annual contribution will be based on for the next year.

Other work currently being undertaken on demographic and social changes within the Borough indicate that the Authority has an increasing population which may mean an increased demand for freedom passes.

Value for Money and Efficiency:

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

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

GROWTH PROPOSAL

Proposal Title:	Waste Operations		
Reference:	GRO / COM 004 / 24-25	Growth Type:	Mayoral Priority
Directorate:	Communities	Growth Service Area:	Central services
Directorate Service:	Waste Services, Public Realm	Strategic Priority:	7. Working towards a clean and green future
Lead Officer and Post:	Simon Baxter, Director of Public Realm (Interim)	Lead Member and Portfolio:	Cllr Kabir Hussain, Cabinet Member for Environment and Climate Emergency

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	20,346	5,000	(5,000)	-	0 (one off investment)
Staffing Impact (if applicable):	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE) or state N/A	335	72	(72)	-	-

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Proposal Summary:

The mayor declared a waste emergency at full Council in November 2022. A waste improvement plan was drafted and presented in July 2023 as a response to the requirements of the waste emergency. The plan did not fully highlight the issues within waste services that stemmed from a flawed TUPE process. This plan seeks to address these failures with a response that will review, recover, and deliver an improved waste service for residents of the borough. It is expected that the proposed projects will deliver improvements starting from April 2024. This is a one-off investment in 2024-25, improvements in standards will need to be maintained from the existing baseline budget or subject to a growth bid in the 2025-26 Medium Term Financial Strategy.

This growth bid relates to delivery of improvements, highlighting the need for investment and realignment of waste services to provide a basis for service improvement, with an overarching goal of delivering on the key strategic plan objectives - ‘working towards a clean and green future - cleaning up our borough with more bins, litter sweepers and a mission to drive down missed bin collections’.

To ensure changes to service improvement are sustainable over the long term, the delivery model will be programme based with a suite of projects some of which will be mainstreamed as their effectiveness is assessed and performance reviewed. Thirteen main projects have been identified as priorities, with sub-projects that will require realignment of the waste services structure and strengthening of links to internal teams such as Finance, Human Resources, Customer Contact Centre, and Revenues. To deliver these projects and service changes, there will be a need to utilise internal and external project management support. The proposal is to utilise internal staff within the council and external staff in the following ways.

Job Title	Role Requirements	Commencement of Assignment for 12 months
Programme Manager x 1	To coordinate, manage and lead on the programme deliverables	April 2024
Project Managers x 4	To manage and coordinate a suite of projects working with project officers and reporting to the Programme Manager	April 2024
Project Officers x 4	To work with the project manager as directed	April 2024

To meet the demands and needs of effective service delivery, waste services require a reorganization of the staff structure. This will consider the potential for a dedicated in-house call centre for waste services to deal with all waste/street cleansing/ demand from FiFi-related telephone enquiries. It will also consider -

- The potential creation of a Local Environmental Quality Team
- The potential creation of a nighttime enhanced enforcement team
- A review of top and middle management structures
- Investment in more training and development for front line staff

Budgeted Outcomes / Accountability (focus on improved performance):

PROJECT DESCRIPTION	MILESTONES	RESOURCE	COST
<p>Introduction of Time-Bands</p>	<p>Revised time-bands will be introduced to ensure all waste from shops and businesses is placed out at the correct time and place to ensure that our streets are clear of waste at all times. This will ensure that time-bands remain relevant to the needs of residents and businesses in the areas where they are set. New time-bands will help keep the street scene clear in busy areas (flats above shops) and prevent waste being stored overnight in business premises.</p> <p>We will review our enforcement approach in relation to the new time-bands. Introduction of time-bands will allow targeted enforcement action being taken on businesses and residents that do not adhere to the stipulated times. A period of education will be in place to allow the time bands to embed.</p> <ul style="list-style-type: none"> • Additional enforcement officer x 4 resource (including night time enhancement pay) <p>Comms:</p> <ul style="list-style-type: none"> • Consultation with residents and businesses will be required • Signage will need to be displayed across the borough and • A communication plan to share the message. 	<p>Project Team/BAU</p>	<p>£250,000</p> <p>£100,000</p>
<p>Commercial Waste Service Review</p>	<p>In order to improve our commercial waste sales we will introduce dedicated vehicles that will ensure improved services for commercial waste customers and a greater visibility of our workforce.</p> <p>Manage “aged debt” of approximately £700,000 and create a debt free service that operates on a trading account model.</p> <p>Currently, commercial waste is collected in the same vehicles that pick up municipal waste for both the recycling and residual service. As part of the optimization of collection rounds commercial waste collections will be a “stand alone” service delinked from municipal rounds. This will allow us to:</p> <ul style="list-style-type: none"> • Collect commercial waste only as paid for by the customer. • Provide a seven day a week commercial service to effectively manage commercial waste in the borough and retain a customer base over and above the circa 2,000 we currently have. • Understand total service costs and create baseline and assess budget. • As part of the changes envisaged, time bands will be re-introduced in key areas of the 	<p>Project Team/BAU</p>	<p>£130,000</p>

	borough to help manage waste on streets. Compliance will be managed through education and enforcement.		
Street Cleansing Service Enhancements	<p>As the Street Cleansing Service undergoes a service review, the following daily additional street cleansing resource enhancements are recommended to enhance visibility and accommodate increased footfall in parts of the borough in the mornings, afternoons, and evenings, particularly in areas of the borough with a thriving night-time economy such as the west of the borough. This will include increasing visibility and use of mechanical footway cleaning in areas where this is appropriate.</p> <p>Mornings (AM):</p> <ul style="list-style-type: none"> 2 drivers and 2 loaders <p>Afternoons Enhancement (PM):</p> <ul style="list-style-type: none"> 4 x drivers and 4 loaders (on existing 4x Caged vehicles to enhance fly tipping collections) 10 x Sweepers – To maintain street cleanliness in high-footfall areas eg markets/transport hubs <p>Nights Enhancement:</p> <ul style="list-style-type: none"> 1x driver and 2 x loader (on existing vehicles) 2 x drivers and 2 x sweepers on existing mechanical broom vehicle to clean more main roads and traffic islands. 1x driver (on existing compact mechanical broom) 1x driver and 3x operatives -a high visibility nightly deep cleaning / jet washing team that will ensure that our markets and nighttime economy areas are spotless <p>Weekend Enhancement:</p> <ul style="list-style-type: none"> 5 x sweepers (Saturday AM/PM) 5 x sweepers (Sunday AM/PM) <p>Vehicles</p> <ul style="list-style-type: none"> 2x compact mechanical brooms 2 x 7.5 tonne Caged Vehicle – to target fly-tipping hotspots in key areas. 2x 3.5 tonne caged vehicles – for FIFI Plus <p>Enhanced Find it fix It PLUS</p> <ul style="list-style-type: none"> 2x drivers and 2 x operatives <p>Additional Find fix it fix it Plus- a new addition to the find it fix it team who will be a multi skilled workforce tackling issues on public and private land such as overgrown vegetation, painting, broken fencing, designing out problem areas, i.e hoardings where flyposting takes place.</p>	Project Team/BAU	<p>£200,000</p> <p>£400,000</p> <p>£400,000</p> <p>£180,000</p> <p>£220,000</p> <p>£60,000</p> <p>£210,000</p> <p>£250,000</p> <p>£250,000</p> <p>£200,000</p> <p>£250,000</p> <p>£120,000</p> <p>£220,000</p> <p>£200,000</p>

	<p>Other Street Cleansing Service Enhancements: Other planned initiatives for improving our street scene are:</p> <ul style="list-style-type: none"> • Independent grading of streets (Tranche) using Keep Britain Tidy including training of staff 		
Parks enhancements	<p>Weekday Mornings Enhancements (AM):</p> <ul style="list-style-type: none"> • 1x driver and 3 x operative <p>Weekday Afternoons Enhancement (PM):</p> <ul style="list-style-type: none"> • 2x litter picker • 2x drivers and 2 x operatives <p>Weekend Mornings Enhancement (AM):</p> <ul style="list-style-type: none"> • 1x driver and 1 x operative <p>Weekend Afternoons Enhancement (PM):</p> <ul style="list-style-type: none"> • 2x litter picker • 1x driver and 1 x operative 		<p>£210,000</p> <p>£100,000</p> <p>£220,000</p> <p>£140,000</p> <p>£100,000</p> <p>£140,000</p>
Waste operating system digitalisation, benchmarking, and options appraisal	<p>We will review Whitespace, our waste management system, to determine the service requirements it currently meets and those that it needs to meet. The following priority areas of Whitespace functionality have been identified for testing and development:</p> <ul style="list-style-type: none"> • Missed Collections • Invoicing / FMS • Contracts / customers • Ad Hoc / scheduled. • Bulky Waste • Clinical Waste • Ad Hoc Streets • Scheduled Activities (All) • Addition of new properties • Container movements • Recycling sack deliveries <p>Re-Implement of Whitespace (Version 11) We will reimplement Whitespace as Version 11 after testing and development of key functions. This will enable us to develop a 'fit for purpose' info management system for all service users, including managers, crews, deliveries internal stakeholders, residents, and businesses. A core aim of this project is to streamline the overall user experience and customer journey. Part of reimplementing will be training of all staff on updated version of Whitespace.</p> <p>Mobile phones for sweepers Every sweeper will be issued with their own phone, with data to use. This will enable frontline staff to report any issues they are facing and record clean streets upon completion of the job.</p>	Project Team/BAU	<p>£200,000</p> <p>£50,000</p>

	<p>FiFi Update the find it fix application to meet the demands of our new services</p>		£50,000
<p>Communication and Consultation Plans</p>	<p>To ensure deliverables are communicated and consulted on as required, there is a need for an overarching communications plan that embeds the relevant comms required for each of the project streams.</p> <p>It will be important to develop a meaningful comms plan that utilises local community channels to share our service improvements plus encouraging a wider community response to improve our environment (street leader scheme) including improving recycling. The comms plan will differentiate targeting three main demographics: the young generation through utilisation of social media platforms including the newly launched local authority TikTok; use the locally based social media influencers. The use of non-mainstream media such as of channel S and equivalent for communities to widen “reach”. Utilise our places of worship and our community leaders to take up the challenge of improving our borough.</p> <p>Advertising the FiFi App to increase awareness and usage.</p> <p>Work with the Young Mayor on engagement and campaigns to engage with younger people on taking responsibility for their environment (Don't be a Waste Man, Own your waste man campaign)</p> <p>Develop a street theatre campaign, including my space my place and the guerrilla (gorilla) cleansing squad. This campaign will make a huge difference to how we connect to not just those that live here but also those passing through.</p> <p>A borough wide bill board campaign telling everyone information such as, that we are the cleanest borough in London, that 99.45% of our bins are collected on time, that we have so many award winning green flag parks!</p>	Project Team	£100,000
<p>Community Engagement</p>	<p>We will create and launch an ambitious new Street Leader (SL) scheme. Street Leaders will consist of community volunteers who take the responsibility for all environmental issues in their area and encourage residents to actively report and engage with cleaning up their neighbourhood and celebrate their achievements.</p> <p>Each Street Leader will be given a unique ID code via find it fix it app. When they engage and report waste issues, they gain points and can win monthly prizes (vouchers, iPad, Play station etc). Each SL will be receive bespoke training.</p>	Project	£50,000

	<p>The Street Leader will be issued with free graffiti removal kits, litter pickers etc so they can actively participate in improving the cleanliness of the borough. There will be bi annual conference celebrating their successes and their achievements in making our borough the cleanest in London.</p>		
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Risks and Implications:
 Poor waste services and increase in operating costs due to poor alignment and structures

Value for Money and Efficiency:
 Long term efficiencies

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

GROWTH PROPOSAL

Proposal Title:	Free Swimming for Women and 55+ Male Seniors		
Reference:	GRO / COM 005 / 24-25	Growth Type:	Mayoral Priority
Directorate:	Communities	Growth Service Area:	Cultural and related services
Directorate Service:	Leisure	Strategic Priority:	1. Tackling the cost-of-living crisis 4. Boosting culture, business, jobs, and leisure 5. Investing in public service
Lead Officer and Post:	Simon Jones, Head of Leisure Operations	Lead Member and Portfolio:	Cllr Iqbal Hossain, Cabinet Member for Culture and Recreation

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	N/A	248	-	-	248

Staffing Impact (if applicable):	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

Free Swimming for Women

- In May 2022 the Mayor and Cabinet made the decision to bring leisure services in-house.
- The Council will operate the service to benefit those hard-to-reach communities, such as BAME women and SEND children, to promote healthy living and wellbeing.
- There are currently 17.5 hours of dedicated women only swimming provision across the four pools in Tower Hamlets per week.
- Tower Hamlets has the largest growth of any borough throughout the UK.
- The borough is predominantly made up of those from an Asian/Bangladeshi background (44.4%) and those of the Islamic faith (39.9%).
- 1 in 5 females across the Borough have been classified as inactive.
- Female participation remains at the forefront of targeted provision, set out within the Mayor's manifesto.
- Women feel recreational facilities are an area where inequality is particularly evident.
- Many women find it difficult to engage in this activity due to various cultural, religious, and personal reasons.
- Approximately 148,800 (48%) of the total population in Tower Hamlets are female. (2021, Census).
- Currently 38% of leisure centre usage is by females.
- During the Summer the team carried out consultations with the local community, we asked what activities they would most like to participate in, swimming was ranked as their second choice after general fitness, circa 250 people took part in the survey.
- It is crucial that we establish an inclusive and culturally sensitive environment for our community members.
- Women's only swimming sessions play a pivotal role in addressing these inequalities.
- A safe space for women to engage in physical activity, fostering both their physical and mental well-being is desired.
- Regular exercise has been proven to reduce stress, anxiety, and depression, while also enhancing self-esteem and body image.

Current Offering

- GLL offered 280 hours of women's only aquatic sessions in 2023.
- This is a combination of Swimming Sessions, Swimming Lessons and Aqua Aerobics
- Women only sessions currently see 3300 attendees across all 4 pools which is a penetration of 2% of the local female population if all are unique visits, we therefore assume the genuine penetration rate is below 1%

NGB and Partner Insight

- 64% of females from all ethnically diverse communities cannot swim compared to 17% of white females – Swim England
- 76% of South Asian females are unable to swim – Swim England
- Only 63% of the ethnically diverse community feel it is easy to take part in swimming, compared to 71% of white females – Swim England
- Only 59% of the ethnically diverse community see swimming as accessible – Swim England
- Swimming is currently helping the NHS save £357 million a year nationally – 4 Global

Planned Offering

- To provide female lifeguards to supervise all qualifying sessions.
- To offer 240 free spaces for women only sessions per week (12480 annual) with an expected up take of 85%, 204 users per week (10,608 annual)
- Aim to see an initial uptake of 85% on these spaces equating to 10,608 visits (7,308 more than current)

. Easy booking system for a smooth customer journey via five customer channels;

- Centralised call centre
- Online booking
- On App Booking
- At site staff booking
- Through a chat bot online (date tbc)

Planned Outcomes

- Raise penetration of local community from 2% to 7% in female based aquatic activities.
- Remove barriers of access to aquatic activities for low-income households within the borough.
- To instil confidence into the local female community that our facilities and activities are safe and suitable.
- See a rise in activity throughout the local community both in swimming and other physical activities.
- Increase positive health markers for local community and reduce costs to the NHS.

To provide free access to women sessions for all eligible residents to increase participation of sports activities within the demographic at no cost to the user. Each participant will be provided with a membership card linked to the LMS allowing the ability to book and participate in women aquatic related sessions at no additional cost.

The sessions available to Women under this scheme will be;

Women Sessions

Site	Session	Day	Start	Finish
Mile End	Swim	Tuesday	10:00	13:30
Mile End	Aqua	Tuesday	12:00	15:00
Mile End	Swim	Wednesday	17:00	22:00
Poplar	Swim	Monday	09:00	12:00
Poplar	Swim	Tuesday	17:00	22:00
Poplar	Aqua	Wednesday	12:00	15:00
Tiller	Swim	Thursday	18:00	22:00
York Hall	Swim	Tuesday	16:00	22:00

55+ Swimming (men only)

The borough has seen the largest increase in residents over the age of 60 (34%) with 70-74 being the highest with a 37% increase.

- 48% of people over 70 have been classified as inactive.
- A recent study found that men who swam regularly had a 53% lower risk of dying from cardiovascular disease.
- it is crucial that we establish an inclusive environment that caters to the diverse needs of our community members.
- A safe and simple customer journey to engage in physical activity, fostering both their physical and mental well-being is desired.
- Regular exercise has been proven to reduce stress, anxiety, and depression, while also enhancing self-esteem and body image.

Current Offering

- 55+ are currently eligible to register for a concessionary membership which provides them with a reduced rate on certain activities.

NGB and Partner Insight

- Swimming is currently helping the NHS save £357 million a year nationally – 4 Global
- Recognised as the best form of exercise for senior citizens – Swim England

Planned Offering

- To offer 30 free spaces for 55+ (men only) at each pool on each day, allowing 43,680 free swimming opportunities annually.
- Aim to see an initial uptake of 85% on these spaces equating to 37,128 visits.
- Easy and sympathetic booking system for a smooth customer journey.

Planned Outcomes

- Remove barriers of access to aquatic activities for low-income households within the borough.
- To instil confidence into the 55+ men section of the local community that our facilities and activities are safe and suitable.
- See a rise in activity throughout the local community both in swimming and other physical activities.
- Increase positive health markers for local community and reduce costs to the NHS.

To provide free access to 55+men for an hour per day to increase participation of sports activities within the demographic at no cost to the user. Each participant will be provided with a membership card linked to the LMS allowing the ability to book and participate in specified sessions at no additional cost.

The Sessions available to 55+ under this scheme would be:

55+ (men only) Free Swimming Sessions - All Pools

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
13:30 - 15:30	13:30 - 15:30	13:30 - 15:30	13:30 - 15:30	18:00 - 20:00	13:30 - 15:30	13:30 - 15:30

Budgeted Outcomes / Accountability (focus on improved performance):

The proposal will help to remove barriers to exercise for the 2 target groups listed, helping links to local healthier living initiatives and increasing physical activity within the local community

The proposal will allocate 30 spaces per hour for each type of qualifying session this is costed below at the current rate for a swim at the appropriate price level from 1st May 2024.

Women Session - Adult Swim £7.90
55+ – Off Peak Concessionary - £2.60

Women Sessions

Site	Session	Day	Start	Finish	Hours	Spaces	Value
Mile End	Swim	Tuesday	10:00	13:15	3.25	30	£ 770.25
Mile End	Aqua	Tuesday	12:30	13:30	1.00	30	£ 237.00
Mile End	Swim	Wednesday	12:30	13:15	0.75	30	£ 177.75
Poplar	Swim	Monday	09:00	12:00	3.00	30	£ 711.00
Poplar	Swim	Tuesday	12:00	14:00	2.00	30	£ 474.00
Poplar	Aqua	Wednesday	18:30	19:30	1.00	30	£ 237.00
Tiller	Swim	Thursday	19:00	20:00	1.00	30	£ 237.00
York Hall	Swim	Tuesday	19:00	21:30	2.50	30	£ 592.50

Weekly Total	£ 3,436.50
Annual Total	£ 178,698.00

55+ Sessions (men only)

Site	Session	Day	Start	Finish	Hours	Spaces	Value
York Hall	Swim	Monday	13:30	14:30	1.00	30	£ 78.00
York Hall	Swim	Tuesday	13:30	14:30	1.00	30	£ 78.00
York Hall	Swim	Wednesday	13:30	14:30	1.00	30	£ 78.00
York Hall	Swim	Thursday	13:30	14:30	1.00	30	£ 78.00
York Hall	Swim	Friday	13:30	14:30	1.00	30	£ 78.00
York Hall	Swim	Saturday	13:30	14:30	1.00	30	£ 78.00
York Hall	Swim	Sunday	13:30	14:30	1.00	30	£ 78.00
Mile End	Swim	Monday	13:30	14:30	1.00	30	£ 78.00
Mile End	Swim	Tuesday	13:30	14:30	1.00	30	£ 78.00
Mile End	Swim	Wednesday	13:30	14:30	1.00	30	£ 78.00
Mile End	Swim	Thursday	13:30	14:30	1.00	30	£ 78.00
Mile End	Swim	Friday	13:30	14:30	1.00	30	£ 78.00
Mile End	Swim	Saturday	13:30	14:30	1.00	30	£ 78.00
Mile End	Swim	Sunday	13:30	14:30	1.00	30	£ 78.00

Weekly Total	£ 2,184.00
Annual Total	£ 113,568.00

Tiller	Swim	Monday	13:30	14:30	1.00	30	£ 78.00
Tiller	Swim	Tuesday	13:30	14:30	1.00	30	£ 78.00
Tiller	Swim	Wednesday	13:30	14:30	1.00	30	£ 78.00
Tiller	Swim	Thursday	13:30	14:30	1.00	30	£ 78.00
Tiller	Swim	Friday	13:30	14:30	1.00	30	£ 78.00
Tiller	Swim	Saturday	13:30	14:30	1.00	30	£ 78.00
Tiller	Swim	Sunday	13:30	14:30	1.00	30	£ 78.00
Poplar	Swim	Monday	13:30	14:30	1.00	30	£ 78.00
Poplar	Swim	Tuesday	13:30	14:30	1.00	30	£ 78.00
Poplar	Swim	Wednesday	13:30	14:30	1.00	30	£ 78.00
Poplar	Swim	Thursday	13:30	14:30	1.00	30	£ 78.00
Poplar	Swim	Friday	13:30	14:30	1.00	30	£ 78.00
Poplar	Swim	Saturday	13:30	14:30	1.00	30	£ 78.00
Poplar	Swim	Sunday	13:30	14:30	1.00	30	£ 78.00

This would see the total value of funded places cost - £292,266 based on all spaces for all sessions being utilised.

We anticipate an uptake of 85% which would lead to a total value of £248,426

Risks and Implications:

There is no inherent risk as all potential loss of income would be covered by the project funding.

Value for Money and Efficiency:

As the service will be provided for free the project would see an uptake in usage by the target groups when supported by marketing within the local community.

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

GROWTH PROPOSAL

Proposal Title:	Temporary Accommodation (cost pressure above Housing Benefit subsidy)
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Reference:	GRO / HAR 001 / 24-25	Growth Type:	Unavoidable Growth
Directorate:	Housing and Regeneration	Growth Service Area:	Housing (General Fund)
Directorate Service:	Housing Options	Strategic Priority:	2. Providing homes for the future
Lead Officer and Post:	Abul Kalam, Service Manager – Housing Management & Procurement	Lead Member and Portfolio:	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	5,000	4,500	-	-	4,500

Staffing Impact (if applicable):	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE) or state N/A	-	-	-	-	-

Proposal Summary:

The Housing Options Service currently has over 2,700 households in temporary accommodation, of these 1,500 are private rented accommodation.

Homelessness is increasing nationally due to market conditions and the cost of living.

Following the extension of the Local Housing Allowance (LHA) based subsidy scheme to people living in temporary accommodation from April 2010, the Government introduced a cap on the level of benefits paid that were eligible for Housing Benefit (HB) subsidy. This means that although a household may be eligible for full benefit on a property, the amount of the benefit that the Council can recover from the DWP in HB subsidy is capped.

The amount the council can claim back is based on 90% of the January 2011 LHA rate which is substantially below current market rates, and the Council has had to increase the amount it is paying for temporary accommodation in order to maintain supply to meet its statutory duty. The Council has no alternative but to subsidise the rents for homeless households if they exceed temporary accommodation subsidy rates as all properties have to be affordable if they are to be deemed suitable. We, along with other boroughs and London Council's are lobbying Government to review this.

The impact of the shortfall in temporary accommodation subsidy is a net charge to the Council's HB budget. The estimated shortfall in the budget is forecasted to be £4.5m, which cannot be met from within existing budgets. The extent of the unadjusted increase in Subsidy loss since 2016/17 can be seen in the table below with increase of over 184% over the 7 years.

2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
£3,903,546	£4,345,368	£5,131,048	£6,012,341	£7,431,645	£6,890,120	7,206,159

This cost has previously been held separately and has been covered off initially by one off funding and then by a permanent growth bid.

A range of actions are being utilised i.e. reduced use of expensive B&B accommodation, capping b&b rents at the one bed LHA and further measures are being considered, including greater use of out of borough accommodation, including outside of London, all of which should reduce the amount of the HB subsidy loss.

Some boroughs are placing as far as Peterborough to meet their homelessness obligations. Whilst we do not want to move households as far as this, it is something that we would need to consider as part of our placement policy review which is currently underway.

Below is a benchmark of Tower Hamlets LHA against 2 other boroughs, Southend and Luton

	1	2	3
Tower Hamlets	295.49	365.92	441.86
HB subsidy	216	270	315
HB subsidy loss	-79.49	-95.92	-126.86

Southend	138.08	182.96	230.14
HB subsidy	103.84	135	170.38
HB subsidy loss	-34.24	-47.96	-59.76

Luton	143.84	178.36	224.38
HB subsidy	103.84	124.61	150.38
HB subsidy loss	-40	-53.75	-74

At present, 51% of our households are in the borough with 85% of the 49% outside of the borough in East London boroughs.

Budgeted Outcomes / Accountability (focus on improved performance):

This pressure was countered in 2021/22 by utilising one off resources in the form of Covid funding and a growth bid for 22/23 (£4m)

Risks and Implications:

If this growth bid is not approved there will be an ongoing pressure on the budget.

Value for Money and Efficiency:

Overall, this will add no value for money or efficiency

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

GROWTH PROPOSAL

Proposal Title:	Temporary Accommodation – increasing temporary accommodation rates to increase supply		
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Reference:	GRO / HAR 002 / 24-25	Growth Type:	Unavoidable Growth
Directorate:	Housing and Regeneration	Growth Service Area:	Housing (General Fund)
Directorate Service:	Housing Options	Strategic Priority:	2. Providing homes for the future
Lead Officer and Post:	Abul Kalam, Service Manager – Housing Management & Procurement	Lead Member and Portfolio:	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:					
Budget (£000)	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
	-	3,450	(1,450)	(2,000)	-

Staffing Impact (if applicable):					
Employees (FTE) or state N/A	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

The council needs to manage the increasing TA/PRS pressures that it faces due to a continuing rise in the number of households approaching the Housing Options Service for housing assistance.

There is an immediate need to increase TA rents because we are competing with other local authorities to procure accommodation in the borough which unfortunately because of the contracting supply of suitable temporary accommodation in the borough leads to the council having no choice but to place households into unsuitable bed and breakfast (B&B) accommodation, for longer than is legally permitted. Consequently, this reliance on B&B accommodation means that we are currently not meeting our legal obligations and are at continued risk of judicial reviews.

Whilst growth of 3,450m is being requested, this is reduced over the following financial years as the intention is to reduce the number of households in TA and rehouse more households into private rented and social housing. We would also be working with landlords to convert TA into PRS accommodation. Converting more TA to PRS would reduce the number of households in TA and would also release us from the pressures of increasing our HB subsidy loss as the household would be claiming Universal Credit Housing Cost rather than HB.

The 3,450m is based on the current accommodation requirements for 260 households that are ununsuitable accommodation, to get us into a position where we are legally compliant. This is also based on the current projected TA expenditure forecasted to the end of the FY.

Currently, there are 211 families in B&B of which, 155 have been in B&B for more than 6 weeks.

This growth is required to enable us to pay the landlord a higher rent whilst not passing this onto the resident. Passing on a rent increase to the resident will make the accommodation unaffordable and would then put us foul of the Suitability of Accommodation Order as this would bring in further suitability issues which we could be challenged against, including being JR'd.. We would also not want to add additional pressure on the HB subsidy loss.

An example of the cost of a 1 bed TA in the borough;

Current model	
Rent to landlord	365
Resident charge	287.35
HB subsidy	216

HB subsidy loss	-71.35
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Model if all charge passed to resident

Rent to landlord	365
Resident charge	365
HB subsidy	216
HB subsidy loss	-149

The second model would also increase the rent to the resident by £69.08 above the one bed LHA

Figures are fluid, we are trying to reduce B&B but need to continue paying top up rents to landlords above what the resident is charged to keep households in the borough.

We are still housing households outside of the borough but if the rents re not topped up to keep inline with the market trend, we will have to start placing more households outside of the borough and outside of London. The number of families placed into Kent has more than doubled in the last 5 months. During the same period in 2022, we had 20 households in Kent, we now have 48.

Budgeted Outcomes / Accountability (focus on improved performance):

This growth will enable the service to procure more properties in the borough, meaning keeping more households in the borough.

In accordance with the Mayor's wishes to keep everyone in the borough, this will enable us to keep more households in the borough, and when in a position of having no families in unsuitable accommodation, we would focus on moving other households back to the borough, dependent on supply.

Risks and Implications:

If growth is not agreed, this would been placing households outside of the borough and potentially outside of London. We would also be procuring accommodation outside of the borough where rents are similar to our Tower Hamlets rates and would mean more pressure on HB subsidy loss.

Value for Money and Efficiency:

This will not add any value for money but will improve efficiency as it is a statutory requirement to place households in the borough in the first instance and then neighbouring boroughs. It will also reduce the number of statutory and judicial reviews the borough receives.

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

GROWTH PROPOSAL

Proposal Title:	Future of Building Control – Responding to Grenfell Part 2
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Reference:	GRO / HAR 003 / 24-25	Growth Type:	Unavoidable Growth
Directorate:	Housing and Regeneration	Growth Service Area:	Planning and development services
Directorate Service:	Planning and Building Control (P&BC)	Strategic Priority Outcome:	2. Providing homes for the future
Lead Officer and Post:	David Williams, Director, Planning and Building Control (P&BC)	Lead Member and Portfolio:	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:					
Budget (£000)	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
	883	501	(50)	(200)	251

Staffing Impact (if applicable):					
Employees (FTE) or state N/A	Current 2023-24	FTE Increase 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	Total FTE Increase
	20	5	-	-	5

Proposal Summary:

Context

This is the second part of a Growth Bid process started in 22-23 for 23-24 and 24-25.

Background and Part 1

Over the last 12 months the council has been working hard to detail how it proposes to address the requirements of the Building Safety Act 2022, the governments regulatory response to the Grenfell Tragedy of 2017, to ensure such a tragedy can never happen again.

This culminated in a part successful growth bid by Planning & Building Control for 23-24 of £401k with an additional reserved basic additional amount for 24-25 of £464k. However, this fell short of the amount identified as required at the time and requirements have since increased as we now better understand the details of the act and our capacity to respond. This growth bid reflects our current assessment of what is needed to enable the council to provide a robust response to the new legislation and its subsequent regulations, implementation and delivery model. We cannot and must not leave the safety from fire for all our residents in any sort of uncertainty, the implications of failure are so disastrous as witnessed at Grenfell they cannot be repeated.

For a Borough like Tower Hamlets with its nationally significant stock of higher risk residential and other buildings (over 18 meters in height), currently numbering over 1000 this is not a nice to have. We are in the spotlight and the government has already visited LBTH, noted our proliferation of higher-risk buildings and indicated they would like to understand our response, seeing us as amongst the leaders in this field.

The government has been busy setting up the infrastructure within which we will need to operate with the establishment of the National Building Safety Regulator (BSR) positioned under the Health & Safety Executive (HSE) and the identification, for London, of the “London Hub” (City of London Corporation).

The Building Safety Regulator will be the Building Control body for all higher risk buildings (mainly buildings with residential 18m or over), however the work will actually be carried out at the local level. It will be distributed via the London Hub, with the relevant local authority being the first port of call to take on the work. Given the large number of tall buildings in the pipeline and our focus on delivering the homes our residents need, we need to be able to ensure those buildings are safe and thus need the right resources, skills and expertise in the team.

We need to recruit and retain a body of Registered Building Inspectors (RBI) that can offer the capacity to possibly both:

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(i). Assess new development proposals and (ii). Be part of a multi-disciplinary team to assess existing structures, these are then reassessed every 5 years to be certified (this is now looking less likely at this time although we do understand that the whole system may be revisited in the light of the Grenfell Inquiry report once it is published. In any event to do this we must significantly grow the BC team, which requires additional Funding.

Part 1 – Decisions

Year 1: Approved £401k.

The first growth bid secured funding for 6 months of this year the funding at senior grades for x5 RBI. We will be competing nationally for staff who are already amongst the hardest to recruit and who will need to be validated as competent and carry substantial responsibility in the assessment process so the grades are senior.

We are also looking to upskill some of the existing experienced staff to become validated as competent so they can also be RBI as well as part of our existing staff saving money on additional new staff. We estimate that x5 roles will eventually secure this status but it is testing and our staff are mainly inexperienced. We have amended grades to deliver this pathway.

We are also aware that there is a national recruitment crisis in Building Control so we have, for a number of years now, developed a grow your own/workforce to reflect the community approach and successfully embedded a pathway for trainees to join and be supported to be surveyors. With a particular interest in encouraging local talent to take advantage of this pathway. This takes around 6-10 years to be able to assess buildings of the scale we have in LBTH so we are also adding capacity in the structure to secure staff earlier as apprentices (x2) and added roles at trainee (x1), surveyor (x1) and principal (x1) reviewing grades so this help us develop a supply to replace retiring experienced staff, reward and retain staff much cheaper than prevailing market salaries.

It is also worth remembering that the existing BC service is a trading account so the general fund contributes only 40% of the cost of a post, furthermore it is considered likely that the act will also deliver extra, chargeable work through local authority building control as the private sector will not be able to undertake the work, so income should increase. The growth fund bid also included support for training and developing for all additional staff as well as supporting existing staff to secure competence as RBI.

Year 2: Already approved £464k.

This was significantly less than the amount required (and discussed and agreed with the Mayor). The growth bid had requested over £800k in a live changing environment, but the sum was reduced to the £464k figure with no explanation given for the reduction or what was no longer being expected to be delivered as part of the bid.

Because of how crucial this growth bid is to how we can respond to the BSA and concern over this reduced amount, discussions were had with the past CEO and the current interim to ensure understanding of the importance of the growth bid. The suggested approach was to revisit year two in 2023/24 (i.e. now) and year three next year.

We have established that the reduced Year 2 sum embeds the full 12 months cost of x5 RBI at Grade M-O, embeds the full 40% cost of the additional existing staff and the developmental costs for staff. We think it also delivers capacity for an additional x2 RBI.

Year 2: Additional Requested in this Proposal £501k

Appendix 1 attached details more specifically this proposal.

We consider as a minimum we should add:

- the cost of x3 further RBI (this will then give us x10 new overall and in time x5 internally compliant senior staff)
- expertise training/validation/competence support and training costs for staff
- two specialist officers in drainage and in mechanical and electrical surveying
- a 50% contribution to the administration of this new system in Building Control would complete the service offer at this stage.

We are not proposing to expand numbers of administrative staff but rather review job descriptions to ensure they can take on the work. There may well be future administrative support needed but this is not yet known. There may in time need to be more RBI but hopefully at that point we would be in a cost recovery phase so no further growth fund would potentially be required.

Budgeted Outcomes / Accountability (focus on improved performance):

It should be noted that the bid for these Growth Funds are, in the main temporary, and funding will be re-directed back to the general fund once income from the BSR starts to come into the council. All work for the BSR is charged at a per hour rate so once work commences we will be able to start to bill the BSR at stages and receive an income. However, this will take a few years to start receiving an income this way as buildings new to the process will take a few years to get to delivery and then to hit construction milestones, some of these structures take many years through many phases to complete. We do not envisage any significant income until around 26-27. Growth Funding could then begin to be reduced in stages to minimise the ask of the general fund as far as possible. This means to an extent this Growth Bid is almost just to get the new approach embedded, rather than a long-term requirement. But exactly when that cost recovery will be of sufficient amount that we can reduce general fund budget is not yet known, so the assumption that we can reduce general fund by £50k in 25/26 and £200k in 26/27 will need to be reviewed (and the figure may go down or up).

It is hoped that this approach will secure, with fully filled posts, a Building Control service that will present LBTH as self-sufficient and able to manage and absorb all the available Building Control work it is asked to lead on in its own Borough.

The initial assessment by BC in discussion with peers across the profession identified provisionally that LBTH with its volume of new structures (many are higher than 18 metres (6/7 stories) and existing buildings would need up to 20 RBI staff. We have no way of knowing exactly at this stage, workload/capacity of an officer, complexity of requirements of the tasks involved in an as yet undetailed process but we are very anxious to ensure that in LB Tower Hamlets we do all we can to deliver a robust fit for purpose response.

As the system is new it is not possible to assess or even anticipate performance at this stage but this will inevitably emerge with monitoring over-time. We will be able to gather data about average income per proposal, time from work to income being received, case load capacity and assess levels of expertise we will also be able to put some more depth to anticipated benefits from regulation changes such as the likelihood of more building control work and therefore more income being received overall.

Risks and Implications:

Some of the main risks and implications are:

1. Fire Risk is a major national concern. The risk of fire in tall, higher risk, buildings in the borough is one which can endanger residents' lives (and that of fire fighters) and remains until all our buildings, especially those with any of the dangerous cladding on them have been fire safety reviewed and assessed (and reviewed regularly thereafter). This work will involve our building control staff working along with staff reporting to the new Building Safety Regulator. Reputationally it will be important for the council to take an assertive lead in reviewing the boroughs high risk building stock and providing confidence to its many residents.
2. Tower Hamlets likely has more higher risk tall buildings than any other local authority so we will be a high profile, influential, performer and need to respond to the challenge. If we do not this will carry a risk for all our residents and building users but it would also not reflect well reputationally on the local authority.
3. Without this review and rethink there is a risk that overtime the building control service will, as its experienced surveyors retire and other staff continue to be tempted away to the private sector, slowly surrender more competitive business to the private sector. This will mean the reduced capacity service will not be able to offer local residents and businesses, the professional high-quality service backed by a confidence in the council. For example, current major clients range from Canary Wharf PLC to Berkely Homes and Ballymore to local residents and business across the borough and bring in around a £1 million in fees. In addition, the BSA puts an expectation on local authorities to ensure they have a building control service to reflect their profile of buildings, as such we would be expected to have one of the biggest services in the country.
4. We have to have the required number of RBI to be able to take on the high-risk building work from the HSE. If we do not the HSE can put the council into special measures, which has both financial and reputational risks. The amount of new RBI staff we needed given our stock was initially assessed at 20. We are proposing following the partly successful part 1 bid to have 10 new RBI and to upskill and secure 5 internal staff to operate as RBI. This is still five posts short of that initial number. We may return for a further growth bid if we find that these initial staff are overloaded as this is a substantial risk to their effectiveness as illustrated in the findings of the Grenfell inquiry.

5. The recruitment process is not a formality and the Building Control industry, nationally, has intense recruitment difficulties. We have to hop that the recruitment package devised as part of this growth bid is attractive as all authorities with higher risk buildings will be working out how they can secure staff resources to do that same, at the same time. There is a risk at the implementation of the new regulations in April 24 that we have not managed to recruit enough RBI staff. We may have to revisit the package, cost and approach again if we are not securing enough qualified, competent registered staff.

Value for Money and Efficiency:

The cost of supplementing a local authority building control service to provide advice, expertise and assistance to residents and local businesses for years to come ensuring that the borough's building stock, especially it's higher-risk buildings are safe and fit for purpose is likely very small when compared to the impacts of just one high risk incident in the borough as the Grenfell tragedy has illustrated.

The Building Control service is already majority income funded from its trading account but this is not substantial enough to absorb any of the additional costs coming from the Building Safety Act. It is not yet clear whether the fire safety risk assessment works will provide additional income opportunities but the authority has so many high risk, tall buildings that it cannot afford to wait and see what may or may not happen it needs to build capacity and resilience early. Trying to recruit to roles will be extremely competitive as most city authorities with tall buildings will be looking for surveyors as well as the new Building Safety Regulator within the Health and Safety Executive.

Delivering against the proposal will, it is hoped, enable the trading potential and income generating role of building control to rebalance the financial position over-time and in the future the service will be able to secure a majority of its costs once more from a trading account/environment.

Effectively this proposal will be asking that this balance is switched for a temporary period to help redefine a new building control service delivering to it the capacity to fulfil on its fire safety duties and responsibilities and provide a competitive, attractive, high quality and efficient service fit for purpose going forward.

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	No	
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	Yes	Following Growth Bid 1 a restructure of Building Control is currently being implemented. All roles have been reviewed to ensure Fire Safety responsibilities from the Building Safety Act are accurately and consistently embraced.

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

Additional Information and Comments:

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GROWTH PROPOSAL

Proposal Title:	Care Technology Transformation		
Reference:	GRO / HAS 001 / 24-25	Growth Type:	Invest to Save
Directorate:	Health and Adult Social Care	Growth Service Area:	Adult Social Care
Directorate Service:	Adult Social Care & Integrated Commissioning	Strategic Priority:	5. Investing in public services
Lead Officer and Post:	Darren Ingram, Service Manager – Living Well; and Gillian Beadle-Phelps – Service Manager for Initial Assessment, Safeguarding, and Telecare	Lead Member and Portfolio:	Cllr Gulam Kibria Choudhury , Cabinet Member for Health, Wellbeing and Social Care

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	1,223	962	(449)	146	659

Staffing Impact (if applicable):	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE) or state N/A	15 FTE	3	-	3	6

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Proposal Summary:
<p>This growth proposal needs to be considered alongside the associated capital growth proposal and the savings proposal as it is an invest-to-save.</p> <p>The figures in the table above show the cumulative growth required each year and assumes that once the growth is added to the base budget it is then available again in the next financial year. As there are different budget requirements each year the amount required goes up and down. The current budget is the total current budget – it is not currently separated into a Capital and Revenue budget.</p> <p>The proposal is to undertake a Care Technology transformation project, delivered over a five-year period, that will result in a significant increase in the number of residents using care technology from approximately 1,800 currently to approximately 4,400 in five years' time. The range of care technology on offer to residents will be increased, making better use of more innovative solutions and taking a personalised approach that focuses on finding the right solution to meet that individuals need. Care technology will be expanded into new cohorts, widening the offer from the mostly older population that the telecare service currently supports. There will be an increased focus on prevention, such as prevention of falls and preventing long-term conditions that result in people requiring adult social care support.</p> <p>The result of the increased number of care technology users will be the prevention, reduction or delay of the type of needs that would otherwise require the provision of more costly social care support. The two largest areas of prevention, reduction or delay of need will be on those requiring care at home (homecare) and those requiring residential or nursing care. The significant majority (88%) of the saving will come from the prevention and delay of packages of care that would otherwise have been required; the remaining 12% will come from reductions to existing care packages that are no longer required due to needs being met through technology.</p> <p>See the savings proposal for further detail of the transformation project.</p> <p>The revenue requirements will fund the staffing required to grow the number of care technology users, the resources needed to deliver the project including the commissioning of a technology partner.</p>

Budgeted Outcomes / Accountability (focus on improved performance):
<p>Delivering an improved care technology offer is a key part of the Council's Adult Social Care vision and strategy. The strategy sets out the response to a series of challenges that the Council faces around poverty, financial pressures and recovery from Covid-19. Care Technology supports work around developing a strengths-based approach to social care, appreciating the things people can do as well as the things they need help with.</p>

Care technology transformation supports the priorities set out in the Council's Strategic Plan:

Priority 2: Homes for the future - in particular the ambition to adapt homes for disabled residents. Care technology can act as 'digital adaptations' enabling disabled people to better access their homes and remain in them for longer.

Priority 5: Invest in public services – providing high quality financially sustainable services for adults to meet their goals. Care technology can support residents to achieve their goals, live more independently and reduce spend in adult social care. Care technology also enables the Council to achieve its ambition to work in collaboration with the North East London Integrated Care System to deliver integrated health and care services.

Risks and Implications:

Not securing the growth funding to undertake this project is the biggest risk. This project cannot be delivered within existing resources. Any reduced level of growth being approved would require the savings to be recalculated.

There is a risk that the saving would not be achieved, either because of the numbers of residents receiving care technology not being achieved, or because the prevention, reduction or delay of need not materialising. The business case that these figures have been based on has taken a conservative approach to identifying the numbers of residents who could benefit and of the financial benefits and this mitigates this risk.

A full benefits realisation system will be put in place as part of this project. For every individual receiving care technology the financial benefits will be tracked and recorded. Progress will be reported as part of the project governance.

Value for Money and Efficiency:

This savings proposal is an invest to save proposal, for every £1 of investment there will be £2 of net benefits to the Council, from reduced, delayed or prevented needs that would have required care services to be put in place.

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:
Not at this stage.

GROWTH PROPOSAL

Proposal Title:	Adult Social Care Demographic Pressures and Inflation		
Reference:	GRO / HAS 002 / 24-25	Growth Type:	Unavoidable Growth
Directorate:	Health and Adult Social Care	Growth Service Area:	Adult Social Care
Directorate Service:	Adult Social Care	Strategic Priority:	5. Investing in public services
Lead Officer and Post:	Katie O'Driscoll, Director, Adult Social Care	Lead Member and Portfolio:	Cllr Gulam Kibria Choudhury , Cabinet Member for Health, Wellbeing and Social Care

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	115,909	(2,381)	181	4,958	2,758

Staffing Impact (if applicable):	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

Demographic pressures in adult social care have been recognised nationally as a growing concern for local authority budgets. The government has allowed local authorities to add a precept increase to council tax but demand for services continues to rise. In Tower Hamlets, the adult social care precept has historically been used to fund demographic pressures in adult social care. The demographic growth calculation assumes that increases in population, combined with other demographic factors detailed below will lead to more clients needing social care support for longer. National and local policy is designed to maintain independence for as long as possible through community-based support, thus reducing the need for more costly residential services. However, more people are living longer with more complex needs. Predicted population growth in Tower Hamlets will inevitably bring an increase in the number of people who need adult social care services. Tower Hamlets has high levels of deprivation, which in turn is associated with poor mental and physical health. Deprivation levels may be further exacerbated by welfare reform. An increase in the number of people living for longer with poor health is also a factor driving an increase in demand for adult social care across all client groups. There is likely to be an increased demand for adult social care from all sections of the population as it continues to expand.

This bid uses estimated growth rates from the Department of Health sponsored systems 'Projecting Adult Needs and Service Information' (PANSI) and 'Projecting Older People Population Information' (POPPI) systems. The two systems combine population projections with benefits data and research on expected prevalence rates to produce projections of the likely future demand on social care and health services. Projections from POPPI and PANSI for previous years have proven to be reasonably accurate and we are satisfied that these are the most robust figures available for calculating projections of future growth in demand for adult social care for older people and adults accessing physical disability and mental health services.

Recalculation of the demographic growth previously agreed has been undertaken, using the POPPI and PANSI data for 2023 to 2040, by client group, age group as well as by need assessment. A reduction has been made for projected deaths in each financial year.

For 2024/25 there is an estimated demographic growth requirement of £2.92m. This has been reduced from the previous growth assumption of £6.8m (a reduction of £3.88m) due to the assumption of the current Adult Social Care Discharge Grant continuing for a further financial year, but with a reduced amount of £1.57m (National Grant estimate of £0.2 billion from the current £0.3 billion). For 2025/26 the estimated demographic growth requirement is £4.64m representing an additional £181k on the previously agreed growth. 2026/27 growth of £4.96m has not been previously agreed. Total demographic growth for the period 2024/25 to 2026/27 is an increase of £1.26m over previously agreed growth.

Higher levels of inflation than projected in 23/24 have also meant an additional £1.5m is needed on an ongoing basis from 24/25.

	2024-25	2025-26	2026-27
	£'000	£'000	£'000
ACS Demographic Pressures Originally in MTFS	6,804	4,463	-
Updated Demographic Pressures	2,923	4,644	4,958
Ongoing Savings / Growth	(3,881)	181	4,958
Inflationary Pressure	1,500		
Ongoing Savings / Growth after Inflation	(2,381)	181	4,958

Budgeted Outcomes / Accountability (focus on improved performance):

The funding is required to provide statutory Adult Social Care provision.

This growth bid relates directly to the strategic plan outcome – Invest in the provision of care for vulnerable members of our community.

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

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

Risks and Implications:

The demographic growth calculations are based on POPPI and PANSI population growth estimations and are used to work out the new growth in client estimations. These are on top of the existing pressures in the ASC budget for existing clients. They assume a standard rate of complexity of care packages and therefore are a base calculation for population and ASC growth. Any increases in complexity during each financial year therefore become part of the ASC overspend position.

There is a risk that the Adult Social Care Discharge Fund in 2024/25 is lower than the current anticipated £1.57m.

There are still implications arising from care impacts of Long Covid that are not understood and therefore not part of these calculations. They are impacting ASC expenditure and are reflected within the current overspend position and not included in any growth assumptions. Impacts of future pandemics are also not built into any growth modelling.

Value for Money and Efficiency:

There are no resource implications arising from this growth bid.

The ASC Demographic growth budget is held on a central Directors ASC cost centre.

Implementation of demographic growth is administered via a quarterly calculation of all new clients to ASC in a quarter, and a budget virement to offset the actual cost of the care package during that quarter, to the appropriate ASC cost centre that is paying for that care. This ensures that only completely new clients and the associated cost of their care package is funded via the demographic growth budget.

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

GROWTH PROPOSAL

Proposal Title:	Culturally Sensitive Extra Care Housing Development (linked to Capital Growth Bid)		
Reference:	GRO / HAS 003 / 24-25	Growth Type:	Mayoral Priority
Directorate:	Health and Adult Social Care	Growth Service Area:	Adult Social Care
Directorate Service:	Adult Social Care	Strategic Priority:	5. Investing in public services
Lead Officer and Post:	Hibo Mohamed, Senior Commissioning Manager, Housing with Care	Lead Member and Portfolio:	Cllr Gulam Kibria Choudhury, Cabinet Member for Health, Wellbeing and Social Care

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	3,417	-	305	(305)	-
Staffing Impact (if applicable):	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE) or state N/A	-	-	-	-	-

Proposal Summary:

What is the proposal and its objectives?

One of the Mayor's capital priorities is an adult's home provision with care and support. The Housing with Care Strategy 2023-33 sets out the ambition to provide an additional 240 living spaces for adults with care and support needs within Extra Care Housing settings and this is the preferred route for meeting this priority. This proforma is based on a 60-bed unit on a single site, to deliver this.

A capital bid has been submitted for £20m for this development – once a site has been identified, this estimate will need to be reviewed based on the specific nature of the site and development possible within it.

The revenue impact of this additional provision will be to meet any initial costs of a new care and support provider, with a total revenue implication estimated to be £305k. This development is a high priority and therefore this has been programmed for 2025/26 - this will be kept under review. The process through which Adult Social Care plans for increased care and support costs is via demographic growth within the MTFS. Instead of using some of the demography funding for spot purchasing care beds outside of the borough, we will use this growth funding for additional care and support in a new Extra Care Housing scheme, through a contract, to deliver on the Mayor's priority.

A care and support provider will be commissioned for on-site support in the new scheme, although, we could step this up gradually as new residents move in, using our existing service provider as a contract variation. Longer term, the new Extra Care Housing scheme will be revenue neutral, or even provide cost avoidance opportunities, as we will be supporting people in these settings instead of residential and nursing care homes.

Any accommodation costs associated with the new Extra Care scheme will be met via the client or from Housing Benefit. It is therefore anticipated that the scheme will be provided via the HRA with Disabled Facilities Grant Funding (DFG) application for applicable specialist adaptations required in the properties during the building stage.

What will the proposal deliver?

The development of a new 60 bed extra care housing scheme on a single site that will provide a core service of 24-hour care and support through a block element contract with flexibility for additional care to be provided to those who need it. Referrals to the scheme will follow a Care Act assessment by Adult Social Care.

What is the motivation and reason for the proposal? Any changes in legislation etc.

The Tower Hamlets Housing with Care Strategy 2023-33 sets out the ambition to provide an additional 240 living spaces for adults within Extra Care Housing settings.

The Mayor also has a priority to deliver an adult home with care and support.

The Social Care Reform White Paper 'Putting People at the Heart of Care' recognises that people's homes are crucial to their well-being. This requires a systematic approach to the changing needs of people with care and support needs through effective joint working between housing, health and social care.

There are projected to be further significant population increases in Tower Hamlets over the next ten years, particularly for the 65+ population (@54% by 2033). This will bring with it a significant increase in demand for Adult Social Care. The Council currently have limited in borough provision of extra care housing to meet the existing demand, with significant numbers of people currently being placed out of borough to meet their care and support needs.

Why is this desirable?

There are likely to be significant benefits arising from extra care housing scheme, including:

- More choice and control for individuals receiving care
- Flexibility of care and support to reflect changes in need
- Increased independence
- Support to build and maintain relationships and community connections
- Better value for money

An additional benefit from this development will be a reduction in placements into residential and nursing care and a reduction in inappropriate and unnecessary admissions into hospital settings.

Evidence any numbers and cost drivers.

A review was undertaken to consider the future needs of older people (65+) and those with Learning Disabilities (LD) and Mental Health (MH) needs. These groups represent the vast majority of demand for bed-based care in the borough. The analysis showed the need for an additional 240 Extra Care Beds by 2033 to meet the growing population and changing needs of the residents of Tower Hamlets. The analysis also suggests that there are significant cost saving opportunities by moving away from the over reliance on residential care placements and opting for additional Extra Care Housing schemes.

Budgeted Outcomes / Accountability (focus on improved performance):

How does this proposal contribute to achieving the strategic priorities of the Council?

Providing high quality, financially sustainable services for adults to maintain their housing rights whilst having the care and support they require to promote their independence and wellbeing.

What are the expected improvements in service delivery & performance? Provide performance information data.

- The service provider is expected to promote and maintain a service user's wellbeing and contribute to the prevention or reduction of a person's care and support needs
- Genuine involvement of service users to define how care and support is delivered to meet their agreed desired outcomes – more control for individuals
- Increased choice for service users within Tower Hamlets
- Less admissions to care homes in line with national best practice and our Strategic Plan target

Risks and Implications:

Highlight any service and corporate associated risks

High value social care packages or placements into more costly care settings such as residential and nursing homes, with people placed outside of the borough can result in a higher number of GP visits, ambulance call outs and unplanned hospital admissions. This scheme will help mitigate these risks.

A suitable site needs to be identified and viability of the specific scheme fully assessed at this point. Risk of not identifying a suitable site and risk that costs may be higher than estimate – to be managed through the programme management and budget process.

Value for Money and Efficiency:

Provide justification for VFM and efficiency

It is anticipated that the new capital development of an Extra Care setting will provide Adult Social Care clients with improved choice and a high quality extra care offer and therefore result in lower costs/cost avoidance. The revenue growth will be utilised to fund the initial costs of the care and support provider.

Residents will directly pay for any accommodation costs via their own funding or via Housing Benefit claims (if they are eligible).

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	No	The eligibility for the service is limited to adults whose needs have been assessed by Council as being eligible to be met as per the Council's duties or powers under the Care Act 2014, the Mental Health Act 1983, or other associated legislation, regulations or guidance.

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

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

Summary:

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

Additional Information and Comments:

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GROWTH PROPOSAL

Proposal Title:	Comino hosting, licence, and contract renewal		
Reference:	GRO / RES 001 / 24-25	Growth Type:	Unavoidable Growth
Directorate:	Resources	Growth Service Area:	Central services
Directorate Service:	IT	Strategic Priority:	5. Investing in public services
Lead Officer and Post:	Adrian Gorst, Director of IT	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	78	136	(51)	-	85
Staffing Impact (if applicable):	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

The Comino (D360) application is a document and workflow management system used by Tower Hamlets Homes (THH), Housing Options, and the Benefits Service. There is a requirement to upgrade the application and the servers that host it due to being out of support.

This proposal involves transitioning to a more sustainable long-term solution by relocating hosting to the supplier, rather than the current on-premises Azure installation. This aligns with the strategic direction of the Council. Not upgrading the servers and the application poses a cyber security threat. Additionally, the supplier will not renew the contract when it expires on 31 March 2024 due to this risk.

Neither the IT Service nor Tower Hamlets Homes (THH), Housing Options, and the Benefits Service have the budget for 2024/25. This is due to increased costs for hosting and additional licensing cost when the contract expires. The estimated one-off project cost is £50,925, followed by an estimated annual recurring cost of £162,577 for hosting, support, and maintenance of the application. Therefore, the additional cost and growth budget required is £84,577 per year.

Budgeted Outcomes / Accountability (focus on improved performance):

Moving the application to supplier hosting would offer the Council continuity of supply and service. It would also ensure a longer-term sustainable solution, as the current version of the on-premises Azure installation is being discontinued. In two to three years, the Council would need to transition to the supplier hosting arrangement. If the Council chooses to stay on the on-premises Azure installation, it must upgrade to mitigate the risk of a cyber security threat and ensure service continuity. Therefore, commercially it is advantageous now to move to the supplier-hosted arrangement.

Risks and Implications:

The application is currently hosted in the Microsoft Azure environment of the Council. It is understood that the servers hosting the application are outdated and no longer supported by Microsoft, posing a cyber security risk to both the hosting environment and the application. Without the upgrades, the supplier would not renew the contract upon its expiration on 31 March 2023.

The option to “do nothing” is not feasible. It would adversely impact service delivery. If the contract is allowed to expire, the Council would be unable to deliver services to residents. Due to the absence of a contract in place, the Council would not be able to raise a purchase order (PO) for service continuity. Consequently, business continuity plans would need to be invoked.

Value for Money and Efficiency:

The supplier-hosted application solution provides several benefits to the Council. This includes:

- Mitigating the security threat by bringing the system to the latest version on servers and the application.
- A fully managed application that includes version update costs.
- Access to new features, such as enterprise search or drag-and-drop allocation, to provide efficiencies that were not previously available.
- The browser-based application is not affected by latency issues that traditional desktop solutions have.
- A new user interface that makes it easier for all users to navigate, allowing staff to perform tasks more quickly.
- Approach aligns the end dates of the housing (Northgate), revenues and benefits (Civica) contracts to end dates, to make future strategic decisions.
- Removes application downtime/operational risks to the authority.
- Civica's DIS reduces image sizes (existing and new ones) and is likely to provide improvements in document times, with a consequent, significant saving in staff resources.

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a summary of how this impacts each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at the full Business Case stage.
Does the change reduce the resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve a direct impact on front-line services?	No	
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	
Summary:		
To be completed at the end of completing the Screening Tool.		
Based on the Screening Tool, will a full EA be required?	No	
Additional Information and Comments:		

GROWTH PROPOSAL

Proposal Title:	Council Tax Cost of Living Relief Fund		
Reference:	GRO / RES 002 / 24-25	Growth Type:	Mayoral Priority
Directorate:	Resources	Growth Service Area:	Central services
Directorate Service:	Revenues and Benefits	Strategic Priority:	1. Tackling the cost-of-living crisis
Lead Officer and Post:	Chris Boylett, Head of Revenues and Benefits	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	N/A	658	753	867	2,278
Staffing Impact (if applicable):	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

The proposal is to create a fund to protect those most impacted by an increase in Council Tax. The funding set aside to provide the scheme is equivalent to 17% of the additional income generated from a 2.99% increase in general Council Tax. A 2.99% general increase in Council Tax is £34.29 for a Band D property.

The existing CTR scheme will ensure that the poorest in the borough are not impacted by the proposed rise. It is therefore envisaged that the impact will be most felt in the 'squeezed middle'.

A fund is therefore proposed, based on annual total household gross income, the means tested threshold for 2024-25 is proposed to be capped at £49,500. The fund can be accessed by any household occupying their sole residence within the borough and not currently protected by the council tax discount scheme,

The fund will remain in place for the duration of the medium-term financial plan and the total household income threshold will be reviewed annually as part of the budget setting process.

The existing CTR scheme remains generous and unchanged and will continue to ensure that the poorest in the borough are not impacted by the proposed rise. Tower Hamlets residents' straddle 2 economic extremes; from the poorest (who are already supported as set out above) to the very wealthy, for whom the impact of the increase is modest (as illustrated on table x below). It is therefore envisaged that those most financially disadvantaged by this necessary increase will be households occupying their sole residence within the borough who are not cushioned by the current discount scheme and not receiving enough income to be able to absorb even modest increases in outgoings. This group is often referred to as the "squeezed middle".

It is difficult to find a reference source covering this section of our community. Integral to our proposals is a commitment to secure more data around this group which will enable a more targeted approach in the future. HMRC upper earning threshold for higher rate tax remains £50,270 which reflects the freeze in personal tax allowances at the equivalent 2022-23 rates.

We propose to establish a means tested fund with total gross household income threshold of £49,500 per annum for financial year 2024-25. We commit to maintaining the fund across the full 3-year period of this medium-term financial plan and will review the earnings threshold annually as part of our budget setting process.

We have a council tax base of 140,000 dwellings. c28,000 households currently benefit from our council tax discount scheme. Using the average weekly band d equivalent as an illustration the fund proposed for the coming year will protect an additional c19,000 households.

We have considered the risks associated with higher-than-expected demand on the scheme and have mitigated the risk by making adequate provision within our overall risk contingency for the coming year.

The table below illustrates the weekly impact of the proposed 2.99% general Council Tax rise by council tax band.

Property Band	A	B	C	D	E	F	G	H
Weekly increase	£0.44	£0.51	£0.59	£0.66	£0.81	£0.95	£1.10	£1.32

Using the total household gross income takes account of all household incomes and seems a fair bases on which to access the fund. The threshold set remains below the higher rate income tax threshold and circa 8% above the ONS average national weekly total earnings (AWE).

Budgeted Outcomes / Accountability (focus on improved performance):

The fund is intended to improve wealth inequality by supporting those most impacted with the additional Council Tax also providing community initiatives and projects.

Risks and Implications:

There is a risk the fund will not be sufficient. However, a considerable amount has been put aside for the fund to mitigate this.

Value for Money and Efficiency:

The fund helps ensures that community initiatives and projects can be funded without detriment to those most impacted.

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

New Savings Summary

Appendix 4A

Title	Financial Year Agreed	Reference	Savings Type	Directorate	Service Area	2024-25 £'000	2025-26 £'000	2026-27 £'000	Total Ongoing £'000
New Savings proposals									
Street Advertising - Income generation from lamppost banners and boundary signage	2024-25	SAV / CEO 001 / 24-25	Income Generation	Chief Executive's Office	Communications and Marketing	(40)	-	-	(40)
Communications & Marketing - income generation from using council assets for advertising and sponsorship	2024-25	SAV / CEO 002 / 24-25	Income Generation	Chief Executive's Office	Communications and Marketing	(50)	(100)	(150)	(300)
Remove CEO contingency budget	2024-25	SAV / CEO 003 / 24-25	Efficiency	Chief Executive's Office	Corporate Management	(50)	-	-	(50)
Democratic Services Efficiencies	2024-25	SAV / CEO 004 / 24-25	Efficiency	Chief Executive's Office	Legal and Monitoring Officer Services	(75)	-	-	(75)
Legal Services - reduce agency spend and remove supernumerary posts	2024-25	SAV / CEO 005 / 24-25	Efficiency	Chief Executive's Office	Legal and Monitoring Officer Services	(50)	-	-	(50)
Delivery of the VCS Grants Policy and Outcomes framework - grant substitution	2024-25	SAV / CEO 006 / 24-25	Income Generation	Chief Executive's Office	Strategy, Transformation and Improvement	(3,418)	-	-	(3,418)
Service Restructure - Council wide strategy, intelligence, performance, transformation review	2024-25	SAV / CEO 007 / 24-25	Service Restructure	Chief Executive's Office	Cross-directorate	(500)	-	-	(500)
Contract Catering Service	2024-25	SAV / CHI 001 / 24-25	Income Generation	Children's Services	Contract Catering Services	(100)	-	-	(100)
Maximising the Dedicated Schools Grant	2024-25	SAV / CHI 002 / 24-25	Income Generation	Children's Services	Education - Admissions	(86)	-	-	(86)
London Mayor's Universal Free School Meals (UFSM) substitution	2024-25	SAV / CHI 003 / 24-25	Income Generation	Children's Services	Education - FSM	(1,566)	1,566	-	-
Vacating the PDC	2024-25	SAV / CHI 004 / 24-25	Contracts	Children's Services	Education - Property	(175)	-	-	(175)
Income generation through safeguarding, behaviour and attendance teams	2024-25	SAV / CHI 005 / 24-25	Income Generation	Children's Services	Education - Safeguarding/BASS	(50)	-	-	(50)
School Governance, Information and Traded Services Business Support Savings	2024-25	SAV / CHI 006 / 24-25	Efficiency	Children's Services	Education - School Governance Service	(38)	-	-	(38)
School Library Services (SLS) HOS post deletion	2024-25	SAV / CHI 007 / 24-25	Transformation	Children's Services	Education - School Library Service	(28)	-	-	(28)
Service Restructure - The Interface of EH Family Support and Targeted Youth Offer	2024-25	SAV / CHI 008 / 24-25	Service Restructure	Children's Services	Early Help & Children Family Service	(250)	-	-	(250)
Ukrainian Grant Funding 5 EH Targeted Family Support	2024-25	SAV / CHI 009 / 24-25	Efficiency	Children's Services	Early Help & Children Family Service	(300)	-	-	(300)
Service Restructure - Review of Regulated Services and Resources Budget	2024-25	SAV / CHI 010 / 24-25	Service Restructure	Children's Services	Supporting Families - Social Workers in Schools	(140)	-	-	(140)
Service Restructure - Leisure & Wellbeing	2024-25	SAV / COM 001 / 24-25	Service Restructure	Communities	Leisure Operations, Sports & Physical Activity	(54)	-	-	(54)
Leisure Service Insourcing – Project Costs	2024-25	SAV / COM 002 / 24-25	Efficiency	Communities	Sports & Physical Activity (SPA)	(525)	525	-	-
Sports and Physical Activity	2024-25	SAV / COM 003 / 24-25	Transformation	Communities	Sports & Physical Activity (SPA)	(200)	-	-	(200)
Commercialisation (Enforcement & CCTV)	2024-25	SAV / COM 004 / 24-25	Income Generation	Communities	Community Safety	(130)	(500)	(1,000)	(1,630)
Highways Maintenance – change in funding	2024-25	SAV / COM 005 / 24-25	Income Generation	Communities	Highways and Transportation	(468)	-	-	(468)
Advertising income from new sites	2024-25	SAV / COM 006 / 24-25	Income Generation	Communities	Highways and Transportation	(100)	-	-	(100)
Electric Vehicle (EV) charging points	2024-25	SAV / COM 007 / 24-25	Income Generation	Communities	Highways and Transportation	(100)	(100)	(100)	(300)
Construction Management Plan (CMP)	2024-25	SAV / COM 008 / 24-25	Income Generation	Communities	Highways and Transportation	-	(200)	-	(200)
Arts, Parks and Events Savings and Income generation	2024-25	SAV / COM 009 / 24-25	Income Generation	Communities	Culture - Arts, Parks and Events	(522)	(283)	(49)	(854)
Increase in Leisure Income	2024-25	SAV / COM 010 / 24-25	Income Generation	Communities	Leisure	-	(967)	(1,036)	(2,003)
Parking Savings - various	2024-25	SAV / COM 011 / 24-25	Income Generation	Communities	Parking Mobility & Markets	(1,054)	(2,975)	(950)	(4,979)
Commercial Waste income generation through an improved offer	2024-25	SAV / COM 012 / 24-25	Income Generation	Communities	Waste Services	-	-	(500)	(500)
Passenger Transport services	2024-25	SAV / COM 013 / 24-25	Transformation	Communities	Fleet Management & Vehicle Workshop	(120)	-	-	(120)
Fleet Electrification	2024-25	SAV / COM 014 / 24-25	Transformation	Communities	Fleet Management & Vehicle Workshop	(343)	(65)	-	(408)
Resume MOT service	2024-25	SAV / COM 015 / 24-25	Income Generation	Communities	Fleet Management & Vehicle Workshop	(25)	-	-	(25)
Special Treatment Licence Fees	2024-25	SAV / COM 016 / 24-25	Income Generation	Communities	Environmental Health and Trading Standards	(24)	-	-	(24)
In Sourcing of Out of Hours Environmental Health Response	2024-25	SAV / COM 017 / 24-25	Contracts	Communities	Environmental Health and Trading Standards	-	(123)	(62)	(185)
Service Restructure - Environmental Health and Trading Standards	2024-25	SAV / COM 018 / 24-25	Service Restructure	Communities	Environmental Health and Trading Standards	(164)	-	-	(164)
Service Restructure - Highways and Transportation	2024-25	SAV / COM 019 / 24-25	Service Restructure	Communities	Highways and Transportation	(100)	-	-	(100)
Planning and building control - reviewing support & other costs	2024-25	SAV / HAR 001 / 24-25	Efficiency	Housing and Regeneration	Planning and Building Control	(50)	-	-	(50)
Infrastructure Supporting Planning	2024-25	SAV / HAR 002 / 24-25	Income Generation	Housing and Regeneration	Planning and Building Control	(70)	-	-	(70)
Planning and Building Control securing income	2024-25	SAV / HAR 003 / 24-25	Income Generation	Housing and Regeneration	Planning and Building Control	(50)	-	-	(50)
Service Restructure - Realigning Support Services to Accelerate Delivery	2024-25	SAV / HAR 004 / 24-25	Service Restructure	Housing and Regeneration	Planning and Building Control	(54)	-	-	(54)
Decrease in GF staff cost due to increase in HRA budget	2024-25	SAV / HAR 005 / 24-25	Transformation	Housing and Regeneration	Housing and Regeneration	(50)	-	-	(50)
Home Improvement Agency – Staff salary alternative funding	2024-25	SAV / HAR 006 / 24-25	Transformation	Housing and Regeneration	Sustainability	(50)	-	-	(50)
Resident Support Scheme (RSS)	2024-25	SAV / HAR 007 / 24-25	Income Generation	Housing and Regeneration	Growth and Economic Development	(350)	350	-	-
Service Restructure - Employment and Skills Service	2024-25	SAV / HAR 008 / 24-25	Service Restructure	Housing and Regeneration	Employment and Skills Service	(176)	-	-	(176)
Service Restructure - Growth Service	2024-25	SAV / HAR 009 / 24-25	Service Restructure	Housing and Regeneration	Growth Service	(117)	-	-	(117)

New Savings Summary

Appendix 4A

Title	Financial Year Agreed	Reference	Savings Type	Directorate	Service Area	2024-25 £'000	2025-26 £'000	2026-27 £'000	Total Ongoing £'000
Leasing of Temporary Accommodation	2024-25	SAV / HAR 010 / 24-25	Efficiency	Housing and Regeneration	Housing	(1,000)	-	-	(1,000)
Service Restructure - Adult Social Care Staffing and Skill Mix	2024-25	SAV / HAS 001 / 24-25	Service Restructure	Health and Adult Social Care	Adult Social Care	(475)	-	-	(475)
Delay implementation of free homecare by 1 year to 2025	2024-25	SAV / HAS 002 / 24-25	Income Generation	Health and Adult Social Care	Adult Social Care	(2,434)	2,434	-	-
Adult Social Care Commissioned Care and Support Savings	2024-25	SAV / HAS 003 / 24-25	Transformation	Health and Adult Social Care	Adult Social Care	(2,000)	-	-	(2,000)
Supported Accommodation Strategy	2024-25	SAV / HAS 004 / 24-25	Transformation	Health and Adult Social Care	Adult Social Care	(253)	-	-	(253)
Adult Mental Health Recovery, Wellbeing and Employment Service	2024-25	SAV / HAS 005 / 24-25	Transformation	Health and Adult Social Care	Integrated Commissioning	(85)	(55)	-	(140)
Community Equipment	2024-25	SAV / HAS 006 / 24-25	Transformation	Health and Adult Social Care	Integrated Commissioning	-	(40)	(20)	(60)
Statutory Advocacy	2024-25	SAV / HAS 007 / 24-25	Contracts	Health and Adult Social Care	Integrated Commissioning	(60)	-	-	(60)
Decommission Dellow Centre	2024-25	SAV / HAS 008 / 24-25	Efficiency	Health and Adult Social Care	Integrated Commissioning	-	(100)	-	(100)
Care Technology Transformation	2024-25	SAV / HAS 009 / 24-25	Transformation	Health and Adult Social Care	Adult Social Care & Integrated Commissioning	(1,126)	(698)	(159)	(1,983)
Public Health Core Funding substitutions	2024-25	SAV / HAS 010 / 24-25	Efficiency	Health and Adult Social Care	Public Health	(1,000)	-	-	(1,000)
Public Health Grant Reserve substitutions	2024-25	SAV / HAS 011 / 24-25	Transformation	Health and Adult Social Care	Public Health	(1,750)	-	-	(1,750)
Idea Stores - Stock fund	2024-25	SAV / RES 001 / 24-25	Contracts	Resources	Customer Services	(30)	-	-	(30)
Idea Stores Learning – Increased grant target, vacancy and training expenses	2024-25	SAV / RES 002 / 24-25	Efficiency	Resources	Customer Services	(64)	-	-	(64)
Registrars - Income generation from wedding reception parties	2024-25	SAV / RES 003 / 24-25	Income Generation	Resources	Customer Services	(22)	-	-	(22)
Finance - remove Contingency budget	2024-25	SAV / RES 004 / 24-25	Efficiency	Resources	Finance, Procurement & Audit	(200)	-	-	(200)
Insurance Fund smoothing	2024-25	SAV / RES 005 / 24-25	Efficiency	Resources	Finance, Procurement & Audit	(200)	-	-	(200)
IT Management review	2024-25	SAV / RES 006 / 24-25	Efficiency	Resources	IT	(330)	-	-	(330)
IT Infrastructure	2024-25	SAV / RES 007 / 24-25	Efficiency	Resources	IT	(90)	(90)	-	(180)
Service Restructure - IT Voluntary Redundancies	2024-25	SAV / RES 008 / 24-25	Service Restructure	Resources	IT	(300)	-	-	(300)
Council Tax - introduce Empty Property Premium	2024-25	SAV / RES 009 / 24-25	Income Generation	Resources	Revenues and Benefits	(546)	-	-	(546)
Council Tax - Introduce Second Home Premium	2024-25	SAV / RES 010 / 24-25	Income Generation	Resources	Revenues and Benefits	-	(2,000)	-	(2,000)
Council Tax - Remove Empty Property Exemption for one month	2024-25	SAV / RES 011 / 24-25	Income Generation	Resources	Revenues and Benefits	(135)	-	-	(135)
Increase in resources to collect Council Tax arrears	2024-25	SAV / RES 012 / 24-25	Income Generation	Resources	Revenues and Benefits	(362)	-	-	(362)
Business support savings	2024-25	SAV / RES 013A / 24-25	Transformation	Resources	Workforce OD & Business support	(335)	-	-	(335)
Service Restructure - Business Support	2024-25	SAV / RES 013B / 24-25	Service Restructure	Resources	Workforce OD & Business support	(630)	-	-	(630)
Human Resources - removal of agency spend budget	2024-25	SAV / RES 014 / 24-25	Efficiency	Resources	Workforce OD & Business support	(27)	-	-	(27)
Service Restructure - Human Resources	2024-25	SAV / RES 015 / 24-25	Service Restructure	Resources	Workforce OD & Business support	(312)	-	-	(312)
Learning and Organisational Development (LOCD)	2024-25	SAV / RES 016 / 24-25	Efficiency	Resources	Workforce OD & Business support	(75)	-	-	(75)
Service Restructure - Registrars	2024-25	SAV / RES 017 / 24-25	Service Restructure	Resources	Registrars	(34)	(11)	-	(45)
Pension Fund Deficit payment	2024-25	SAV / COP 001 / 24-25	Efficiency	Corporate	Corporate	(1,000)	-	-	(1,000)
Remove corporate provision for redundancy costs	2024-25	SAV / COP 002 / 24-25	Efficiency	Corporate	Corporate	-	(2,450)	-	(2,450)
Service Restructure - Corporate Resources (includes Mayor's Office restructure)	2024-25	SAV / COP 003A / 24-25	Service Restructure	Corporate	Corporate	(1,367)	11	-	(1,356)
Service Restructure - Mayor's Office restructure	2024-25	SAV / COP 003B / 24-25	Service Restructure	Chief Executive's Office	Mayor's Office	(327)	-	-	(327)
Capital Financing and Investment Income	2024-25	SAV / COP 004 / 24-25	Income generation	Corporate	Corporate	(3,000)	500	750	(1,750)
Transformation funding for invest to save initiative	2024-25	SAV / COP 005 / 24-25	Transformation	Corporate	Corporate	(962)	449	(146)	(659)
Corporate Landlord - optimising occupancy	2024-25	SAV / COP 006 / 24-25	Transformation	Corporate	Corporate	(500)	-	-	(500)
Cross Council Third Party Spend Review	2024-25	SAV / COP 007 / 24-25	Contracts	Corporate	Cross-directorate	(465)	(465)	(465)	(1,395)
Fees and Charges	2024-25	SAV / COP 008 / 24-25	Income generation	Corporate	Cross-directorate	(500)	(220)	(110)	(830)
TOTAL NEW SAVINGS						(33,808)	(5,607)	(3,997)	(43,412)
Unachievable Savings									
Savings to be written off - Review of Printing/Scanning/Use of Multifunctional Devices (SAV / ALL 001 / 17-18)	2024-25	SAV / ALL 001 / 17-18	Unachievable Saving	Corporate	Corporate	263	-	-	263
Savings to be written off - Using Section 106 funding to fund Housing Supply Team (SAV / PLA 001 / 23-24)	2024-25	SAV / PLA 001 / 23-24	Unachievable Saving	Housing and Regeneration	Housing Regeneration	50	-	-	50
Savings to be written off - Consolidation of Management Positions (SAV / PLA 008 / 23-24)	2024-25	SAV / PLA 008 / 23-24	Unachievable Saving	Housing and Regeneration	Various	200	-	-	200
Savings to be written off - Human Resources – Reprofiled to 2024-25 (SAV / RES 001 / 17-18)	2024-25	SAV / RES 001 / 17-18	Unachievable Saving	Resources	Human Resources	700	-	-	700
TOTAL UNACHIEVABLE SAVINGS						1,213	-	-	1,213

SAVINGS PROPOSAL

Proposal Title:	Street Advertising - Income generation from lamppost banners and boundary signage		
Reference:	SAV / CEO 001 / 24-25	Savings Category:	Income generation
Directorate:	Chief Executive's Office	Savings Service Area:	Central services
Directorate Service:	Communications	Strategic Priority Outcome:	8. A council that listens and works for everyone
Lead Officer and Post:	Andreas Christophorou, Director of Communications and Marketing Adam Renvoize, Chief Designer	Lead Member and Portfolio:	Mayor Lutfur Rahman, Executive Mayor

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	40	40	-	-	40

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

How does this proposal contribute to achieving the strategic priorities of the Council?

- The annual income will go towards the £40m the council needs to save.

What Service will this saving impact?

- Communications: We are already delivering this via the Design and Marketing Team in Communications led by our Chief Designer.
- Highways: We need continued support and sense of urgency to get it over the line.
- Community Safety: We need CCTV to prioritise approving the banners based on sight lines as a matter of urgency
- Procurement: We need procurement to support getting this over the line as a matter of urgency.
- Legal: We need legal to support getting this over the line as a matter of urgency.

Next steps and timescale:

Boundary Signage: Contract already in place and installation approval is given for signs within parks areas. Signage on TH public highways is subject to approval of a CG300 technical submission - this is currently with provider to review and submit. Once sign installation has progressed - the contract is valued at £30k annually for 3 years (+2 year extension option)

We expect this to be in place at the end of the calendar year.

Lamppost banners: CG300 technical submission has been submitted and approval for highways for heavy duty columns only. Over 500 heavy duty columns were installed last year, with approximately 80-100 in areas where advertising can be sold on the banners as part of income generation - these include areas around some key high streets, markets, college and university sites and schools, with a selection reserved for key council campaigns. Our supplier has provided all the information for the technical submission so the council should be in a position to direct award a contract via the ESPO framework. Initial projections for income would range from £4,800 for 40 sold banners to £20,400 for 100 sold. We expect to be able to set a contract up for the beginning of the next financial year - with the assistance from the procurement team.

Other opportunities

In addition, Highways could prioritise use of heavy-duty lamppost columns on any planned replacements across the borough, particularly in areas of high footfall, which would increase revenue. For example - 150 banners with sold advertising would raise an additional £31,000 income.

Risk and Mitigations:

Ease of delivery	Difficult
Impact of savings	Medium

What will the major risks on the project be?

Resource and a sense of urgency to deliver it across planning, highways, legal, procurement and communications. CCTV object because the lamppost banner cross sight lines.

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

It would mean we do not get commercial opportunities done and income generated, and on the CCTV cameras would reduce the number of sites and the income.

What are the possible mitigation strategies?

CLT to direct the services involved to prioritise this work with communications and for a working group to be set up that meets regularly

Will it impact a manifesto priority?

The risk is 100% of the potential income.

Resources and Implementation:

Does this saving completely relate to General Fund? If not, please state which other funding type is impacted?

Yes

What are the resources needed to build up the proposal?

None

Is feasibility work required?

Done in house

What needs to happen for implementation? Timeline and activities required by month.

Welcome to the borough signage – end of the calendar year

Lamppost banners – end of the financial year

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Communications & Marketing - income generation from using council assets for advertising and sponsorship		
Reference:	SAV / CEO 002 / 24-25	Savings Category:	Income generation
Directorate:	Chief Executive's Office	Savings Service Area:	Central services
Directorate Service:	Communications Service	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	Andreas Christophorou, Director of Communications Adam Renvoise, Chief Designer	Lead Member and Portfolio:	Mayor Lutfur Rahman, Executive Mayor

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	1,054	50	100	150	300

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

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Proposal Summary:

The council has the potential to pull in more income from street advertising by reviewing existing expired sites and identifying new locations on council owned land. This needs to be tested with advertisers such as JCDecaux, Clear Channel, Ocean Media and Global.

We also need senior officers at the council to recommend council assets in areas of high footfall which has the potential for advising – for example the Idea Stores, our parks, vacant land owned by the council and council owned buildings.

We will also need a more liberal approach to allowing council advertising in the borough including through planning. The Communications Service identified a few potential billboard sites a few years ago however planning refused them.

The work to find and secure new advertising sites, along with working with advertisers, and managing the legal and procurement process is not resourced. The Communications Service was successful in 2020 in securing new digital street advertising sites which currently generate Public Realm £80,000 a year in income and allow for the council to advertise on them too. However, this took time because of red tape and an already busy Design and Marketing team (with two marketing officers). Without extra staff, the work will be picked up by the existing Communications Service (specifically Design and Marketing) however the pace will be limited. We need to think about invest to generate income with at least one marketing officer through a wider restructure of marketing to support the commercialisation of other services such as commercial waste, pest control, leisure centres and venues. The Director of Communications will make a wider proposal on this.

Context

Tower Hamlets already has a heavily saturated market with regards to out-of-home advertising. For context, there are over 350 individual 6 sheet size static and digital advertising sites across the borough, including bus shelters (both our contract and TFL contracts) and our own Community information Panels (CIPS), converted phone box units and free standing panels. There are also over 90 large format advertising sites (mix of both static and digital units) or billboards, primarily on private property across the borough, though 5 of these are council run contracts. In addition to this, we have 27 DLR/tube stations across the borough with a heavy advertising presences, as well as digital advertising panels in supermarkets, shops and petrol stations. With the financial landscape changing, and the proliferation of available sites in the borough, outdoor advertising suppliers have been more likely to engage in new advertising contracts based on the quality of the potential site as opposed to the quantity of sites available.

Next steps:

SLT – A review of potential council owned sites within high footfall areas within the borough. Service areas asked to update on emerging locations/buildings that have recently become available or in planning stage. Timeline – 3 months.

2011 study

A piece of work was produced in 2011 which identified potential sites for advertising/sponsorship on council owned land/property. We have access to the details of this paper, including the sites which delivered an income for the council. Although many of the sites viability may have changed – this is a strong starting point on new avenues of income. Timeline for review of current contracts and older documentation – 2 months.

Meetings with advertisers

With the financial landscape changing, and the proliferation of available sites in the borough, outdoor advertising suppliers have been more likely to engage in new advertising contracts based on the quality of the potential site as opposed to the quantity of sites available. We need to engage with key advertising suppliers with a proposal of potential sites to test appetite and viability, as well as explore any new advertising ideas/technology, i.e Building Wraps. Timeline for meetings, including preparation potential location plan – 3 months.

4 billboard sites

Over the last few years we've been engaging with the planning team with regards to new potential sites, and the advice was to focus on sites around non-residential areas within key Travel routes such as A12/A13. With this advice we produced a proposal for review on potential sites on council-owned land. These were passed on to the public realm team to pursue with planning and 4 of the sites were recommended to proceed with 2 options on hold due to redevelopment work. We need to progress these sites and market test the appetite during our meeting with advertisers, and then put them to market at speed, which will need strong support from planning and procurement. Timeline for bringing sites to market – 6 months.

Expiring sites/discontinued contracts

There are 2 expired advertising sites (one unused, the other being used by a third party without income for the council). These should already have deemed planning consent, and could be digitized to maximise income. There are also another 2 sites that the contract has been terminated during the pandemic, due to poor returns. These contracts can be revisited as they also have deemed planning consent. Timeline for bringing to market – 6 months.

NOTE: If we do not feel we have obtained enough information in this process, we will consider commissioning a specialist to help us find advertising sites as was done in 2011. This would result in a cost.

Timescale

In terms of timescale for potential income, we will assess the results of the research and soft market testing phase above which we want to have completed by March 2024. If advertisers are interested in certain sites, we can go to market on them. Once awarded, there is a period for installation. These processes, as well as our procurement and legal processes mean it is likely that the income would come in 2024/5 and 2025/6. There are some billboard sites which we know of already and believe can provide an income in 2024/5 if planning approves them and the advertisers are interested. There could also be other opportunities such as the expansion of lamppost banners if they prove successful.

Risk and Mitigations:

Ease of delivery	Moderate
Impact of savings	Medium

What will the major risks on the project be?

Lack of resource and prioritisation for the whole council to deliver as well as specific services such as planning, highways, legal, procurement and communications.

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

It would mean we do not get commercial opportunities done and income generated. Lack of resource will also mean a delay to any income and potentially missing new opportunities.

What are the possible mitigation strategies?

Council compliance in finding sites including buildings and parks for advertising. More liberal approach to advertising including planning.

Resources and Implementation:

Does this saving completely relate to General Fund? If not, please state which other funding type is impacted?

Yes

What are the resources needed to build up the proposal?

A marketing officer to speed up the process and find more advertising opportunities. This could be part of a wider restructure in Design and Marketing as the council is soon need other marketing support to generate income from services such as Commercial Waste, Pest Control and our venues for hire.

If we are unable to obtain enough information about sites we own for advertising, we will have to consider commissioning an advertising professional to do a more thorough piece of work as was done in 2011. This will require budget so we are first going to use the 2011 report as part of our research.

Is feasibility work required?

Potentially, but we will try to do it inhouse – see above

What needs to happen for implementation? Timeline and activities required by month.

Oct to March 24 – Research Phase (depending on resource)

Q1 24/25: Understand sites advertisers are interested in.

Q2 24/25. - procurement of sites

Q3 24/25 - award of sites

Q4/Q1 24/25/26 - installation and income.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Remove CEO contingency budget		
Reference:	SAV / CEO 003 / 24-25	Savings Category:	Efficiency
Directorate:	Chief Executive's Office	Savings Service Area:	Central services
Directorate Service:	Corporate Management	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	Steve Halsey, Chief Executive	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	50	50	-	-	50

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:
To remove contingency budget from held in Chief Executive corporate management cost centre (21110).

Revised Provision:
Any unplanned resource requirements will need to be considered as they arise and funding identified.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	Low
Reduced capacity to respond quickly to unplanned resource requests and to manage pressures as they arise. Mitigated through regular budget monitoring.	

Resources and Implementation:
N/A

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Democratic Services Efficiencies		
Reference:	SAV / CEO 004 / 24-25	Savings Category:	Efficiency
Directorate:	Chief Executive's Office	Savings Service Area:	Central services
Directorate Service:	Legal Services and Monitoring Officer	Strategic Priority Outcome:	8. A council that listens and works for everyone
Lead Officer and Post:	Matthew Mannion, Head of Democratic Services	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	2,244	75	-	-	75

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	15.6	-	-	-	-

Proposal Summary:
Democratic Services – the saving will be made through a £75k underspend against the Member’s Allowances budget of £1,142k.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	Low

Resources and Implementation:
This is a general fund saving and will be managed within current management resources.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Legal Services - reduce agency spend and remove supernumerary posts		
Reference:	SAV / CEO 005 / 24-25	Savings Category:	Efficiency
Directorate:	Chief Executive's Office	Savings Service Area:	Central services
Directorate Service:	Legal and Monitoring Officer Services	Strategic Priority Outcome:	8. A council that listens and works for everyone
Lead Officer and Post:	Janet Fasan, Director of Legal and Monitoring Officer	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	2,032.9	50	-	-	50

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

Legal Services – reduction in agency spend. This saving is in addition to the savings already approved in legal Services of £300k (£280k in 2024-25 and £20k in 2025-26). Savings will be delivered through staffing review, measures to recruit permanent staff and reduced use of agency staff.

There is a risk from the legal service being a demand led service.

Risk and Mitigations:

Ease of delivery	Difficult
Impact of savings	Medium
There is a risk from the legal service being a demand led service.	

Resources and Implementation:

This is a general fund saving and will be managed within current management resources.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Delivery of the VCS Grants Policy and Outcomes framework - grant substitution		
Reference:	SAV / CEO 006 / 24-25	Savings Category:	Income generation
Directorate:	Chief Executive's Office	Savings Service Area:	Central services
Directorate Service:	Strategy, Transformation and Improvement	Strategic Priority Outcome:	6. Empowering communities and fighting crime
Lead Officer and Post:	Afazul Hoque, Head of Corporate Strategy and Community Strategy	Lead Member and Portfolio:	Cllr Abu Chowdhury, Cabinet Member for Safer Communities

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	3,418	3,418	-	-	3,418

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

Cabinet June 2023 approved the ring-fencing of £11.964m for the delivery of the VCS Grants Policy and Outcomes framework for three and a half years (October 2023-March 2027). The NCIL funding will substitute for General Fund funding (subject to confirmation that successful grants can be met from it).

Total Value of Community Grants per annum:

Grants Programme	£
Mayor's Community Grants Programme2	2,518,000
Small Grants Programme	800,000
Emergency Grants	100,000
Total Annual Grants	3,418,000

Decisions on the allocation of NCIL to individual grants will be made via the existing Council Grants process.

It is proposed that any GF funding displaced by NCIL in 2023-24 is taken to an earmarked reserve and applied to fund any future grant approvals which do not meet NCIL criteria.

There will need to be a growth bid to reinstate GF funding from 2027-28 should the Council not generate sufficient NCIL to continue to fund beyond 2026-27.

Revised Provision:

The proposal is purely a funding switch from general fund to NCIL with no impact on service continuity.

Risk and Mitigations:

Ease of delivery	Easy
Impact of savings	Low

Risk that grants approvals are ineligible for NCIL. Mitigated by the creation of an earmarked reserve in 2023-24.

Risk that insufficient NCIL funding will be generated to continue the funding beyond 2026-27. NCIL should be available to fund the on-going grants programme, subject to meeting the criteria for spend, in perpetuity, with specific funding amounts to be agreed once the outcome of any future grant programme is known.

Resources and Implementation:

Projects funded through the Community Grants Programme are required to deliver one or more of the outcomes in the prospectus and are therefore expected to align with the requirements for NCIL spend as set out in the CIL Regulations (2010). In addition, all shortlisted grants will be reviewed by the Infrastructure Planning Team to ensure that they accord with the NCIL requirements.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Service Restructure - Council wide strategy, intelligence, performance, transformation review		
Reference:	SAV / CEO 007 / 24-25	Savings Category:	Service restructure
Directorate:	Chief Executive's Office	Savings Service Area:	Central services
Directorate Service:	All directorates	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	Denise Radley, Deputy Chief Executive	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£500)	6.967	500	-	-	500

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	151	7	-	-	7

Proposal Summary:

The council is moving to a new structural operating model. It is proposed that a council-wide review takes place of the following enabling functions of strategy, policy, performance, improvement, projects, programmes, transformation, research, and intelligence functions. These functions currently sit both centrally and within directorates as part of a “hub and spoke” approach that was put in place following the “enabling functions review” in 2021/22. A model with a smaller, stronger corporate centre and enabled and empowered directorates is the aim of the review. There is further opportunity to continue to rationalise, strip out duplication, automate and stop any unnecessary activity.

An initial target of £500k is deemed reasonable from across the council which equates to approximately seven posts.

Staff consultation will be required and the nature of this will depend on the approach to change – if feasible, vacant posts will be deleted and it may be possible to achieve the changes required with smallest scale changes to line management. If this is not feasible then staff consultation will form part of a reorganisation approach.

Revised Provision:

The revised provision will comprise:

- A smaller and stronger corporate centre focused on the strategic plan and frameworks for strategic planning and related corporate activity.
- Enabled and empowered directorates
- Appropriate resources for each of the five directorates with a focus on the delivery directorates – Communities, Housing & Regeneration, Health & Adult Social Care and Children’s Services

Benefits aside cost savings include internal efficiency and reducing duplication.

Risk and Mitigations:

Ease of delivery	Moderate
Impact of savings	High

Risk/Mitigations

That reductions in capacity impact on front-line services, inspection readiness and/or transformation priorities. *Prioritisation of transformation and other resource is in place and in some areas specific resource may be required to ensure delivery of key pieces of work.*

That developments in technology/systems to allow more automation are not quick enough to support the changes. *Review to identify timescales and inter-dependencies.* That demands on some services increase given other changes e.g., more capacity is needed for procurement work as contract durations are being reduced in line with Mayoral priorities. *This may mean some work will take longer and that contracts require extending in the short-term.*

That staff morale is affected given the impact of the previous, large-scale review that took consideration time to develop and implement. *Explore if changes can be made without the need for a wholesale restructure.*

Resources and Implementation:

Currently services are supported by a range of funding sources including external. These will all need to be identified as any reductions will not support savings to the General Fund.

A programme manager, business analyst, finance, HR, and comms support are in place to take this forward.

The programme will report to the Efficiency Transformation Board.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	No	
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	Yes	Potentially depending on the outcome of the scoping and review. However, it is anticipated that all or the majority of the saving can be achieved from currently vacant posts.
Does the change involve a redesign of the roles of staff?	Yes	Potentially – as above.

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

Additional Information and Comments:
If there is a reduction in staffing, then it is likely an equality analysis will need to be completed as appropriate.

SAVINGS PROPOSAL

Proposal Title:	Contract Catering Services		
Reference:	SAV / CHI 001 / 24-25	Savings Category:	Income generation
Directorate:	Children's Services	Savings Service Area:	Education services
Directorate Service:	Contract Catering Services	Strategic Priority Outcome:	1. Tackling the cost-of-living crisis
Lead Officer and Post:	Jenny Pittam, Head of Contract Catering Services	Lead Member and Portfolio:	Cllr Iqbal Hossain, Cabinet Member for Culture and Recreation

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	N/A	100	-	-	100

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

Agency Cost - The budget for Agency staff to cover sickness for 2023-24 is £300k. In September 2023, Contract Services will recruit an additional 7-10 Float Kitchen Assistant staff (15 hours a week TTO) to provide immediate cover in kitchens for long and short-term sickness, vacancies, training, special leave, leave no pay & bereavement leave. The additional Float employees will reduce the need for agency staff and a **£70k** saving is proposed for 2024-25. There will still be a need for agency staff but not to the same levels prior to employing a Float team. Agency staff are essential to maintain frontline delivery of the school meals service to the high food safety and service standards required.

New Heavy Equipment School Contribution Charges

Currently schools do not pay for new heavy equipment. Some new heavy equipment is very expensive (dishwasher £15k, Rational or equivalent ovens £10-15K) and once installed immediately becomes a capital asset of the school. We are one of the few catering providers who still pay for new light and heavy equipment. Market standard is that schools pay for new heavy equipment. For the 2024-25 SLA it is proposed to charge schools 50% of the cost new heavy equipment over £4,000. Based on current spend this will generate a saving of approximately **£20k** a year.

Function/Hospitality Income

This service has grown again since the Covid Pandemic and since the council has moved to the NTH there has been an increase in hospitality business both there and in other nearby council buildings. The reputation of the business and awareness of what Contract Catering Services is able to cater for other than school meals has also increased. Additional income after costs is estimated to generate a further **£10k of income** in 2024-25.

Risk and Mitigations:

Ease of delivery	Easy
Impact of savings	Low

Limited risk. In addition, with the additional focus and awareness of the Council's free school meal programme we are hopeful for high take up of meals and therefore maintaining economies and income levels.

Resources and Implementation:

The savings will be realised through the general fund contribution to the delivery of school meals through the Contract Services team.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Maximising the Dedicated Schools Grant		
Reference:	SAV / CHI 002 / 24-25	Savings Category:	Income generation
Directorate:	Children's Services	Savings Service Area:	Education services
Directorate Service:	Education - Admissions	Strategic Priority Outcome:	3. Accelerating education
Lead Officer and Post:	Lisa Fraser, Director of Education	Lead Member and Portfolio:	Cllr Maium Talukdar, Statutory Deputy Mayor & Cabinet Member for Education, Youth and Lifelong Learning

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	86	86	-	-	86

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

The proposal is to use monies available within the Early years block of the Dedicated Schools Grant to fund the Nursery classes Admissions service; this would result in a reduction in spend to the General Fund. The proposal will not alter statutory provision and will not incur staffing reductions. This would be subject to Schools Forum agreement of the continued maximum 5% top-slice of the early years block of the DSG in the Autumn term.

Revised Provision:

The saving does not alter service delivery. The service will continue to support the same client group.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	Medium
<p>There are no significant risks to this project. However, using the DSG in this way could hinder the council's ability to support other services from the central services block.</p>	

Resources and Implementation:

The saving relates to the General Fund and the dedicated schools grant. Finance colleagues need to ensure that this proposal is worked through meetings of the Schools Forum in Spring term 2023-24.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	London Mayor's Universal Free School Meals (UFSM) substitution		
Reference:	SAV / CHI 003 / 24-25	Savings Category:	Income generation
Directorate:	Children's Services	Savings Service Area:	Education services
Directorate Service:	Education – Free School Meals (FSM)	Strategic Priority Outcome:	3. Accelerating education
Lead Officer and Post:	Lisa Fraser, Director of Education	Lead Member and Portfolio:	Cllr Maium Talukdar, Statutory Deputy Mayor & Cabinet Member for Education, Youth and Lifelong Learning

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	N/A	1,566	(1,566)	-	-

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

The London Mayor has committed to UFSM for primary schools during the academic year 2024-25. This income will be used as a substitute for monies Tower Hamlets Council currently pays out for UFSM in primary schools. The savings can be delivered in the current year.

Revised Provision:

The saving does not lead to new models of service delivery given that Tower Hamlets has offered UFSM primary for some time.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	High
There are no major risks to this project.	

Resources and Implementation:
This saving relates to the General Fund. No additional resources are required.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Vacating the PDC		
Reference:	SAV / CHI 004 / 24-25	Savings Category:	Contracts
Directorate:	Children's Services	Savings Service Area:	Education services
Directorate Service:	Education - Property	Strategic Priority Outcome:	3. Accelerating education
Lead Officer and Post:	Lisa Fraser, Director of Education	Lead Member and Portfolio:	Cllr Maium Talukdar, Statutory Deputy Mayor & Cabinet Member for Education, Youth and Lifelong Learning

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	175	175	-	-	175

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

The Children's directorate plans to move education services from the PDC. The majority of services will be relocated to the Town Hall; some services with specific needs (i.e. the Schools Library Service, the Learning Advisory Support Service) may be relocated in other premises, possibly schools. A scoping exercise around this is currently under way. Savings will be generated through a reduction in rents that these services currently pay to the PDC. Savings can be made during the current year.

Revised Provision:

The saving will result in an altered place of work for staff but should not impact on service delivery. Benefits of the new arrangement include access to and communication with teams who have been physically more remote from managers and other teams based in the Town Hall. Services will continue to support the same client group.

Risk and Mitigations:

Ease of delivery	Easy
Impact of savings	Medium

The risks around this project centre around staff motivation. The process of decanting staff from their current place of work must be sensitively handled. Some services – such as the Schools Library Service and the Learning Advisory Support Service – have significant resources and equipment which need to be factored in to plans for relocation; it's unlikely that these services can be based in the Town Hall.

Resources and Implementation:

This saving relates to the General Fund.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Income generation through safeguarding, behaviour and attendance teams				
Reference:	SAV / CHI 005 / 24-25	Savings Category:	Income generation		
Directorate:	Children's Services	Savings Service Area:	Education services		
Directorate Service:	Education - Safeguarding/BASS	Strategic Priority Outcome:	3. Accelerating education		
Lead Officer and Post:	Lisa Fraser, Director of Education	Lead Member and Portfolio:	Cllr Maium Talukdar, Statutory Deputy Mayor & Cabinet Member for Education, Youth and Lifelong Learning		

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	N/A	50	-	-	50

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

Income generation through Safeguarding/Behaviour and Attendance team – service level agreements with all maintained schools and academies to cover costs for advice and guidance; this will alleviate pressure on the general fund; no staffing reductions planned; no procurement activity necessary; stakeholder engagement will be conducted through timetabled meetings with headteachers and the headteacher bulletin; savings can be delivered in the current year.

Revised Provision:

The saving will support an aspect of a new model of service delivery within the safeguarding and behaviour and attendance teams. The service will support the same client group and will meet similar needs.

Risk and Mitigations:

Ease of delivery	Easy
Impact of savings	Medium

Schools may decide not to ask for advice if they have to pay; this could compromise children's safety if schools make poor decisions; this in turn could trigger Ofsted intervention in schools and/or Tower Hamlets Council. This risk is relatively low as the Council would maintain its current team of education advisors who exercise the council's safeguarding statutory responsibilities vis-à-vis high risk situations around children's safety.

Resources and Implementation:

This saving relates to the General Fund. Support will be required to draw up service level agreements and to implement financial management.

Autumn term 2023

- Devise charging model and service level agreements
- Liaise with schools
- Develop supporting backroom functions

Spring 2023

- Launch SLAs

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	School Governance, Information and Traded Services Business Support Savings		
Reference:	SAV / CHI 006 / 24-25	Savings Category:	Efficiency
Directorate:	Children's Services	Savings Service Area:	Education services
Directorate Service:	Education - School Governance Service	Strategic Priority Outcome:	3. Accelerating education
Lead Officer and Post:	Lisa Fraser, Director of Education	Lead Member and Portfolio:	Cllr Maium Talukdar, Statutory Deputy Mayor & Cabinet Member for Education, Youth and Lifelong Learning

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	38	38	-	-	38

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

School Governance, Information and Traded Services has given notice to Business Support to terminate the SLA in place for 24 hours admin support at a cost of £38k a year. The School Governance, Information and Traded Services team have reduced 60 percent of admin functions through automation. Team members have already taken on 20 percent of admin functionality and a recent review determined that the remainder of all business support admin functions can be distributed amongst team members.

Revised Provision:

No impact on School Governance, Information and Traded Services service delivery

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	Medium

Resources and Implementation:

No feasibility work is needed.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	School Library Services (SLS) HOS post deletion		
Reference:	SAV / CHI 007 / 24-25	Savings Category:	Transformation
Directorate:	Children's Services	Savings Service Area:	Education services
Directorate Service:	Education - School Library Service	Strategic Priority Outcome:	3. Accelerating education
Lead Officer and Post:	Lisa Fraser, Director of Education	Lead Member and Portfolio:	Cllr Maium Talukdar, Statutory Deputy Mayor & Cabinet Member for Education, Youth and Lifelong Learning

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	57	28	-	-	28

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	-	-	-	-	-

Proposal Summary:

The proposal is to delete the School Library Services (SLS) HOS post through natural wastage. The service can be absorbed by School Governance, Information and Traded Services; the strategic and budgetary responsibilities can be redistributed to the head of school Governance, Information and Traded Services. While the SLS HOS post (28hrs) currently costs £57k per year with on costs, with deletion of post and operational duties being shared amongst existing staff (who would need to be financially numerated for additional workload/responsibilities) this would generate a savings £28k.

Revised Provision:

No Impact on provision

With the two additional teams coming together (SLS and Global Learning) with the four from School Governance, Information and Traded Service, a bigger platform for co design and co production initiatives will be created, and possible efficiencies in service delivery across the 6 teams generated.

Risk and Mitigations:

Ease of delivery	Easy
Impact of savings	Medium

The staffing reductions proposed here will not involve any compulsory redundancies and have been planned in a way that will not have any significant impact on service delivery.

Resources and Implementation:

This change can be implemented within existing resources.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Service Restructure - The Interface of EH Family Support and Targeted Youth Offer		
Reference:	SAV / CHI 008 / 24-25	Savings Category:	Service restructure
Directorate:	Children's Services	Savings Service Area:	Children Social Care
Directorate Service:	Early Help & Children Family Service	Strategic Priority Outcome:	3. Accelerating education
Lead Officer and Post:	Susannah Beasley-Murray, Director Children's Social Care	Lead Member and Portfolio:	Cllr Maium Talukdar, Statutory Deputy Mayor & Cabinet Member for Education, Youth and Lifelong Learning

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	1,424	250	-	-	250

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	22	5	-	-	5

Proposal Summary:

The London Borough of Tower Hamlets has 12 Children and Family Centres, divided into 4 localities, each comprising 3 centres. These centres offer both universal and targeted services for families, with a particular emphasis on an enhanced offer for families with children aged 0-5 years. In the last year, 17,535 children and 16,795 adults utilised the centres, making a total of 142,537 visits by children and 117,150 visits by adults.

Currently, the service has 420 open cases for 'Target Family Support'.

Revised Provision:

The Early Help Service offers both targeted and universal services. With the expansion of the Youth Offer for young people covering both targeted and universal services, the proposal suggests that targeted cases aged 0-11 will remain with Early Help, while those aged 11-19 will transition to the newly created Targeted Youth Offer. Both service areas will continue to engage in whole-family working, ensuring that families experience minimal, if any, changes to the 'Early Help Targeted Offer' provided to them.

Five members of staff from Early Help will transfer to the new service, ensuring that there is no overall loss of posts in family support. Families should not experience any impact from these changes, as both services will continue to provide comprehensive whole family working, assessments, and record-keeping on a unified system.

Risk and Mitigations:

Ease of delivery	Easy
Impact of savings	High

The Children and Family Centres cater to a substantial number of service users, significantly contributing to the reduction of families requiring statutory services. Over the past year, there has been an approximately 35% increase in cases coming into Early Help

The 'Target Early Help Family Support Offer' would be across the two divisions and service areas. To minimize any potential duplication and ensure consistency, it is crucial to establish a robust pathway and workflow. This approach guarantees that there would not be a duplication of services and that families receive the same level of service, regardless of the service area.

Resources and Implementation:

Currently the service is funded through a mixed economy.

1. General Fund
2. Government Grants
3. Public Health Grant

To ensure that families do 'not fall through the net', we will need to ensure that we have an agreed workflow for all families, so that families receive a good service across the board, where the staff delivering the service may be based.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	The staff would go in the Young Tower Hamlets and the Work would be picked up there.
Does the change reduce resources available to support vulnerable residents?	No	The cases would be picked up by the targeted offer in Young Tower Hamlets.
Does the change involve direct impact on front line services?	Yes	The 11-19 family support offer would be delivered through Young Tower Hamlets
Changes to a Service		
Does the change alter who is eligible for the service?	Yes	Early Help would not offer Family Support 11–19-year-olds this would be done thorough Young Tower Hamlets.
Does the change alter access to the service?	No	The family Support offer would remain the same – however would be provided by two different services.
Changes to Staffing		
Does the change involve a reduction in staff?	Yes	There would be a reduction in the staff which delivered the family support in 0-11, however these staff would move over to Young Tower Hamlets. So overall there would not be a reduction in staff.
Does the change involve a redesign of the roles of staff?	Yes	Some of the Staff would have to move over to a different service area and there JD might change as a result.
Summary:		Additional Information and Comments:
To be completed at the end of completing the Screening Tool.		
Based on the Screening Tool, will a full EA will be required?	No	

SAVINGS PROPOSAL

Proposal Title:	Ukrainian Grant Funding 5 EH Targeted Family Support		
Reference:	SAV / CHI 009 / 24-25	Savings Category:	Efficiency
Directorate:	Children's Services	Savings Service Area:	Children Social Care
Directorate Service:	Early Help & Children Family Service.	Strategic Priority Outcome:	3. Accelerating education
Lead Officer and Post:	Susannah Beasley-Murray, Director Children's Social Care	Lead Member and Portfolio:	Cllr Maium Talukdar, Statutory Deputy Mayor & Cabinet Member for Education, Youth and Lifelong Learning

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	1,424	300	-	-	300

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	22	5	-	-	5

Proposal Summary:

The Ukrainian war prompted the establishment of the Refugee Support Team, now known as the Resettlement and Migration Team (RMT). This team was formed in response to the expectations of the Department for Levelling Up, Housing, and Communities (DLUHC) for local governments to implement the Homes for Ukraine Scheme. The RMT's scope of work has expanded to include support for hotels, dispersed accommodation properties, and the Afghan Resettlement Scheme. They are now responsible for providing assistance in all matters related to asylum seekers and refugees.

Over the past two years, more than 3000 asylum seekers and refugees have relocated to the borough. While local authority services have always offered support, it was not consistently coordinated or strategic. The newly formed RMT team has played a vital role in ensuring that the local authority now delivers a more coordinated response to migrants, refugees, and asylum seekers. However, it's important to note that the team's capacity is currently limited.

Revised Provision:

This proposal would see 5 Birth to 19 family workers being funded to provide family support.

Central government funding for the current round of work with Ukrainian families comes to an end in March 2025; this would as a result be a temporary solution. Should funding not be identified or a growth bid agreed by March 2025, we would see a reduction in the workforce by 5 for the following year.

Risk and Mitigations:

Ease of delivery	Easy
Impact of savings	High

The grant funding would come to end in March 2025. This would mean that these posts would be pressure on the service to accommodate, or we would delete. Should the funding not be found, we would stop recruiting to post in order to avoid redundancies.

Resources and Implementation:

Currently the service is funded through a mixed economy.

1. General Fund
2. Government Grants
3. Public Health Grant

Although the implementation could be done for the next financial year, careful consideration would need to be made before the March 2025 to ensure that we did not end up with 5 people being made redundant.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	Yes	In the short term the staff would be funded from the grant for Ukrainian families, however as this funding is currently until March 2025, we would need to consider how we fund this in the future. Family supports are provided to families who are often the neediest. Their role helps families access support and overcome some of their difficulties so that it reduces inequalities.
Does the change reduce resources available to support vulnerable residents?	Yes	Yes – family support at level two of the continuum is only provided to families which are vulnerable.
Does the change involve direct impact on front line services?	Yes	This would mean that the service is reliant more on grant funding that it currently is.
Changes to a Service		
Does the change alter who is eligible for the service?	No	If there was however a reduction of service – this would impact the number of families we are able to support.
Does the change alter access to the service?	No	If there was however a reduction of service – this would impact the number of families we are able to support.
Changes to Staffing		
Does the change involve a reduction in staff?	No	Not In the short term, however in the long term if funding is not identified then we would see a reduction in family support workers.
Does the change involve a redesign of the roles of staff?	No	

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Service Restructure - Review of Regulated Services and Resources Budget				
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Reference:	SAV / CHI 010 / 24-25	Savings Category:	Service restructure		
Directorate:	Children's Services	Savings Service Area:	Children Social Care		
Directorate Service:	Supporting Families - Social Workers in Schools	Strategic Priority Outcome:	5. Investing in public services		
Lead Officer and Post:	Nji Oranu, Service Manager, Children's Social Care (Supporting Families)	Lead Member and Portfolio:	Cllr Maium Talukdar, Statutory Deputy Mayor & Cabinet Member for Education, Youth and Lifelong Learning		

Financial Impact:					
Budget (£000)	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
	2,193	140	-	-	140

Staffing Impact (if applicable):					
Employees (FTE) or state N/A	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
	68	2	-	-	2

Proposal Summary:

Regulated Services and Resources Budgets - (£140K)

This savings proposal has been developed following a review of the Regulated Services and Resources Budgets, triangulated alongside knowledge of the teams that make up the service and the multiple challenges faced. The proposal is in response to a request to identify savings across Regulated Services and Resources.

The service is made up of 10 teams (across seven work streams), with managers leading each of the teams, the service is supported by two Group Managers. Following a review of staffing, two support worker posts have been identified to be deleted to support the delivery of £140k of savings, these posts are currently vacant and are situated in the Edge of Care team.

This proposal does not change statutory provisions, nor is it foreseen that the service delivery model will impact the council's ability to achieve its strategic priorities.

Revised Provision:

Regulated Services and Resources Budgets

In terms of service continuity, should the proposed savings be accepted and implemented, the model of service delivery will not be significantly altered, and the service will continue to support children and their families in the same way. Therefore, the primary tasks of the service remains the same.

Risk and Mitigations:	
Ease of delivery	Moderate
Impact of savings	Low

Resources and Implementation:
N/A

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Service Restructure - Leisure and Wellbeing		
Reference:	SAV / COM 001 / 24-25	Savings Category:	Service restructure
Directorate:	Communities	Savings Service Area:	Cultural and related services
Directorate Service:	Leisure Operations, Sports & Physical Activity (SPA)	Strategic Priority Outcome:	4. Boosting culture, business, jobs, and leisure 5. Investing in public services
Lead Officer and Post:	Simon Jones, Head of Leisure Operations	Lead Member and Portfolio:	Cllr Iqbal Hossain, Cabinet Member for Culture and Recreation

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	1,920	54	-	-	54

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	10	N/A	N/A	N/A	N/A

Proposal Summary:

The Leisure Service in Tower Hamlets will be insourced from 1 May 2024. As part of this transformation, there is an opportunity to bring some of the roles currently in the Sports and Physical Activity (SPA) department under the Leisure division to deliver a cohesive healthy living offer to the residents of Tower Hamlets.

As part of the strategic plan to bring leisure in-house and evolve it into a wider well-being offer, a new Operating Model needs to be agreed upon. We have to be confident that this model can effectively manage the current and growing demand for Leisure Services and quickly incorporate commercially viable opportunities based on our improving learning as an operator. If we are to develop a Leisure & well-being Service that can generate new revenue to benefit communities that we have not necessarily always fully served and promote healthy living and well-being, we need an adaptable and forward-thinking back-office to support it.

We also consulted experts in the Leisure industry to learn more about what structures and roles are in place to support the commercial efforts of the business as well as the day-to-day operations.

Currently, the management of Leisure Services is outsourced to GLL (Better). This has been the case for 18 years with several extensions to the contract. The service is a traditional Leisure Service with strategic outcomes that do not always align with the council's 2022-2026 strategic plan or with some of our future ambitions to support residents.

With the current coffer, GLL (Better) could positively impact the Sports and Fitness offer in the Borough and have a knock-on effect on other services and support offered by the council.

To deliver such impact, we need an operational structure that can support the delivery of ambitions set out by the Council. We are ambitious and realistic, taking careful consideration of how we can do this right. If we are to achieve Priority 4 of the Strategic Plan 2022-2026, and truly 'boost leisure', we need to build strong foundations that not only support the current offer but allow us to strive to improve on what we have.

To ensure a smooth transition in May 2024, the following roles are core to running the day-to-day of the service and ensuring we achieve key outcomes in Year 1.

Priority 4 of the Strategic Plan 2022-2026 states that the Council aims to "open up opportunities for all residents, including young people and women, to participate in a wide range of local sporting and cultural opportunities".

The alternative to bringing the SPA within the leisure division is to leave the service where it currently sits under a separate Head of Service. We have discounted this option because we believe it reduces the opportunities for enhanced collaboration outlined in this document. In addition, failing to move the SPA under the leisure division would result in a loss of economies of scale in overhead costs. As part of the restructure, we are proposing to reduce the core SPA team resulting in a contribution to the Council's savings target of £148,740.

Risk and Mitigations:	
Ease of delivery	Moderate
Impact of savings	Low

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Leisure Service Insourcing – Project Costs		
Reference:	SAV / COM 002 / 24-25	Savings Category:	Efficiency
Directorate:	Communities	Savings Service Area:	Cultural and related services
Directorate Service:	Sports & Physical Activity (SPA)	Strategic Priority Outcome:	4. Boosting culture, business, jobs, and leisure 5. Investing in public services
Lead Officer and Post:	Simon Jones, Head of Leisure Operations	Lead Member and Portfolio:	Cllr Iqbal Hossain, Cabinet Member for Culture and Recreation

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	1,920	525	(525)	-	-

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

The current project budget allocated for delivering Leisure Insourcing is:

2022-23	2023-24	2024-25	2025-26
338	1,920	1,925	275

This is all growth funding.

Assuming the revenue budget is agreed (Ref: GRO / COM 001 / 24-25) for operational delivery, there is an opportunity to review and reduce the requirement in year 2 of the project.

At a high-level, the year 2 budget can be reset as follows without introducing unacceptable delivery risks:

Project Team & Support	635,000
Consultants Fees	260,000
ICT	500,000
TOTAL	1,395,000
Current Allocation (2024-25)	1,920,000
Variance	525,000

Revised Provision:

There will be no adverse impact to the current service delivery. If fact through the integration of services the scope and quality of the service is likely to improve.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	Low

Resources and Implementation:
None

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Sports and Physical Activity		
Reference:	SAV / COM 003 / 24-25	Savings Category:	Transformation
Directorate:	Communities	Savings Service Area:	Cultural and related services
Directorate Service:	Sports & Physical Activity (SPA)	Strategic Priority Outcome:	4. Boosting culture, business, jobs, and leisure
Lead Officer and Post:	Lisa Fraser, Director of Education	Lead Member and Portfolio:	Cllr Iqbal Hossain, Cabinet Member for Culture and Recreation

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	2,246	200	-	-	200

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

Integration of the Outdoor Adventure Base and curriculum delivery with Young TH. This will provide a youth service setting in Mile End with ancillary provision including use of the river and other outdoor education, including DoE and other youth-based curriculum including programmes with Youth Justice and SEND schools. Saving through integration and efficiency. **Saving £200k**

N.B. Not confirmed – A business case is being developed to seek use of PHG Reserve to fund SPA activity on a reducing basis **£250k, £150k and £50k**. This will allow a reducing GF contribution to the SPA service budget. The budget gap will be met through the growing of income of the Leisure, Health & Wellbeing service through increased participation and the securing of grants and funding. Therefore, the service activity will be set income targets similar to a ROI approach.

Revised Provision:

There will be no adverse impact to the current service delivery. If fact through the integration of services the scope and quality of the service is likely to improve.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	Low

Resources and Implementation:

None

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Commercialisation (Enforcement & CCTV)
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Reference:	SAV / COM 004 / 24-25	Savings Category:	Income generation
Directorate:	Communities	Savings Service Area:	Community Safety
Directorate Service:	Community Safety	Strategic Priority Outcome:	6. Empowering communities and fighting crime
Lead Officer and Post:	Ann Corbett, Director Community Safety	Lead Member and Portfolio:	Cllr Abu Chowdhury, Cabinet Member for Safer Communities

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	96	130	500	1,000	1,630

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

The council has invested significant growth and capital monies into increasing the number of Tower Hamlets Enforcement Officers patrolling the streets and upgrading the borough wide public space CCTV provision. The overarching aim of this investment is to help reduce crime and anti-social behaviour, bring more offenders to justice and improve the feelings of safety for Tower Hamlets residents.

The introduction of a new council structure has seen the creation of a new Communities Directorate that has brought Public Realm and Community Safety functions together. The new Directorate exploits the synergies for addressing crime and ASB and environmental crime in the borough. It aims to deliver an all-powerful enforcement service for TH residents to tackle the wide range of issues they face.

This enhanced enforcement offer will generate more income through an increased and better co-ordinated street-based enforcement activity. The 3-year incremental income generated by the Directorate constitutes the first phase of a long-term strategy that aims to achieve a cost neutral, self-sustained service. The income will be generated from better targeted enforcement activity and the commercialisation of enforcement and other related services (such as CCTV)

The proposal also seeks to develop a more commercial model for the THEO and CCTV service e.g. CCTV camera monitoring offer for social landlords through the new 24/7 CCTV control room or the provision of additional and dedicated Tower Hamlets Enforcement Officers patrols.

This will contribute to the achievement of the Mayor’s Manifesto objective to “Focus on crime/ASB on our estates”, restore the THEO trusted brand, as well as “Maintain our award-winning boroughwide CCTV service, which has been vital in working with the police to detect crime and identifying offenders. Work with local landlords and businesses to widen its scope.”

This proposal will rely on existing operational resources to deliver the service and does not involve any staffing reductions. No statutory consultation is required.

Revised Provision:

The incremental income generation over the 3-year period can be delivered by existing operational staff (the service will soon benefit from an additional 40 THEOs that are expected to be fully operational by Mar 24). Changes to the way some of the current resources within the Directorate operate may be required (i.e. focus on specific areas at certain times, co-ordinated days of actions, strengthened information sharing practices).. However, to develop a commercial offer will require some additional capacity and expertise to focus solely on commercialisation and marketing activities.

Tower Hamlets residents living on estates managed by RSLs will benefit from visible professional uniformed patrols in their estates as well as a joined up reliable CCTV system with strong links to other Council resources and the police. This will provide reassurance, deter ASB and crime and facilitate the identification of ASB and crime perpetrators and is of benefit to the Borough.

Risk and Mitigations:

Ease of delivery	Difficult
Impact of savings	Medium

The Directorate does not have the capacity, “back office” support skillset, and commercial expertise needed to market the service.

To mitigate this risk expertise, resources and additional capacity would need to be identified from within the wider Council resources and this commercial workstream prioritised as part of a programme of activity on income generation.

Risks may be mitigated by benchmarking and learning from other LAs who have done similar.

Operational risks - The current recruitment of additional THEOs and the new proposed THEOs service model will allow for resources to be allocated and tasked with a higher degree of flexibility. The new Communities Directorate will allow for a joined-up approach in delivering the council’s enforcement response to ASB. New processes and standard operating procedures will be in place. Risks to “business as usual” operational activity may be mitigated by reviewing the current demand and operational activity in order to prioritise and de-prioritise.

Resources and Implementation:

The resources needed to build up this proposal will have to be sourced within the existing Council. It will require communications and marketing strategy, data, finance, legal advice and potential input from other teams within the Council.

It will require a Programme Management approach to deliver the various workstreams.

Should this saving proposal be approved, Community Safety will start working with the council Communication Teams, finance & legal services, and CPMO internal resources to revitalise the existing marketing material (now out of date) and develop a service offer proposal to then be promoted to RSLs and partners (end of Nov/Dec).

SLAs requiring input from could then be drafted ready for the services to be provided starting Apr24 (once all the THEOs posts are filled and the new operating model fully operational).

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:
Will require ongoing oversight of all enforcement activity to address any issues with regard to disproportional impact on certain protected characteristics or groups.

SAVINGS PROPOSAL

Proposal Title:	Highways Maintenance – change in funding		
Reference:	SAV / COM 005 / 24-25	Savings Category:	Income generation
Directorate:	Communities	Savings Service Area:	Highways and transport
Directorate Service:	Highways and Transportation	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	Paul Whitfield, Highways Group Manager	Lead Member and Portfolio:	Cllr Kabir Hussain, Cabinet Member for Environment and Climate Emergency

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	468	468	-	-	468

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

This proposal is to use the parking reserve to fund highway maintenance revenue works, which include cyclical and reactive maintenance of all public highway assets including carriageways, footways and street furniture.

Revised Provision:

This proposal would not alter the service provided but would mean that highways maintenance is funded from the parking reserve rather than the General Fund.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	Low
There are no significant risks identified.	

Resources and Implementation:

This will be implemented within existing resources.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Advertising income from new sites		
Reference:	SAV / COM 006 / 24-25	Savings Category:	Income generation
Directorate:	Communities	Savings Service Area:	Highways and transport
Directorate Service:	Highways and Transportation	Strategic Priority Outcome:	7. Working towards a clean and green future
Lead Officer and Post:	Ashraf Ali, Head of Highways and Transportation	Lead Member and Portfolio:	Cllr Kabir Hussain, Cabinet Member for Environment and Climate Emergency

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	1,200	100	-	-	100

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

The highways team will be looking at potential new sites for advertising boards to extend onto the existing portfolio. These sites will on public highways with a view to generate income subject to seeking planning permission and all relevant licenses and consents.

The new sites will require a valuation to proceed with procurement and we will need to appoint a consultant that has the necessary experiences and skills to carry this out.

How does this proposal contribute to achieving the strategic priorities of the Council?
Will help to generate income for the service.

Does the proposal alter patterns of statutory provision? If so, please describe how the Council will continue to meet its statutory obligations
It doesn't alter statutory provision.

What Service will this saving impact?
Highways and Transportation services – no impact on saving

Are there any staffing reductions? No.

Detail any required procurement activity.
Yes, this will require involvement of procurement exercise as it will go through competitive tendering process.

Detail any requirements around contract renegotiations
This will be set out through the process of procurement and involve legal team where required.

What stakeholder engagement is required? Any statutory consultation required?
None required

Can the savings be delivered in the current year?
No, it will need to tendering which requires lead time and the new advertising sites will require planning permission as well as the sites has to be identified in view to confirm their viability/suitability.

Revised Provision:

Service Continuity: Following implementation of the saving, please describe how the Service taking the saving will continue:

- *Does the saving lead to new models of service delivery?*

No

- *What are the potential benefits of these models, aside from cost savings (e.g. client resilience, greater diversity of service offer, improved access via different channels)*

The new sites has potentially advertising opportunities and to generate income for the council.

- *Will the Service continue to support the same client group?*

- Yes

Service Withdrawal: Where the council are withdrawing a service/ closing a whole Service:

- *Do other Services within the Council provide support for this client group and will these continue?*

No

- *Does the provision meet a universally agreed need, or is it unique to Tower Hamlets?*

It's not unique and advertising boards already existing in Tower Hamlets.

- *Is there precedent for withdrawal of similar services in Tower Hamlets or elsewhere?*

As above.

- *Have we learnt from/ adopted/ adapted best practice from these examples?*

We will seek good examples of other local boroughs as well as TfL

- *Is there voluntary sector or community capacity available or under development in Tower Hamlets to help former service users adapt?*

No

Risk and Mitigations:

Ease of delivery	Moderate
Impact of savings	Medium

What will the major risks on the project be?

Public Health has developed Healthier Advertising Policy that was adopted in May 2023 and sets guidelines to address the impact of advertisements for unhealthy food and drinks on child health. It ensures that advertisements promote healthier choices by restricting the advertising of foods and non-alcoholic drinks that are high in fat, sugar, and salt (HFSS) in or on council owned advertising spaces and through council - procured advertising service contracts. Tower Hamlets is one of seven local authorities across the UK to have adopted this policy.

This policy could have some impact on the existing advertising contracts.

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

Existing companies not obliged to adopt this within the existing contract and there could be some loss of revenue.

What are the possible mitigation strategies?

Resources and Implementation:

Does this saving completely relate to General Fund? If not, please state which other funding type is impacted?

Don't anticipate using general fund as its to generate income with profit sharing opportunities with advertising companies.

What are the resources needed to build up the proposal?

There will be impact on exiting staff to resource up officer's time to manage the project and oversee the delivery of the project in particularly the new sites. Furthermore, we will need expertise with advertising background therefore would need use of consultant to support in the delivery of this project.

Is feasibility work required?

What needs to happen for implementation? Timeline and activities required by month.

Yes, survey and desktop study will be required to identify potential new sites and the viability of each new location for potential advertising.

Firstly, to understand and carryout benchmarking with other boroughs to see if there has been impact on revenue. Looking at alternative products that that comply to advertise within the guideline/policy.

Quantify the risk if possible, i.e. if the risk materialises the saving will reduce by £x.
Its difficult to quantify at this stage until the companies are approached of the changes in policy.

Will it impact a manifesto priority?
No impact

It will require going through tendering process to award to relevant advertising company and all new sites will require planning permission.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Electric Vehicle (EV) charging points		
Reference:	SAV / COM 007 / 24-25	Savings Category:	Income generation
Directorate:	Communities	Savings Service Area:	Highways and transport
Directorate Service:	Highways and Transportation	Strategic Priority Outcome:	7. Working towards a clean and green future
Lead Officer and Post:	Ashraf Ali, Head of Highways and Transportation	Lead Member and Portfolio:	Cllr Kabir Hussain, Cabinet Member for Environment and Climate Emergency

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	0	100	100	100	300

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

The approved London Borough of Tower Hamlets electric vehicle (EV) charging delivery plan (2021) undertook detailed analysis to develop a target of 500 EV charging points by 2023 and 1,400 by 2025-26.

In February 2023 the need for more EV charging points was emphasised in 'A Cleaner and Greener Future for Tower Hamlets', a pamphlet launched at the same time as the Mayor's Climate Advisory Board. This is supported by the council's new strategic plan which makes a commitment to the delivery of more EV charging points.

After consideration of recent growth figures the council has adjusted the above target to over 2000 new charging points by the end of the 2025-26 financial year.

This project will seek to procure EV chargers across the borough. The procurement would commence in late 2023. These chargers would be funded by the supplier under a concession contract. A site fee and share of revenue would be payable to the council.

How does this proposal contribute to achieving the strategic priorities of the Council?
Saves on carbon output towards a cleaner and greener environment.

What Service will this saving impact?
Highways & transportation service – it will generate income

Are there any staffing reductions? No

Detail any required procurement activity.
Yes, procurement and legal team will be involved throughout the process as the appointed suppliers will have to go through competitive tender.

What stakeholder engagement is required? Any statutory consultation required?
As with any highways schemes we will do the necessary consultation with residents and stakeholders.

Can the savings be delivered in the current year?
No, this is to generate income and we will need to go through the procurement process and approval from the Mayor on the whole project.

Risk and Mitigations:	
Ease of delivery	Moderate
Impact of savings	Medium
<p><i>What will the major risks on the project be?</i> The loss of funding would be the biggest risk</p> <p><i>What will their impact be on the project and Tower Hamlets Council?</i></p> <p>The impact will be on the delivery of the capital works that suppliers to delivery and reduction in the revenue share.</p> <p><i>What are the possible mitigation strategies?</i> Seeking to put our own capital bids for the works and maximise the share of the revenue. Alternatively, reduce the scale of the project with lower number of the charging points.</p> <p><i>Quantify the risk if possible, i.e. if the risk materialises the saving will reduce by £x.</i> Its difficult to quantify at this stage.</p> <p><i>Will it impact a manifesto priority?</i> Yes, it's a manifesto pledge to delivery EV and meeting the councils carbon reduction.</p>	

Resources and Implementation:
<p><i>Does this saving completely relate to General Fund? If not, please state which other funding type is impacted?</i></p> <p>Don't anticipate to use general fund as its to generate income with profit sharing opportunities with EV suppliers.</p> <p><i>What are the resources needed to build up the proposal?</i></p> <p>There will be impact on exiting staff to resource up officer's time to manage the project and oversee the delivery of the project in particularly the new charging points. Furthermore, we will need expertise with EV background therefore would need the use of a consultant to support in the delivery of this project.</p> <p><i>Is feasibility work required?</i> <i>What needs to happen for implementation? Timeline and activities required by month.</i></p> <p>Yes, survey and desktop study will be required to identify potential new sites and the viability of each new location for potential EV points.</p> <p>It will require going through tendering process to award to relevant suppliers.</p>

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Construction Management Plan (CMP)		
Reference:	SAV / COM 008 / 24-25	Savings Category:	Income generation
Directorate:	Communities	Savings Service Area:	Highways and transport
Directorate Service:	Highways and Transportation	Strategic Priority Outcome:	7. Working towards a clean and green future
Lead Officer and Post:	Ashraf Ali, Head of Highways and Transportation	Lead Member and Portfolio:	Cllr Kabir Hussain, Cabinet Member for Environment and Climate Emergency

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	-	-	200	-	200

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

Background

The Development Coordination Pilot was set up to investigate pro-active ways in which the Council could seek to mitigate the significant cumulative construction impacts across high growth areas of the borough. This has involved a significant amount of scoping work in seeking to understand and seek solutions to the challenges posed to the Council of managing the impact of construction phase on residents and businesses, post planning approval.

The work involved multiple in-depth conversations with internal service team colleagues within development management, plan making, regeneration, planning enforcement, building control, highways and transport, network management, streetworks, the pollution team, public health, procurement and capital delivery. Other London boroughs (Croydon, Hackney, Southwark, Wandsworth, Camden, Lambeth, Westminster and LLDC) and external agencies such as CLOCS, FORS and TFL were consulted on available solutions and established best practice.

Following this engagement, the Team came up with five key objectives for pursuit during the Pilot:

1. Improving communication and sharing of information with residents
2. Enhancing coordination across development sites, particularly in high growth areas such as Marsh Wall
3. Improving construction practice in the borough through updated guidance, submission requirements and simplified processes
4. Improving health, safety and wellbeing around construction sites (including pedestrian/ cyclist safety, air quality and wellbeing of residents)
5. Reducing the number of construction-vehicles on our roads

One of the results of these enquiries led to understanding that the process around the review, approval and monitoring of **Construction Management Plans** had been identified by other boroughs (Croydon, Hackney and Southwark) as critical to managing good public relations and progress between the regulatory authority, development stakeholders and their neighbouring residents and businesses.

Boroughs under less pressure, in growth terms, established dedicated CMP Officer roles within either their environmental health or highways and transport teams to respond to the coordination needs of high concentrations of development across their boroughs. The CMP Coordination service offered by these boroughs is separately funded through fees charged prior to construction works beginning and linked to the acceptance of working in adherence with the relevant borough Code of Construction Practice (CoCP) and approved Construction Management Plan (CMP).

CMP Officer positions would primarily be focused on these activities on behalf of the Council:

- Review of CMPs – early input at Pre-App and Planning stage
- Approval of CMPs – coordinating inputs/comments from Highways, Network Management and Environmental Health (plus other stakeholders, as necessary)
- Liaison with Developers, Contractors and affected residents/businesses
- Frequent monitoring of on-site activities with respect to construction logistics and activities onsite and safety of public realm surrounding active construction in accordance with CMP/CoCP
- Promotion of the use of the LBTH CMP template/proforma
- Promotion of the use of the CLOCS CLP template
- Attendance at Construction Forums
- Convening of detailed Working Groups for clusters of development – focusing on construction logistics challenges
- Promoting best practice and LBTH Code of Construction Practice
- Coordination, nomination and judging inputs relative to LBTH Construction Awards

Tower Hamlets has one of the highest levels of growth in the country, and household numbers are expected to continue to increase by around 30% over the next decade. To meet the needs of this projected growth, development will necessarily increase, resulting in an increase in construction activity around the borough. The Council recognises that construction phase can, if not adequately coordinated and managed, negatively impact residents with increases in congestion, noise and disruption to the public realm also resulting in significant reductions in air quality surrounding construction sites.

On the Isle of Dogs alone we estimate around 8no. schemes, currently in the planning system, will potentially deliver approximately 3,500 housing units over the next 5-7 years. The potential for fee charges for this projection range from £250 to £500K (dependent on the charging model adopted) covering the multi-year programme of construction activity.

The income generated from fees will fund the officer's posts and achieve this income target. Any additional income will be requested to be earmarked to mitigate works around CMP and construction.

How does this proposal contribute to achieving the strategic priorities of the Council?

Reducing the construction impact on the local community

Does the proposal alter patterns of statutory provision? If so, please describe how the Council will continue to meet its statutory obligations

What Service will this saving impact?

Highways & transportation service – it will generate income

Are there any staffing reductions?

No.

Detail any required procurement activity.

No

Detail any requirements around contract renegotiations

What stakeholder engagement is required? Any statutory consultation required?

As with any highways schemes we will do the necessary consultation with residents and stakeholders.

Can the savings be delivered in the current year?

No as the structure needs to be bedded in, this is to generate income and money generated will need to be ring-fenced. The fees can off-set overhead cost to the service.

Risk and Mitigations:

Ease of delivery	Moderate
Impact of savings	Medium

What will the major risks on the project be?
The Council is already perceived (by the public) as not adequately enforcing the current Code of Construction Practice or the related approved CMPs. To not seek solutions to the issue of inadequate oversight of development construction will not only affect public relations and perception but also risk a significant amount of development to continue to pose a safety and wellness risk to our residents and businesses across the borough.

Resources and Implementation:

Does this saving completely relate to General Fund? If not, please state which other funding type is impacted?
Its not saving, this proposal is to generate income through charging fees

What are the resources needed to build up the proposal?
Creating new posts titled as CMP officers, the fees generated will pay for the posts.

Is feasibility work required?
What needs to happen for implementation? Timeline and activities required by month.
Feasibility already completed.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

SAVINGS PROPOSAL

Proposal Title:	Arts, Parks and Events Savings and Income generation		
Reference:	SAV / COM 009 / 24-25	Savings Category:	Income generation
Directorate:	Communities	Savings Service Area:	Cultural and related services
Directorate Service:	Culture - Arts, Parks and Events	Strategic Priority Outcome:	4. Boosting culture, business, jobs, and leisure
Lead Officer and Post:	Catherine Boyd, Head of Arts, Parks and Events	Lead Member and Portfolio:	Cllr Iqbal Hossain, Cabinet Member for Culture and Recreation

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	181	372 income + 150 savings = 522	283	49	854

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

The current net budget of £181,187 is made up of income of £3,097,354 and an expenditure budget of £3,278,541.

The proposal contains opportunities, in relation to income generation from council owned assets that will boost culture, the local economy and leisure opportunities for residents.

Additional income will be generated through more events in parks, increased concession/market activity in parks and leasing assets. All activities will be subject to procurement, licensing and planning processes as well as statutory considerations including planning consent and licensing.

Events income will be subject to the procurement of the replacement Major Events Concession, which requires Cabinet approval. The expansion of the events programme in Victoria Park will be subject to Cabinet approval of the Major Events Policy for Victoria Park.

The savings (£150,000) will be delivered via efficiencies from the proposed merger of the Parks Service with the Green Team. At this stage, it is not known if savings will be achieved through staff reduction or service delivery efficiencies.

Income / saving opportunities key considerations:

- Income generated through the Victoria Park Horticultural Centre (subject to a new role being approved)
- Income from a wider range of events in Victoria Park (subject to the Major Events Policy revisions being approved by Cabinet) and savings from the events budget (events budget allocated to support a mini-Mela style event has not been used since the pandemic).
- Additional income from AEG Presents Ltd subject to the Major Events Policy amendments, contingent on a minimum 2-year Licence to Occupy being approved/agreed and Licensing.
- **Important:** Income for years 25/26 and 26/27 are based on AEG Presents Ltd delivering an additional 2 x events in June in 25/26 and 26/27. They may decide only to do 1 x event weekend in June if sales are poor or there are licensing constraints. This would see an estimated reduction in income/savings from £854,000 to £629,872 over the next three years.
- Efficiencies from a potential merging of Parks and the Green Team (via staffing reduction or efficiencies of delivery).
- New leases for kiosks, change of use of vacant buildings (subject to planning consent and capital funding).

All savings are subject to additional income be secured to cover inflation related increases to utility. The majority of the income is related to events in parks, which rely on changes to current policies being approved and contract negotiations, making these savings higher risk. Should there be a delay to negotiations / policy changes then this will impact on what additional income can be achieved.

Strategic Priority:

Income will be largely met through an increased events programme in parks, contributing to Strategic Priority 4 – Boosting culture, business, jobs and leisure.

Statutory Considerations:

Increased events will be subject to statutory requirements relating to the Licensing Act 2003, planning and H&S regulations etc. All events will be subject to council policies, including the Safety Advisory Group Terms of Reference for processing events.

Staffing Reductions:

A proposed saving of £150,000 for 24/25 was identified by the previous Director. This will be subject to organisational change relating to the potential merging of the Green Team and Parks Service that has been projected to create savings through service efficiencies and possible staff reduction. This would be a one-off saving for 24/25 only.

Procurement activity:

The projects income generation is subject to procurement processes being met to enable the Events team to tender out a winter programme of events in Victoria Park (Concession).

Contract Renegotiation:

A significant level of income will be subject to the Council entering into a Licence to Occupy with AEG Presents Ltd for the use of Victoria Park to hold commercial events. A three year land contract is being proposed and is subject to negotiation with legal and approval by the Mayor/Cabinet (as applicable) to enable AEG Presents Ltd to hold more events than the previously agreed 10 major event days (for one year – 2024).

Stakeholder engagement / consultation:

The income from AEG Presents Ltd will be subject to a change to the Major Events Policy for Victoria Park, due to go to Cabinet in November. Should this be called delayed or not approved then it would impact on the additional income shown in the table below as they would be unable to plan / deliver their additional June dates (in addition to All Points East).

The events income shown is also subject to AEG Presents Ltd obtaining a Premises Licence, which has a statutory 28 day consultation period.

Service Continuity:

The proposed merger between Green Team and Parks will result in changes to how the service is delivered, details are yet to be confirmed. Should the restructure result in posts being deleted that impact on the service's ability to generate income then this will mean that as a service we will not meet income targets.

There may need to be a reduction/service withdrawal relating to activities for children and young people depending on the outcome of the restructure.

Overview of savings:

IMPORTANT: The table below shows the breakdown of savings/income generation of £854,000. This supersedes any previous savings / income generation put forward for 24/25, 25/26 and 26/27.

Savings	2024-25	2025-26	2026-27
Parks and Green Team Review	150,000		0
Reduction in events spend and increase in income from Major Events programme (music festivals etc) and other commercial event activity in parks	347,000	253,000	39,000
Additional Commercial Activity in Victoria Park (income after staffing costs - new post needed for training centre). Includes nursery for 25/26.	25,000	25,000	5,000
Other income via kiosks and concessions in parks (subject to capital funding and planning consent). This has been put at £0 for 24/25 as there is a target for emended in 24/25 in the budget base and therefore, we do not want to double count.	0	5,000	5,000
Total	522,000	283,000	49,000

Revised Provision:

Service provision will be extended to all year round to maximise income generation.

Risk and Mitigations:

Ease of delivery	Difficult
Impact of savings	High

Income streams identified are reliant on and at risk from:

- Approval by Cabinet not being obtained in November for changes to the Major Events Policy to enable AEG Presents Ltd to have additional commercial event days. This would mean that the additional income for next year would not be achieved as AEG Presents Ltd would be unable to deliver additional June dates in 2024 impacting income for 24/25.
- Major Events policy – income from more events in Victoria Park is subject to Major Event Policy proposed change being approved by Cabinet, this is required to enable the Council to broaden the range of events it can consider. If not approved this would limit (across all financial years) our ability to generate additional income from events including AEG and winter events.
- Contract negotiations with AEG Presents Ltd being concluded by December 2023. Again, this would mean they could not deliver additional events in June 24/25.
- If ticket sales are poor or there are licensing issues with AEG's additional June dates they will not deliver 2 additional event weekends in 25/26 and 26/27, which would lower the estimated income across the three year period.
- Approval by Mayor (IMD) or delegated authority not being granted for a Licence to Occupy being granted for three years to AEG Presents. If they do not get a minimum of 2 years (currently have 1 year in principle for 2024) then they will not proceed with the additional dates that will enable the income growth.
- All events subject to Licensing (including conditions). Under the Noise Council Code of Conduct we are likely to receive representation from Responsible Authorities if the risk of impact of noise from additional major events cannot be sufficiently mitigated.
- Planning permission/statutory conditions, winter events are likely to be on site for more than 28 days, which would require planning consent as well as a Premises Licence.
- Legal challenge by Friends of Victoria Park against over commercialisation of parks. This happened in Haringey with a judicial review resulting in the Court of Appeal passing judgement that all income had to be ring fenced to Finsbury Park and not used for other Council savings etc.
- Legal challenge to the Licence to Occupy by competing event companies (Legal have advised this is a low risk as long as the Council ensures that the Licence to Occupy is purely a land deal with no other benefits).
- Market conditions and cost of living crisis, which will impact on income from marketing / promo activity and events in parks. Previously winter events, for example, have not performed well and due to the summer Major Events Programme, additional income will be dependent on winter event programmes.
- Winter events also subject to Major Events Policy changes to capacity thresholds being approved by Cabinet.
- Planned restructure being delayed and / or not leading to estimated savings. This is in the early stages of review and may not result in savings to the Parks Service. If the restructure goes ahead, this could impact on the team's ability to maintain current programme of income generating activities (volunteer programmes) and any cuts could have a longer term detrimental impact to parks reducing the commercial viability.
- Inflation costs could lead to budget pressures resulting in additional income needed to offset increased costs.
- Additional staffing to manage the Victoria Park Horticultural Centre not being approved by the People Board. We need at least one new role to manage this amenity including commercial activity.

Resources and Implementation:

- Capital funding required to support development of vacant assets and underused sites.
- New post required to manage income and community engagement activities through the Victoria Park Horticultural Centre. This salary would be offset by income generated through paid activities, hires of the facilities and increased corporate volunteering as well as plant sales.
- Continuing staff levels in parks to ensure we can deliver against current income targets and future targets and maintain the parks to a high standard so that they attract / retain commercial clients.
- Legal and procurement support for AEG Presents Ltd contract to be finalised.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	Yes	Restructure will lead to loss of roles in Parks, which includes frontline community park ranger roles.
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	Yes	Yes, if we lose community park ranger services via a restructure we may need to reduce regular stay and play activities and youth activities as well as school holiday provision.
Changes to Staffing		
Does the change involve a reduction in staff?	Yes	Restructure may lead to loss of roles.
Does the change involve a redesign of the roles of staff?	Yes	Restructure may result in jobs being redesigned if two services are merged.

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

Additional Information and Comments:
Currently not anticipated that a full EA will be required, but this will be kept under review as the restructure progresses.

SAVINGS PROPOSAL

Proposal Title:	Increase in Leisure Service Income		
Reference:	SAV / COM 010 / 24-25	Savings Category:	Income generation
Directorate:	Communities	Savings Service Area:	Cultural and related services
Directorate Service:	Leisure	Strategic Priority Outcome:	4. Boosting culture, business, jobs, and leisure
Lead Officer and Post:	Simon Jones, Head of Leisure Operations	Lead Member and Portfolio:	Cllr Iqbal Hossain, Cabinet Member for Culture and Recreation

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	N/A	-	967	1,036	2,003
Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

As part of the insourcing of leisure services, we are iterating a business plan as we receive information from the incumbent operator, GLL. To date, we have received minimal financial information so are relying on the accounting available through historic contract management, industry data and conservative financial assumptions aided by colleagues in Finance. An 'art of the possible' is set out below noting that this will change over the coming months as GLL provide more information. It should also be noted that, as a commercial leisure operator, the service management team needs to be able to flex within this proposal as market trends and intelligence changes – in summary what we think is possible now may not be in a year depending on funders requirements and customer behaviour and, in some cases, may not even be desirable depending on how the new service is received:

How does this proposal contribute to achieving the strategic priorities of the Council? This proposal is set out to help reduce the anticipated deficit that insourcing the leisure service will generate.

Does the proposal alter patterns of statutory provision? No, assuming any ongoing deficit is funded by the Council.

What Service will this saving impact? All Leisure and Sports Development services.

Are there any staffing reductions? This is an income generation proposal. Reducing staffing would, potentially, cause a catastrophic risk to service.

Detail any required procurement activity. All procurement activity relating to the insourcing of the Leisure Service is available in a separate strategy, however it is for the lines on events and F&B that we expect to rely on suppliers to help deliver. We also expect to be commissioned by partners in order to achieve new income.

Detail any requirements around contract renegotiations This is part of the wider project and can be provided if required as it is not directly related to the proposal itself. Many functions will be picked up by internal support services and SLA's are being agreed to set expectations (IT, Finance, FM, Comms). There will be a small number of suppliers that will either novate from GLL to the new service or are being procured as part of the strategy (gym equipment, promoters, locker provision etc.).

What stakeholder engagement is required? Most of the lines above will need their own detailed stakeholder map and engagement strategy. To this end, we have onboarded a specialist leisure and sports consultancy to help us build a pipeline of new products and services that will capture the above.

Any statutory consultation required? Fee increases are an annual Member decision but otherwise no.

Can the savings be delivered in the current year? No, there is no service until May 1st, 2024.

Income stream	2024-25	2025-26	2026-27	Assumptions	Risks	Mitigation
PH Commissioned Service	£0.00	£20,000	£20,000	T2WM by year 2 and FYE. Small surplus of 10%. May be other opportunities arising.	Service will have to compete to win contracts.	PH funding a post specifically to set up.
NHS Commissioned Service	£0.00	£2,000	£25,000	Slow burning opportunities linked to PH post. - Prehab/Rehab etc	Service will have to compete to win contracts.	PH funding a post specifically to set up.
Membership increase		£424,000	£424,000	Currently circa 10,750 members. Top end of range likely to be circa 12,000. Year 1 projection has a 10% decrease built in for sleepers so assume gain them back in year 1. Assume achieve 12k target over years 2 and 3 but very challenging target as GLL were not at that number despite all their resources. Income estimate based on circa £32 per month average yield. Subject to detailed business planning exercise on-going.	This is predicated on significant latent demand across all sites which, in turn, assumes that CoL crisis does not prevent all demand from being realise.	TA6 onboarded to support bus dev plan and marketing campaigns.
Events	£0.00	£36,400	£40,040	10% per annum uplift from yr2 onwards. Requires an assessment of capacity and market size to be confirmed as possible.	Events management beyond York Hall could see a significant increase.	TUPE information suggests incumbent team transferring and assessment being commissioned on other venues.
Spa (York Hall)	£0.00	£33,950	£35,647	Currently generate £679k of income from the spa at York Hall. This is very strong income and difficult to improve on as is back to pre-pandemic levels. Assume 10% uplift per annum from year 2 at best.	Specialist service and success will be to maintain income in this case.	Secured the former GLL Spa services lead to develop a specific business plan for this service.
Swimming/wetside	£0.00	£142,058.96	£153,068.06	Swimming lessons at £1.74m. Some room for increasing numbers according to reports so target 20% uplift by year 3.	Intel to date suggests significant opportunity on this line.	Swim England commissioned to review swimming programme - with a focus on schools use.
Other Income	£0.00	£291,365.50	£320,502.05	£2.9m of other income. Assume can increase 10% across the board.	Residents report underuse but unlikely GLL have not 'sweated the assets'. Potential unknown until handover.	Awaiting an initial site review from Alliance to see whether utilisation assessment of 6 operational sites is useful. Latent Demand assessments already carried out for some places.
F&B	£0.00	£17,050	£17,902.50	Current income £341k. 20% uplift by year 3.	Linked to membership increase as the primary consumers of F&B. Improved events will help too.	Will depend on other lines above.
		£966,824.46	£1,036,160.11			

Risk and Mitigations:

Ease of delivery	Difficult
Impact of savings	High

What will the major risks on the project be? The risks are set out in the table above for each line of the proposal.

What will their impact be on the project and Tower Hamlets Council? Generating income will reduce the anticipated deficit and move into surplus. This can then be used to either grow the service or offset overspend in other areas.

What are the possible mitigation strategies? Mitigation is set out in the table above for each line of the proposal.

Quantify the risk if possible, i.e. if the risk materialises the saving will reduce by £x.

Will it impact a manifesto priority? Ultimately any new income that does not materialise will either have to be covered by the wider Council budget or the service will have to reduce its costs. As the costs are primarily staffing, that would be a 'last resort' as it will leave to service failure.

Resources and Implementation:

Does this saving completely relate to General Fund? If not, please state which other funding type is impacted. This proposal covers income only but the first line does rely on access to PHG funding.

What are the resources needed to build up the proposal? This will be delivered by the service and project resources already in place and funded.

Is feasibility work required? As set out above, this is already underway as it is a very fluid picture and will remain so for the coming months.

What needs to happen for implementation? Timeline and activities required by month. This is activity within a live project that has been in flight since late 2022. A full project planner is available on request.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	Yes	It should enable more people to access leisure services for a greater range of services and interventions that cover wider levels of need.
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	Yes	Yes, it should become more accessible, particularly for target groups – women & girls, people with disabilities or long-term health conditions and people from certain ethnic groups who are not fully represented in the current customer profile.
Changes to Staffing		
Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	Yes	The purpose of the project is to insource an existing leisure operation and to develop the model to be more inclusive and holistic. HR are fully involved in this at both Board and project team level.

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

Additional Information and Comments:
There was an EIA for the project that is kept under review but this proposal does not change the findings of that assessment.

SAVINGS PROPOSAL

Proposal Title:	Parking Savings - various		
Reference:	SAV / COM 011 / 24-25	Savings Category:	Income generation
Directorate:	Communities	Savings Service Area:	Highways and transport
Directorate Service:	Parking Mobility & Markets	Strategic Priority Outcome:	7. Working towards a clean and green future
Lead Officer and Post:	Michael Darby, Head of Parking, Mobility & Market Services	Lead Member and Portfolio:	Cllr Kabir Hussain, Cabinet Member for Environment and Climate Emergency

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	22,962	1,054	2,975	950	4,979

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

To achieve maximum savings against revenue generated the service intends to do the following.

	2024-25 £000	2025-26 £000	2026-27 £000
Fees & Charges – Based on our proposal for an increase and changes to emission banding for our permits	479	350	350
Fees & Charges – Casual parking – Review of current charges	350	350	500
Enforcement – Introduce an increase visibility of the night service	125	100	100
Debt – If agreed a planned return of the parking debt team from Revenues and Benefits	100	-	-
Replacement of PCN processing system - Increase recovery rate and better Stage Que	-	75	-
Proposed increase in PCN charges	-	2,100	-
	1,054	2,975	950

It should be noted that following these additional enforcement activities we will see a higher level of compliance over time and therefore a reduction in additional revenue.

Revised Provision:

Some proposals were rejected and these will be put forward again in future years.

Risk and Mitigations:

Ease of delivery	Moderate
Impact of savings	High

Saving will only be achieved if the proposals for fees and charges are agreed.

Decision will need to be made at CLT level regarding the debt team returning under the Parking, Mobility and Market structure.

With the above risk the income loss will be potentially £579k from fees and charges.

Resources and Implementation:

This saving does not affect the general fund however will impact on the parking revenue account.

The plan is to implement the above changes by April 2024-2027

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Commercial Waste income generation through an improved offer		
Reference:	SAV / COM 012 / 24-25	Savings Category:	Income generation
Directorate:	Communities	Savings Service Area:	Central services
Directorate Service:	Public Realm – Waste Services	Strategic Priority Outcome:	7. Working towards a clean and green future
Lead Officer and Post:	Oli Kapopo, Head of Waste Operations	Lead Member and Portfolio:	Cllr Kabir Hussain, Cabinet Member for Environment and Climate Emergency

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	3,718	-	-	500	500

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

The commercial waste income target has remained static for a few years, amidst the recruitment of an additional sales officer in 2022 to bolster sales. With a market share of business collections of about 15% (excluding Canary Wharf), there is a need to reignite the service and increase income by £500k. Income generation activities will be achieved through several interventions such as –

1. Separation of the commercial waste collections from municipal to start the process of building a separate business entity that trades as a business. This will be necessary to understand how much net income is generated considering associated costs of salaries, vehicles, disposal costs etc.
2. Innovative ways of generating income, such as offering a wider service that includes compactor collections, skip collections and hire, an improved commercial offer that includes discounted rates for large accounts, etc.
3. Working symbiotically with enforcement to ensure that compliance by businesses in how they dispose of their waste is in check and appropriate fines are issued where there is a need. This will be enhanced by the re-introduction of timed collections and time-bands for residents and businesses to put out their waste.
4. Recruitment to a permanent FTE to manage the commercial waste team with dedicated support on performance management, sales targets, recovery etc. This is to ensure that the team has longer term resilience as there has been no permanency in how they have been managed since 2022.

Does the proposal alter patterns of statutory provision? If so, please describe how the Council will continue to meet its statutory obligations, NO

What Service will this saving impact? Waste commercial Services

Are there any staffing reductions? NO

What stakeholder engagement is required? Any statutory consultation required? None

Can the savings be delivered in the current year? NO

Revised Provision:

This proposal offers additional income to the commercial waste portfolio by £500k. The income target at present is at £3.7m and has not changed for a few years. The revised income target from 2026/27 will increase to a total of £4.2m. 2023 – 2024 will offer an opportunity to model a revised service and put plans in place to generate additional income. There will be no invest to save requirements at this stage.

Risk and Mitigations:

Ease of delivery	Moderate
Impact of savings	Low

Resources and Implementation:

No additional resource requirements. There will be a review of the commercial waste operation to delink collections from municipal with a view to operate a 'stand-alone' trading service that takes into account associated costs of running the service on a day to day basis.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	Yes	Indirectly through a change in service delivery via optimisation of the collection service and the separation of waste collections from municipal to a 'stand-alone' service.
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	
Summary:		
To be completed at the end of completing the Screening Tool.		
Based on the Screening Tool, will a full EA will be required?		No
Additional Information and Comments:		

SAVINGS PROPOSAL

Proposal Title:	Passenger Transport Services		
Reference:	SAV / COM 013 / 24-25	Savings Category:	Transformation
Directorate:	Communities	Savings Service Area:	Education services
Directorate Service:	Fleet Management & Vehicle Workshop	Strategic Priority Outcome:	3. Accelerating education
Lead Officer and Post:	Richard Williams, Head of Operational Services	Lead Member and Portfolio:	Cllr Kabir Hussain, Cabinet Member for Environment and Climate Emergency

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	4,997	120	-	-	120

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

Passenger Transport provide an in-house service operating 52 routes providing 605 children with home to school, transport daily. In addition, we operate 15 routes providing transport for vulnerable adults to day centres.

In 2022/3 the cost of this service was £5,960,365. This is re-chargeable to our commissioning services.

Health, Adults and Community Department	£1,192,073 (20%)
Children and Culture Services	£4,768,292 (80%)

With pressure on SEN Transport Budgets and savings expectations, we are reviewing service delivery options to deliver a fit for purpose, future proof and commercially viable service from September 2023.

In order to:

- Improve management of transport logistics
- Optimise handling of passenger data
- Optimise routes
- Improve service reliability
- Improve customer communication
- Increase value for money
- Enable improved performance management
- Facilitate efficiencies and income generation

Investment in a new passenger transport management system is taking place in 2023/24 to support this improvement work.

This new system is key to delivering efficiencies, savings and improvement. The procurement of new performance management system will enable smart technology and innovation to improve transport logistics, management of transport workloads, improved service performance and reliability, increased value for money (as measured by reduced cost of service delivery, or increased revenue generation) and improved customer satisfaction.

The procurement of new performance management system requires use of new technology and innovation to improve transport logistics, management of supply and demand in workload, delivery of performance and reliability improvements, increased value for money (as measured by reduced cost of service delivery, or increased revenue generation) and improved customer satisfaction.

The initial investment of £33K in 2023/4 which includes first year hardware costs of £22K, will support delivery of estimated efficiency and revenue saving of between £27K and £192K from 2024/25 onwards. We estimate full year savings of £120k in 2023/24. These savings would be passed onto our commissioning services: Health, Adults and Community, Children and Culture.

Revised Provision:

Costs and Benefits

This is an invest to save proposal with the additional cost of the system recovered through reduced operating costs and increased income generation through improved use of available driver and vehicle resources to deliver core services and additional paid transport services (School trips, council wide deliveries, in-sourcing of externally provided transport)

Risk and Mitigations:

Ease of delivery	Moderate
Impact of savings	Medium

The primary risk associated with the project is the time it will take to complete mobilisation of the new fleet management system, improve route logistics and develop detailed plans for alternative transport delivery model, staffing structures and income generating opportunities.

Resources and Implementation:

Additional focus is required on commercial opportunities to generate income, to provide delivery functions to other council teams and improve utilisation of vehicle and staff resources.

Passenger Transport operates as a traded service with all cost re-charged to commissioning departments.

Health, Adults and Community, Children and Culture

Savings proposal relate to mitigating budget pressures on SEN and Adult transport.

Detailed project planning is required to ensure these savings can be delivered from April 2024.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:
No equality issues have been identified.

SAVINGS PROPOSAL

Proposal Title:	Fleet Electrification				
Reference:	SAV / COM 014 / 24-25	Savings Category:	Transformation		
Directorate:	Communities	Savings Service Area:	Highways and transport		
Directorate Service:	Fleet Management & Vehicle Workshop	Strategic Priority Outcome:	7. Working towards a clean and green future		
Lead Officer and Post:	Richard Williams, Head of Operational Services	Lead Member and Portfolio:	Cllr Kabir Hussain, Cabinet Member for Environment and Climate Emergency		

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	2,162	343	65	-	408

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

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By transitioning our fleet to electric vehicles, we will contribute to delivering a cleaner and greener future for Tower Hamlets. The Council has approved £4.5 million of Community Infrastructure Levy (CIL) funding to invest in an electric fleet. By replacing our current leased vehicles with Council-owned electric vehicles (EVs) we will generate savings for user Departments, as they will no longer have to pay for vehicle leases.

However, there are certain requirements for this transition. We will need to procure the electric vehicles and provide training to our vehicle technicians to handle these new vehicles. The FM Technical team will play a significant role in installing a considerable number of rapid vehicle chargers across selected vehicle parking locations. This may involve upgrading power systems at multiple locations and require a substantial investment, which aligns with our long-term goal of modernising council transport operations. It's worth noting that due to the time-consuming process of infrastructure installation, the anticipated savings are unlikely to be realised this year.

Revised Provision:

The cost savings from this initiative will not necessitate implementing new service delivery models, unless the Council decides to relocate current parking locations. Even in that scenario, any operational impact on service delivery teams is expected to be minimal and manageable under the current management teams.

The main advantage will be a reduction in costs incurred by the Council for leasing or renting vehicles, leading to decreased internal recharges from the Fleet department to participating User departments. Additionally, the User departments are likely to experience savings in diesel/petrol costs, as electricity is expected to be a more cost-effective option for daily vehicle operations.

Risk and Mitigations:

Ease of delivery	Difficult
Impact of savings	High

The primary risk associated with the project is the time it will take to install the charging infrastructure. Some technical challenges that are already known include:

1. Limited knowledge and expertise due to the use of modern technology.
2. Limited availability of power at current parking locations.
3. Constraints on parking locations and their sizes, resulting in vehicles being distributed throughout the borough.

There is currently £900k in funding allocated for the project, but there is a risk that this funding may not be sufficient. In such a case, an application for additional funding would need to be made, which could impact the Capital funding.

Another risk pertains to the modern technology of electric vehicles (EVs) and the absence of studies regarding the cost of disposing of vehicles when they reach the end of their economic life. However, it is anticipated that the industry will rapidly develop, as will the expertise among Council staff in this area.

Resources and Implementation:

If the task proves to be overly complicated, there is a possibility that external consultancy services may be required. However, it is too early to determine this at present.

Based on the current projections, it is anticipated that by the end of this financial year that infrastructure will be in place and the procurement of EVs will commence. The anticipated savings are based on the best-case scenario, assuming that required infrastructure is installed at key parking locations.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Resume MOT service		
Reference:	SAV / COM 015 / 24-25	Savings Category:	Income generation
Directorate:	Communities	Savings Service Area:	Highways and transport
Directorate Service:	Fleet Management & Vehicle Workshop	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	Richard Williams, Head of Operational Services	Lead Member and Portfolio:	Cllr Kabir Hussain, Cabinet Member for Environment and Climate Emergency

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	-	25	-	-	25

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

This proposal aims to invest in public services and enhance the council's positive image by providing value-added services to the public, such as MOTs. Additionally, it can have a positive impact on the council's operations by conducting MOTs for smaller vehicles internally, resulting in cost savings compared to using third-party providers.

The introduction of this service will not affect statutory provisions and may even improve vehicle downtime for internal fleet users of eligible vehicles, as MOTs can be completed more efficiently with faster turnarounds.

The income generated from this service will also improve the workshop's self-sufficiency within the council. The anticipated income is based on the expectation of conducting up to 3 MOTs for external customers per day using the existing workshop technicians, eliminating the need for additional resources. However, the technicians will need to attend a training course to obtain the required qualification, which can be accommodated alongside their current workload.

No procurement activities will be necessary for this initiative. The support of the council's ICT team will be required to operate the third-party network within the station, although there are precedents of other departments successfully implementing this approach, indicating its feasibility. Additionally, a booking system and payment acceptance system will need to be designed and incorporated into the council's website, but the complexity of this task is yet to be determined.

While the commissioning and upskilling of technicians may take time, the goal is to complete these activities within the current financial year to start generating income in the next financial year.

Revised Provision:

The implementation of this service will not impact any existing service delivery by the council. Instead, it will enhance the council's image by offering an additional service to the local public. The workshop will continue to provide support to its current internal clients while also being able to offer a more efficient service to them.

Risk and Mitigations:

Ease of delivery	Moderate
Impact of savings	Low

The main challenge of this project lies in the allocation of implementation resources by the existing management team, considering the need to balance it with other ongoing activities.

Resources and Implementation:

No additional resources are expected to be allocated for this project, except for the managerial time required, which is currently unknown.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Special Treatment Licence Fees		
Reference:	SAV / COM 016 / 24-25	Savings Category:	Income generation
Directorate:	Communities	Savings Service Area:	Cultural and related services
Directorate Service:	Environmental Health and Trading Standards	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	David Tolley, Head of Environmental Health and Trading Standards	Lead Member and Portfolio:	Cllr Kabir Hussain, Cabinet Member for Environment and Climate Emergency

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	80	24	-	-	24

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

Special Treatment Fees

- Uplift of business licence fee for special treatments i.e. beauticians shops. Our fees have been benchmarked with Newham, Hackney, City.
- Fees could be uplifted in two yearly instalments - £135 per year making an MST fee rising from £409 to £544 in 24-25 and £679 in 25-26
- Fees for Lasers to be uplifted in two instalments - £90 per year making a Laser fee rising from £659 to £749 in 24-25 and £840 in 25-26
- Estimated income increase: £23,500 in year 24-25.

Note: these are small enterprises employing local people, risk that the fee becomes unaffordable

Revised Provision:

Increase in business licence fees.

Risk and Mitigations:

Ease of delivery	Moderate
Impact of savings	Low

This will place a burden on small businesses – some may not be able to afford the fee and close which will mean less income.

Risk of a Judicial Review on increasing fees

More enforcement costs to collect licence fee.

Resources and Implementation:

No additional resource required – implemented as part of the fee structure

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:
The London Borough of Tower Hamlets, currently does not currently capture equality data for businesses, once introduced the proposal should be monitored to identify the impact on business.

SAVINGS PROPOSAL

Proposal Title:	In Sourcing of Out of Hours Environmental Health Response		
Reference:	SAV / COM 017 / 24-25	Savings Category:	Contracts
Directorate:	Communities	Savings Service Area:	Central services
Directorate Service:	Environmental Health and Trading Standards	Strategic Priority Outcome:	6. Empowering communities and fighting crime
Lead Officer and Post:	David Tolley, Head of Environmental Health and Trading Standards	Lead Member and Portfolio:	Cllr Kabir Hussain, Cabinet Member for Environment and Climate Emergency

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	185	-	123	62	185

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

The end the current contract with regards to the out of hours Environmental Health Response Service, predominately noise, and transfer this week to the Community Safety Service. Operating times Thursday to Sunday 8.00pm to 3.30am

The out of hours Service is broader than noise – they also cover when time permits:

- Monitoring of licensed premises
- Debt recovery from unpaid licence fees
- HMO tenancy checks
- Responding to unlicensed events – not noise related.
- Checking that formally closed food premises remain closed.
- Checking for licensing 'blue notices'
- Working with the other NTE 'players' that we fund – Street Pastors, Late Night Levy Police, Trident Medics and linking into the business radio link (new for this year)
- Other EH out of hours matters as they arise.
- They also give a reference point for the EHTS on call Manager out of hours.

The above reduces out of hours overtime across the Service and ensures that we can manage EHTS issues out of hours.

We are also commencing in September monitoring of construction sites at weekends – this additional Officer will come from the three above or in the wider Parkguard group until they source a permanent member of staff.

This request is part of the strategic plan and funded by income from the Code of Construction Practice that was adopted earlier in the year.

The current contract was a three plus two with expiry in July 2025.

Indicative costings given above as the Community Safety have to determine the cost base for delivering the service.

Revised Provision:

To investigate if the work can be carried out a reduced cost with Community Safety

Risk and Mitigations:

Ease of delivery	Moderate
Impact of savings	Medium

If a replica Service can be created there will be no loss of service

Resources and Implementation:

A review needs to be undertaken to determine the cost base of the Community Safety Service in carrying out these tasks.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Service Restructure - Environmental Health and Trading Standards		
Reference:	SAV / COM 018 / 24-25	Savings Category:	Service restructure
Directorate:	Communities	Savings Service Area:	Central services
Directorate Service:	Environmental Health and Trading Standards	Strategic Priority Outcome:	7. Working towards a clean and green future
Lead Officer and Post:	David Tolley, Head of Environmental Health and Trading Standards	Lead Member and Portfolio:	Cllr Kabir Hussain, Cabinet Member for Environment and Climate Emergency

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	5,796	164	-	-	164

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	95	2	-	-	2

Proposal Summary:

The realignment of Teams within the Environmental Health and Trading Standards Service to reflect the new Corporate Directorate structure. Two Teams will be realigned within the Communities Directorate and two will be realigned within the Housing and Regeneration Directorate to increase the effectiveness of service delivery and reduce management costs within Environmental Health and Trading Standards. Those Teams that are not realigned will create a new streamlined commercial regulation service – Regulatory Services (Commercial)

There will be no compulsory redundancies as part of this reorganisation, but there will be the deletion of a Senior Management post and a Team Leaders post.

Revised Provision:

There will be no impact on service delivery and functional units and Teams will remain intact. However, this realignment will give opportunities for more effective working and the creation of closer synergies as Teams move to reflect the new corporate structure. The reporting lines across the functional areas will be streamlined and solution focused, more effective and management costs reduced.

Risk and Mitigations:	
Ease of delivery	Moderate
Impact of savings	Medium
<p>The restructure will result in a 'lift and shift' of most Teams and the creation of a new post Service Manager: Regulatory Services (Commercial) which will formed from the merger of two Teams. There will be negligible cost in the creation of this post.</p>	

Resources and Implementation:

This saving relates the general fund – the restructure is mainly a lift and shift and will need to fit in with relevant reorganisations with the Communities and Housing and Regeneration Directorates. The restructure will follow the Councils reorganisation policy.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Service Restructure - Highways and Transportation		
Reference:	SAV / COM 019 / 24-25	Savings Category:	Service restructure
Directorate:	Communities	Savings Service Area:	Highways and transport
Directorate Service:	Highways and Transportation	Strategic Priority Outcome:	8. A council that listens and works for everyone
Lead Officer and Post:	Ashraf Ali, Head of Highways and Transportation	Lead Member and Portfolio:	Cllr Kabir Hussain, Cabinet Member for Environment and Climate Emergency

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	4,668	100	-	-	100

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	76.6	0.6	-	-	0.6

Proposal Summary:

Align the highways and transportation services to a structure aligned to Mayor’s priorities and a more efficient and customer focused council. The rational for restructure is as follows:

1. Last reviewed in 2019
2. Improve efficiency:
 - a) Create a more streamlined and efficient service.
 - b) Eliminating redundant roles and clarifying reporting lines.
3. Cost reduction:
 - a) Reducing overhead costs of approx. £100,000 by eliminating unnecessary positions or functions.
 - b) This is particularly important now with the current period of economic downturn and financial challenges.
4. Provide increased focus:
 - a) Will help the service refocus its efforts on its core mission and strategic goals/political priorities.
 - b) Eliminating distractions or non-core activities, the service can become more focused on what it does best.
5. Enhance communication:
 - a) Will improve communication within the service. Clearer reporting lines and better-defined roles can reduce confusion and make it easier for colleagues to understand their responsibilities.
6. Retention and Development:
7. Increased Accountability: Create a culture of increased accountability, as employees have clearer roles and responsibilities. This will lead to better performance and results.
8. Enhanced Customer Focus: Can help the service become more customer focused by aligning the structure and processes/functions with the needs and preferences of our customers.

How does this proposal contribute to achieving the strategic priorities of the Council?

A structure aligns to deliver mayors priorities and councils strategic objectives.

Does the proposal alter patterns of statutory provision? If so, please describe how the Council will continue to meet its statutory obligations

What Service will this saving impact?

Highways & transportation service

Are there any staffing reductions?

At some level but overall reductions neutral.

Detail any required procurement activity.

No procurement required.

What stakeholder engagement is required? Any statutory consultation required?

Staff engagement including HR and union.

Can the savings be delivered in the current year?

No as this will need to go through internal governance including HR and union.

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Risk and Mitigations:

Ease of delivery	Moderate
Impact of savings	Medium

What will the major risks on the project be?

No major risk identified.

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

N/A

Will it impact a manifesto priority?

No

Resources and Implementation:

Does this saving completely relate to General Fund? If not, please state which other funding type is impacted?

The saving will reduce the staffing overhead costs.

What are the resources needed to build up the proposal?

Currently have a temporary staff supporting to work on the proposal.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Planning and Building Control Reviewing Support & Other Costs		
Reference:	SAV / HAR 001 / 24-25	Savings Category:	Efficiency
Directorate:	Housing and Regeneration	Savings Service Area:	Planning and development services
Directorate Service:	Planning and Building Control	Strategic Priority Outcome:	2. Providing homes for the future
Lead Officer and Post:	David Williams, Director, Planning and Building Control	Lead Member and Portfolio:	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	2.417	50	-	-	50

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	70	N/A	N/A	N/A	N/A

Proposal Summary:

The Planning & Building Control service processes, facilitates and realises hundreds of millions of pounds of investment into Tower Hamlets every year. Much of this is through large developments delivering thousands of new homes and especially affordable homes to help us tackle overcrowding and investment in commercial buildings delivering jobs and training opportunities for our residents. These developments also deliver funding for infrastructure to help us absorb the extra population and to improve our wider community, leisure, education, health, environment and transport.

This is about being as efficient as we can with our divisional wide non-staffing, support and other costs. Many of our support budgets are already transferred out from general fund and are funded by our income streams. However, we have further reviewed the remaining sources and through some consolidation and assessment of use we can deliver:

- Savings in allocated team other/support budgets from general fund £10,000 (reduction in Historic Building grant fund).
- Savings in allocated team other/support budgets from income sources then diverted to general fund budgets to deliver a saving £40,000.

This proposal which is focused on other/support budgets and not staffing budgets. It aims to keep the division as lean and efficient as possible and able to effectively contribute to or facilitate strategic priorities as P&BC needs to at different times especially providing homes for the future. No procurement activity, statutory consultation or contract negotiations are needed.

Savings can be delivered for 24-25.

Revised Provision:

This proposal will mean that the council is unable to offer as many small grants as previously to heritage buildings/organisations to undergo minor improvements to historic buildings/assets.

On a wider level it will have no impact on overall service provision and largely represents a change in how funding is used. Based on previous years use of these other non-staffing budgets it is anticipated, based on projections at this time, that there should be enough in each budget to cover demand.

Risk and Mitigations:

Ease of delivery	Moderate
Impact of savings	Low

Most of these budgets non-staffing budgets in P&BC are income funded by now and very few remain as general fund. We have reviewed main core areas and identified based on previous years use that soe budgets could be reduced and funding redirected to replace general fund and deliver a saving.

The main general fund areas will deliver a saving in the historic buildings grant fund. The proposal is a reduction in this by £10k so the funding available will then be reduced to only £16250. However, if this is clear then this will be the sum available. The funding can be an assistance when repairing parts of buildings or specific features and in some cases can be used to remove assets from the heritage at risk register. If this funding is not there then alternative sources will need to be sought by organisations.

Note – cost of appeals and JRs of planning decisions can be a significant draw on budgets despite it largely being an area that is unbudgeted. We currently have a high number of public inquiries in the pipeline and anticipate at least one more of particular note. These have significant resource implications, both in terms of costs associated with legal representatives and expert witnesses, but also in terms of taking up significant amounts of officers' time and having the knock-on impact of slowing other workstreams. The leaner our budgets are the less likely we will be able to absorb these costs, particularly when income in other areas has slowed down.

Resources and Implementation:

This saving partly relates to direct general fund saving and partly a saving by utilising some income to reduce the need for general fund.

No funding or feasibility is needed to deliver the savings.

This can be implemented for 24-25.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Infrastructure Supporting Planning		
Reference:	SAV / HAR 002 / 24-25	Savings Category:	Income generation
Directorate:	Housing and Regeneration	Savings Service Area:	Planning and development services
Directorate Service:	Planning and Building Control	Strategic Priority Outcome:	2. Providing homes for the future
Lead Officer and Post:	David Williams, Director, Planning and Building Control	Lead Member and Portfolio:	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	(108)	70	-	-	70

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	41	N/A	N/A	N/A	N/A

Proposal Summary:

The Planning & Building Control service processes, facilitates and realises hundreds of millions of pounds of investment into Tower Hamlets every year. Much of this is through large developments delivering thousands of new homes and especially affordable homes to help us tackle overcrowding and investment in commercial buildings delivering jobs and training opportunities for our local residents. These developments also deliver funding for infrastructure to help us absorb the extra population and to improve our wider community, leisure, education, health, environment and transport.

Consequently, Planning & Building Control is already around 80-85% income funded. The service is constantly shaping how it is structured and funded to deliver using an ever-decreasing amount of general fund. One important source of funding is from development taking place in the Borough. The council is legally allowed to take a % of its Community Infrastructure Levy (CIL) receipts from its own Tower Hamlets CIL (4%) and the Mayor for London CIL (5%) but it is restricted in use to the administration and management of the whole CIL planning, collection, monitoring and allocation process.

This funding is utilised to enable us to set up and support an infrastructure planning section. This section has to respond quickly to the level of CIL financing and its complexity, assess major proposals, negotiate, test and define the payment sums, then manage the expenditure that this large-scale development brings to the borough. The full CIL calculation and value assessment process, for the Borough and the London Mayor is complex but the sums being generated are significant. However, they are not guaranteed. Each year the numbers and types of development trigger payments to the council can vary. Consequently, we have to remain cautious as to the amount of funding we can use to support appropriate roles.

Our development viability service also sits in the infrastructure planning section – this service is one of a very few council devised, funded, managed and led services in the UK. As a result, we lead the assessment of development in our borough and our use of private consultants offering this advice has reduced, keeping income within the service. While we have been able to generate a steady income stream from viability assessments, gathering more expertise and experience as we go, we are now also offering the use of our service out to other local authorities for a fee. This is gathering momentum so we consider that this service can now steadily use income to contribute more to the running of this service, allowing savings to be made elsewhere.

This overall savings proposal is therefore two-fold.

(i) CIL Income funding general fund posts. Proposal £35k for 24-25. To use this source of income funding (CIL) to fund, permanently, some additional posts in planning currently financed by general fund. Not all posts in planning can be funded or should be funded this way as its amount and scope is limited. If we could create a Planning Reserve we can also reserve some further additional funding, based on finance support and advice and utilise that in future years if income reduces at any point. If it is clear that we are consistently generating additional income and using the reserve, especially if the economy picks up, we would then be in a position to fund further posts this way. Overtime this could, with a reserve, deliver further savings which without a reserve we could not commit to as we could not guarantee in leaner years that we could cover the costs.

(ii) Development Viability Service Income Generation. Proposal £35k for 24-25. Business from other councils is starting to grow and projected to increase in future years. This sum could be used to switch out appropriate, related general fund elsewhere and deliver a saving.

The total of £70k would swap out general fund for:

- 1 x principal planning officer £70k

This does not impact employment, needs no procurement or negotiation of contracts and will not require statutory consultation.

The savings can be in place for 24-25.

Revised Provision:

This proposal will have no impact of service provision and represents a change in how posts are funded not if they are funded.

Risk and Mitigations:

Ease of delivery	Moderate
Impact of savings	Low

Major Risk: The income source, as are all in planning and building control, is not guaranteed. In this case it is secured only when a significant development (one that pays CIL) is implemented. Without development commencement we cannot confirm an income amount and so it is subject to the economy. In good years it flows well, when the economy dips, like now, it becomes more of a risk. The risk is that we fail to secure enough CIL administration funding and we do not make the income target needed to fund the team. This is not considered a common position and has only happened once since CIL was introduced over 10 years ago.

Additional Risk: The Development Viability service is relatively new and its move into offering a service has been recent. The demand looks healthy and it is attracting interest from new councils regularly, however if this dries up then the officers would need to be funded by an alternative source of funding.

The mitigation to either of these happening is the creation of a Planning Reserve. This way we can start to become self-sufficient in managing the peaks and troughs in income and use the reserve to fund any gaps each year. This means we can overtime take more calculated risks and use the reserve to further reduce the need to use general fund in planning.

If the risk materialises without the reserve it is likely no saving would be made.

Resources and Implementation:

This saving is made by increasing other sources of income which can once established be used to replace general fund.

No resources needed or feasibility required to deliver the savings.

The reserve is needed to make this saving work beyond a single year and the sum identified. If a reserve is created then we can use planning funding to commit to additional savings year on year and reduce the general fund used in planning.

This can be readied for implementation from 24-25 at the amount identified.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:
This proposal is about how posts are funded and has no direct impact on staff.

SAVINGS PROPOSAL

Proposal Title:	Planning and Building Control Securing Income		
Reference:	SAV / HAR 003 / 24-25	Savings Category:	Income generation
Directorate:	Housing and Regeneration	Savings Service Area:	Planning and development services
Directorate Service:	Planning and Building Control	Strategic Priority Outcome:	2. Providing homes for the future
Lead Officer and Post:	David Williams, Director, Planning and Building Control	Lead Member and Portfolio:	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	(108)	50	-	-	50

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	41	N/A	N/A	N/A	N/A

Proposal Summary:

The Planning & Building Control service processes, facilitates and realises hundreds of millions of pounds of investment into Tower Hamlets every year. Much of this is through large developments delivering thousands of new homes and especially affordable homes to help us tackle overcrowding and investment in commercial buildings delivering jobs and training opportunities for our local residents. These developments also deliver funding for infrastructure to help us absorb the extra population and to improve our wider community, leisure, education, health, environment and transport.

Consequently, Planning & Building Control is already around 80-85% income funded. The service is constantly shaping how it is structured and funded to deliver using an ever-decreasing amount of general fund. Every year the division reviews all its discretionary fees and reviews its benchmarking and charging levels as part of this process. If new fees can be identified these are added and if existing ones can be increased without impacting services, as in some cases it is a competitive environment and fees need to remain competitive, then they are increased.

Having reviewed (note: only draft at this stage) the fees we charge on a discretionary basis then increases of inflation plus in some cases some significant additional increases a sum of £50,000 additional funds in fees may be realisable. It all depends on volume of business and the wider economy as to whether the development industry are ready to pursue proposals through pre-application and implement or complete other schemes for which they already have permission. As the economy is down at present the priority remains for the division to meet its existing target levels which are already considerable. However, considering all this additional funding from increased Fees and Charges could deliver for 24-25:

- Further increases in income used to switch out use of general fund of estimated £50k.

Extra savings may also be possible in future years but as the development industry is cyclical it is hard to commit to the additional income being secured as it is entirely dependent on others developing proposals through us and/or then implementing them.

This does not impact employment, needs no procurement or negotiation of contracts and will not require statutory consultation as the fees are discretionary, although we will discuss with the development industry through our regular forums and highlight proposals.

The new fee schedule and subsequent savings can be in place to be secured from business in 24-25.

Revised Provision:

This proposal will have no impact on service provision but represents a change in how some funding is used.

Risk and Mitigations:

Ease of delivery	Difficult
Impact of savings	Low

The risks are that the economy continues to underperform and with it the development industry remains flat and business low. This is currently a reality so this means that the saving is not easy to deliver however if it does pick up then the saving is much easier to secure. In Tower Hamlets the development industry historically has not stayed quiet for long. At a local level there is little we can practically do to amend the national economic picture although we will remain ready to deliver an excellent service, work with developers to bring proposals as quickly as we can to a condition where a decision can be made and remain engaged to try and resolve any barriers to progress.

A planning reserve account would allow us to better manage the peaks and troughs of development.

The savings if realised will enable posts/services currently funded by general fund to be recharged to income sources.

Resources and Implementation:

This saving is made by increasing other sources of income through fee changes which, once established can be used to replace general fund.

No resources are needed to establish the saving.

The new fee schedule and subsequent savings can be in place to be secured from business in 24-25.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Service restructure - Realigning Support Services to Accelerate Delivery		
Reference:	SAV / HAR 004 / 24-25	Savings Category:	Service restructure
Directorate:	Housing and Regeneration	Savings Service Area:	Planning and development services
Directorate Service:	Planning and Building Control	Strategic Priority Outcome:	2. Providing homes for the future
Lead Officer and Post:	David Williams, Director, Planning and Building Control	Lead Member and Portfolio:	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	(207)	54	-	-	54

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	33	TBC	-	-	TBC

Proposal Summary:

The Planning & Building Control service processes, facilitates and realises hundreds of millions of pounds of investment into Tower Hamlets every year. Much of this is through large developments delivering thousands of new homes and especially affordable homes to help us tackle overcrowding and investment in commercial buildings delivering jobs and training opportunities for our local residents. These developments also deliver funding for infrastructure to help us absorb the extra population and to improve our wider community, leisure, education, health, environment and transport.

A core part of the service is its support service teams who manage our processes through which all applications for planning, building control, street naming and numbering and local land charges pass– Divisional Support and Divisional Digital & Commercial Innovation Unit. Over two years on since a restructure in 2021 and the creation of new teams and functions the services are in the front line of a number of national and local changes.

This proposal is therefore for us to look again and restructure the teams and roles and how they are funded. The key drivers are:

- The Mayor has made it very clear that he wants to see more affordable housing, delivered at pace within Tower Hamlets. While planning cannot build these properties it can as much as possible smooth the passage of proposals through our statutory and non-statutory processes and hopefully keep the supply of permissions high. This is a priority for the council so while we do currently have a strong performance record against all national indicators for our processes there must always be ways of improving further how we organise, manage and administer so we can further speed up our part in delivering development proposals. This review takes the first steps towards that goal.
- Local Land Charges have always been the remit of the local council however in recent years this has changed and HM Land Registry will be the end of this financial year have transferred the basic charge search process to the Land Registry. This will mean we lose some work but practically it means we also lose a significant income stream. This has the impact of needing to review the support function to ensure staff are in the right place and doing the right thing going forward.
- Technology advancements and changes in how information has to be submitted or how consultation responses can be submitted has reduced demand for how we need to manage and publish information and data. We need to review this function.
- The planning and building service is now an 80-85% income funded service and this is only set to increase in the coming years. The existing structures and processes have been outgrown for managing the pre-application services we offer. Our fees have also substantially increased over the years and rightly customer expectations have increased. These are key drivers to review parts of the planning administration process as we want to increase pace, improve organisation and administration of these tasks and meet customer expectations. This is so we can then deliver schemes through our processes as quickly as possible and get applications for new homes, especially affordable homes to alleviate overcrowding and a wide range of other important investments in business, leisure, community and commerce, towards decision with as little delay as we can.

At this stage the overall saving to the general fund will be £54k. With a further necessary reduction in the use of Local Land Charge income to be finalised.

No procurement or contract negotiations are needed. The same customer group will be served following the restructure with the exception of those seeking initial Local Land Charge searches. They will have been removed by HMLR and with it will go the income from this process, although we will still be expected to retain the integrity of the data that HMLR will be accessing.

The savings will require a full restructure process, recycling of vacant posts, new job descriptions in some cases and staff consultation and this would be the main guide as to deliverability in time for 24-25. Following implementation extensive re-training will be needed for some staff to undertake new duties.

Revised Provision:

The restructure will lead to things being approached differently within the division – one service area will have a reduced breadth but more clarity and focus on its role to facilitate the processing of planning and building control applications and manage our services for local land charges and street naming and numbering. The other service area will be reinforced and enabled to pursue fees and income more assertively, progress innovation and enable an efficient and effective management of our data and information including a co-ordinated central approach to customer queries, FOI, complaints and Mayor/Member Enquiries.

Service continuity should be unaffected. Customers are in the main the development industry although some local residents and local businesses also use the council’s services in these areas. The restructure is driven in part to offer an improved service to all customers as well as ensure that we secure the resources that the council needs. How we deliver this service will begin to change as a result of this restructure but the continuation of a service should not be affected..

Risk and Mitigations:

Ease of delivery	Difficult
Impact of savings	High

This is a project which needs to happen to enable us to respond to a series of important new drivers, not least of which is the Mayors request to accelerate wherever possible the approval, delivery and provision of new affordable homes to help reduce overcrowding in the borough.

The main risk is around the timely completion of a restructure in an area which was last restructured just two years ago. It involves redefining a number of roles in different areas and moving to new reporting lines so staff may well be anxious. It will need clear communications and carefully defining so while savings can be made, staff resources as far as possible can be retained. It is also difficult to fully anticipate that may arise in this situation but by planning ahead and working closely with managers and staff it is hoped we can restructure and upskill in key areas, in house, as speedily as possible.

Resources and Implementation:

This saving relates mainly to income only funded services – all planning and building control income sources support these services including planning fees, street naming and numbering fees and local land charge fees. A small amount of general fund exists and will be reviewed.

The proposal needs to no resources to build and does not need a feasibility study.

A decision on whether this is to be a saving initiative is needed and then a detailed restructure proposal can be drafted, retraining defined and consultation launched. On average a restructure like this can take up to 6 months to complete including any recruitment and the start of any retraining processes.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	No	
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	No	It should be noted that there will be establishment changes but at this stage it is difficult to be precise as detail has not been complete within the time available. The proposal is likely to involve a reduction in posts and it is hoped that these will be exclusively vacant posts/posts not occupied by permanent staff members.
Does the change involve a redesign of the roles of staff?	Yes	The proposal will involve the deletion of some roles and the redesign of other roles and responsibilities. It will need changes to team structures and reporting lines.

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

Additional Information and Comments:
Too early to be definite at this stage as yet to emerge. Consult HR to determine if there are any potential equality issues as a result of the proposed restructure.

SAVINGS PROPOSAL

Proposal Title:	Decrease in GF staff cost due to increase in HRA budget		
Reference:	SAV / HAR 005 / 24-25	Savings Category:	Transformation
Directorate:	Housing and Regeneration	Savings Service Area:	Housing (General Fund)
Directorate Service:	Housing and Regeneration	Strategic Priority Outcome:	2. Providing homes for the future
Lead Officer and Post:	Rupert Brandon, Head of Housing Supply	Lead Member and Portfolio:	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	201	50	-	-	50

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

The Housing Supply service includes elements of HRA and GF funded elements of work. While there is clear split in funding between the different accounts on most posts there are two posts within the existing structure that are split between the HRA and GF.

Due to the balance of work within these two posts an increased percentage of expenditure can be attributable to the HRA due to the increasing workload in this area, thereby reducing the call on GF budgets. The HRA will take up the GF saving. So while there will be no overall saving to the Council as a whole the GF will benefit from the switch.

Two posts are currently split funding as follows:
 Head of Housing Supply – HRA 90% GF 10%
 Housing Development Programme Manager – HRA 50% and GF 50%

The HoHS has been undertaking management of two posts covering GF activity that would ordinarily report to the HDPM. With recruitment to the latter this will reduce hence reducing the need for GF budget.

The role of the HDPM originally received its funding equally from the HRA and GF due to a previous budget split in an old post. The work of the post however is within the HRA, co-ordinating the Council's new build housing programme and as such the HRA should incur a higher split of cost.

As a result, the proposal is that in future the split will be:
 HoHS – HRA 95% GF 5%
 HDPM – HRA 90% GF 10%

How does this proposal contribute to achieving the strategic priorities of the Council? The GF savings will contribute to the @£40m saving needs in the GF prior to 2025/26. However, the HRA budget will require a growth in budget to offset the move between accounts.

Does the proposal alter patterns of statutory provision? No. If so, please describe how the Council will continue to meet its statutory obligations

What Service will this saving impact? The services will continue as now.

Are there any staffing reductions? No

Detail any required procurement activity. N/A

Detail any requirements around contract renegotiations No

What stakeholder engagement is required? Any statutory consultation required? N/A

Can the savings be delivered in the current year? Yes

Revised Provision:

The service will continue as before. The proposal realigns HRA and GF budgets against posts.

Risk and Mitigations:

Ease of delivery	Easy
Impact of savings	Low

As this is a book exercise between accounts the risk to the service is low and should have minimum impact on service delivery.
The HRA will pick up increased cost which needs to be built into base budget.

Resources and Implementation:

The HRA will incur an increased cost to offset GF. Therefore, the HRA budget needs to reflect this.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Home Improvement Agency – Staff salary alternative funding				
Reference:	SAV / HAR 006 / 24-25	Savings Category:	Transformation		
Directorate:	Housing and Regeneration	Savings Service Area:	Housing (General Fund)		
Directorate Service:	Sustainability	Strategic Priority Outcome:	2. Providing homes for the future		
Lead Officer and Post:	Abdul Khan, Head of Sustainability	Lead Member and Portfolio:	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding		

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	50	50	-	-	50

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

The Private Home Improvement Team manage and administer the disabled facilities grant which is provided by the government as part of the better care fund. The team consists of three officers and the salary budget is split between 33.33% general fund and 66.66% income generation through charging a project management fee on the grant given out. As the team only work on DFG related work the team could be funded 100% from the DFG grant budget, this will not have an impact on service delivery or the amount of grant given to the applicants as the DFG budget received by the council has gone up over the years and the team do not receive enough applications to allocate the full amount, a surplus of unallocated budget has also built up over the years. There will be no impact on staff and service delivery, therefore no consultation is required.

Revised Provision:

Service delivery will remain the same, the service will continue to support the same clients and meet their needs.

There will be no service withdrawal.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	Low
No risk No impact on manifesto pledge	

Resources and Implementation:

The savings completely relates to General Fund

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Resident Support Scheme (RSS)		
Reference:	SAV / HAR 007 / 24-25	Savings Category:	Income generation
Directorate:	Housing and Regeneration	Savings Service Area:	Growth and Economic Development
Directorate Service:	Growth and Economic Development	Strategic Priority Outcome:	1. Tackling the cost-of-living crisis
Lead Officer and Post:	Ellie Kershaw Acting Director Growth and Economic Development	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	0	350	(350)	-	0

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

The Resident Support Scheme (RSS) is the council's route of getting direct crisis grants to residents. The grants comprise awards for items such as food, energy bills, white goods and basic household furniture. It is not statutory.

The scheme is funded through the general fund in the amount of £700,000 p/a. For 2023/24 this was offered up as a one-year general fund saving with the funding instead being taken from the tackling poverty reserve.

The tackling poverty reserve comes from the Mayor's priority reserve and was created in 2017/18 in the amount of £5 million and intended to cover a three-year period. In 2018/19 an additional £1.6 million was added to the reserve to enable the Tackling Poverty Team to continue.

Since the beginning of the team's work, additional funding has been generated through external grants. These grants have increased significantly since the pandemic, with the team being funded to deliver a number of government programmes relating to poverty alleviation during both the pandemic and the recovery period.

Due to the income, there is still approximately £3 million remaining in the tackling poverty reserve. There is approximately £1 million projected as spend for 23/24. To maintain the team for a further two years would cost approximately £1.2 million (although this may reduce subject to future government funding). This leaves sufficient reserve balances to fund the RSS programme for £350k in 2024/25 as a one-off saving.

Revised Provision:

The existing provision would be maintained, it is only the funding source that would change.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	Low
There would be no impact on residents and service provision as the grant scheme would not change	

Resources and Implementation:
General fund savings

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Service Restructure - Employment and Skills Service		
Reference:	SAV / HAR 008 / 24-25	Savings Category:	Service restructure
Directorate:	Housing and Regeneration	Savings Service Area:	Central services
Directorate Service:	Employment and Skills Service	Strategic Priority Outcome:	4. Boosting culture, business, jobs, and leisure
Lead Officer and Post:	Aelswith Frayne, Head of Employment and Skills Service	Lead Member and Portfolio:	Cllr Abdul Wahid, Cabinet Member for Jobs, Skills and Growth

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	3,864 (1,849 GF)	176	-	-	176

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	72.5	16	-	-	16

Proposal Summary:

The Employment & Skills service currently has 72.5 FTEs across 7 teams. The restructure proposal reduces this number to 56.5. None of these considerations include the Head of Service as the budget is held by the Director.

The Employment & Skills Service secures a significant amount of external funding and draws down S106, currently representing 52% of service salary spend. All externally funded programmes net to zero.

The total 2023/24 salary budget for E&S is £3,864k, of which £1,849k is GF. In the current structure General Fund secures the **statutory** Careers Young Workpath Service (19.5 FTEs) and Workpath IAG teams (12 FTEs). The remaining 3 Workpath team FTEs are S106 funded.

Assumptions include an assumed pay award of 4% in both 2023/24 and 2024/25 - yet to be confirmed, which has been applied to both salaries and general fund allocation. This has not been applied to 2025/26.

It is assumed that a restructure will be in place from April 2024.

The 2024/25 total cost of the current structure is calculated at £4,018k.

The 2024/25 total cost of the proposed restructure is calculated at £3,507k, creating a variance of £512k. However, much of this relates to changes in externally funded programmes and is not General Fund saving.

General Fund saving for 2024/25 is currently calculated at £176,000.

Although against the current structure there are 16 post reductions, the vast majority of these are short term FTCs and not within the scope of the structure. There is a net loss of three long term permanent posts across the service.

Given the timeframe and possible consultation delays it is not now certain that this restructure can be in place by April 1st 2024, but best efforts will be made.

Revised Provision:

The restructure proposals seek to make a saving from GF by focusing on statutory delivery and mayoral priorities whilst continuing to maximise use of external resources. Restructure delivery will focus on:

- Young people of all categories – Care Experienced, SEND, NEETs and graduates.
- Social mobility and social capital including more careers support for HE and Russell Group pathways.
- Economically inactive with a particular focus on women (especially Bangladeshi and Pakistani women who are underrepresented in the labour market or recovering from DV), health and disabilities.
- In-work support to help address the cost of living.
- Engaging with and securing greater local benefit from meaningful and emerging sectors in the borough and across London, including Green Skills and Construction, Tech, Creative industries, H&SC & Life Sciences.

The headline changes proposed in the restructure are:

- More focused IAG/Communities team, the model for which has been very successful as an ESF programme over the last two years. This would be wholly funded by UKSPF 2024/25. UKSPF post-24/25 has yet to be confirmed but the likelihood of there being no allocation is extremely low. Posts will be FTCs to mitigate this potential issue (5 FTEs).
- Create a GF funded Youth Hub in Careers Young Workpath to support 18/19-24-year-old NEETs and to support HE and Russell Group entries (4 FTEs).
- Create an income generation and programme management function (1 FTE).
- Establish an Engagement & Development Team (4 FTEs) to work with partners, growth and emerging sectors, secure job and apprenticeship opportunities, and manage major campaigns. (4 FTEs).
- Potentially mainstream the funding of the Careers & Social Mobility team to continue delivering industry insights, careers Live events and CPD for educators (3 FTEs).

There are a significant number of external mainstream programmes that provide generic employment support, not least through JCP and other DWP funded provision. The service is seeking to resource areas of priority for the administration and where it can achieve the best value for money.

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Risk and Mitigations:

Ease of delivery	Moderate
Impact of savings	Medium

The biggest risk to the implementation will be trying to complete by April 1st 2024. The timeline set out to the right is currently doable but could easily be impacted by delays to consultation and any appeals that are made.

If the implementation is delayed it will have a month-on-month negative impact on the amount of in year savings in 2024-2025. A rough estimate of the monthly impact is £14.5k.

It will delay implementation of deliver that focuses on specific priorities such as young people and green skills, although elements of this work will still be getting delivered.

Resources and Implementation:

This saving relates completely to General Fund.

Timelines and Process

- DLT – the proposal has been approved by DLT.
- Reorg. Board – the proposal has been approved by the Reorg Board
- Corp Trade Union Forum – paperwork for the Corp Trade Union Board completed by 11th January 2024.
- Corp Trade Union Board – February 1st, 2024
- Formal consultation begins the week beginning Feb 12th.
- Consultation ends Sunday March 10th (28 days min. Depending on feedback it could be extended.)
- March - Appeals
- March – interviews
- April - implementation

The restructure will be led by the Head of Service with support from HR.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	The restructure seeks to focus on specific key groups in need of support and make best use of external funding. We will seek to address inequality by maintaining a focus on groups under-represented in the labour market and within specific sectors, and will have an increased focus on young people.
Does the change reduce resources available to support vulnerable residents?	No	Through maximising external funding, the service now has and will continue its increased focus on vulnerable residents; specifically economically inactive, SEND, those with health problems.
Does the change involve direct impact on front line services?	No	There will be a small reduction in the overall number of staff, but front-line services will remain intact.
Changes to a Service		
Does the change alter who is eligible for the service.	Yes	The service will essentially remain open to any residents seeking support but there will be an increased focus on specific under-represented and/or vulnerable groups.
Does the change alter access to the service?	Yes	The service is increasing its outreach activities in order to better reach specific groups: outreach sites include the Residents Hubs, and we are working to formalise pilot outreach undertaken at Children’s Centres, Youth Centres, Family Hubs and JCP sites.
Changes to Staffing		
Does the change involve a reduction in staff?	Yes	Although against the current structure there are 16 post reductions, the vast majority of these are short term FTCs and are not within the scope of the structure. There is a net loss of three long term permanent posts across the service.
Does the change involve a redesign of the roles of staff?	Yes	There will be JD reviews for teams being reorganised and for new teams/positions being created. See above for the outline changes proposed.

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Service Restructure - Growth Service		
Reference:	SAV / HAR 009 / 24-25	Savings Category:	Service restructure
Directorate:	Housing and Regeneration	Savings Service Area:	Central services
Directorate Service:	Growth Service	Strategic Priority Outcome:	4. Boosting culture, business, jobs, and leisure
Lead Officer and Post:	Chris Burr, Head of Growth Service Ellie Kershaw, Acting Director Growth and Economic Development	Lead Member and Portfolio:	Cllr Abdul Wahid, Cabinet Member for Jobs, Skills and Growth

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	392	117	-	-	117

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	18	3	-	-	3

Proposal Summary:
<ul style="list-style-type: none"> - The proposed structure will: <ul style="list-style-type: none"> o Reduce redundant resource for town centre capital delivery towards a new town centre management/coordination approach o Reduce the level of resources dedicated to supporting business growth/dealing with large businesses and re-focus resources on supporting micro businesses o Dedicate additional resource to maximising social value and capturing economic benefits for residents - The proposed structure will save £116,576 GF p.a. (19% of service budget) and reduce the overall headcount from 18 to 15 - The proposed structure will reduce the number of General funded roles within the team from 9 to 7. The reduction in roles will centre on a reduction in the number of staff employed to focus on supporting business growth, business liaison and inward investment; including the deletion of a currently vacant <i>'Programme Manager for New Business Growth'</i> post; the deletion of the <i>'Business Liaison Manager'</i> post and the switching of a <i>'Programme Manager Enterprise Support/Business Support Manager'</i> post from General Fund to s106 (subject to a successful s106 project delivery application). - The successful implementation of the proposed structure is dependent on a successful application for s106 funds to fund work in the Mayor's priority areas: <i>town centre management, supporting micro businesses, generating community wealth</i> - The proposed structure seeks to achieve GF savings whilst re-aligning the structure to target progress on the Mayor's stated objectives, namely: <ol style="list-style-type: none"> 1. HoS (GF-funded) 2. <i>Town Centre Management, Liaison & Coordination</i> <ul style="list-style-type: none"> • Roles (principally s106-funded): <ul style="list-style-type: none"> o Senior Manager High Streets o Capital Programme Manager o Town Centre Manager o Town Centre Manager o Town Centre Manager o Project Officer

3. Supporting local micro and start-up businesses to survive and grow

- Roles: (part GF-funded, part s106 funded):
 - Team Leader Small Business Support
 - Small Business Support Manager
 - Small Business Support Manager
 - CEZ Manager

4. Generating community wealth (inc. affordable workspace, social value & community asset development)

- Roles: (principally GF-funded)
 - Senior Manager Community Wealth
 - Economic Benefits Manager
 - Economic Benefits Manager
 - Community Wealth Manager

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	Yes	This proposal will ultimately reduce the resources available to support enterprise and employment in the borough. Enterprise and employment support is typically needed by those with the lowest income.
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	No	
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	Yes	As the restructure consultation and design have not been completed yet, it is not possible to say which staff, and therefore which protected characteristics will be impacted. A full Equalities Impact Assessment will take place as part of the proposal; in line with HR policy and procedures.
Does the change involve a redesign of the roles of staff?	Yes	As the restructure consultation and design have not been completed yet, it is not possible to say which staff, and therefore which protected characteristics will be impacted. A full Equalities Impact Assessment will take place as part of the proposal; in line with HR policy and procedures.
Summary:		Additional Information and Comments:
To be completed at the end of completing the Screening Tool.		
Based on the Screening Tool, will a full EA will be required?	Yes	

SAVINGS PROPOSAL

Proposal Title:	Leasing of Temporary Accommodation		
Reference:	SAV / HAR 010 / 24-25	Savings Category:	Efficiency
Directorate:	Housing and Regeneration	Savings Service Area:	Housing (General Fund)
Directorate Service:	Housing	Strategic Priority Outcome:	2. Providing homes for the future
Lead Officer and Post:	Karen Swift, Director of Housing	Lead Member and Portfolio:	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	N/A	1,000	-	-	1,000

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

LBTH will be leasing a minimum of 35 units on a lease for a 3-year period, with the option to extend if needed. The rents have been agreed at £1,250 per unit per month (288.46pw) over a 3-year term with no rent review during this period.

The development consists of 1-bedroom self-contained units.

Families currently in b&b and unsuitable accommodation will be prioritised for these units. When there are no families in b&b or unsuitable accommodation requiring these properties, families in bedsits and studios will be moved to them. This will ensure that we are providing suitable and lawful accommodation to families by meeting the council's statutory requirements under the relevant legislation, i.e. Housing Act (1996), Localism Act 2011 and Homelessness Reduction Act 2017. There are currently 198 families in b&b requiring a 1 bedroom property, therefore the demand still outweighs the supply.

As of 11 December, there are 142 households in bedsit/studio accommodation that need to be moved to larger TA for suitability purposes. Therefore, there will be very minimum void loss for these properties as the demand for this size accommodation is high.

The cost of these units in Slough represents a significant saving against the costs paid by the council for shared B&B accommodation and further enhanced savings against the use of commercial hotel placements.

The subsidy loss on each unit will be £7,980, compared with an average loss of £39,837 from B&B accommodation. Based on the 35 properties there is potential for an annual saving of c£1m compared to the use of B&B accommodation.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

SAVINGS PROPOSAL

Proposal Title:	Service Restructure - Adult Social Care Staffing and Skill Mix		
Reference:	SAV / HAS 001 / 24-25	Savings Category:	Service restructure
Directorate:	Health and Adult Social Care	Savings Service Area:	Adult Social Care
Directorate Service:	Adult Social Care	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	Paul Swindells, Service Manager	Lead Member and Portfolio:	Cllr Gulam Kibria Choudhury , Cabinet Member for Health, Wellbeing and Social Care

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	22,643	475	-	-	475

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	442	10	-	-	10

Proposal Summary:

Achieve £475k in savings through a mixture the following approaches:

1. Adopting an alternative offer for staff lone working by discontinuing Solo Protect and using an alternative app-based option instead.
2. The following staffing changes in the Hospital, Reablement, Initial Assessment, Learning Disabilities and Community Mental Health services:
 - (a) Changing staffing skills mix in above-mentioned teams when vacancies arise (e.g., greater reliance on non-social work qualified staff for parts of the process that do not need that level of competency)
 - (b) Increasing the vacancy factor across the above-mentioned teams

Consultation may be required if we were to introduce option 2a (though unlikely).

Revised Provision:

No changes to the overall delivery of the statutory Adult Social Care service.

1. The revised provision would be an alternative app-based provision to support lone staff.
2. There may be a different skill mix in the staffing group as a result of (a) – changes would only be made where some tasks could be undertaken by differently qualified/non-social work qualified staff. This would be managed carefully to ensure that there was no overall impact on waiting times, length of time for assessment and the quality of work carried out.

Risk and Mitigations:							
Ease of delivery	Moderate						
Impact of savings	Medium						
<table border="1"> <thead> <tr> <th>RISK</th> <th>MITIGATION</th> </tr> </thead> <tbody> <tr> <td>Increase in waiting lists and waiting times as complex casework will be allocated to a lower number of qualified staff</td> <td>Ensure that the increase in vacancy factor and/or the changing of skills mix takes into regard the demand and complexity of work within teams Monitor waiting times and allocation rates via performance data</td> </tr> <tr> <td>Some service areas may be impacted more than others.</td> <td>Ensure that the increase in vacancy factor and/or changing of skills mix is as equitable as possible across services identified Monitor service demand via performance data</td> </tr> </tbody> </table>		RISK	MITIGATION	Increase in waiting lists and waiting times as complex casework will be allocated to a lower number of qualified staff	Ensure that the increase in vacancy factor and/or the changing of skills mix takes into regard the demand and complexity of work within teams Monitor waiting times and allocation rates via performance data	Some service areas may be impacted more than others.	Ensure that the increase in vacancy factor and/or changing of skills mix is as equitable as possible across services identified Monitor service demand via performance data
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Some service areas may be impacted more than others.	Ensure that the increase in vacancy factor and/or changing of skills mix is as equitable as possible across services identified Monitor service demand via performance data						
No impact to manifesto priorities							

Resources and Implementation:
All posts affected relate to General Fund.
Will require support and input from Performance and Insight Team for data reporting and Finance support for costings/verification of savings.
Jan-March 2024 – moratorium on permanent recruitment to impacted service areas.
Jan-March 2024 review of vacancies across Services in scope; consultation with leads for Service Areas to risk assess and identify potential posts in scope.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Delay implementation of free community care by 1 year to 2025		
Reference:	SAV / HAS 002 / 24-25	Savings Category:	Income generation
Directorate:	Health and Adult Social Care	Savings Service Area:	Adult Social Care
Directorate Service:	Adult Social Care	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	Gillian Beadle-Phelps – Service Manager for Initial Assessment, Safeguarding & Telecare & Christine Oates – Service Manager for Localities	Lead Member and Portfolio:	Cllr Gulam Kibria Choudhury , Cabinet Member for Health, Wellbeing and Social Care

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	£5,821 (total income budget ASC client contributions)	2,434	(2,434)	-	-

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

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Proposal Summary:

Tower Hamlets Council Strategic Plan 2022-2026 has a priority to invest in public services. As part of this investment, the Council has committed to offer free community care to all those who are assessed as eligible for care and support under the Care Act 2014. Introducing free community care from April 2025 will allow the Council to achieve its ambition during the life of the strategic plan, whilst achieving a significant and necessary saving through income generation for the financial year 2024-2025.

In delaying the implementation of free community care, the Council's statutory duties in respect of the Care Act 2014 are not affected. No changes to staffing or services will be required as the process of charging will remain "as is" until 2025. Until free community care is introduced from 2025, charging for community care will remain means-tested, meaning that only those who are assessed as able to pay a contribution to their care and support will be. Those who do not have the income or capital to contribute to the cost of their community care as per the policy will continue to receive it free of charge. The means test remains generous, with disability related expenditure being taken into account and a cap on service user contributions, regardless of their ability to pay more. As such, the impact upon the most financially vulnerable remains unaffected.

Revised Provision:

Following implementation of the saving, no changes to staffing or the model of service delivery will be required. The saving will be achieved through continued income generation from means-tested contributions to the cost of home care. This process of charging will remain "as is" until 2025. The same client groups will be supported and only those means-tested and deemed able to afford a contribution will continue to do so.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	High
No major risks as the proposed free community care will still be implemented.	

Resources and Implementation:

This saving relates to the General Fund. No feasibility work is required as the current "as-is" charging process will simply continue for an additional year.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

SAVINGS PROPOSAL

Proposal Title:	Adult Social Care Commissioned Care and Support Savings
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Reference:	SAV / HAS 003 / 24-25	Savings Category:	Transformation
Directorate:	Health and Adult Social Care	Savings Service Area:	Adult Social Care
Directorate Service:	Adult Social Care	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	Paul Swindells, Service Manager Christine Oates, Service Manager Mary Marcus, Service Manager	Lead Member and Portfolio:	Cllr Gulam Kibria Choudhury , Cabinet Member for Health, Wellbeing and Social Care

Financial Impact:	Current Budget 2023-24	Savings 2024-25	Savings 2025-26	Savings 2026-27	Total Savings/Income
Budget (£000)	37,438	2,000	-	-	2,000

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

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Proposal Summary:

The proposal is to explore via the use of care act reviews and/or reassessments the option to take the following approach with existing Adult Social Care users

- An independence first approach including a short-term offer of Reablement/Rehabilitation to maximise function, a resident’s participation in day-to-day tasks and activities, and support self-management to minimise the need for long term support in a resident’s home environment and dependency on ‘care’
- Where high-cost care packages are identified/eligible, to explore options to re-procure these with local CQC registered providers to offer best value for the Council and/or explore options to meet these high-level needs via a care home provision offer being mindful of what the Council can provide to keep the person safe and achieve the care act outcomes identified within their care and support plan.
- Practitioners implementing a strengths-based approach to assessments and reviews reducing the need for a statutory support offer with existing personal and/or family and community resources being fully explored as reasonable alternatives.
- Where feasible and safe, explore the options to meet eligible Care Act needs with equipment and adaptations including maximising statutory housing options.
- Explore community access and social isolation needs in a more flexible way, moving away from a historic statutory ‘day care provision’ model and looking at a more proportionate offer that meets individual needs and choices.
- Review Transition cohorts to ensure any respite provision is Care Act eligible and providing best value to the Council including maximising existing offers via commissioned providers
- Transitioning service users to a direct payment.
- Early review of clients discharged from hospital.

The identified Adult Social Care user cohorts include:

- 24 hr support packages in a person’s home
- Substantial packages of care in a person’s home
- Low packages of care where Care Act eligibility may be challenged
- Where there are high levels of learning disability day care provision
- High cost transitions respite care provision
- Those discharged from hospital with large packages of care

Revised Provision:

There are no proposed changes to the requirement for statutory support to be provided by the Council to the target user group, they are residents in receipt of existing support packages some of whom may have complex and/or high dependency needs, it is envisaged that the Council will continue to provide support to this vulnerable user group as the majority may still have clearly identified Care Act eligible needs, however it is envisaged that the levels of support may be adjusted (reduced) as a result of the various approaches being proposed.

The Model will encourage greater user participation in their activities of daily living, maximising their abilities where gains can be made, and supporting users and their support networks to explore alternative ways of meeting need, and recommending proportional support to maintain well-being, safety, and the ability to meet care act outcomes that are important to the user.

Risk and Mitigations:

Ease of delivery	Difficult
Impact of savings	High

Success of project is dependent upon the identification of service users with the potential to increase their levels of independence/explore alternative ways of meeting Care Act eligible needs by Social Workers in the operational teams (+ the management of staff within the operational teams having scrutiny and oversight).

Briefings and support for the operational teams in case identification will be provided by the project and dedicated resource deployed.
Care and Support Assurance Meetings and embedded operational Quality Assurance processes will also aid identification.

There may be user/family concern and a level of high user expectation and habitual behaviour which may prevent gains in independence being made, or barriers to change of existing support arrangements or options.

Robust existing Quality Assurance processes in place already and Legal support and guidance on practitioner decision making and messaging will assist in supporting decision making and consistency in service provision.

The service's priorities may change or resources may be depleted or redeployed to other areas within Adult Social Care if there are challenges related to Winter Pressures or further business continuity events.

Resources and Implementation:

Savings are related to General Fund budgets.

Project will be delivered within existing resources across a variety of ASC operational key teams.

Finance partner support for savings and data verification plus monthly monitoring and review.

Performance and Insight Service support regarding data sets and case identification across various project strands.

Planning, engagement and processes put in place from Jan-Mar 2024, although it is envisaged that this will follow a similar methodology to similar previous MTFs projects from 2023-26.

Implementation planned from April 2024.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	Yes	The change involves supporting practitioners and users/residents to access free time limited (up to 6 weeks) preventative rehabilitative services offered by the Council to promote independence and strength-based approaches to meeting needs, including looking more flexibly at how eligible needs can be met in more a cost-effective way including the use of Council funded and/or Third Sector provision. The Council will continue to meet its statutory responsibilities under the Care Act.
Does the change involve direct impact on front line services?	No	
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Supported Accommodation Strategy		
Reference:	SAV / HAS 004 / 24-25	Savings Category:	Transformation
Directorate:	Health and Adult Social Care	Savings Service Area:	Adult Social Care
Directorate Service:	Adult Social Care	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	Linda Wiafe-Ababio	Lead Member and Portfolio:	Cllr Gulam Kibria Choudhury , Cabinet Member for Health, Wellbeing and Social Care

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	9,800	253	-	-	253

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

This proposal seeks to assist and support vulnerable mental health residents of Tower Hamlets who currently reside outside of the borough in residential or supported living accommodation.

The service has been working with service users in these placements to support them to return in borough into Supported Accommodation, with the aim of reducing the use of out of borough residential/supported living accommodation and promoting better outcomes for people.

For the financial year 23/24 an additional £103k savings were delivered. The team have overdelivered on this saving and are therefore supporting a further saving of £253k for 24/25.

Each service user has a personalised reassessment of their needs as part of this process and a focus on improving outcomes for them pursued with a view to in house block funded support being utilised.

Revised Provision:

There are no proposed changes to the requirement for statutory support to be provided by the Council to the target user group, they are residents in receipt of existing supported accommodation or residential care out of borough. The Council will continue to meet assessed eligible needs, however it is envisaged that the support will be provided in borough in existing provision. This will promote better outcomes for residents in their home borough. Levels of support may be adjusted (reduced) as a result of the various approaches being proposed.

Risk and Mitigations:

Ease of delivery	Moderate
Impact of savings	Medium
<p>Success of project is dependent upon the identification of service users who are residing out of borough in supported accommodation or residential care that could be supported to move back in borough.</p> <p>The team have already identified a cohort of users who are being reviewed and the project has had success, as has been seen in the last 2 years MTFS savings.</p> <p>If any of the current staff were to be absent for a significant period of time without backfill, this will impact upon savings to be identified negatively.</p>	

Resources and Implementation:

This saving relates to the General Fund.

Savings are related to General Fund Commissioning budgets for supported accommodation / residential care.

A project team are currently in place funded via East London Foundation Trust. Where necessary, we may temporarily assign staff to this project to support it further if necessary.

Finance partner support for savings and data verification plus monthly monitoring and review.

Performance and Insight Service support regarding data sets and user cohort identification across various Project strands.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Adult Mental Health Recovery, Wellbeing and Employment Service		
Reference:	SAV / HAS 005 / 24-25	Savings Category:	Transformation
Directorate:	Health and Adult Social Care	Savings Service Area:	Adult Social Care
Directorate Service:	Integrated Commissioning	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	Shahnaz Rab, Integrated Commissioning Manager	Lead Member and Portfolio:	Cllr Gulam Kibria Choudhury , Cabinet Member for Health, Wellbeing and Social Care

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	349	85	55	-	140

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

- Our jointly commissioned, Adult Mental Health Community Recovery, Wellbeing and Employment service (RWE) is made up of the following three contracts which are due to expire on 24th August 2024.

Contract	Provider	Expiry date	ICB Funding	LBTH Funding	Total funding 23/24	Proposed new contract value 24/25
HAC5382 Lot 1 Connecting Communities	MIND THN	23 August 2024	£159,025	£504,648	£663,673	£942,891 (no change)
HAC5382 Lot 2 One to One Community Support	Hestia	23 August 2024	£66,904	£212,313	£279,218	
HAC5382 Lot 3 Employment Hub	Working Well Trust	23 August 2024	£83,699	£265,609	£349,308	£209,277 (saving)
Total			£309,629	£982,570	£1,292,199	£1,152,168

- Authority was granted at the July 2023 Cabinet for the re-procurement of these services across a two-contract model approach.
- Following an extensive coproduction and stakeholder consultation exercise, review of performance and activity across the five years' provision, value for money (VfM) exercise and scoping of wider services, the mental health integrated commissioning (MHIC) team are proposing to deliver savings of £140,031 through the discontinuation of areas of under-utilisation / low value for money from the Employment Hub contract. This will include removing the Social Enterprises and Peer Support elements delivered by 3.5 full time equivalent (FTE) staff and retain the Retention service and Business Advisor (2.4 FTE).
- The RWE services will continue to deliver support components which focus on delivering statutory duties, supporting mental health recovery, maintaining good mental health, providing services users with choice and control, supporting people to stay in employment and reducing the burden on statutory health services.
- Delivery of the current RWE service equates to a joint investment of £1,292,199, of which the Local Authority contributes £982,570. The proposed savings of £140,031 is a 40% saving from the Employment Hub contract and a 14.3% saving across the Recovery and Wellbeing service.
- The savings associated with the Employment service would be delivered through the forthcoming procurement process, therefore contract renegotiations are not required.

Revised Provision:

- The proposed new Employment service model will have a focus on retention, prevention and supporting people into employment which is a statutory duty. This element of the service has consistently met targets indicating a consistent demand for the service. Feedback from service users and stakeholders has been overwhelmingly positive. The service also operates a co-located offer within the ELFT, who requested retention of this service.
- The proposed model also retains the Business and Enterprise advisor who provides advice and support to people wishing to start their own business. This includes funding advice, resource and application advice and business plan development.
- Both elements contribute directly to the Council's strategic priority to boost business and jobs.
- Service delivery stretch outcome targets will be included in the new contract to further enhance the model.
- The service will be a specialist employment service with a focus on keeping people in work and business advice for people with lived experience of mental health.
- The new model proposes removing the 2 Social Enterprises pathways – a structured 6-month vocational course in either print and design or sewing and pattern cutting. The proposal is to move all day activity into the Recovery and Wellbeing Model. There is therefore the opportunity to work with partners to develop a more cost-effective Social Enterprise model outside the scope of this model.
- The new model proposes removing the Peer Employment Coach. Peer support is available through other Supported Employment pathways in the borough including:
 - WWT Individual Placement Support- Serious Mental Illness pathway,
 - Workpath's Individual Placement Support - Primary Care pathway,
 - Working Well Trusts' Upskill Employment Service
 - The Proposed new Recovery and Wellbeing service.

Risk and Mitigations:

Ease of delivery	Easy
Impact of savings	Low

Risks:

- Working Well Trust (WWT) service users and staff may find the proposed changes in the model challenging as the service has been in place for over 5 years.
- Provider financial viability
- TUPE implications

Mitigations:

- Relationships will need to be carefully managed.
- Commissioners will work with providers throughout the changes
- A desktop assessment has identified no current financial concerns with providers
- Legal advice on TUPE implications will be taken and sufficient time will need to be allowed within the procurement to build in notice period.

Resources and Implementation:

- This saving relates to the General Fund
- No further resources or feasibility work is required.
- Any delay in the procurement timeline will impact proposed savings.

Procurement Review Panel Date	November 2023
Issue Tender Documentation	December 2023 -February 2024
Contract award	April 2024

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	Whilst the Social Enterprise and Peer Support element is being removed, this is in parallel to an increase in provision in Employment Support sector in the borough such as the Employment Individual Placement Support -Primary Care service and Working Well Trust Upskill grants provision. Therefore this is not an overall reduction of resources.
Does the change reduce resources available to support vulnerable residents?	No	As above
Does the change involve direct impact on front line services?	No	
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	No	Staff in commissioned services may be affected.
Does the change involve a redesign of the roles of staff?	No	

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

Additional Information and Comments:
<ul style="list-style-type: none"> Impact of the changes to the above service will be mitigated by remodelling the Recovery and Wellbeing service to ensure it addresses barriers to and inequalities of access, ensuring minimal impact on the group listed above. Consideration has been given to the provision of other Supported Employment services in the borough for people with lived experience of mental health. Changes to the service are considered a genuine reason for implementation and proportionate means to reconfiguring the model and achieving identified savings.

SAVINGS PROPOSAL

Proposal Title:	Community Equipment		
Reference:	SAV / HAS 006 / 24-25	Savings Category:	Transformation
Directorate:	Health and Adult Social Care	Savings Service Area:	Adult Social Care
Directorate Service:	Integrated Commissioning	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	Darren Ingram, Service Manager – Living Well	Lead Member and Portfolio:	Cllr Gulam Kibria Choudhury , Cabinet Member for Health, Wellbeing and Social Care

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	2,182	-	40	20	60

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

* NB the budget is net after income.

This savings proposal involves increasing the recycling rate for community equipment, from approximately 58% to 70%. In order to achieve this we will seek to automate much of the collections process relating to deceased residents to ensure collections are done more quickly and there are fewer opportunities for equipment to be discarded e.g. following the death of a resident. In addition, there will be a comms campaign to encourage the return of unused community equipment items. Costs for this will be met from the existing community equipment budget and the savings figures given above are net of any anticipated costs. The figures are based on a 50/50 split with the NHS (as they joint fund the service) and this figure is net of any saving that would go to the NHS.

There are no staffing impacts on this proposal. The saving is generated through increased collection credits, which reduce the invoice amount and therefore the overall spend on the contract. There is scope to increase the recycling performance.

Revised Provision:

There is no change to service provision and no service withdrawal.

Risk and Mitigations:

Ease of delivery	Moderate
Impact of savings	Medium

The main risk is not achieving an improved recycling rate. This will be mitigated through close monitoring of the project and its delivery. To mitigate the risk we have scheduled savings to take place in the second and third years of the three year MTFS, to allow for time for the recycling % to increase.

Resources and Implementation:

There will be resources required to run the comms campaign (£5-10k) and we will need the support of IT to set-up the automation process.

Savings would relate to the better care fund.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Statutory Advocacy		
Reference:	SAV / HAS 007 / 24-25	Savings Category:	Contracts
Directorate:	Health and Adult Social Care	Savings Service Area:	Adult Social Care
Directorate Service:	Integrated Commissioning	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	Darren Ingram, Service Manager – Living Well	Lead Member and Portfolio:	Cllr Gulam Kibria Choudhury , Cabinet Member for Health, Wellbeing and Social Care

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	212	60	-	-	60

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/a	N/a	N/a	N/a	N/a

Proposal Summary:

Reduction of currently unused spot budget for statutory advocacy. This would require managing statutory advocacy needs within the block hours budget. The spot has been under-utilised due to the Liberty Protection Safeguards not being implemented by the Government. It is unclear the impact this would have had on the spot budget but it was anticipated that it would have increased demand on the service.

Revised Provision:

There are no service reductions or withdrawal of service as part of this proposal.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	Low
<p>The main risks include not having sufficient capacity if Liberty Protection Safeguards is later introduced, or if community Deprivation of Liberty Safeguards cases increase. This will be closely monitored. As this is a statutory service any spend above the block would be a budget pressure.</p>	

Resources and Implementation:

None. No action is required. Savings relate to the General Fund.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Decommission Dellow Centre				
Reference:	SAV / HAS 008 / 24-25	Savings Category:	Efficiency		
Directorate:	Health and Adult Social Care	Savings Service Area:	Adult Social Care		
Directorate Service:	Ageing Well, Integrated Commissioning	Strategic Priority Outcome:	5. Investing in public services		
Lead Officer and Post:	Ben Gladstone, Deputy Director. Ageing Well Integrated Commissioning	Lead Member and Portfolio:	Cllr Gulam Kibria Choudhury , Cabinet Member for Health, Wellbeing and Social Care		

Financial Impact:	Current Budget 2023-24	Savings/Income 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Total Savings/Income
Budget (£000)	493	-	100	-	100

Staffing Impact (if applicable):	Current 2023-44	FTE Reductions 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	Total FTE Reductions
	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

Changes to our hostel provision have taken place during 2023/24 with the planned closure of the Dellow Centre (building was in a poor condition and utilisation of the service had fallen significantly) and re-investment in services to enhance the support in other settings to enable them to support increasingly complex needs. All residents have now moved on and a transitional floating support service (using former Dellow staff) to former residents in their new accommodation will be provided until the end of the year. This should drastically improve the success of the new placements. Use of the hostel by the City of London Corporation came to an end in July 2023.

The annual budget for the Dellow Centre was £493,284 and £293,284 was identified for re-investment in other services with a saving of £200,000 agreed in the Council's Medium Term Financial Plan (Reference SAV/HAC 001/2023-24).

Having implemented the changes, it is now proposed that a further £100,000 saving can contribute to the new Medium Term Financial Plan.

Revised Provision:

Residents from the Dellow have moved to a range of different accommodation supported by a team providing transitional support as set out above:

Accommodation route (as of 8 th Sept 23)	Number of people
Number of voids rooms	19
Other hostels	18
Sheltered housing	1
Clearing House	3
Social housing (PB1)	11
Staying with family	1
Private Rented Sector (via Council offer)	1

There is planned reinvestment in social work and dual diagnosis nursing, both will support the higher and more complex needs of the people who have moved. Further reinvestment in co-production work and/or some of the housing pathways can be scaled accordingly to the level of reinvestment. Funding from the Integrated Care Board, Health Inequalities Funding Programme has been secured to fund a care-so-ordination pilot in hostel provision and this will further enhance the support offer.

Risk and Mitigations:

- Risk that additional support is insufficient as we know that the presenting needs of this population are becoming increasingly complex – this is partially mitigated by the work to date to review the progress of individuals as they have moved on. In addition there is going to be further work to look at the model of hostel provision in the future.

Resources and Implementation:

- This saving is a cashable saving against the current budget and is recurrent.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	The proposal is based upon alternative ways to support those in need that result in a lower cost overall.
Does the change reduce resources available to support vulnerable residents?	No	The proposal is based upon alternative ways to support those in need that result in a lower cost overall.
Does the change involve direct impact on front line services?	No	The proposal is based upon alternative ways to support those in need.
Changes to a Service		
Does the change alter who is eligible for the service?	No	Hostel services will no longer be suitable for people presenting with low-medium needs. The focus of the hostel settings will move to exclusively high-complex homeless individuals. However alternative support will be available for those with low-medium needs.
Does the change alter access to the service?	No	No access will remain the same with all referrals being made by Housing Options
Changes to Staffing		
Does the change involve a reduction in staff?	No	This is a commissioned service.
Does the change involve a redesign of the roles of staff?	No	This is a commissioned service.

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Care Technology Transformation		
Reference:	SAV / HAS 009 / 24-25	Savings Category:	Transformation
Directorate:	Health and Adult Social Care	Savings Service Area:	Adult Social Care
Directorate Service:	Adult Social Care & Integrated Commissioning	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	Darren Ingram, Service Manager – Living Well; and Gillian Beadle-Phelps – Service Manager for Initial Assessment, Safeguarding, and Telecare	Lead Member and Portfolio:	Cllr Gulam Kibria Choudhury , Cabinet Member for Health, Wellbeing and Social Care

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	The savings are coming from cost reduction and avoidance from the ASC care package budgets.	1,126	698	159	1,983

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

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Proposal Summary:
 This is an invest to save proposal. Therefore, this savings proposal needs to be considered alongside the associated growth proposals (capital and revenue). The figures used in this savings proposal are the gross savings that will be delivered. To arrive at the overall net position the growth proposals need to be considered. The total cumulative savings over the period of the MTFs will be £4.9m.

The proposal is to undertake a Care Technology transformation project, delivered over a five-year period, that will result in a significant increase in the number of residents using care technology from approximately 1,800 currently to approximately 4,400 in five years' time. The range of care technology on offer to residents will be increased, making better use of more innovative solutions and taking a personalised approach that focuses on finding the right solution to meet that individuals need. Care technology will be expanded into new cohorts, widening the offer from the mostly older population that the telecare service currently supports. There will be an increased focus on prevention, such as prevention of falls and preventing long-term conditions that result in people requiring adult social care support.

The result of the increased number of care technology users will be the prevention, reduction or delay of the type of needs that would otherwise require the provision of more costly social care support. The two largest areas of prevention, reduction or delay of need will be on those requiring care at home (homecare) and those requiring residential or nursing care. The significant majority (88%) of the saving will come from the prevention and delay of packages of care that would otherwise have been required; the remaining 12% will come from reductions to existing care packages that are no longer required due to needs being met through technology.

Care Technology (sometimes referred to as Technology Enabled Care or TEC) is customer facing technology (such as digital devices, apps, and monitoring tools) that can enrich and enhance the way residents in Tower Hamlets live their lives. Care Technology offers opportunities for residents to be better supported, to live independently and with improved health and wellbeing for longer and be better connected with their communities.

Care Technology can also transform the way people receive their care and support. It should not be seen as a replacement for care and indeed in many cases it can be used to prevent care from being needed at all. Care Technology is a means of care delivery that supplements other forms of care and support, such as commissioned homecare or informal care from a family member, it supports a holistic and personalised response and offers wider opportunities for meeting individual outcomes.

Despite the increased sophistication and evidence base for care technology tailored to the health and care population, many local authorities, including our own, mainly offer devices that work around a basic careline monitoring system. This has been our offer for many years. However, a wealth of options now exists that means that Tower Hamlets could significantly

improve its offer to residents, support more people and their families and achieve improved outcomes for residents, whether that be through addressing isolation, improving independence, managing health conditions, or preventing people from needing to move into a care home.

The transformation of the Telecare service in Tower Hamlets will put us at the forefront of delivering expert assessments and using cutting edge technology that is just right for our local health and social care population.

To achieve this saving investment will be required in staffing to grow the capacity of the current telecare service, in commissioning a technology partner to work with us to ensure we are maximising opportunities and remain at the forefront of what is possible and in increased expenditure on the equipment itself.

Further information about the transformation project can be found in the business case that has been developed.

How does this proposal contribute to achieving the strategic priorities of the Council?

Delivering an improved care technology offer is a key part of the Council's Adult Social Care vision and strategy. The strategy sets out the response to a series of challenges that the Council faces around poverty, financial pressures and recovery from Covid-19. Care Technology supports work around developing a strengths-based approach to social care, appreciating the things people can do as well as the things they need help with.

Care technology transformation supports the priorities set out in the Council's Strategic Plan:

Priority 2: Homes for the future - in particular the ambition to adapt homes for disabled residents. Care technology can act as 'digital adaptations' enabling disabled people to better access their homes and remain in them for longer.

Priority 5: Invest in public services – providing high quality financially sustainable services for adults to meet their goals. Care technology can support residents to achieve their goals, live more independently and reduce spend in adult social care. Care technology also enables the Council to achieve its ambition to work in collaboration with the North East London Integrated Care System to deliver integrated health and care services.

Does the proposal alter patterns of statutory provision? If so, please describe how the Council will continue to meet its statutory obligations

No impact on statutory provision.

What Service will this saving impact?

The current telecare team will be positively impacted through additional staffing resources being made available.

Are there any staffing reductions?

None.

Detail any required procurement activity.

Yes, the proposal is to commission a technology partner to support the transformation project. A separate proposal will go through the appropriate governance at Cabinet to proceed with this.

Detail any requirements around contract re-negotiations.

None at present.

What stakeholder engagement is required? Any statutory consultation required?

No statutory consultation required. Engagement with residents will take place as part of the project. We will have opportunities for co-production of the service model and pathways.

Can the savings be delivered in the current year?

The savings will be delivered over a five-year period. The first three years of the programme are detailed in the financial information above. In addition there will be savings in year 4 and 5 of the transformation project. The gross figures for year 4 are (£2.402m) and year 5 are (£2.941m), taking the total for the project to £10.3m gross savings.

Revised Provision:

Investment will need to be maintained at the increased level in future years for the Council to continue to benefit from the effects of maximising the provision of care technology for residents. There will be further opportunities for growth at the end of the five-year period as new technologies emerge.

Risk and Mitigations:

Ease of delivery	Moderate
Impact of savings	Medium

Not securing the growth funding to undertake this project is the biggest risk. This project cannot be delivered within existing resources. Any reduced level of growth being approved would require the savings to be recalculated.

There is a risk that the saving would not be achieved, either because of the numbers of residents receiving care technology not being achieved, or because the prevention, reduction or delay of need not materialising. The business case that these figures have been based on has taken a conservative approach to identifying the numbers of residents who could benefit and of the financial benefits and this mitigates this risk.

A full benefits realisation system will be put in place as part of this project. For every individual receiving care technology the financial benefits will be tracked and recorded. Progress will be reported as part of the project governance.

Resources and Implementation:

Does this saving completely relate to General Fund? If not, please state which other funding type is impacted

Yes, the savings are from the General Fund.

What are the resources needed to build up the proposal?

These are detailed in the associated growth proposals (capital and revenue)

Is feasibility work required?

No. This proposal is supported by a full and detailed business case.

What needs to happen for implementation? Timeline and activities required by month.

This savings proposal can only be implemented if the growth request is approved. Upon confirmation of growth funding, we will need to undertake the commissioning activity and do the project set-up. A full project plan will be worked up over the coming months.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	No	
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	Yes	It is possible that there would be a change in the roles of staff within the telecare service, this would be identified as part of the pathway redesign. Should that be the case a full equalities impact would be undertaken as part of the handling organisational change process.
Summary:		Additional Information and Comments:
To be completed at the end of completing the Screening Tool.		Not at this stage.
Based on the Screening Tool, will a full EA will be required?	No	

SAVINGS PROPOSAL

Proposal Title:	Public Health Core Funding substitutions		
Reference:	SAV / HAS 010 / 24-25	Savings Category:	Efficiency
Directorate:	Health and Adult Social Care	Savings Service Area:	Public Health
Directorate Service:	Public Health	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	Somen Banerjee, Director of Public Health	Lead Member and Portfolio:	Cllr Gulam Kibria Choudhury , Cabinet Member for Health, Wellbeing and Social Care

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	37,683	1,000	-	-	1,000

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

1. It is proposed to substitute £1m from the core Public Health Grant to fund General Fund expenditure (therefore creating a saving to the General Fund) as a one-off saving in 2024-25. The Public Health Grant allocations are announced by Central Government on an annual basis, and it there is an inherent risk associated with grant announcements for future years. Therefore, further savings from the Public Health Grant to fund General Fund expenditure will be offered for 2025-26 and 2026-27 upon receipt of the confirmed grant allocations for these respective financial years.
2. This £1m substitution for 2024-25 (and future year's if confirmed), could be for part-funding of Strategic Priority areas linked to delivering Public Health outcomes not currently funded through the PH grant including (and in addition to those services which will be funded via the Public Health Grant Reserve saving being offered):
 - a. Leisure insourcing
 - b. Youth services (health elements)
 - c. Sports
 - d. Free School meals
 - e. Health related Mayors community grants
3. The £1m reduction in the PHG budget for 2024-25 would be accommodated through:
 - a. Use of unallocated uplift to the Public Health Grant (£800k) via increases in the Public Health Grant allocations from DHSC
 - b. Reduction of allocation to specialist smoking cessation services (£60k), staff flu vaccinations (£20k), remaining contingency (£50k), research (£70k)

On receipt of confirmed grant allocations for the Public Health Grant for 2025-26 and 2026-27, further savings will be identified and offered to fund other general fund expenditure.

Revised Provision:

The services in (3) above would have a reduced allocation from the Public Health Grant core funding, and the diverted funding would be used to meet expenditure within other services in the General Fund. Any general fund Services that have funding via the Public Health Grant must be in line with the Public Health Grant conditions and meet the PHG Outcomes Framework.

Risk and Mitigations:	
Ease of delivery	Moderate
Impact of savings	Medium
<p>The delivery of the saving is predicated on increases in the Public Health Grant by Government in 2024-25 and for future financial years to enable further savings to be offered.</p>	

Resources and Implementation:
<p>The delivery of the saving would require all general fund services that are to be funded via the Public Health Grant to meet the PHG Outcomes Framework. All expenditure against the grant is closely monitored and subject to full audit and scrutiny by OHID (Office for Health Improvement and Disparities) via their annual Grant Assurance Process.</p>
<p>A service monitoring form has been implemented for all internal services funded via the Public Health Grant, which requires the budget holder to outline PHG outcomes met via the funding and how the grant has been utilised each financial year. All services must comply with this requirement.</p>

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Public Health Grant Reserve substitutions		
Reference:	SAV/ HAS 011/ 24-25	Savings Category:	Transformation
Directorate:	Health and Adult Social Care	Savings Service Area:	Public Health
Directorate Service:	Public Health	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	Somen Banerjee, Director of Public Health	Lead Member and Portfolio:	Cllr Gulam Kibria Choudhury , Cabinet Member for Health, Wellbeing and Social Care

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	7,162	1,750	-	-	1,750

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

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1. The Grant Conditions associated with the Public Health Grant allocated to the Borough allow for transfer of any underspends of the grant at financial year-end into a specific ringfenced reserve.
2. This reserve increased during COVID-19 as elements of public health expenditure were covered by the various COVID-19 grants that were given to local authorities to meet the financial and service pressures associated with the pandemic.
3. The PH Grant Reserve amount currently stands at £7.16m. Commitments against the reserve in 23/24 amount to £1.07m, which will leave a balance of £5.25m in the PHG Reserve as unallocated after commitments in 23/24.
4. It is proposed that £1.75m per annum, over the next three financial years, is substituted from the Public Health Grant Reserve to meet general fund expenditure (therefore creating savings to the General Fund), a total of £5.25m over the MTFS period.
5. These substitutions could be for part funding of Strategic Priority areas, linked to delivering Public Health outcomes, that are not currently funded through the core PH grant including:
 - a. Leisure insourcing
 - b. Youth services (health elements)
 - c. Sports
 - d. Free School meals
 - e. Health related Mayors community grants
6. These savings run for 3 financial years, and therefore, following this period it will be necessary for any services funded via the Public Health Grant Reserve to find alternative funding (i.e., from 27/28) or cease any project that is being carried out using this temporary source of funding. At the end of 2026-27, a small amount will be held in the Public Health Grant Reserve as a contingency for any public health outbreaks. With an additional saving being offered up from the Public Health Core grant in 2024-25 of £1m, and no government confirmation of increases to Public Health Grant amounts in future financial year's now we are in the post-Covid period, there is no expectation that there will be further underspends to transfer to the Public Health Grant Reserve.

This saving has been increased from the previously submitted £1.5m to £1.75m per annum for a period of 3 financial years due to the request to find additional savings.

Revised Provision:

For services funded through the Public Health Grant Reserve it will be necessary to track outputs and outcomes to ensure that they are delivering outcomes specified under the Public Health Grant Outcomes Framework. These conditions need to be met to allow PHG funding to be transferred to these projects/budgets.

After the financial year 2026-27, any services/projects funded using the Public Health Grant reserve pot, will need to ensure they have continued funding from another source identified or cease the service/project. All funds held in the PHG Reserve are expected to be depleted by this point forwards.

Risk and Mitigations:

Ease of delivery	Moderate
Impact of savings	Medium

Monitoring of all expenditure funded via the PHG is carried out by Central Government on a regular basis. Therefore, all services funded must comply with grant conditions and PHG grant outcomes framework.

Resources and Implementation:

The delivery of these savings would require all general fund services that are to be funded via the Public Health Grant Reserve to meet the PHG Outcomes Framework. All expenditure against the grant is closely monitored and subject to full audit and scrutiny by OHID (Office for Health Improvement and Disparities) via their annual Grant Assurance Process.

A service monitoring form has been implemented for all internal services funded via the Public Health Grant and Reserve, which requires the budget holder to outline PHG outcomes met via the funding and how the grant has been utilised each financial year. All services must comply with this requirement.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Idea Stores - Stock fund		
Reference:	SAV / RES 001 / 24-25	Savings Category:	Contracts
Directorate:	Resources	Savings Service Area:	Central services
Directorate Service:	Customer Services	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	Sergio Dogliani, Head of Idea Stores	Lead Member and Portfolio:	Cllr Maium Talukdar, Statutory Deputy Mayor & Cabinet Member for Education, Youth and Lifelong Learning

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	226	30	-	-	30

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

Reduce the amount of money spent on stock. We currently have a Bibliographic Services budget of £421,000 excluding salary costs, out of which 57% (£240,000) allows us to purchase approximately 28,000 books across all library categories (Fiction and Non-Fiction for Adults, Teens, and Children). The plan is to reduce book purchases by £30,000 in 2024-25 which results in a total of £90,000 over the MTFS. The reduction will be applied proportionally to all categories. The rest of the Bibliographic Services budget goes onto digital stock (15%), digital subscriptions (10%), systems (5%), and events/activities for children and adults (13%).

Revised Provision:

We would reduce printed and digital stock.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	Low
<p>This level of stock reduction can be absorbed at this stage and may be partially mitigated by customers having access to The Library Consortium stock, as we are members. The delay in getting a requested book from outside Tower Hamlets, however, can be considerable and is usually off-putting for our residents, who may end up not being able to access books they want. Successive yearly reduction in spend can also have a cumulative effect, this will have to be closely monitored. The amount spent on stock per resident will decrease, we are currently mid-table in terms of stock spend among London libraries, there is now a risk of falling further behind, which is a concern in a borough that still has high levels of literacy and reading needs.</p>	

Resources and Implementation:

N/a

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	Yes	Although technically speaking this change might not directly impact on one or more specific protected characteristics, the cumulative effect this will have is significant, as this is not a one-off budget reduction of £30k, it's over three years, totalling £90k, which is significant considering the limited resources available. As a good library authority we are proud of providing a wide range of quality reading materials (printed and digital) and make these available in adequate quantities, but Tower Hamlets has the fastest growing population in the UK, there is still considerable social deprivation, and many of our residents rely on free access to books and digital materials, therefore reducing spend while the population is growing is problematic. Providing a good public library offer for free (which includes a good stock) is one of the ways of addressing inequality, particularly when the cost of living is still having an impact in the community.
Does the change reduce resources available to support vulnerable residents?	Yes	As above, perhaps this may not clearly manifest itself in Year 1, but it might in subsequent years, as the chances are that many vulnerable residents will also fall under one or more protected characteristics.
Does the change involve direct impact on front line services?	No	

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Changes to a Service

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

Changes to Staffing

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Ideas Stores Learning – Increased grant target, vacancy and training expenses		
Reference:	SAV / RES 002 / 24-25	Savings Category:	Efficiency
Directorate:	Resources	Savings Service Area:	Central services
Directorate Service:	Customer Services	Strategic Priority Outcome:	3. Accelerating education
Lead Officer and Post:	Faruk Miah, Head of Idea Stores Learning	Lead Member and Portfolio:	Cllr Maium Talukdar, Statutory Deputy Mayor & Cabinet Member for Education, Youth and Lifelong Learning

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	521	64	-	-	64

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	33.5	1	-	-	1

Proposal Summary:

The £64,000 saving is broken down as:

- £28,000 though increasing the target for Government Grants. This higher level is already being achieved in the 2023-24 financial year,
- £12,000 cut in the Training budget. We have underspent on this budget line by at least £12,000 in recent financial years,
- £24,000 by deleting a vacant post. The post budget is for more than £24,000 but the excess will be used for publicising the service with a long-term view of increasing our course fee income.

Revised Provision:

No impact to service delivery

Risk and Mitigations:

Ease of delivery	Easy
Impact of savings	Low

There is a low risk that ESFA funding is reduced which could reduce the saving / income by £28k

Resources and Implementation:

No Additional resources are required to implement this saving.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Registrars - Income generation from wedding reception parties		
Reference:	SAV / RES 003 / 24-25	Savings Category:	Income generation
Directorate:	Resources	Savings Service Area:	Central services
Directorate Service:	Registrars, Customer Services	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	Kathy Constantinou, Superintendent Registrar / Head of Registrars and Citizenship	Lead Member and Portfolio:	Cllr Kabir Ahmed

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	(147)	22	-	-	22

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

Since moving to SGTH, our wedding bookings have increased month by month and shortly, once the Garden Suite has been refurbished, we will be offering couples a place to hold a small reception party after their ceremony it is estimated this will generate an additional £20,000 income per annum.

We are also exploring further income generation by collaborating with the Home Office with new immigration checking opportunities as well as being able to offer passport application checking services and Change of Name deed poll appointments for a set fee, we estimate this will generate £2,000 per annum, potentially more but full amount is unknown at this time.

Revised Provision:

No impact to service delivery but would offered new services to customers.

Risk and Mitigations:

Ease of delivery	Easy
Impact of savings	Low
Low risk that we will not generate the specified income.	

Resources and Implementation:

No Additional resources are required to implement this income.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Finance - remove Contingency budget		
Reference:	SAV / RES 004 / 24-25	Savings Category:	Efficiency
Directorate:	Resources	Savings Service Area:	Central services
Directorate Service:	Finance, Procurement and Audit	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	John Harrison, Interim Director of Finance, Procurement and Audit	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	200	200	-	-	200

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

To remove contingency budget from held in Chief Financial Officer Team (cost centre 23120).

Revised Provision:

Any unplanned resource requirements will need to be considered as they arise and funding identified.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	Low
Reduced capacity to respond quickly to unplanned resource requests and to manage pressures as they arise. Mitigated through regular budget monitoring.	

Resources and Implementation:
N/A

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Insurance Fund smoothing		
Reference:	SAV / RES 005 / 24-25	Savings Category:	Efficiency
Directorate:	Resources	Savings Service Area:	Central services
Directorate Service:	Finance, Procurement and Audit	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	John Harrison, Interim Director of Finance, Procurement and Audit	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	0	200	-	-	200

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

The Council operates a 'self-insurance fund' and currently pays the first £500,000 to £2,000,000 of most insurance claims. The Council must be assured that it has enough money in the Fund to meet historic liabilities as well as claims in the current policy year. The resources in the fund consist of an insurance provision based on the estimated cost to settle incurred claims and an insurance reserve based on expected further claims to be received from incidents that have occurred but not yet been reported - incurred but not yet reported (IBNR).

The Council commissions an annual Self Insurance Fund Review from external advisors (Marsh) who use statistical techniques to calculate how known claims are expected to develop over time and the expected cost of IBNR claims. The July 2023 Report indicated that the best estimate of historic liabilities including a buffer at the 90% confidence level was £11.5m. This included a claim in respect of an explosion/fire in August 2022 at Bentworth Court. The Funds liability of £2m was paid to the HRA in closing the 2022-23 accounts. Accordingly, the minimum Fund balance is determined to be £9.5m.

The actual balance on the Insurance Fund is £11.5m indicating that the Fund balance could prudently be reduced, subject to annual review. Accordingly, it is proposed to gradually release the excess over a number of years pending the annual review of insurance liabilities.

	31/03/22	movement	31/03/23
Insurance Provision	4,096	(359)	3,737
Insurance Reserve	10,166	(2,247)	7,919
Total	14,262	(2,606)	11,656

Risk and Mitigations:

Ease of delivery	Easy
Impact of savings	Low

Risk that insurance liabilities are higher than estimated or future events/claims create new fund liabilities. Mitigated by insurance team monitoring and management of claims and annual review.

Resources and Implementation:

N/A

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	IT Management review		
Reference:	SAV / RES 006 / 24-25	Savings Category:	Efficiency
Directorate:	Resources	Savings Service Area:	Central services
Directorate Service:	IT	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	Adrian Gorst, Director of IT	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	770	330	-	-	330

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	7	3	-	-	3

Proposal Summary:

Reduce the number of heads of service reporting to the Director of IT from 7 to 4 through a reorganisation.

Anticipate an initial call for voluntary redundancies and potential redundancy or bumped redundancy if one or more heads of service seek voluntary redundancy and this is approved.

And then a reorganisation and compulsory redundancies following a reshaping of the service in line with other London authorities.

Revised Provision:

The seven heads of service supported the council through the transition from Agilisys and to running a stable IT service and continue to perform vital functions, however it is common for an IT service to run with fewer than 7 heads of service, with 4 being typical in across London authorities.

The revised provision will depend on the outcomes of research on how other London and similar IT services are organised and consultation with colleagues.

Operational services are unlikely to be affected so any changes will be in how the IT service engages with the Council, managing the loss of specialist knowledge, replacing relationships with governance, how the IT service supports and delivers changes.

Risk and Mitigations:	
Ease of delivery	Difficult
Impact of savings	Medium
Loss of specialist knowledge held by heads of service.	
Reduced resilience with less capacity to manage major events and support other services.	
Loss of long standing relationships and reliance on new formal governance	
Distracted IT management team during the reorganisation.	
Redundancy costs and pension strain likely to reduce savings for at least first year.	

Resources and Implementation:
100% General fund
HR and pensions team support for reorganisation and redundancy.
Research on structure of IT functions across London any similar authorities.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	No	
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	Yes	Reduction from 7 to 4 heads of service.
Does the change involve a redesign of the roles of staff?	Yes	

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

Additional Information and Comments:
An EA will be required as part of the reorganisation in line with Council policy and procedure. The current team is very diverse and attention will be required to ensure this is not lost.

SAVINGS PROPOSAL

Proposal Title:	IT infrastructure		
Reference:	SAV / RES 007 / 24-25	Savings Category:	Efficiency
Directorate:	Resources	Savings Service Area:	Central services
Directorate Service:	IT	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	Adrian Gorst, Director of IT	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	1,800	90	90	-	180

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

£1.8m of IT infrastructure contracts end in 2023/24 and 2024/25 allowing the Council to reduce its specification to reduce costs. With inflation in IT services running at around 10% it will require a 20% reduction in services to offset inflationary pressures and deliver savings.

Detailed analysis of the contracts is underway, and the savings will ultimately depend on what the Council determines is the minimum acceptable level of service,

All services will be affected as they are likely to experience a reduced IT service. Reactions to previous agreed reductions, have been negative to the extent some have been restored including our VIP support engineer and the addition of three additional printers to the Town Hall.

Extensive procurement activity required to deliver the savings across contracts

Stakeholder engagement will be required as detailed options are identified to determine what is the minimum acceptable level of service recognising the need for savings. This is unlikely to include any statutory consultations.

Savings are only deliverable when the existing contract expires and a new contract starts.

As contracts end mid-year estimated 50% of the savings will be available in 2024/25 and the remainder in 2025/26

Revised Provision:

indicative areas of service change include:

- Rationalise all telephony on Microsoft Teams to eliminate duplicate Mitel infrastructure
- Restrict the ability to forward phone calls outside the Council which causes the council to be billed for the call minutes
- Limit the use of Microsoft Office applications to online versions unless specific activities require installed applications
- Reduce retention of emails and files from 7 years to 5 years (or less)
- Remove Box and Egress which are used by services to send large files
- Downgrade small and medium offices to lower speed connections

It is common to reduce infrastructure spend however this has proved more difficult in Tower Hamlets and previous services reductions have been partially reversed. A focus on self-sufficiency and use of digital channels where appropriate will help deliver the proposed cost savings.

Risk and Mitigations:

Ease of delivery	Difficult
Impact of savings	High

Inflation is driving up the cost of infrastructure contracts which are reliant on electrical energy and skill staff so driving savings will be particularly challenging.

With previous reductions in infrastructure services we may be reaching a point where further reductions result in an increase in unit costs which negates the savings.

Consolidation amongst suppliers may have reduced competition and reduce the number of bidders or result in no-bidders if suppliers can't anticipate acceptable terms.

Procurement may be overwhelmed with competing activities limited the capacity to explore alternative procurement routes.

Changes will be unpopular and may have to be undone creating new budget pressures, firm leadership and a wider understanding of savings may mitigate this.

Resources and Implementation:

Savings relates to general fund.

The proposal is being worked up by the strategic vendor team in IT with external support.

Progressing all potential savings may require temporary resource to manage multiple procurements and suppliers within a tight timetable.

Temporary technical resources may be required if the biggest savings mean changing suppliers or technical approaches.

Extensive communications work required to ensure staff are aware of service changes.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Service restructure - IT Voluntary Redundancies		
Reference:	SAV / RES 008 / 24-25	Savings Category:	Service restructure
Directorate:	Resources	Savings Service Area:	Central services
Directorate Service:	IT	Strategic Priority Outcome:	8. A council that listens and works for everyone
Lead Officer and Post:	Adrian Gorst, Director of IT	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	6,699	300	-	-	300

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	103	6	-	-	6

Proposal Summary:

While many posts in IT are hard to fill and perform essential functions, we still carry some legacy posts which transitioned from Agilisys which we can release if the incumbents ask and are accepted for voluntary redundancy.

Care is required in considering which posts we can release directly or through bumped redundancy as many posts are essential for the functioning of the Council and would be exceptionally difficult to maintain essential services if a voluntary redundancy request was accepted leading to the post being deleted and the incumbent released.

The average salary across IT is £55,000 however the legacy posts transferred from Agilisys are slightly lower graded, so estimate £50,000 per post, with up to six posts released through voluntary redundancy totalling £300,000 savings. We embrace a range of working patters in IT with some staff working less than five days a week, so the saving may be less than indicated from deleting 6 posts

Revised Provision:

We would not release any posts or incumbents where they are essential to core services.

The release of any post will reduce the overall capacity of the service and will require colleagues who are currently using IT services to be more self-sufficient, for example, using the self-service password reset options for many applications rather than requesting the IT service do this form them.

Risk and Mitigations:

Ease of delivery	Moderate
Impact of savings	Low
Colleagues in posts we can consider for release do not apply for voluntary redundancy.	
Colleagues in posts we can't consider for release do apply for voluntary redundancy.	
With each team possessing unique skills it is less likely we can accommodate bumped redundancies without severely impacting services.	
In a service with long-serving staff redundancy and pension strain costs are likely to be require Council approval.	

Resources and Implementation:

Voluntary redundancy scheme

HR and Pensions support in considering which posts and individuals we can release.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:
The EA is likely to form part of the overall voluntary redundancy scheme than being IT specific.

SAVINGS PROPOSAL

Proposal Title:	Council Tax – Introduce Empty Property Premium		
Reference:	SAV / RES 009 / 24-25	Savings Category:	Income generation
Directorate:	Resources	Savings Service Area:	Central services
Directorate Service:	Revenues and Benefits	Strategic Priority Outcome:	8. A council that listens and works for everyone
Lead Officer and Post:	Chris Boylett, Head of Revenues and Benefits	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	N/A	546	-	-	546

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

Empty property premium

The Council has to date only adopted the 100% premium for properties empty for more than 2 years. The legislation allows local authorities to increase the premium by further 100% for properties empty over 5 years and a further 100% for those empty over 10 years. Whilst this will not realise a significant increase in income it will continue to promote the return of properties to use. As of 31/5/23:

- 28 properties have been empty for over 5 years
- 7 properties have been empty for over 10 years

Based on a band D property this would increase council tax by approximately £63k with 27% of this going to the GLA. Giving £46k to the Council.

In additional, the Council currently applies a long-term empty property premium of 100% of the charge to all properties empty and unfurnished over 2 years. The Levelling-up and Regeneration Act 2023 allows Councils to charge this premium after a property is empty for 1 year. As at the beginning of October 2023 the Council has identified 719 properties that would fall into this category. It is estimated this would produce an additional £500k on Council Tax income.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	Low
Theses measure would also encourage empty properties to come back into use more quickly.	

Resources and Implementation:
General Fund saving

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Council Tax - Introduce Second Home Premium		
Reference:	SAV / RES 010 / 24-25	Savings Category:	Income generation
Directorate:	Resources	Savings Service Area:	Central services
Directorate Service:	Revenues and Benefits	Strategic Priority Outcome:	8. A council that listens and works for everyone
Lead Officer and Post:	Chris Boylett, Revenues and Benefits	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	N/A	-	2,000	-	2,000

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

A measure included in the Levelling Up & Regeneration Bill will allow councils the ability to charge a council tax premium of up to 100% for any property left empty for more than 72 days a year. It is estimated that this measure would raise in excess of £2m annually if the Council took up the provision.

It was initially expected that the bill would complete its passage through Parliament by 1 April 2023, however it has yet to complete the committee stage in the House of Lords. Under the original timeline, it was expected councils would be able to introduce the premium from April 2024 however, due to the bill's delay, they will now not be able to introduce the premium until April 2025. Councils must give residents one year's notice of their intention to charge the 100% premium for empty properties.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	Low
<p>Potential for second home owners to find loopholes in the legislation by turning their property into a short-term or holiday let. This would also allow them to apply for business rates relief.</p>	

Resources and Implementation:
<p>General fund saving</p>

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Council Tax - Remove Empty Property Exemption for one month		
Reference:	SAV / RES 011 / 24-25	Savings Category:	Income generation
Directorate:	Resources	Savings Service Area:	Central services
Directorate Service:	Revenues and Benefits	Strategic Priority Outcome:	8. A council that listens and works for everyone
Lead Officer and Post:	Chris Boylett, Head of Revenues and Benefits	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	N/A	135	-	-	135

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:
<p>Empty property exemption for one month</p> <p>The option to remove the empty property exemption of up to a month is an obvious option when looking at how to deliver more income through Council Tax</p> <p>Looking at number of other London Councils the majority (9 of 13 surveyed) no longer offer any reduction for empty properties (Lambeth, City of London, Westminster, Southwark, Hammersmith & Fulham, Greenwich, Haringey, Brent, Waltham Forest, and Barking & Dagenham), only Newham (1 month), Camden (1 month and Hackney (30 days) offer similar support to Tower Hamlets.</p> <p>During 2022-23 the Council awarded £187,604 to 3,395 accounts, an average award of £56.94 so impact on individual landlords would be minimal. Any saving would be shared with the GLA.</p>

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	Low

Resources and Implementation:
General Fund saving

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Increase in resources to collect Council Tax arrears and to target closed account debt and to collect HBOP and to reduce need for BDP		
Reference:	SAV / RES 012 / 24-25	Savings Category:	Income generation
Directorate:	Resources	Savings Service Area:	Central services
Directorate Service:	Revenues and Benefits	Strategic Priority Outcome:	8. A council that listens and works for everyone
Lead Officer and Post:	Chris Boylett, Interim Head of Revenues and Benefits	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	N/A	362	-	-	362

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

Invest to save opportunities.

Increase in resources to collect Council Tax arrears and to target closed account debt – net income generation £189k

Council Tax Collection would deliver at least £432.5k on an investment giving a return on investment of £189k after GLA contribution. Experience elsewhere would suggest that this could be increased significantly, and a larger team could increase the returns further.

The level of outstanding debt has now increased to £40m with £19m provided for bad debt provision for these amounts. At the same time in year collection rates have been impacted by the pandemic and are likely to be impacted by the cost-of-living crisis. The council tax base continues to grow with large scale redevelopment across the borough. Resources have not been increased to match the increasing demands from these developments. At the same time the need to proactively engage with debtors has placed additional burdens on an already stretched service. As a result, closed account debts (those who have left the borough) are not always prioritised. The Council currently holds £18.6m of debt on closed accounts. Any activity to these accounts will also allow the service to identify unrecoverable debts and write them off.

The proposal would be to invest in additional resource to target these debts and proactively chase and collect this debt. This has proved very successful in Newham and other London Boroughs where a team of up to 8 officers has collected more than £1m a year for the last 5 years. The average return has been £3 for every £1 invested.

The indicative cost for this would be £43,300 per officer (Grade F plus on-costs). An investment of 4 officers would cost £173,200 per annum with an expected return of between £400,000 and £480,000 per year. Clearly with the size of the debt a larger team could deliver greater returns but as the debt collection team grows the need for additional management capacity will also grow. It is suggested that these officers are employed on a 1–2-year fixed term contract to enable the service to review the return achieved and evaluate the resources that will be needed going forward. As the easy to collect debts are cleared over time the returns may diminish but the use of fixed term contracts provides opportunities for a natural break.

Increase in resources to collect HBOP and to reduce need for BDP – net income generation £173k

HBOP collection would deliver at least £346k on an investment of £173k giving a return on investment of £173k.

Invoiced overpayment debt uncollected has grown significantly in recent years and currently stands at just over £11.3m over 4,172 accounts with some £7.2m provided for in bad debt provision for these amounts. Bad Debt Provision for invoiced debt and debt being recovered from ongoing benefit entitlement is currently budgeted to increase by £717k per annum.

Performance in the year to date is as expected but investing in additional resource will allow the team to implement more proactive debt recovery processes and to increase collection. This will increase income and reduce the requirement for BDP.

Of the 4,172 accounts just 26% or 1,092 accounts are in payment and are not in arrears with their payment plan. 2,189 (52%) have never made a payment and a further 891 (21%) have failed to maintain payments and are now in default. A further 671 suspended debts totalling £2.4m are in the pipeline awaiting appeal rights to end. It is likely that in the coming year we will see an increase in invoiced debt as the migration to Universal Credit continues and debts currently being collected by deduction for ongoing. Much like the Council Tax proposal officers should be able to achieve between £2 and £3 for every £1 invested. It should be noted that HBOP debt is more difficult to collect than council tax debt.

The initial proposal would be to recruit 2 or 3 officers (although a team of 6 could deliver increased income in a shorter period) to proactively pursue debt for a fixed term with the idea to review and extend if the business case continues.

Risk and Mitigations:

Ease of delivery	Easy
Impact of savings	Low

Resources and Implementation:

Savings indicated are for General Fund

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Business support savings (includes Service Restructure)		
Reference:	SAV / RES 013 / 24-25	Savings Category:	Transformation
Directorate:	Resources	Savings Service Area:	Central services
Directorate Service:	Business Support Services	Strategic Priority Outcome:	8. A council that listens and works for everyone
Lead Officer and Post:	Pat Chen, Interim Director of Workforce, OD and Business Support	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	8,113	965	-	-	965

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	241	15	0	0	15

Proposal Summary:

The following proposals are draft and provided in the context that further investigations and engagement would be needed to identify the possibility of the transformation. FTE reduction does not include any FTE reductions arising from the integration of former THH resource into the Executive Support Team.

Team	Methodology	Potential Savings	Interdependency	Action Required by Business Support	By Whom	By When	Possible Saving	Risks	Ease of Delivery	Impact on Savings
D&B	FPN logging and processing	1 BSO	Yes -Service implementing Liberator system	Monitor proposed go-live date - expected Summer 2023	BSRM	Dependent on service	43,279	Liberator system doesn't go live or has issues resulting in a Uturn in automation	Moderate	Medium
D&B	Reduction of 1.46 BSO	1.46 BSO	SLA will need to be reviewed with less support offered to the service	Business Case to be compiled and engagement with the service	Team Leader / BSRM	Autumn 2023	63,187	Service not agreeing to a reduced offer	Difficult	High
Place	Change of JD from Admin/Interpreter to BSO - from Grade G to Grade F	£3k	None	Business Case to be compiled	BSRM	Autumn 2023	3,000	Dependent on the unions being in agreement and may be delayed due to postholder being entitled to any salary protection	Moderate	Low
Childrens	Merger of the Front Door - combination of 2 SBSO roles into 1	1 SBSO	Merger of Front Door completion	Engagement with the service	BSRM / HoBS	In line with restructure	50,488	Delay of the merger and increased workload whilst it is bedding in	Difficult	Medium

Transactions	Change 3 BSA into 2 BSO	TBC	None	Delete 3xBSA and create 2xBSO	HoBS	In line with restructure	23,920	Minimal	Moderate	Low
D&B	Reduction of 1 BSA from Revs team	1 BSA	Hybrid Mail	Engagement with the service	BSRM / HoBS	In line with restructure	36,826	Dependent on other services ensuring Hybrid Mail is fully functional	Moderate	Low
D&B	Reduction of 2xBSO = 0.5 FTE	0.5 BSO	Move from Shadwell Centre to Whitechapel Idea Store - removal of reception duties & £5160 saving due to reduction of hours	Engagement with the service	BSRM / HoBS	18 months	24,560	The decision could be changed or delayed, new proposal to move to PDC which may require reception cover	Moderate	Low
Schools	Possible reduction from PFSS - BSO	1 BSO	Continued reduction in workload	Monitoring by Team Leader and engagement with service	Team Leader / BSRM	In line with restructure	43,279	Workload could increase again	Moderate	Medium
CSC	1 SBSO vacancy	1 SBSO		Delete 1 SBSO	HoBS	In line with restructure	50,488	Minimal	Easy	Medium
CSC	Health Assessments - Reduction of 1 BSO	1 BSO	Automation forthcoming - Mosaic Development/Financials	Engagement with the service	HoBS	In line with restructure	43,279	Dependent on discussion with the service and development of Mosaic	Difficult	Medium
HAC	Review BSA's	2 BSA		Review workload and engagement with the service	BSRM / HoBS	In line with restructure	67,200	Dependent on workload	Moderate	High
Business Support	Reduction of Team Leaders	2 TL	Possible growth from Young People's Service	Review of structure and spans and layers of control	HoBS	In line with restructure	124,370	Growth could result in the need to retain	Difficult	High
Executive Support	Retain vacancy in ESRM role	TBC	The arrangements currently in place continuing to be effective	No action needed	HoBS	Hold Vacancy	78,624	If permanent recruitment is undertaken this would not be achieved	Moderate	High
Executive Support	Reduce by 2 SMSO	2 SMSO	Dependent on workload	Engagement with the services		In line with restructure	100,976	Service offer may need reviewing with fewer managers receiving support	Moderate	High

Executive Support	Review of THH inhouse	TBC	Dependent on workload and integration of THH into the Exec Support Team	Bring THH Executive Support into the service and review thereafter whilst ensuring they are aware of the proposal to realign		In line with restructure	211,524	THH coming inhouse and transition into the service	Moderate	High
				Total			965,000			

Risk and Mitigations:	
Ease of delivery	Moderate
Impact of savings	Medium

Resources and Implementation:
General Fund saving

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Human Resources – removal of agency spend budget		
Reference:	SAV / RES 014 / 24-25	Savings Category:	Efficiency
Directorate:	Resources	Savings Service Area:	Central services
Directorate Service:	Human Resources	Strategic Priority Outcome:	8. A council that listens and works for everyone
Lead Officer and Post:	Pat Chen, Interim Director of Workforce, OD and Business Support	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	2,414.8	27	-	-	27

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A		-	-	-	-

Proposal Summary:
Review of Human Resources budgets: removal of costs assigned for agency spend in the Human Resources budget – saving £27k.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

SAVINGS PROPOSAL

Proposal Title:	Service Restructure – Human Resources		
Reference:	SAV / RES 015 / 24-25	Savings Category:	Service restructure
Directorate:	Resources	Savings Service Area:	Central services
Directorate Service:	Human Resources	Strategic Priority Outcome:	8. A council that listens and works for everyone
Lead Officer and Post:	Pat Chen, Interim Director of Workforce, OD and Business Support	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	2,414.8	312	-	-	312

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	24	4	-	-	4

Proposal Summary:

Review of Human Resources salary budgets as part of the service restructure savings:

- Agency Contract Manager and Grade L role currently vacant could delete roles from April 2024 and not place anyone else at risk - Impact on management of agency contract given that we want to reduce overall spend and drive this down with managers. More work required in this area where we would take out a resource from – saving £152k.
- Once THH HR Team TUPE in, a restructure could take place to reduce by circa 2 senior roles (Head of HR and Senior BP). There may be some duplication of work that can be streamlined, and savings made. This would be subject to consultation. – saving £160k

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Risk and Mitigations:

Ease of delivery	Easy
Impact of savings	High

Savings being taken when demand for HR services high (mitigated in part by Transformation Fund resources).

Resources and Implementation:

General fund saving

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

SAVINGS PROPOSAL

Proposal Title:	Learning and Organisational Development (LOCD)		
Reference:	SAV / RES 016 / 24-25	Savings Category:	Efficiency
Directorate:	Resources	Savings Service Area:	Central services
Directorate Service:	Learning and Organisational Development (LOCD)	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	Diane Lomas, Head of LOCD	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	1,445.9	75	-	-	75

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

Learning and Development – saving £56k

This saving will come from the Corporate Learning and Development budget which is used to provide learning and development to all staff in support of strategic objectives. The reduction will mean that we review what we offer and reduce where we can to achieve the savings. This could be delivered in this current financial year.

Corporate Events- £19k

This saving will be achieved through reviewing current activity:

- £5k for CE appraisal – budget is £12k and part of the work could be stopped or reduced (some of the 360 elements could be done internally)
- £9k Staff conference and CE Road show – budget is £32k and could reduce to £23k. In previous years this has come in lower than the budget at £20k (£18k) although 2023 event was costlier
- £5k Managers conference and SLT – budget is £25k, could reduce to £20k. This cost has come in lower than budget, and we could utilise the Council space rather than go external for venues and pay for them

Revised Provision:

Learning and Development would continue to be available just limited in what is on offer to staff or not as many courses available. The Corporate offer does not cover service specific learning and development, that is provided locally.

Corporate Events-

- CE appraisal – Appraisal would need to be accommodated within the budget
- Staff conference – The conference expenses would need to be kept within the revised budget and internal venues utilised rather external venues
- Managers conference – The conference expenses would need to be kept within the revised budget and internal venues utilised rather external venues
- CE roadshow- there would be no budget and therefore rooms would need to be Council rooms with no cost and no refreshments provided
- SLT - there would be no budget and therefore rooms would need to be Council rooms with no cost and no refreshments provided

Risk and Mitigations:

Ease of delivery	Easy
Impact of savings	Medium

Learning and Development- minimal risk

Corporate Events- For IIP not achieve a Strategic Priority. The other elements would mean operating within a budget

Resources and Implementation:

General Fund

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Service Restructure - Registrars		
Reference:	SAV / RES 017 / 24-25	Savings Category:	Service restructure
Directorate:	Resources	Savings Service Area:	Central services
Directorate Service:	Registrars, Customer Services	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	Kathy Constantinou, Superintendent Registrar / Head of Registrars and Citizenship	Lead Member and Portfolio:	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	195	34	11	-	45

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	15	1	-	-	1

Proposal Summary:

The service is evolving from mainly a statutory function to a greater income generator.

The proposal is to restructure the Registration service to make it more robust and efficient in delivering statutory and non-statutory services whilst incorporating a more commercialised aspect for the service. This will deliver a small financial saving in the budget but has the potential to increase revenue with the new Garden Suite offering. Some of the roles will be changed and shifted to different areas within the service where there are currently deficiencies in the delivery of commercialisation. By doing this will create a better balance within the team duties creating more flexibility across the statutory and non-statutory functions of the service. The main objective is to increase ceremony bookings with the introduction of the Garden Suite for post wedding celebrations and wedding packages. This is in line with the Council's strategic priorities of putting the residents at the heart of everything we do. No other services will be impacted by the proposal.

Revised Provision:

There will be no withdrawal of any service.

The revised provision will have less focus on the statutory provision and more focus on commercial activity.

The benefit of this new model is that the statutory elements of the service will become more efficient as the registrars will focus on the core functions of the service only. The ceremonies team will become more efficient and professional in dealing with wedding packages with a more consistent approach. The latter will help us to achieve our additional income target for 2024-25.

The service will continue to support the same client group and bring in other customers from out of the borough due to the additional activities that will be offered on the commercial side.

Risk and Mitigations:

Ease of delivery	Moderate
Impact of savings	Low

There are no risks involved with this restructure as it will allow for more staff to be actively dealing with customers and not doing back office work.

However, our statutory services are reliant on any changes that are made to the legislation by the Home Office which would reduce or increase our statutory income related to the current statutory fees we charge and the money we receive for group citizenship ceremonies.

Resources and Implementation:

All savings relate to the General Fund.

Resources for the financial part of the review are being met from existing budget.

The feasibility study has already been carried out.

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

January 2024 – consultation will begin.

February 2024 – Appeals to be heard.

March 2024 – Assimilation process begins.

April 2024 – New structure in place

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	No	
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	Yes	A full equalities impact assessment will be undertaken as part of the Registration service review and the restructure will be conducted in accordance with the council's organisational change process. It is hoped that staffing changes can be achieved through voluntary redundancy or redeployment.
Does the change involve a redesign of the roles of staff?	Yes	Changes to the roles of staff are necessary to reflect the move to a more commercialised service.

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Pension Fund Deficit Payment		
Reference:	SAV / COP 001 / 24-25	Savings Category:	Efficiency
Directorate:	Corporate	Savings Service Area:	Central services
Directorate Service:	Corporate	Strategic Priority Outcome:	8. A council that listens and works for everyone
Lead Officer and Post:	Julie Lorraine, Corporate Director, Resources	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	12,790	1,000	-	-	1,000
Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

The 2022 actuarial valuation of the London Borough of Tower Hamlets Pension Fund (“the Fund”) indicated the funding position on the valuation date and the Employer contribution rates payable from 1 April 2023 to 31 March 2026.

The Report indicated that the Fund was 119% funded at 31 March 2023. The employer’s contribution rate payable from 1 April 2023 to 31 March 2026 included an annual payment of £13.6m (GF £11.8m; HRA £1.8m).

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	Low
The next triennial valuation is in 2025 and will determine contribution rates for 2026-27 to 2029-30.	

Resources and Implementation:
This is a General Fund saving.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Remove corporate provision for redundancy costs		
Reference:	SAV / COP 002 / 24-25	Savings Category:	Efficiency
Directorate:	Corporate	Savings Service Area:	Central services
Directorate Service:	Corporate	Strategic Priority Outcome:	8. A council that listens and works for everyone
Lead Officer and Post:	Julie Lorraine, Corporate Director Resources	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	2,450	-	2,450	-	2,450

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

It is proposed to remove the recurrent corporate budget for redundancy costs from 2025-26.

- There is base budget provision of £2.45m for redundancy/severance/flexible retirement
- These costs are one-off in nature and therefore could be funded from one-off resources
- Any severance costs that are not related to an approved saving in the MTFP are funded by the directorate
- Base budget for redundancy/severance costs in 2023-24 and 2024-25 is £4.9m. If actual costs exceed this provision then alternative one-off funding will need to be identified.
- We will look to fund voluntary early retirement /severance costs from transformation proposals from capital receipts (as permitted by regulations)
- The base budget of £2.45m from 2025-26 to be offered up as a saving.**

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	Medium
<p>There will be no corporate provision for redundancy/strain costs beyond 2024-25. Where directorates make future decisions to agree such redundancies/early retirement, the costs will fall to that directorate (and the business case that supported the decision).</p>	

Resources and Implementation:

This is a General Fund saving.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Service Restructure – Corporate Resources (includes Mayor’s Office restructure)		
Reference:	SAV / COP 003 / 24-25	Savings Category:	Service restructure
Directorate:	Cross-Directorate	Savings Service Area:	Central services
Directorate Service:	Corporate	Strategic Priority Outcome:	8. A council that listens and works for everyone
Lead Officer and Post:	Julie Lorraine, Corporate Director of Resources	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	-	1,694	(11)	-	1,683
Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	-	TBC	-	-	TBC

Proposal Summary:

The council has set clear criteria for its savings identification process designed to protect frontline services to residents, avoid compulsory redundancy where possible and increase permanent employment opportunities by reducing reliance on temporary and interim resources. To assist this a council wide Voluntary Redundancy/Early Retirement programme has been launched which is currently in train. The Chief Executive is also undertaking a review of the structure of the directly reporting areas,

Aligned to this, the scope of this saving proposal therefore includes:

- Voluntary redundancy, early retirement, flexible retirement, and reduction in working hours options for staff. New arrangements have been introduced to allow staff submit an expression of interest for VR/ER, that have not been identified in other savings but where the needs of the service are fully met and where possible creating opportunities for staff development and progression and the expansion of formal trainee positions. Appendix 1 contains details of the scheme and application process
- Restructure of the Mayor’s office. It is proposed the established staffing allocation to the mayor’s office is reduced by a total 12.7 FTEs (33%) with a consequent total reduction in the current mayoral office budget of £327k (15%). A summary of the initial proposal, (subject to the relevant consultation processes) is attached as appendix 2a and proposed structure at 2b. 14 case worker roles currently dealing wholly with housing, resident vulnerability and service access related issues will transfer to the council’s customer services team, an area in demonstrable need of additional resource given the current housing challenge in the borough alongside new burdens such as enhanced standards of complaint handling and investigation into high-risk housing matters.
- Reduction in the cost of consultants and interims. This is an issue that will be time sensitive given the important role many of our current interims play in resolving some outstanding historical issues.
- A restructure of the Corporate Resource’s directorate. Phase one of which will involve the deletion of 2 of the 5 current direct reports to the Corporate Director of Resources, both posts proposed for deletion are existing vacant posts. This will enable the creation of a total of 3 broader scoped roles. Establishing a smaller central team of Directors each with a broader scope of service span. The grouping of services will be informed by the most relevant customer focussed combination. The senior team will in turn support a smaller group of high calibre specialist expertise to meet the needs of operational services in turn overseeing key resources based within the directorate teams. Early thoughts on the new structure (attached appendices 3) have been shared with staff and trade unions to seek views from all prior to formal consultation commencing, which in turn will be further informed by the outcomes of the VR /ER.

The savings illustrated are net of the additional cost of the new Senior Leadership Team structure (five corporate directors) already in place.

Appendices

- Appendix 1 – ER/VR Scheme and Application form
- Appendix 2 – Mayor's Office Restructure
- Appendix 3 – Corporate Resources Reorganisation (the art of the possible)

A review of the office across all roles will be undertaken following the relevant due processes including consultation, detailed job descriptions and due job evaluation processes and, as with other restructures this process will be informed by the outcome of the ER/VR process which applies to all council employees. As a result, further changes to roles and responsibilities may be developed.

Revised Provision:

The model of service delivery may change but only to serve to enhance the provision optimum business and operational benefit.

Risk and Mitigations:

Ease of delivery	Moderate
Impact of savings	Medium

Impact on front-line services of ER/VR decisions. The final decision on ER/VR requests rests with CMT (Corporate Management Team). There is no right of appeal to decisions reached in this process on early retirement and voluntary redundancy. Where requests are approved, there is no option to backfill any resultant vacancies or hours/days.

Resources and Implementation:

HR resources and arrangements are in place to support the ER/VR application process.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	None envisaged - considered as part of the decision process with final decisions on VR/ER taken by CMT.
Does the change reduce resources available to support vulnerable residents?	No	None envisaged - considered as part of the decision process with final decisions on VR/ER taken by CMT.
Does the change involve direct impact on front line services?	No	No detrimental impacts envisaged – this element will be considered as part of the consultation and decision making process with final decisions on VR/ER taken by CMT
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	Yes	HR managing VR/ER process.
Does the change involve a redesign of the roles of staff?	Yes	The smaller number of Directors will change current role and job design at senior levels.

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

Additional Information and Comments:
Full EA assessments will be undertaken at each stage of the process.

Workforce and Organisational Development

Early Retirement and Voluntary Redundancy Scheme & Application Form 2023/24

File Name:	Voluntary Redundancy Scheme
File Owner:	Workforce and Organisational Development
Implementation:	November 2023
Latest review:	November 2023
Next review:	November 2025

Contents

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2. Voluntary redundancy for those under the age 55 or not a member of the Local Government Pension Scheme, with two years or more of continuous service	3
3. Terms of the Scheme	3
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Early Retirement and Voluntary Redundancy Scheme 2023

1. Voluntary redundancy, with early retirement for those aged 55 and over, who are members of the Local Government Pension Scheme

1.1. If you are a member of the Local Government Pension Scheme and aged 55 or over, you can apply to be considered for voluntary redundancy with early retirement and your early retirement date, immediately access your pension benefits. The benefits are based on the pension built up to the date of leaving. If you have more than two years' continuous Local Government service, you will also receive the voluntary redundancy payment and discretionary severance payment mentioned above.

2. Voluntary redundancy for those under the age 55 or not a member of the Local Government Pension Scheme, with two years or more of continuous service

2.1. If you are under the age of 55 or not a member of the Local Government Pension Scheme, you can apply to be considered for voluntary redundancy with a redundancy payment.

2.2. Where the redundancy payment is less than £30,000, you will also receive a discretionary severance payment of up to 40 percent of the enhanced redundancy payment. This is subject to a total cap of £30,000 for combined enhanced redundancy and severance. If the enhanced redundancy payment is above £30,000, there will be no additional severance paid.

3. Terms of the Scheme

3.1. The terms of the scheme on offer are:

- applications must be received by Friday 5 January 2024 (the application form is below in Appendix 1);
- the final decision rests with Corporate Management team (CMT) and there is no right of appeal;
- staff will be required to take all of their outstanding pro rata annual leave before the exit date and provide an effective handover of all work;
- there is no facility for a payment for annual or pay in lieu of notice;
- staff volunteering to leave will mutually agree to a last day of employment no later than 31 May 2024;
- staff leaving on the grounds of redundancy will not be eligible to return to work for the council in any capacity for a period of two years.

4. Further information

- 4.1. Redundancy payments: You can check the payments you are entitled using the [Redundancy Calculator](#)
- 4.2. Early retirement pension benefits: If you are aged 55 and over and a member of the Local Government Pension Scheme, you can check your early retirement pension benefits on the [Tower Hamlets Pension Fund website](#). (please note, if you have not already registered with this service, you can set this up by clicking on the 'Member self-service' link, which is located at the top right hand corner of the homepage. Once you have logged in, go to the 'Benefits Projector' option and select 'Redundancy Retirement'. For indicative early retirement pension figures it is recommended that you include a retirement date of 31 May 2024 as this is the last date staff can leave under this opportunity).

Application Form

The closing date for all applications is 4pm Friday 5th January 2024.

Part A – To be completed by all applicants.

Name		Date of Birth	
Employee number		Directorate	
Service		Team	
Job Title		Employee Grade	

Optional: <i>in the following box, please add any information that would assist in considering your application for voluntary redundancy.</i>

Your eligibility to receive a redundancy and severance payment, or the amount payable, may be affected if you have previously received a redundancy payment from a local authority or an associated employer.

Have you received a redundancy or severance payment before from a previous employer? Ü Tick box

Yes

No

Name of Employer	
Date of payment	

Signature Date

Please email this form to your Head of Service who will contact you directly to discuss your application and complete Part B.

Part B – to be completed by Head of Service

Once you have discussed this application with your staff member, and their line manager please fully complete the section below and provide the reasons for your recommendation.

<p>Statement from Line Manager</p> <p>Recommended for consideration for VR: <input type="checkbox"/>Yes / <input type="checkbox"/>No</p> <p><i>Please provide reasons for your decision based on the following considerations: If Yes, please state how will you manage without this post and what impact will it have on service delivery. What support have you put in place for the wider team to cope with the loss of this role? If No, please mention the business reasons for turning down the application - Mention impact on Service Delivery, Wider Team and the Organisation</i></p>
<p>Decision by Head of Service</p> <p>Employee Gross Salary : Recommended for consideration for VR: <input type="checkbox"/>Yes / <input type="checkbox"/>No</p> <p><i>Please provide the reason for your decision.</i></p>
<p>Date:</p>
<p>Signature:</p>

Once completed this should be submitted by the Head of Service to: Hr.Corporate@towerhamlets.gov.uk copying in the staff member. Last date for submission is **19 January 2024**.

All forms from each Directorate will be collated by HR and presented to DLT for a decision on each application.

Following decisions at all of the DLTs, all forms will be submitted to CMT, and the final decisions from CMT will be communicated to the employee by their Head of Service.

Appendix B - Version Control

Appendix B - Version Control	
File Name:	Early Retirement and Voluntary Redundancy Scheme
File Owner:	Workforce and Organisational Development
Implementation:	November 2023
Latest review:	November 2023
Next review:	November 2025
V-1.0 – Nov 2023	Implementation of the Scheme approval

SAVINGS PROPOSAL

Proposal Title:	Service Restructure - Mayor's Office		
Reference:	SAV / COP 003B / 24-25	Savings Category:	Service restructure
Directorate:	Chief Executive Department	Savings Service Area:	Central services
Directorate Service:	Mayor's Office	Strategic Priority Outcome:	8. A council that listens and works for everyone
Lead Officer and Post:	Denise Radley, Deputy Chief Executive	Lead Member and Portfolio:	Mayor Lutfur Rahman, Executive Mayor

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000) Staffing	2,195	327	-	-	327

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	38	12.7	-	-	12.7

Proposal Summary:

A review of the office across all roles will be undertaken following the relevant due processes including consultation, detailed job descriptions and due job evaluation processes and, as with other restructures this process will be informed by the outcome of the ER/VR process which applies to all council employees. As a result, further changes to roles and responsibilities may be developed.

In the meantime (Phase1) a reduction in the number of staff in the Mayor's Office is proposed to take effect from the new financial year. All case workers currently dealing wholly with housing, resident vulnerability and service access related issues will transfer to the council's customer services team, an area in demonstrable need of additional resource given the current housing challenge in the borough alongside new burdens such as enhanced standards of complaint handling and investigation into high-risk housing matters. The allocation of costs for the additional resources will be determined wholly by the nature of the workload.

A review of work undertaken of the first point of contact in the Mayor's Office through the executive support function indicates that this area is currently over-resourced. It is proposed that the executive support arrangements going forward will comprise a Senior Executive Support Officer with revised JD broadening the project support role that will have line management for 2.7 Executive Support Officer posts.

Changes to roles are also proposed with the posts funded from the Mayor's Office shown in the structure chart (appendix 2b), reducing the posts from 38 including agency to 25.3. This would produce a saving of £327k.

Revised Provision:

The proposed structure is set out at Appendix 2B.

Risk and Mitigations:	
Ease of delivery	Moderate
Impact of savings	Low
HR support and process will be followed.	

Resources and Implementation:

HR resources and arrangements are in place to support the process.

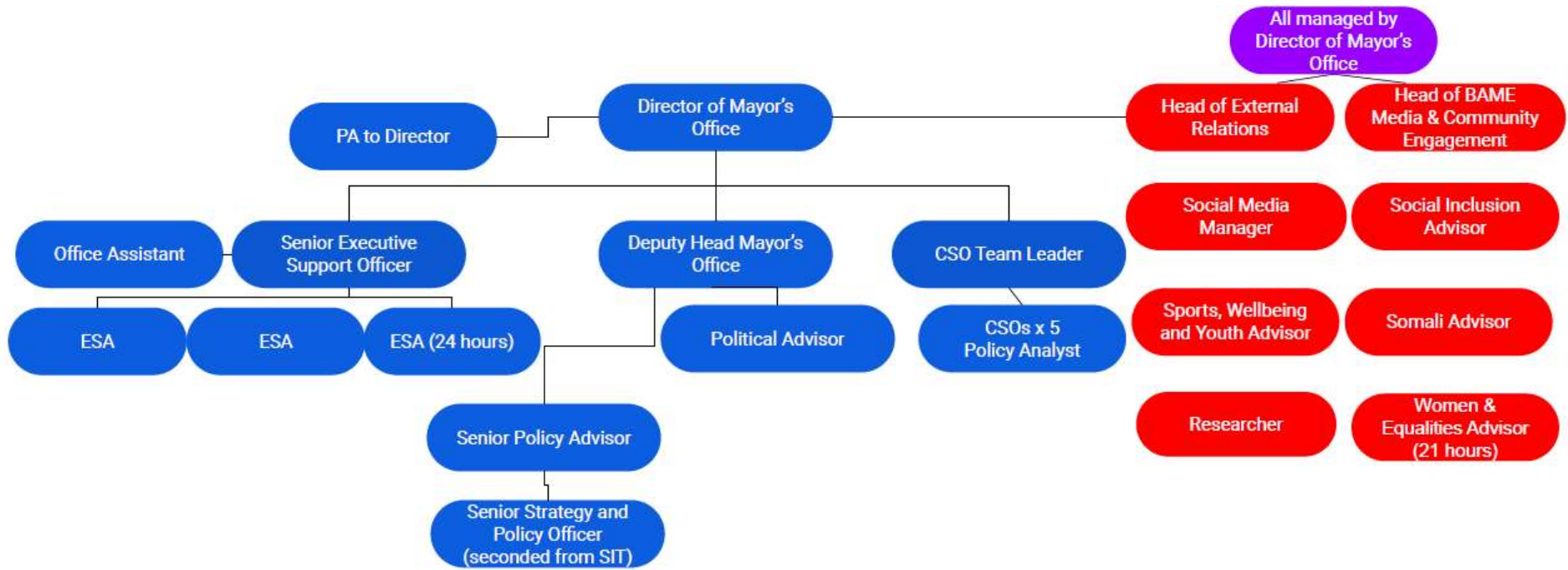
SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

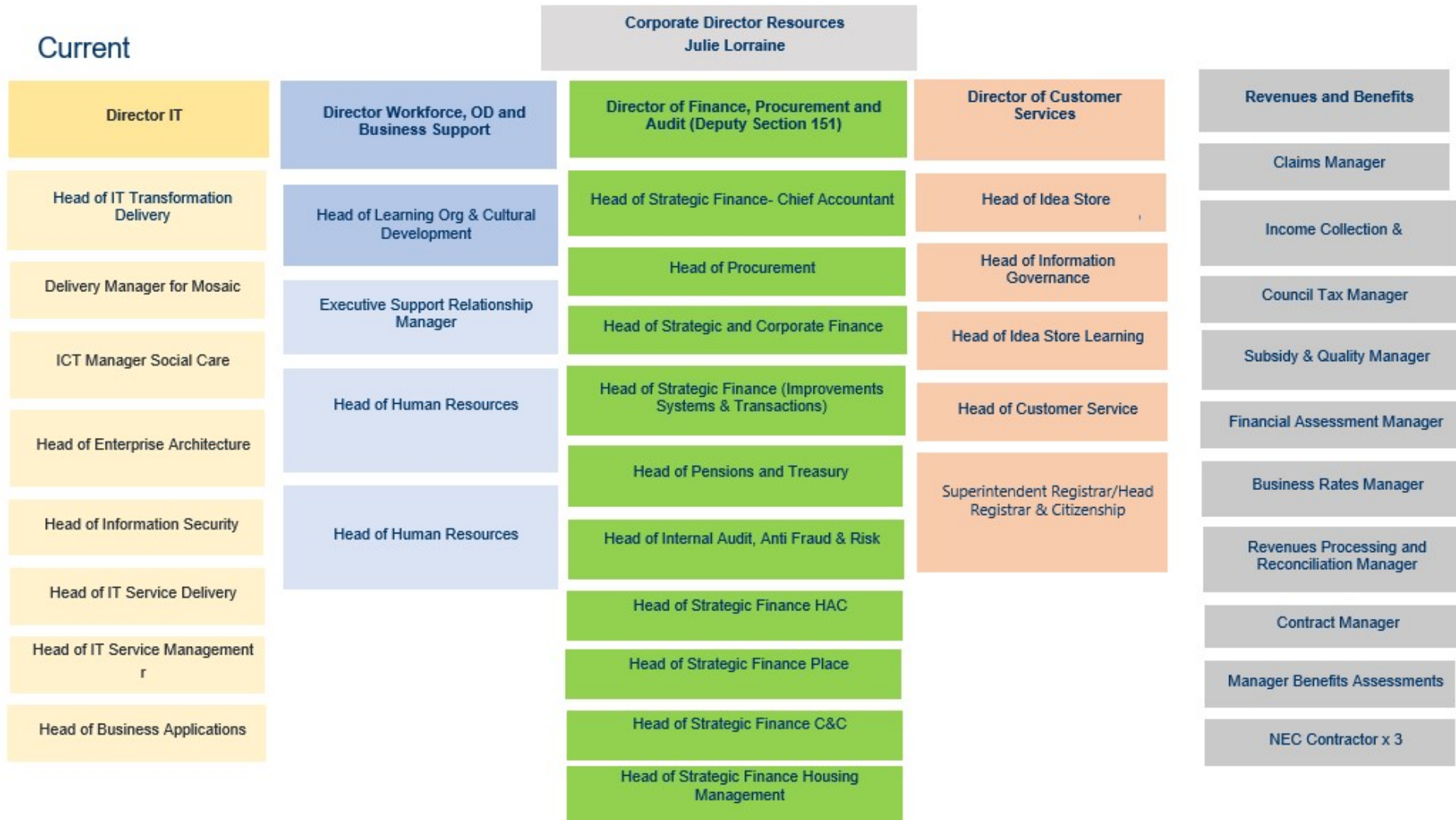
Summary:	
To be completed at the end of completing the Screening Tool.	
Based on the Screening Tool, will a full EA be required?	No

Additional Information and Comments:

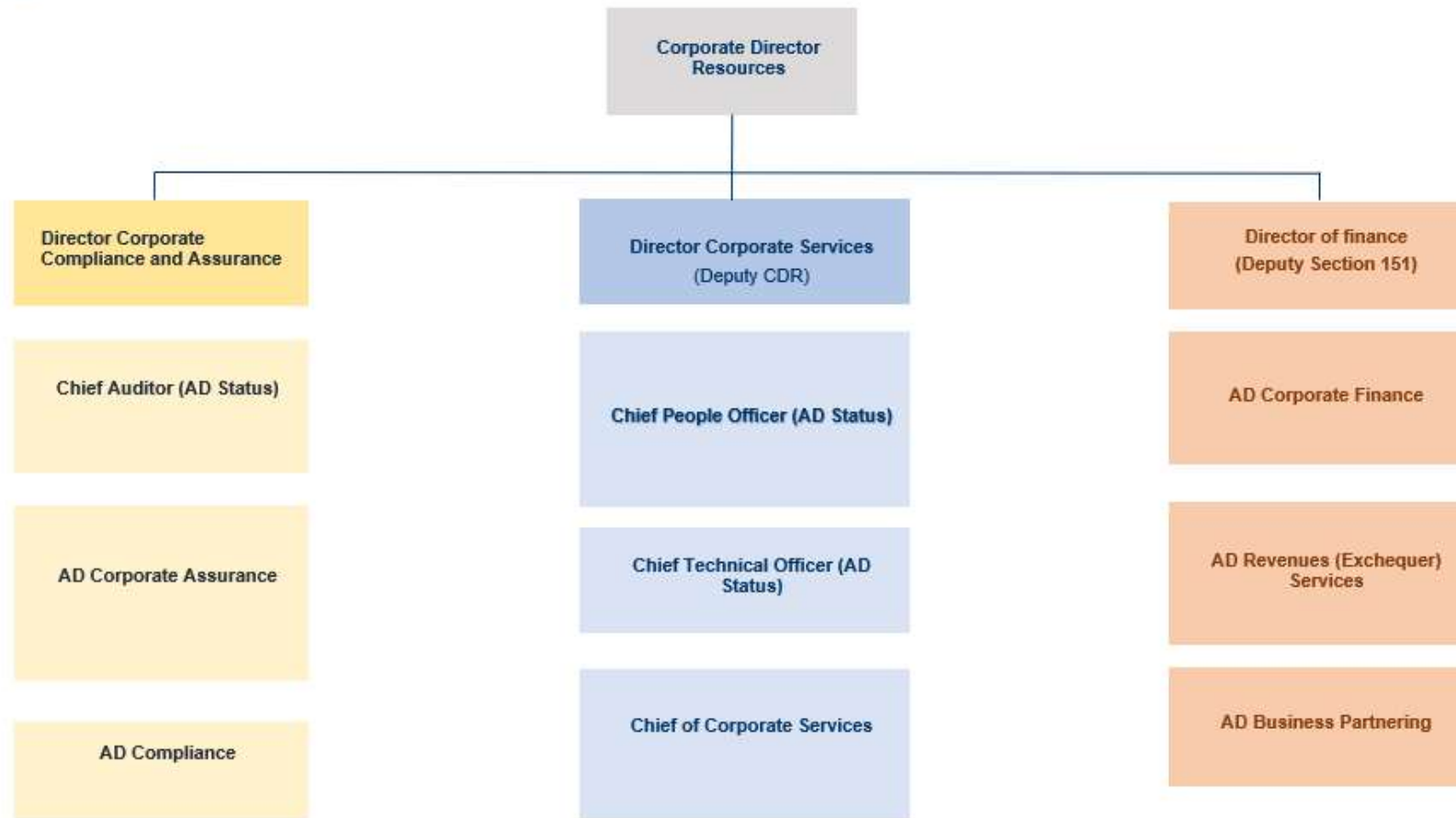
Appendix 2B



Appendix 3



Proposed



SAVINGS PROPOSAL

Proposal Title:	Capital Financing and Investment Income		
Reference:	SAV / COP 004 / 24-25	Savings Category:	Income generation
Directorate:	Corporate	Savings Service Area:	Central services
Directorate Service:	Corporate	Strategic Priority Outcome:	8. A council that listens and works for everyone
Lead Officer and Post:	Julie Lorraine, Corporate Director of Resources	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	11,300	3,000	(500)	(750)	1,750

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

Higher interest rates are currently generating higher returns. However, cash balances and interest rates are forecast to reduce over the forecast period.

The annual Treasury Management Strategy Statement sets out the Council's strategy for the management of the Council's treasury investments and debt portfolio. The principle underpinning the investment strategy is that the Council will look to achieve optimum return on its investments commensurate with proper levels of security and liquidity, i.e. the Council, in common with most authorities has a low risk appetite when investing residents and tenants cash balances. The majority of the Authority's surplus cash is invested in short-term unsecured bank deposits, money market funds and local authority deposits.

The Council receives interest on its surplus cash investments. The Bank of England has increased interest rates over the last two years in order to slow down inflation. The BoE held base interest rates at 5.25% in November 2023, and stated rates "*will have to remain where they are now for an extended time*". The Councils treasury management advisors have forecast that rates will fall to 4.25% in March 2025 and to 3.25% in March 2026.

Whilst interest rates remain elevated, the cash available for investment is forecast to fall as a consequence of capital spending, the timing of borrowing decisions and the use of reserves.

Revised Provision:

Interest income is forecast to exceed budget by £3m in 2024-25, £2.5m in 2025-26 and £1.75m in 2026-27.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	Low
Risks include interest rate changes, cash available for investment, borrowing decisions and interest payable to other funds/cash balances.	
Risk management arrangements are set out in Treasury Management Practices.	

Resources and Implementation:

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Transformation funding for invest to save initiative		
Reference:	SAV / COP 005 / 24-25	Savings Category:	Transformation
Directorate:	Corporate	Savings Service Area:	Central services
Directorate Service:	Corporate	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	John Harrison, Interim Director of Finance, Audit and Procurement	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	N/A	962	(449)	146	659

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	-	-	-	-	-

Proposal Summary:

In the Spending Review 2015, the Chancellor of the Exchequer announced the Government would allow local authorities to spend up to 100% of their capital receipts on the revenue costs of transformation projects, to support local authorities to deliver more efficient and sustainable services. This ability has continued, and the Council will use the powers under the Government’s Statutory Guidance on the flexible use of capital receipts, to fund qualifying transformation expenditure.

Under this strategy it is proposed that eligible expenditure on growth item GRO / HAS 001 / 24-25 (Care Technology Transformation) is funded from capital receipts and will deliver the benefits outlined in saving SAV / HAS 009 / 24-25 (Care Technology Transformation).

The council will have due regard to the requirements to the Prudential Code and the impact on the prudential indicators. The capital receipts proposed to be used as part of this strategy are not built into the Council's current capital programme and therefore have not been factored into the Council's Capital Financing Requirement (CFR) so the utilisation of these receipts for capital receipts flexibility will have no impact on the Council's prudential indicators.

Revised Provision:

The proposal is a change of funding source from revenue to capital receipts.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	Low
As expenditure is incurred it will be necessary to check that it is eligible to be funded under the guidance.	

Resources and Implementation:

The proposal is a change of funding source from revenue to capital receipts.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Corporate Landlord - optimising occupancy		
Reference:	SAV / COP 006 / 24-25	Savings Category:	Transformation
Directorate:	Corporate	Savings Service Area:	Central services
Directorate Service:	Corporate	Strategic Priority Outcome:	5. Investing in public services
Lead Officer and Post:	Paul Patterson, Interim Corporate Director, Housing and Regeneration	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	N/A	500	-	-	500

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	-	-	-	-	-

Proposal Summary:

Due to the level of occupancy at the Town Hall, there is potential to restack the building to vacate one of the smaller floor plates for commercial rent. The current rental charges are set at £45psft rent and £13psft service charge. This could equate to potential income of c£500k of additional income.

Revised Provision:

We would need to look at how we restack the building to accommodate this change and potential renters would need to be sourced.

Risk and Mitigations:	
Ease of delivery	Moderate
Impact of savings	Low
Staff use of office space and configurations would be looked at as well as sourcing an interested party to rent the space.	

Resources and Implementation:

Rental negotiations and a review of working space would need to be undertaken.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Cross Council Third Party Spend Review		
Reference:	SAV / COP 007 / 24-25	Savings Category:	Contracts
Directorate:	Corporate	Savings Service Area:	Central services
Directorate Service:	Cross-directorate	Strategic Priority Outcome:	8. A council that listens and works for everyone
Lead Officer and Post:	Julie Lorraine, Corporate Director of Resources	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	N/A	465	465	465	1,395

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

A range of efficiency savings is proposed to be delivered from an in-depth analysis on third party spend undertaken across the Council.

The Council currently spends in excess of £46.5m annually with third party suppliers. Whilst the Council has many contracts and suppliers the majority of spend is with a relatively small number of suppliers. It is intended to focus the review on these contracts to deliver a 1% per annum saving. The saving will be delivered through an in-depth review of third party spend exploiting opportunities, for example, renegotiating contract terms as contracts are reviewed to reflect changing business or service user needs, better technology, market developments and legislative changes; through alternative ways of commissioning and delivering services; through effective contract management arrangements; continuous improvement throughout the life of contracts.

Risk and Mitigations:	
Ease of delivery	Difficult
Impact of savings	Low
<p>Third party savings brings risks and opportunities. Risks are mitigated by adequately resourced procurement and commissioning teams, directorate buy-in and appropriate supplier engagement.</p>	

Resources and Implementation:
<p>Resources to review spend and implement changes.</p>

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

SAVINGS PROPOSAL

Proposal Title:	Fees and Charges		
Reference:	SAV / COP 008 / 24-25	Savings Category:	Income generation
Directorate:	Corporate	Savings Service Area:	Central services
Directorate Service:	Cross-Directorate	Strategic Priority Outcome:	8. A council that listens and works for everyone
Lead Officer and Post:	John Harrison, Interim Director of Finance, Audit and Procurement	Lead Member and Portfolio:	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	N/A	500	220	110	830

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	-	-	-	-	-

Proposal Summary:

This proposal reflects the additional income generated from the policy decision to increase fees annually by Retail Price Inflation (RPI) indexation.

The Fees and Charges Report to be considered by Cabinet (January 2024) reflects this change.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	Medium

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	No	
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	None envisaged – concessions etc considered as part of fee and charges increases (Cabinet Report January 2024)
Changes to Staffing		
Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	

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

Additional Information and Comments:

1. Background and Context

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

2. Overview

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

3. Strategic context

- 3.1. The Council is facing a significant withdrawal of grant funding and the transfer of funding risk from Government with demand for at least some services forecast to grow. The Council has to annually review its priorities in response to these issues.
- 3.2. Reserves play an important part in the Council's medium term financial strategy and are held to create long-term budgetary stability. They enable the Council to manage change without undue impact on the Council Tax and are a key element of its strong financial standing and resilience.

- 3.3. The Council holds reserves in order to mitigate future risks, such as increased demand and costs; to help absorb the costs of future liabilities; and to enable the Council to resource policy developments and initiatives without a disruptive impact on Council Tax.
- 3.4. Capital reserves play a crucial role in funding the Council's Capital Strategy. The Capital Expenditure Reserve is used to create capacity to meet future capital investment.
- 3.5. The Council relies on interest earned through holding reserves to support its general spending plans.
- 3.6. Reserves are one-off money. The Council aims to avoid using reserves to meet ongoing financial commitments other than as part of a sustainable budget plan. The Council has to balance the opportunity cost of holding reserves in terms of Council Tax against the importance of interest earning and long term future planning.

4. Purposes

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

5. Management

- 5.1. All reserves are reviewed as part of the budget preparation, financial management and closing processes. The Council will consider a report from the S151 Officer on the adequacy of the reserves in the annual budget-setting process. The report will contain estimates of reserves where necessary. The Audit Committee will consider actual reserves when approving the statement of accounts each year.
 - 5.2. The following matters apply to individual reserves:
 - The General Fund working balance will not fall below £20 million without the approval of The Council.
 - The Capital Expenditure Reserve is applied to meet future investment plans and is available either to fund investment directly or to support other financing costs. The reserve can also be used for preliminary costs of capital schemes e.g. feasibility.
 - The Parking Reserve will be applied to purposes for which there are specific statutory powers. This is broadly defined as transport and environmental improvements (the latter as defined in the Traffic Management Act 2004).
 - The Schools Reserve, the Insurance Reserve, and the Barkantine (PFI Reserve) are clearly defined and require no further authority for the financing of relevant expenditure.
 - 5.3. The Council will review the Reserves Policy on an annual basis.
-

Reserves Summary	Forecast balance 31 March 2023 (note 1)	Forecast contribution to / (from) Reserve	Forecast balance 31 March 2024	Forecast balance 31 March 2025	Forecast balance 31 March 2026	Forecast balance 31 March 2027
	£m	£m	£m	£m	£m	£m
General Fund Reserve	20.9	(0.9)	20.0	20.0	20.0	20.0
Earmarked Reserves with Restrictions						
Insurance	7.9	(0.3)	7.6	7.4	7.2	7.0
Parking Control	8.8	(0.3)	8.5	3.7	1.8	0.0
Collection Fund Smoothing (note 2)	45.9	(11.3)	34.6	33.2	33.2	33.2
Free School Meals Reserve	1.8	(1.8)	-	-	-	-
Public Health Reserve	7.2	(0.9)	6.3	4.8	3.3	1.8
Revenue Grants Unused	12.1	(2.8)	9.3	7.2	7.1	7.0
Covid-19 Grant	4.1	(1.2)	2.9	2.9	2.9	2.9
Local Elections	0.6	-	0.6	0.8	0.0	0.2
CIL (note 3)	3.7	(1.0)	2.7	2.7	2.7	2.7
Ringfenced Developers' Contributions	6.1	-	-	-	-	-
BAME Inequalities Commission	0.8	(0.4)	0.4	-	-	-
Covid Recovery Fund	1.8	-	1.8	1.8	1.8	1.8
HA&C Joint Funding Agreements	7.3	(3.3)	4.0	2.0	(0.0)	(0.0)
Earmarked Reserves with Restrictions Sub-Total	108.1	(23.2)	78.8	66.6	60.1	56.7
Earmarked Reserves without Restrictions						
Mayor's Priority Investment Reserve	47.9	(26.7)	21.2	5.6	0.8	0.8
Risk Reserve	15.9	-	15.9	18.2	18.2	18.2
Mayors Accelerated Delivery Reserve	-	-	-	6.8	17.1	19.1
ICT Reserve	9.3	(2.0)	7.3	7.3	7.3	7.3
Transformation Reserve	3.1	(1.0)	2.1	2.0	2.0	2.0
Mayor's Tackling Poverty Reserve	1.6	(0.7)	0.9	0.9	0.9	0.9
Services Reserve	14.5	(2.8)	11.7	11.1	10.6	10.3
Social Care Pressures Reserve	-	3.1	3.1	3.1	3.1	3.1
Earmarked Reserves without Restrictions Sub-Total	92.3	(30.1)	62.2	55.1	60.0	61.7
Total Earmarked Reserves	200.4	(53.3)	141.0	121.6	120.0	118.5
Other Reserves (HRA, DSG and Capital)						
Housing Revenue Account (HRA)	44.9	(34.7)	10.2	13.9	19.4	25.1
Dedicated Schools Grant (DSG)	(13.1)	-	(13.1)	(12.1)	(11.1)	(10.1)
Capital Grants Unapplied (note 4)	190.4	23.0	213.4	141.0	121.1	109.7
Capital Receipts Reserve	156.1	8.6	164.7	148.6	110.5	103.9
Major Repairs Reserve (MRR)	8.0	(7.4)	0.6	-	-	-
Total Other Reserves	386.3	(10.5)	375.8	291.4	239.9	228.6
Total Reserves (General Fund, Earmarked and Other Reserves)	607.6	(64.7)	536.8	433.0	379.9	367.1

Note 1: The reserves position is subject to the closure and audit of the Council's accounts for the period 2020 – 2024.

Note 2: 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.

Note 3: The Community Infrastructure Levy (CIL) reserve balance only includes revenue related CIL monies held within earmarked reserve and not capital CIL monies.

Note 4: Future Forecast receipts for capital CIL and S106 monies held have not been included within Capital Grants Unapplied as they are not yet due

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Housing Revenue Account Budget Summary
Medium Term Financial Strategy 2023-24 to 2027-28

Appendix 7A

	2023-24	2024-25	2025-26	2026-27	2027-28
	Revised Budget £'000	Draft Budget £'000	Draft Budget £'000	Draft Budget £'000	Draft Budget £'000
INCOME					
Dwelling rents	(76,410)	(83,937)	(89,470)	(95,393)	(99,596)
Non-dwelling rents	(4,631)	(4,499)	(4,589)	(4,680)	(4,774)
Heating and other tenant charges	(11,523)	(10,325)	(10,532)	(10,742)	(10,957)
Leaseholder charges for services and facilities	(21,286)	(24,349)	(24,836)	(25,332)	(25,839)
Contributions towards expenditure	(123)	(127)	(129)	(132)	(134)
GROSS INCOME	(113,973)	(123,236)	(129,555)	(136,280)	(141,300)
EXPENDITURE					
Repairs & Maintenance	19,396	24,111	24,594	25,086	25,571
Tower Hamlets Homes management fee	35,530	0	0	0	0
Supervision & Management	9,682	35,095	34,251	34,888	35,538
Special Services	16,614	17,548	17,783	18,023	18,266
Rents rates & taxes	5,752	8,238	8,399	8,563	8,728
Increased/(Decrease) provision for bad debts	617	676	720	768	802
Depreciation - HRA dwellings	16,564	17,174	17,507	17,857	18,214
Depreciation - Non Dwellings	1,126	1,168	1,190	1,214	1,238
Debt Management Costs	440	440	440	440	440
GROSS EXPENDITURE	105,721	104,451	104,884	106,838	108,798
NET COST OF HRA SERVICES	(8,252)	(18,786)	(24,671)	(29,442)	(32,502)
Interest on Debt (Item 8 debit)	4,703	4,975	10,468	16,578	18,224
Interest on Investments (Item 8 credit)	(508)	(207)	(115)	(105)	(107)
NET (INC) / EXP BEFORE APPROPRIATIONS	(4,057)	(14,018)	(14,318)	(12,969)	(14,386)
Set Aside for Debt Repayment (VRP)	2,945	0	0	0	0
Revenue Contribution to Capital (RCCO)	35,871	10,262	8,773	7,220	8,369
NET HRA (SURPLUS) / DEFICIT	34,759	(3,756)	(5,545)	(5,749)	(6,016)
General Balances					
Opening balance	(44,900)	(10,141)	(13,897)	(19,442)	(25,191)
(Surplus)/ Deficit on HRA	34,759	(3,756)	(5,545)	(5,749)	(6,016)
CLOSING BALANCE	(10,141)	(13,897)	(19,442)	(25,191)	(31,207)
Other Reserve Brought Forward	1,600	2,400	1,200	-	-
Appropriation from HRA	-	-	-	-	-
Release of Reserve	(1,600)	(1,200)	(1,200)	-	-
Other Reserve Brought Forward	-	1,200	-	-	-

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New Housing Revenue Account (HRA) Growth

Appendix 7B

Title	Reference	Growth Type	Directorate	Service	2024-25 £'000	2025-26 £'000	2026-27 £'000	Total Ongoing £'000
Housing Portfolio Investment for Building Safety Resources (Risk Team)	GRO / HRA 001 / 24-25	Mayoral Priority	Housing Revenue Account (HRA)	Housing Asset Management	363	(181)	(88)	94
Resourcing Complaints Handling – Landlord Services	GRO / HRA 002 / 24-25	Unavoidable Growth	Housing Revenue Account (HRA)	Neighbourhood Services	98	-	-	98
Temporary Accommodation Budget	GRO / HRA 003 / 24-25	Unavoidable Growth	Housing Revenue Account (HRA)	Neighbourhood Services	280	-	-	280
Housing Efficiencies & Improvement Project IT and Systems	GRO / HRA 004 / 24-25	Budget Pressure	Housing Revenue Account (HRA)	Neighbourhoods (Business Transformation)	90	(90)	-	-
TOTAL NEW HRA GROWTH					831	(271)	(88)	472

New Housing Revenue Account (HRA) Savings

Title	Reference	Savings Type	Directorate	Service Area	2024-25 £'000	2025-26 £'000	2026-27 £'000	Total Ongoing £'000
Deletion of THH executive management posts	SAV / HRA 001 / 24-25	Transformation	Housing Revenue Account (HRA)	Housing Revenue Account (HRA)	(548)	-	-	(548)
THH Contingency budget	SAV / HRA 002 / 24-25	Transformation	Housing Revenue Account (HRA)	Finance, Procurement and Audit	(485)	-	-	(485)
Finance Savings relating to THH company administration costs	SAV / HRA 003 / 24-25	Transformation	Housing Revenue Account (HRA)	Finance, Procurement and Audit	(85)	(115)	-	(200)
Corporate Health and Safety Management posts	SAV / HRA 004 / 24-25	Transformation	Housing Revenue Account (HRA)	Public Realm	(61)	-	-	(61)
Graduate Trainees and Apprenticeships	SAV / HRA 005 / 24-25	Transformation	Housing Revenue Account (HRA)	Workforce, OD and Business Support	(291)	-	-	(291)
HR IT Systems Duplication	SAV / HRA 006 / 24-25	Transformation	Housing Revenue Account (HRA)	Workforce, OD and Business Support	(119)	-	-	(119)
TOTAL NEW HRA SAVINGS					(1,589)	(115)	-	(1,704)

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GROWTH PROPOSAL

Proposal Title:	Housing Portfolio Investment for Building Safety Resources (Risk Team)		
Reference:	GRO / HRA 001 / 24-25	Growth Type:	Mayoral Priority
Directorate:	Housing and Regeneration Housing Revenue Account (HRA)	Growth Service Area:	Housing Revenue Account
Directorate Service:	Housing Asset Management	Strategic Priority:	2. Providing homes for the future
Lead Officer and Post:	Michael Killeen, Director of Asset Management Darren Cruice, Head of Asset Management and Compliance	Lead Member and Portfolio:	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	0	363	(181)	(88)	94

Staffing Impact (if applicable):	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE) or state N/A	17	5	-	-	5

Proposal Summary:
<p>The Council proposes to set aside 2.4M in a ringfenced reserve to provide additional funding to support the work of the existing “Risk Team”, apportioned pro-rata across three years.</p> <p>The team provides the professional lead working with other teams for building risks including fire safety, asbestos, gas, electrics, water hygiene and lifts. It surveys and maintains our asset data which sits at the centre of our work on damp & mould, develops our capital programme, compliance with decent homes and statutory risks. It also leads on the data supporting economic assessment of our housing stock.</p> <p>It ensures that we comply with statutory requirements and meet expectations of both the Housing Regulator and Building Safety Regulator</p> <p>In addition to the above, the team continues to lead on the preparations for the implementation of the Building Safety Act following the Grenfell Tower tragedy. This includes the preparation and maintenance of ‘building safety cases’ which is an extremely complex workstream. Like many Landlords we continue to improve our understanding of requirements and improve our approach in what is a very challenging and fast-moving environment.</p> <p>This bid covers several elements:</p> <ul style="list-style-type: none"> • A programme of specialist structural and fire surveys to our 77 buildings over 18m which will ensure we understand and identify all the relevant risks to our residents. This will build on the work we have done in the last 18 months and will take a further 3 years to complete. These surveys provide the evidence trail for the preparation of our safety cases. • Specialist mechanical & electrical surveys in regards to our communal heating systems and the electrical infrastructure across our 930 blocks of flats. This will compliment our existing stock condition data and allow us to improve our investment planning as well as our approach to net zero carbon. • Laser scanning of our buildings to facilitate floor plan preparation and help develop the ‘golden thread’ for Building Safety • Compliance with new regulations requiring us to inspect annually all front entrance doors across 330 blocks of flats. • 5 new FTEs including: <ul style="list-style-type: none"> ○ Fire risk surveyor (trainee) to work on fire risk actions and improve inspection of all buildings (not just high rise) ○ Two additional building safety officer posts to work within the existing team and extend our programme of door inspections from buildings over 18m to all those over 11m. This is a statutory requirement. ○ A Fire Risk Coordinator who will manage the annual programme of 12,000 door inspections and repairs, manage our compliance across the Council with LOLER lift regulations (a statutory requirement). The post also manages the LFB portal and tracks repairs to essential firefighting equipment. This work is currently done by an agency temp.

- A Building Safety Coordinator to develop and maintain building safety cases (statutory obligation). This work is currently done by a consultant and the recruitment of a full-time employee will provide a small saving.
- Minor changes to the supervision of the building safety team to incorporate the increased numbers.
- There is an ongoing requirement to fund 6x software licences for the ASCE Building Safety Case application which we use to prepare building safety cases. In addition, we need to pay for licenses for the Savills SHAPE data system which supports the longer term economic strategic assessment of our housing stock
- A small sum to support consultation and engagement with residents in high rise buildings – hiring halls etc
- A dedicated team to support the work of the Building Safety Officers in Risk Team (buildings over 18m) and the Fire Safety Team (all other buildings below 18m). This will allow us to respond quickly to hazards in buildings that provide a risk to life and limb including removal of rubbish, and combustible items from fire escapes, removal of gates and grills and e bikes. Plus, minor repairs to doors, compartmentation We currently spend a considerable sum with external contractors to do this work.

The growth figures contained above are net of the £2.4m funding resulting from the change in accounting treatment for MRP. From 2027-28 there will be an ongoing requirement of £424K per year to support the programme.

Description	Asset Management and Compliance (10804)					
	Spend 2024-25	Spend 2025-26	Spend 2026-27	Total	Growth 2027-28 onwards	Comment
57 x Block Structural surveys >18m (building safety cases) @£10,500 each	294,000	304,500	0	598,500	0	One off growth for 2 years
30 x Block Means of Escape reports >18m (building safety cases) @£4,000 each	120,000	0	0	120,000	0	One off growth
30 x Block Type 4 Fire Risk Assessments >18m slippage from 2023/24 (building safety cases) @£3,900 each	117,000	0	0	117,000	0	One off growth
37 x Block Laser Scans floor plans >18m slippage from 2023/24 (building safety cases) @£5,100 each	188,700	0	0	188,700	0	One off growth
35 x Block External Wall System surveys for <18m (enhanced scrutiny of landlords by the Housing regulator) @£15,200 each	497,000	0	0	497,000	0	One off growth
Detailed review/investigations of all communal heating systems to facilitate future works (decarbonisation)	40,000	40,000	0	80,000	0	One off growth
Specialist condition surveys to Landlords electrical supply	40,000	40,000	0	80,000	0	One off growth

171 (homes) x Structural survey remediation/redecorations to 3 homes per block @£500 per home. Directly related to 57 x block structural surveys	42000	43,500	0	85,500	0	One off growth
79 x Block Building Safety costs in relation to management of tenant and leasehold homes (such as removal of gates/grilles, combustibles)	100,000	100,000	100,000	300,000	100,000	Ongoing base budget
Meeting Expenses (hire of halls/rooms to meet residents living in 18m+ blocks)	7800	7800	7800	23,400	7,800	Base budget to be increased by this amount from 2024/25
Computing - Licences - Software (ASCE -Building Safety Case application and SHAPE - viability model application	15,980	15,980	15,980	47,940	15,980	Base budget to be increased by this amount from 2024/25
M&A Salaries - Pay & Oncost	300,763	300,763	300,763	902,289	300,763	1 x Fire Risk Co-Ordinator (P04) @£60,667.25 AND 1 x Fire Risk Surveyor (P02-P04) @£60,667 AND 2 x Building Safety Officers (door inspections 11m to 18m blocks) (P01) @£100,389.88 AND 1 x Building Safety Case Co-Ordinator (P04) @£60.667 AND 1x Building Safety Officer Team Leader (P04) @£60,667.25 AND 1x Building Safety Officer DELETION (P01) @£-50,194.94
Total Spend	1,763,243	852,543	424,543	3,040,329	424,543	
Funding Identified	(1,400,000)	(670,000)	(330,000)	(2,400,000)	0	
Net Spend	363,423	182,543	94,543	640,329	424,543	
Net Growth	363,243	(180,700)	(88,000)	94,543		

Budgeted Outcomes / Accountability (focus on improved performance):

The proposals in this growth bid will enable the Council to meet its obligations under the Building Safety and Fire Safety Acts and associated Regulations.

Risks and Implications:

The proposals in this growth bid and "Risk Team" will enable the Council to meet its obligations under the Building Safety and Fire Safety Acts and associated Regulations. Any failure to comply with the Act would represent a significant reputational risk and indeed even the risk of criminal prosecution. This risk would be exacerbated in the event of an incident occurring. The risk to "life or limb" to persons is a potential outcome of not providing adequate resources for programme of building safety work within our housing stock. The reputation of LBTH and the risk of legal action is critical, however the safety of our homes and our management of the risk is paramount.

Value for Money and Efficiency:

The proposals in this growth bid are based on emerging best practice to meet the new statutory requirements in this area. The resources will establish information on held assets, there is a long term value by way of building a comprehensive safety information pack for buildings and asset register and evidencing our cyclical inspection obligations.

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

GROWTH PROPOSAL

Proposal Title:	Resourcing Complaints Handling – Landlord Services		
Reference:	GRO / HRA 002 / 24-25	Growth Type:	Unavoidable Growth
Directorate:	Housing and Regeneration Housing Revenue Account (HRA)	Growth Service Area:	Housing Revenue Account
Directorate Service:	Neighbourhood Services	Strategic Priority:	2. Providing homes for the future 8. A council that listens and works for everyone
Lead Officer and Post:	Gulam Hussain, Head of Regulatory Assurance	Lead Member and Portfolio:	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	60	98	-	-	98

Staffing Impact (if applicable):	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE) or state N/A	0	3	-	-	3

Proposal Summary:

This proposal is seeking ongoing base budget growth of £98,232 to recruit three officers at Grade I to respond to social housing complaints at Stage 2. Funding for this has been identified by repositioning “professional fees” budgets that were contained within the previous THH CEO and Director of Finance cost centres.

Complaints handling within THH (now part of the Housing & Regeneration Directorate) has been managed on the principle that the landlord services respond to complaints at Stage 1 of the process and the review at Stage 2 is carried out by the Council’s Corporate Complaints Team via an SLA that costs £60,000 per annum (approx. 1 FTE). Due to the current staffing levels, volumes of complaints and the complexity, performance is low, just 20% of stage 2 complaints were responded to within 20 working days target (end Q2 2023/24), compared 90% of complaints being responded within 10 days at Stage 1. While this is in part due to the Corporate Complaints team having a recruitment gap for a senior complaints officer for approx. 9 months, it is clear even a fully staffed service of 3 FTE to have to cover all Stage 2 casework council wide as well as THH was insufficient and provides insufficient resilience for a service to come under the remit of two separate Ombudsman (Local Government and Social Care Ombudsman and Housing Ombudsman) with different criteria. Having all Stage 2 and two Ombudsman casework split across a single service of 3 FTE at max capacity has shown to be an unsustainable model.

The Housing Ombudsman serves as the governing body for complaints handling across the social housing sector. In recent years, the Ombudsman has grown significantly in size and influence in line with the changes to Social Housing Regulations driven by the tragic events at Grenfell Tower. In 2020 the Ombudsman published a revised Complaints Handling Code which imposes new standards for complaints handling across the sector. This introduces new sanctions for landlords who fail to comply and widens the remit of the Ombudsman to direct compliance through spotlight reports setting out best practice and direct intervention, as seen in the case of a number of London local authorities. The activities and findings of the Ombudsman service have also drawn the attention of the Secretary of State who has taken the step of writing to local authority Chief Executives. With the advent of the Social Housing (Regulation) Act 2023, compliance with the code is now a statutory requirement. The Ombudsman also has agreements in place with the Regulatory for Social Housing and the Building Safety Regulatory. This allows it to make referrals to the respective bodies for further regulatory intervention where there is concern around compliance with the Consumer Standards.

The Housing Ombudsman’s Code specifically requires landlords to ensure complaint handlers have the appropriate skills and have a person or team to take responsibility for complaint handling to ensure complaints receive the necessary attention. In the current operating context, it is increasingly imperative for complaint handlers who are responsible for dealing with housing related complaints to be operationally embedded, have access to relevant systems, an understanding of relevant policies and procedures, and an awareness of trends and issues specific to social housing to ensure they are able to provide effective resolutions for customers and also safeguard the reputation of the landlord.

As part of this growth and the immediate regulatory risks posed to the Council by failing to demonstrate compliance with social housing regulations, it is proposed that the responsibility for responding to Stage 2 complaints is transferred to housing management services – specifically within the Regulatory Assurance Team in Neighbourhood Services. This approach is increasingly being adopted by other local authorities who have recognised the need for specialisation around social housing and will ensure we have a consistent approach to responding to housing complaints and all stages.

This will significantly improve the response rate of Stage 2 complaints responded to in 20 working days. It will also decrease the risk of maladministration and complaint handling failure orders issued by the Housing Ombudsman, which comes with significant reputational risk (councils are being “named and shamed”) and increased scrutiny by Secretary of State and Regulator of Social Housing. The resource will also be responsible for supporting between 70-80 cases per year that would escalate to the Housing Ombudsman service. This would require collation of all relevant case history which is often a complex and time-consuming task.

Based on current volumes 3 FTE is needed. It is estimated that the posts would be graded at PO2 (Grade I) – circa £52,744 including on cost per post. In addition to independently reviewing S2 requests, the complaint handlers will be responsible for tracking the delivery of remedial actions agreed as part of the complaint’s resolution process. In addition to managing a caseload of Stage 2 escalations, post holders will be expected to work closely with services to provide advice on resolution and application of the Housing Ombudsman’s dispute resolution principles/remedy guidance, identifying trends and themes and identify best practice.

1 of the 3 proposed posts can be funded by redirecting the SLA that is currently paid to the Corporate Complaints Team for providing the Stage 2 review function. This is valued at £60k per annum. This would leave a shortfall of £98,232 which needs to be funded through growth. There is no scope to transfer resources from the Corporate Complaints Service as that would create a shortfall in an area that is already not adequately resourced. The redirection of the SLA would also create a resourcing gap within the Corporate Complaints Service which would need to be met through the General Fund. The Corporate Complaints Service agrees with the content of this Growth Bid proposal as it would allow their current Stage 2 demand (outside of housing management casework) to be more appropriately in line with their current structure and resource as has been demonstrated above.

Budgeted Outcomes / Accountability (focus on improved performance):

The housing management services currently deal with approximately 2000 complaints a year at Stage 1. Despite the volumes we ensure approximately 90% of all complaints are responded to within 10 working days in line with the Housing Ombudsman’s code, and 73% of all complaints receive a call to discuss the complaint within 2 working days of the complaint being logged.

With the additional resources sought through the growth bid, we would aim to respond to all stage 2 complaints within 20 working days and that 100% of all stage 2 complaints receive a call to discuss the complaint within 2 working days of the escalation. The resources would also be used to manage inbound communication and information requests from the Ombudsman who currently makes between 60-70 requests per year for detailed information bundles including full case histories, system information on actions taken and relevant policies and procedures.

We would also expect to see reductions in the volumes of cases escalating to the Housing Ombudsman and in doing so a reduction in any compensation awards that are paid to residents for failures within the complaints handling process.

Risks and Implications:

A failure to adequately resource this function is likely to result in an increase in maladministration findings and complaint handling failure orders issued by the Housing Ombudsman. With each maladministration finding from the Housing Ombudsman, also comes financial penalties which often average in thousands of pounds per individual case investigation. This means the financial cost of having inadequate and dedicated resource would likely accumulate rapidly. This in turn is also expected to invite further scrutiny of landlord services from the Secretary of State and the Regulator for Social Housing and encourage early intervention from the Regulator. There is significant risk to reputation.

Value for Money and Efficiency:

This is a necessary growth that is required to demonstrate compliance with regulations in the social housing sector.

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	Yes	The proposed change improves access for residents who may need to utilise the complaints process. The change makes provision for complaints to be dealt with in line with statutory and regulatory guidelines and ensure residents receive a fair and equitable service.
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	
Summary:		
To be completed at the end of completing the Screening Tool.		
Based on the Screening Tool, will a full EA be required?	No	
Additional Information and Comments:		

GROWTH PROPOSAL

Proposal Title:	Temporary Accommodation Budget		
Reference:	GRO / HRA 003 / 24-25	Growth Type:	Unavoidable Growth
Directorate:	Housing and Regeneration Housing Revenue Account (HRA)	Growth Service Area:	Housing Revenue Account
Directorate Service:	Neighbourhoods	Strategic Priority:	2. Providing homes for the future
Lead Officer and Post:	Gulam Hussain, Head of Neighbourhoods	Lead Member and Portfolio:	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	22	280	-	-	280
Staffing Impact (if applicable):	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

This is an essential growth bid. Neighbourhoods is increasingly required to temporarily decant residents in response to an increase in the number of disrepair, complex repair and damp and mould cases which cannot be completed with residents in situ. The problem is exacerbated by the levels of overcrowding in the borough. The spend incurred to date reflects our response to new regulatory expectations that have been set by the Housing Ombudsman as well as a political expectation as to how LBTH responds to requests for emergency rehousing. The increase in costs also reflects the impact of inflationary pressures which have significantly driven up costs of accommodation.

The outturn for 22/23 was £187,922 against a budget allocation of £21,974. For 23/24, we have already spent circa £317,000 and expect additional spend before the end of the financial year.

Budgeted Outcomes / Accountability (focus on improved performance):

Neighbourhoods will be closely monitoring how we fulfil our repairs obligations and ensure these are completed as quickly as possible to minimise the period for which a resident must be decanted to temporary accommodation. We have mechanisms in place to do this and will continue to ensure this area is being monitored.

Risks and Implications:

Neighbourhoods will continue to need funding to fulfil its obligations to temporarily rehouse tenants. As evidenced by the spend incurred to date, these costs will need to be found and there is no clear mitigation for the issue. Alternative options would be to retain a large portfolio of furnished voids for use as respite units, but this will have an impact on the HRA and rent loss and also reduce the supply of available homes to be relet to families on the social housing register.

Value for Money and Efficiency:

Decisions on rehousing are always made where this is deemed necessary. Neighbourhoods always explores options for alternative accommodation arrangements, including encouraging residents to stay with friends and family where this is an option or completing works with residents in situ before considering a temporary decant.

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

GROWTH PROPOSAL

Proposal Title:	Housing Efficiencies & Improvement Project IT and Systems		
Reference:	GRO / HRA 004 / 24-25	Growth Type:	Budget Pressure
Directorate:	Housing and Regeneration Housing Revenue Account (HRA)	Growth Service Area:	Housing Revenue Account
Directorate Service:	Neighbourhoods (Business Transformation)	Strategic Priority:	2. Providing homes for the future
Lead Officer and Post:	Chris Smith, Head of Resources	Lead Member and Portfolio:	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:	Current Budget 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Total Growth
Budget (£000)	230	90	(90)	-	0
Staffing Impact (if applicable):	Current 2023-24	FTE Increase 2024-25	FTE Increase 2025-26	FTE Increase 2026-27	Total FTE Increase
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

This growth bid is a "Invest to Save" proposal to continue funding of a key housing management project which aims to make statutory housing management services more efficient and offer customer service improvements to residents.

The anticipated net savings are estimated £22k per year, effectively a payback period of four years.

The project is a one-off growth bid to deliver / implement improvements to the ongoing provision of IT system for revenue and capital payments for leaseholders.

This project commenced within THH and the growth bid is to resource the continued work at a delivery stage.

Funding of a one-off £90k in 2024-25 covers the technical and project management resources deployed for the remainder of the Smarter Services for Leaseholders Programme.

Smarter Services for Leaseholders Programme

This is a multi-year programme to improve the customer and staff experience via the improved use of NEC Housing systems functionality to support efficient business processes.

The 2024-25 key deliverable will be the migration of Direct Debits from the stand-alone and expensive AllPay solution to the native NEC Housing solution which is already used by Rents and is much more cost effective.

NEC Housing transaction costs for a Direct Debit are around a third of the AllPay transaction processing costs and would see a saving of £32,000 per year from termination of the AllPay contract with the NEC replacement costing £10,000 per year.

Managing Direct Debits on NEC Housing will also allow us to enable the creation of Direct Debits through our online customer portal, MyHome (formerly MyTHH), which would offer customers more control over managing their payments and could unlock future efficiencies in service delivery. Additionally, there will be resource efficiencies, with the proven NEC process being easier to administer.

This programme was put together to address the recommendations of the HQN (Housing Quality Network) Leasehold Service Review conducted in 2019.

Budgeted Outcomes / Accountability (focus on improved performance):

Smarter Services for Leaseholders Programme

Great Services

- Improving the range of online services available to leaseholders;
- Streamline income collection for leaseholders and make it easier for them to manage their service charges and major works invoices;
- Improved data quality to enhance management of commercial landlords, improve the provision of accurate and detailed information to leaseholders, manage garage accounts.

Risks and Implications:

These projects address the following risks on the Housing Management Corporate Risk Register:

- CORP0002 – Core IT Systems unable to meet requirements
- CORP0010 – Insufficient capacity to deliver transformational objectives


Value for Money and Efficiency:

Smarter Services for Leaseholders Programme

Implementation of Direct Debits on NEC Housing would enable Leasehold Services to terminate their arrangement with AllPay for the collection of Direct Debit payments from leaseholders, realising an annual saving of circa £22k, with direct benefits for leaseholders in their service charges.

AllPay transactions charges for DD are more than three times the cost of those raised via NEC Housing.

GROWTH PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	Yes	<p>Smarter Services for Leaseholders programme is delivering a range of improvements to processes and services. The programme has already delivered a downloadable online service charges statement via the MyHome Housing Online platform, and a range of e-forms for leaseholders, and their solicitors, to assist with applications for alterations and other permissions and with reselling a property. Future deliverables will improve the accessibility of service charge and major works date, introduce process efficiencies and enable the use of a more cost-effective direct debits solution.</p> <p>The profile of council tenants and leaseholders is embedded below:</p> <div style="text-align: center;">  <p>THH%20Tenants%20and%20Leaseholders'</p> </div>

Changes to a Service

Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	Yes	There would be no direct impact upon any of the protected characteristics although for those customer for whom English is not their main language they may find the use of online channels, where translation tools or family members can assist, to be more a better access route to our services.

Changes to Staffing

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

Summary:

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

Additional Information and Comments:

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SAVINGS PROPOSAL

Proposal Title:	Deletion of THH executive management posts		
Reference:	SAV / HRA 001 / 24-25	Savings Category:	Transformation
Directorate:	Housing and Regeneration Housing Revenue Account (HRA)	Savings Service Area:	Housing Revenue Account
Directorate Service:	Housing Revenue Account (HRA)	Strategic Priority Outcome:	2. Providing homes for the future 5. Investing in public services
Lead Officer and Post:	Steve Halsey, Chief Executive Officer	Lead Member and Portfolio:	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	737	548	-	-	548

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	3	3	-	-	3

Proposal Summary:

This relates to three Tower Hamlets Homes executive management posts that did not transfer to the Council on 1 November: The THH Chief Executive, The THH Director of Business Transformation and The THH Director of Finance.

The posts were deleted on 01-Nov-2023 following a review of the organisational requirements of the council and transferring services, as part of the TUPE transfer of staff and services. The direct saving for the 3 posts for the in-year period from 1 November 2023 to 31 March 2024 is £214,000 (salary and on-costs). It is proposed that this in-year saving is ring-fenced to support the integration plan, whilst in subsequent years it will be taken as a saving.

It is proposed that budgets associated with these posts are retained to cover employee insurance costs of £76k and £113k for consultancy fees budgets. This will give the two directors that transferred to the council (Director of Neighbourhood Services and Director of Housing Asset Management) some flexibility, for example to secure project management support for service reviews. It is also proposed to delete the Programme Lead - HM Strategic Review post as it has met its objectives.

Revised Provision:

The Director of Neighbourhood Services and Director of Housing Asset Management transferred into the Housing & Regeneration Directorate, reporting to the Corporate Director of Housing & Regeneration, and form part of the Council's Senior Leadership Team.

Risk and Mitigations:

Ease of delivery	Easy
Impact of savings	High

There is a risk that reduction of management support causes destabilisation of services, however, there is corporate support from the council as an organisation - including its corporate management team - and it is proposed there is some retained budget to offer flexibility to secure support.

Resources and Implementation:

This was implemented as part of the transfer of THH back to the council.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	No	
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	Yes	Three posts did not transfer from Tower Hamlets Homes to the council. This was implemented as part of the TUPE transfer of staff and services on 1 November 2023. THH Board made arrangements with individuals that did not transfer.
Does the change involve a redesign of the roles of staff?	No	

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	THH Contingency budget		
Reference:	SAV / HRA 002 / 24-25	Savings Category:	Transformation
Directorate:	Housing and Regeneration Housing Revenue Account (HRA)	Savings Service Area:	Housing Revenue Account
Directorate Service:	Finance, Procurement and Audit	Strategic Priority Outcome:	2. Providing homes for the future 5. Investing in public services
Lead Officer and Post:	Marysia Kupczyk, Head of Housing Management Finance	Lead Member and Portfolio:	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	485	485	-	-	485

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

There is a contingency in the Management Fee budget of £485k to meet unforeseen costs which has been utilised in previous years and helped ensure the financial viability of Tower Hamlets Homes. However, with the closure of the company there is no need to retain a separate contingency fund to ensure the company's viability. The Council aims to keep a working balance of £10m in the HRA, in part to operate as a contingency and this will be able to support housing management services if necessary.

Therefore, the proposal is to remove the contingency in 2024/25.

Revised Provision:

Rather than THH transferred services (Neighbourhood Services and Housing Asset Management) holding a contingency budget, the HRA will keep a working balance of £10m which can be used as a contingency if so required.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	High
<p>The risk of removing the contingency budget is that housing management services would not have a contingency fund in an emergency or unpredicted scenario, however this is mitigated by the £10m reserve balance held in the HRA.</p>	

Resources and Implementation:

No resource required to implement this; the contingency budget will simply be removed.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Finance Savings relating to THH company administration costs		
Reference:	SAV / HRA 003 / 24-25	Savings Category:	Transformation
Directorate:	Housing and Regeneration Housing Revenue Account (HRA)	Savings Service Area:	Housing Revenue Account
Directorate Service:	Finance, Procurement & Audit	Strategic Priority Outcome:	2. Providing homes for the future 5. Investing in public services
Lead Officer and Post:	Marysia Kupczyk, Head of Finance Housing Management	Lead Member and Portfolio:	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	200	85	115	-	200

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:
 The total budget for THH company administration costs is £200k.
 £110K of this includes audit, bank fees and depreciation charges. However, £25K of the £110K is offset by interests on its balances, and as the balances will transfer to LBTH HRA it is assumed that there will be an equivalent increase in interest to the HRA. Therefore, once the £25k interest on balances is removed, the savings will be £85K in 2024/25.
 An amount of £115K has been retained for the company liquidation in 2024/25, identified as asset write-down of £88K and an amount for the costs of liquidation and residual intercompany recharges at £27K. The liquidator's fees are a best estimate as quotes have not yet been received. There will then be a saving of £115k in 2025/26 once the company has been closed.

Revised Provision:
 No revised provision is required as there will no longer be a requirement to administer a separate company.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	High
<p>There is a risk that the cost of company liquidation is higher than that which is budgeted for. The programme team are currently working to establish the costs of liquidation and closure of the company.</p>	

Resources and Implementation:
 The insourcing programme team are leading on the wind-down of the company with support from finance and legal. As set out in the summary, work will need to be undertaken in relation to asset write-down and liquidation of the company so it is proposed resource is retained for this. Realisation and implementation of the full savings will occur once the company is closed.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Corporate Health and Safety Management posts		
Reference:	SAV / HRA 004 / 24-25	Savings Category:	Transformation
Directorate:	Housing and Regeneration Housing Revenue Account (HRA)	Savings Service Area:	Housing Revenue Account
Directorate Service:	Public Realm	Strategic Priority Outcome:	2. Providing homes for the future 5. Investing in public services
Lead Officer and Post:	David Tolley, Head of Environmental Health and Trading Standards	Lead Member and Portfolio:	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	237	61	-	-	61

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	3	1	-	-	1

Proposal Summary:

On transfer of THH services back in-house, three posts within the Health and Safety team (overseeing health and safety for employees) were transferred into the council's Corporate Health and Safety in Environmental Health & Trading Standards. This included a Head of Health & Safety posts (which is vacant and previously covered by another Head of Service in THH prior to transfer) and two health and safety officers.

The proposal is to delete the Head of Health and Safety role and retain £20K to strengthen the management function within the Corporate Health & Safety team to manage the two transferred officers; this will ensure that there are no shortfalls in provision or supervision and make certain that the continuity of the service is smoothly affected.

Revised Provision:

The £20K will be used to uplift the grade of a post within the Corporate Health & Safety team as they will take on additional management duties.

Risk and Mitigations:

Ease of delivery	Easy
Impact of savings	High

The risk of losing a management role overseeing the health and safety of staff is mitigated by embedding the officers within the wider Corporate Health & Safety team and building management capability within that team to support the work of the officers.

Resources and Implementation:

HR support will be required to delete the Head of Health and Safety post and regrade the existing post to take on additional management duties. The insourcing programme team will work with the service and HR Business Partners to implement this prior to 1 April 2024.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	No	
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	Yes	1 Head of Health and Safety role but mitigated by retained budget for management function.
Does the change involve a redesign of the roles of staff?	Yes	One post within the Corporate Health and Safety team will take on additional management duties.

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Graduate Trainees and Apprenticeships		
Reference:	SAV / HRA 005 / 24-25	Savings Category:	Transformation
Directorate:	Housing and Regeneration Housing Revenue Account (HRA)	Savings Service Area:	Housing Revenue Account
Directorate Service:	Workforce, HR and OD	Strategic Priority Outcome:	2. Providing homes for the future 8. A council that listens and works for everyone
Lead Officer and Post:	Sarah Stennett; Head of People Services	Lead Member and Portfolio:	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	444	291	-	-	291

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	16	10	-	-	10

Proposal Summary:

Graduate trainees
THH employed four graduate trainees via the Charity Works graduate scheme. The council have indicated that they will not seek to continue the arrangements with Charity Works for the graduate trainees posts that were within the THH organisation and all four of these posts have been deleted. Instead, both Neighbourhood Services and Housing Asset Management services will be able to offer graduate trainees on the council-wide scheme placements (currently the National Graduate Development Programme), in line with all other council services. The total saving for graduates is £118k.

Apprenticeships
The apprenticeship budget was established to grow our own staff given the high turnover in caretaking and the average age of the workforce.

To achieve savings of £173k, the proposal is to significantly reduce the apprenticeship budget so only six, rather than twelve, apprentices are recruited. Of the twelve apprenticeships currently budgeted for, it is proposed that budget is removed for 2 neighbourhood, 1 surveyor and 3 repairs engineers are removed and that the 6 remaining are caretaking apprenticeships. Caretaking has one of the highest take up for apprenticeships and the apprenticeship scheme assists with reduction in staff turnover and progression in the service.

Revised Provision:

Housing Asset Management and Neighbourhood Services will be able to offer placements to graduates on council-wide graduate schemes (currently the National Graduate Development Programme).

It is proposed that six caretaking apprenticeships are retained. No other provision will be put in place for the 2 neighbourhood, 1 surveyor and 3 repairs engineers apprenticeships that are removed.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	High
A risk of removing the apprenticeship posts is that there is missed opportunities in developing a workforce to reflect the community.	
A risk of removing the apprenticeship posts is that there is not a pipeline of employees that are developing within the organisation – hard to recruit/aging workforce – which could reduce service resilience.	

Resources and Implementation:

3 apprentices have completed their training and out of the 9 remaining another 3 have been deleted so there are no specific implementation tasks - the budget would only be required should another round of apprenticeships be commenced.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	Yes	<p>Removal of six entry level apprenticeships could mean that there are reduced opportunities available to recruit people that are local and reflective of the community. However, the reason for doing this is to align to the Council's strategic approach on entry level roles and workforce to reflect the community. The apprenticeship schemes will still form a pivotal part of the grass roots attraction strategy for housing management services, but an evaluation is needed of the council offer and the extent to which this is attractive and available to sections of the community.</p> <p>As part of the review of the offer, The Workforce to Reflect the Community Action Plan 2023 – 24 will be considered which sets out that objective (3 – Entry Level) is to expand and increase the opportunities for apprenticeships and other entry level opportunities, open to the local community with a particular focus on young people leaving Tower Hamlets schools. A key activity within this is to continue to develop and expand the range of apprenticeships available from January 2023.</p> <p>The Housing & Regeneration Directorate Equalities Action Plan also sets out as an action theme: ensure that services have entry and mid-level role with clear path to senior role. The Directorate is learning from Housing Asset Management and Neighbourhoods Services which have identified career progression roles and monitor the progression.</p> <p>Should there be any negative impact in relation to protected characteristics - including young people, women, people from global majority communities, people with disabilities - actions to mitigate will be considered within the Housing & Regeneration Directorate Equalities Action Plan.</p>
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	No	
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	Yes	Four graduate trainee and six apprenticeship roles will be removed. There are no staff within these roles currently.
Does the change involve a redesign of the roles of staff?	No	

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

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	HR IT Systems Duplication		
Reference:	SAV / HRA 006 / 24-25	Savings Category:	Transformation
Directorate:	Housing and Regeneration Housing Revenue Account (HRA)	Savings Service Area:	Housing Revenue Account
Directorate Service:	Workforce, OD and Business Support	Strategic Priority Outcome:	2. Providing homes for the future 5. Investing in public services
Lead Officer and Post:	Sarah Stennett; Head of People Services	Lead Member and Portfolio:	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	119	119	-	-	119

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

THH operated several of its own HR IT systems that will not be required now that employees have transferred to the council, as transferred employees will use the council's systems and processes. These include the sickness reporting system, the appraisal and target setting system, recruitment system and the Reward Gateway system that operates the intranet and the enhanced employee offer (e.g. vouchers, cycle and IT discounts, etc).

These contracts are being terminated as soon as is feasible. A small number of contracts will need to be novated to the council and run (without use) due to contractual arrangements and penalties for terminating contracts early. Savings of £11k have already been realised in the current year (2023/24) and the full £119K of savings will be achieved in 2024/25.

Revised Provision:

Staff have already been transferred or are in the process of being transferred onto council HR systems including ResourceLink, Learning Hub, Alvius, Matrix. The council has its own systems, so this is to avoid duplication on yellow highlighted. The council manages absence via Line Manager (no need for Goodshape) and Rewards / local benefits are managed locally (no need for Reward Gateway).

Risk and Mitigations:

Ease of delivery	Easy
Impact of savings	High
<p>To avoid the risk of breaching any contractual duties, the council (and THH Board) need to ensure that contracts are terminated or novated in line with contractual arrangements. The insourcing programme team has been working with legal and procurement to execute the terminations and novation.</p> <p>Risks around ensuring that staff have access to systems were mitigated by a thorough review and project plan developed by the insourcing programme team and supported by HR and IT services.</p>	

Resources and Implementation:

HR and IT are working with the programme team to transfer all incoming staff onto LBTH systems, with much of this work already completed.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

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

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

Additional Information and Comments:

Capital Programme 2023-27 Report

EXECUTIVE SUMMARY

Following the election of a new administration in May 2022, a comprehensive refresh of the Capital Programme was undertaken with the key purpose to ensure the programme aligned with London Borough Tower Hamlet (LBTH) strategic priorities translated from the Mayor's vision and the new administration's manifesto. The review evaluated the existing priorities across the various directorates to ensure clear integration with the current needs of the Borough and its residents. This previous refreshed programme was approved at Full Council in March 2023 for 2022-26.

This updated capital programme is for a three-year period, with commitments beyond 2027 resulting from the current programme to be funded in future years. Capital expenditure is focussed on the council's strategic priorities. This is a live delivery programme which is refreshed annually to include all-new additions and any projects that require removal. This report provides details of the updated capital programme 2023-27 and a summary of some of the key achievements within the last reporting period.

1 REASONS FOR THE DECISIONS

- 1.1 The priorities of the new administration were set out in the new Strategic Plan for 2022-26. The Strategic Plan sets a clear direction for the council and is the main business planning document. It is updated annually to accurately reflect the council's priorities and used in the process of making decisions on the priority of projects for inclusion in the capital programme. The new strategic plan has 8 priorities with associated outcomes and each priority sets out a series of outcomes, with high level activities that will be undertaken to facilitate delivery.
- 1.2 The refreshed capital programme approved in Cabinet in March 2023 was aligned to the new administrations priorities and to maintain this alignment new projects will need to seek approval via the capital governance process.
- 1.3 The reasons the approvals and amendments are being requested at this time is to ensure that existing approved schemes in the capital programme can continue to be delivered, once approval to proceed is granted, with budgets for urgent projects agreed and allocated.
- 1.4 The report includes new approvals and amendments to the existing General Fund capital programme totalling £67.972m and new approvals to the existing Housing Revenue Account capital programme totalling £54.700m, which have progressed or are progressing through the capital governance process and require additional budget approvals. The report also includes approvals for removals of capital schemes from the existing General Fund and Housing Revenue Account capital programmes totalling £35.565m and £13.804m respectively.

2 ALTERNATIVE OPTIONS

- 2.1 In previous years an alternative route for capital programme approvals would have been through the Quarterly Monitoring Report prepared by Corporate Finance, however, producing a stand-alone report for approvals and additions to an existing capital programme is considered a more consistent and transparent approach and the intent with this refresh, is to ensure the priorities of the new administration are adequately addressed.

3 ESTABLISHING THE PROGRAMME

- 3.1 The long-term capital investment plan is underpinned by the council's strategic plan 2022-26. Capital proposals are considered within the Council's overall medium to long-term priorities, and the preparation of the capital programme is an integral part of the financial planning process. This includes taking account of the revenue implications of the projects as part of the revenue budget setting process, including setting aside additional revenue funding where required to cover the financing costs of the programme.
- 3.2 The principles on which the council's capital programmes have been based are that approved projects will not proceed until the identified funding sources are received, or in the case of external grant, confirmed in writing; the council will not borrow more than it can afford to repay; and the total approved capital programme will not exceed the total funding available.
- 3.3 In addition to the core capital programme, the 2023-27 Approved Capital Programme for the General Fund includes separate programmes for annual rolling programmes, invest to save projects and the remaining legacy Local Infrastructure Fund (LIF) programme. The purpose of the annual rolling programme is to ensure the council's assets are maintained to avoid deterioration, address ongoing health and safety requirements, and to meet statutory duties. It is expected that these remain within the programme, totalling £53.363m (2023-27). Invest to save project support income generation and the capital investment, totalling £8.309m (2023-27), will deliver substantial revenue savings and the remaining legacy Local Infrastructure Fund (LIF) funded programme budget allocation totals £5.483m (2023-27), which was the previous term for the neighbourhood portion of the Community Infrastructure Levy (NCIL), before a new approach to NCIL was approved in June 2023.
- 3.4 To successfully deliver a substantial and agile capital programme, it is essential to have effective governance, project monitoring, financial management and appropriate staff resources in place. The current governance arrangements seek to ensure that quality outcomes are delivered on time, with best value always demonstrated.
- 3.5 For a scheme to be delivered through the council's capital programme, it will have needed to have progressed through the capital governance process. Capital bids for new schemes are signed off by Divisional Directors, following consideration at the relevant directorate Programme Boards. Schemes are expected to be prioritised by directorates based on service need in line with the priorities set out in the Strategic Plan 2022-26.

- 3.6 The first step in the governance process is to identify funding sources. This exercise is completed by the Financial Assessment Group, comprising of representatives from the Corporate Capital Finance Team, Capital Delivery PMO and lead monitoring officers for s106 and CIL funding sources are allocated in the following order: external grant, s106 and CIL, capital receipts and requirement for borrowing.
- 3.7 Once bids have been accepted in principle, directorate client teams are required to complete a Project Initiation Document (PID). Subject to the consideration of financial and technical appraisals, the scheme is recommended for approval to the Capital Strategy Board, ahead of Cabinet approval and approved budget allocation as required.
- 3.8 The capital programme for the Housing Revenue Account (HRA), which includes funding for the annual housing capital rolling programme to maintain and improve the council's housing stock and carry out the essential fire and building safety works, and funding for the delivery of new council homes. The programme is in line with the latest update to the HRA business plan, which takes into consideration the affordability of the HRA capital programme on the HRA as a whole. The capital programme maximises the availability of external funding and Right-to-Buy receipts, but the regulations associated with the use of these sources means that there is also a need for borrowing to be used.

4 THE CAPITAL PROGRAMME

- 4.1 The report seeks budget approval for the council's proposed 2023-27 capital programme of £291.117m for the General Fund (GF) programme and £457.075m for the Housing Revenue Account (HRA) programme as set out in Appendix 8A (and further detailed by programme in Appendix 8B for the General Fund) and Appendix 8D respectively. The details of the GF programme are set out in Appendix 8B and the capital growth/reduction items which have been added/removed to the capital programmes are set out in Appendix 8C. The capital programme is for a three-year period, with commitments beyond 2026/27 resulting from the current programme to be funded in future years. Capital expenditure is focussed on the council's strategic priorities.
- 4.2 Within the report is an additional request for approvals of £67.972m for the 2023-27 General Fund Capital Programme and £54.700m for the 2023-27 Housing Revenue Account Capital Programme to enable project budget provisions to be increased and included within the programme where required, further detailed in Appendix 8C. Included within the additional requests, largely due to an additional year being added to the capital programme as part of budget setting process (i.e. financial year 2026/27), re-occurring spend relating to the council's Rolling Programmes have also been added, amounting to £5.300m for the General Fund capital programme (conditions and improvements on schools and investment works on the councils own assets) and £34.700m for the Housing Revenue Account capital programme (to maintain and improve the existing council stock, including £10.000m for any emergency works as required).

- 4.3 The report includes approval for the request for reductions of £35.565m for the 2023-27 General Fund Capital Programme, which are included to ensure to ensure the programme is better aligned with the Strategic Plan for 2022-26 and to release funding to contribute towards the approvals and amendments requiring additional budget provision, which includes projects that are in final year of delivery, are complete and releasing funds. The report also includes approval for the request for reductions of £13.804m for the 2023-27 Housing Revenue Account Capital Programme relating to Tomlinson Close and O'Leary Square Rooftop extension schemes.
- 4.4 The 2023-27 proposed capital programme for the HRA, as set out in Appendix 8D, shows the committed programme, which for the period 2023-27, includes £108.903m for the annual housing capital rolling programme, to maintain and improve the council's housing stock, carry out essential fire and building safety and emergency works, and £344.107m for the delivery of new council homes.

Key General Fund Capital Program Highlights to Date

- 4.5 The Council has been continuing to deliver against Strategic Plan priorities since the last capital programme was approved in March 2023. Key achievements include;

4.6 Parks

The redevelopment of the Island Gardens Café to provide a modern style café with public toilet access is nearly complete, enhancing the social value of the park and its place in the community. The historic parks programmes approved in 2018 are coming to an end. Achievements include:

- Playground has been fully replaced.
- Self-locking gates have been added to tennis courts on 5 sites.
- Improvements including more tree planting, replacement of bins/benches and health and safety upgrades across parks.
- New interpretations, orientation, park rules and information signs have been installed at various parks across the borough.
- New lighting and CCTV cameras have been installed at various parks across the borough.

4.7 Tree Planting

The programme to plant trees across the Borough continues to help the council reach its Air Quality Action Plan Targets and support commitment to carbon neutrality by 2025. To date, 522 trees have been planted split across highways, parks and THH housing estates.

4.8 Education

The Basic Needs Programme is set to deliver a new two form entry primary school at Wood Wharf, which will open to students early 2024. In addition, the Council has successfully delivered amalgamations at St Annes and Guardian Angels Primary Schools, Stepney Park Primary School, as well as the expansion of alternative provision at London East Alternative Provision (Harpley), and delivery of a rolling programme of condition and improvement to ensure our assets remain safe and usable continue.

4.9 **Youth Safe Spaces**

As part of youth transformation, two 'safe spaces' have been provided at 27 Columbia Road, Bethnal Green and 16 Goulston Street, Whitechapel. The buildings underwent a full refurbishment to provide modern, safe, welcoming spaces for young people.

4.10 **Health and Social Care**

The Tower Hamlets Public Health Team work together with NHS North East London Integrated Care Board to ensure there are sufficient modern health facilities available to meet the primary care needs of the boroughs residents. The following are now complete and operational:

- Goodman's Fields Health Centre
- Sutton Wharf Health Centre
- Island Medical Centre
- Wellington Way Health Centre
- Wood Wharf Health Centre

4.11 The Adult Day Care centre at Sewardstone Road has been completed, increasing in-borough provision of support and accommodation services to people with learning disabilities. A new Service Provider will be appointed early 2024 following fit out of the facility with specialist equipment.

4.12 **Carbon Offset programme**

The Council remains committed to carbon neutrality by 2025 and through the s106 Carbon Fund offset fund, the council has successfully delivered;

- Boiler Replacement Programme to replace old, inefficient gas boilers and faulty radiators as well as upgrading heating controls.
- Schools Carbon Emission Reduction Programme supported various schools with carbon reduction projects to reduce energy consumption and improve energy-efficiency of the buildings, install renewable and low-carbon technology resulting in lower energy costs, consumption and related carbon emissions.
- Small and medium-sized enterprises (SME) Energy Efficiency Grants Programme provided SMEs across the borough with grants to deliver energy-efficiency improvements, heating upgrades and renewable energy technologies.
- Public Sector Retrofit project replaced gas boilers with air source heat pumps in council buildings to provide decarbonised heating.

4.13 **Street Lighting**

Street lighting programme is nearing completion, installing new Light Emitting Diode (LED) lanterns in an effort to reduce the energy consumption which in turn reduces costs and carbon footprint within the borough and work is also underway to complete the replacement of the columns. In addition, they are future proofed for advertising, banners, way finding and EV charging points.

4.14 **CCTV Transformation**

The CCTV Transformation Programme is in the final stages of completion with 337 new cameras installed (96%). It is anticipated that all 350 cameras will be upgraded by the end of March 2024.

Key General Fund Capital Program Additions

4.15 Approvals are also being sought to include additional budget provisions with the capital programme to further deliver against Strategic Plan priorities since the last capital programme was approved in March 2023. Key additions include;

4.16 Institute of Academic Excellence (IAE)

Funding of £15.000m is allocated to deliver on the Mayoral pledge 'Accelerate Education':

- Establish a high-performing, selective A-Level institution to accelerate attainment, to ensure more Tower Hamlets students attend the world's top universities, including Oxbridge and Russell Group universities.
- Review our sixth forms and colleges' performance to accelerate A level attainment so more of our pupils go to the top universities, including Oxbridge and Russell group of universities.
- Increase the number of our youngsters going on to Further and Higher Education, including boosting Oxbridge and Russell Group entrance through intensive learning after school, and support with applications, and a full review of sixth-form and college performance.

The primary purpose of this growth bid is the reassignment and reconfiguration of the Professional Development Centre (PDC) through a feasibility study utilising the 6th form Schedule of Accommodation model for a 250 place setting.

4.17 Culturally Sensitive Misuse Treatment Centre

Funding of £1.510m is allocated to develop and deliver a specialist recovery service for problematic substance users local to Tower Hamlets from the Black, Asian, and Minority Ethnic (BAME) communities. This service will deliver drug and alcohol related prevention, treatment, recovery and aftercare services which are culturally sensitive and meet the needs of these communities. Service delivery will be flexible to meet the needs of the service users which will include evening and weekend opening times.

4.18 Women's Resource Centre (with a focus on Bangladeshi women)

Funding of £1.000m is allocated to establish a dedicated Women's Resource Centre, with a particular culturally sensitive approach towards the needs of Bangladeshi women, as data suggests Bangladeshi women continue to be marginalised and face economic, health, social and gender inequalities disproportionately. The project aims to provide a dedicated resource centre to enable opportunities for the development of all marginalised women, especially Bangladeshi women.

4.19 Basic Need Programme

The Basic Need programme will continue to deliver expansions across the borough including a new flagship 6FE Secondary School at Mulberry London Dock. The Department of Education (DfE) have provided grant funding of £53.8m to deliver the school which is designed as a passiv haus building to ensure the air quality within the school provides the best learning environment for its pupils. An additional budget provision of £11.128m is required for the development, which is due to be completed by July 2024 in time for the school to be opened before the start of the 2024-25 academic year. The facility will also provide wider benefits to the Tower Hamlets community through a

'Community Use agreement' which will ensure the sporting and social facilities of the school are available for wider community use outside of school hours. Additional budget provisions of £2.450m and £0.804m will also enable the basic need programme to delivery expansion at Beatrice Tate Special School and Wood Wharf respectively.

4.20 The borough's SEND sufficiency review has highlighted areas of significant need which will be a focus for capital investment in the coming period. A programme for investing HNPCA (DfE) grant will progress, with key investment in Beatrice Tate and Hermitage; as well as the development of Alternative Resource Provisions (ARPs) at key education sites across the borough.

4.21 **Universal Free School Meals (UFSM)**

Tower Hamlets will be the first Council to extend free school meals to all secondary school pupils up to the age of 16. An additional capital investment of £0.792m will ensure that secondary schools have the correct equipment and resources to increase their catering capacity to successfully deliver UFSM from September 2023.

4.22 **Parks programme**

The council is additionally investing £4.988m into improvements to recreational, leisure and play facilities across the borough's parks and open spaces, including a number of housing estate sites. With a growing population and a high number of residents having little or no access to private outdoor space, well maintained parks and open spaces are more important than ever in supporting the health and well-being of our residents. Better play, recreational and sports facilities are also needed to help tackle high levels of childhood obesity and general poor health in the population. The programme has four key strands, which are detailed as follows:

- Improving Sporting Facilities in Parks - seeks to upgrade existing multi-use games areas and install new astroturf facilities at Stebondale, Millwall Park, and at King Edward Memorial Park. The funding will also enable the Council to install the borough's first natural turf cricket pitch at Victoria Park and provide cricket practice nets at Millwall Park and Stepney Green Park.
- Inclusive playgrounds programme will support families to have access to high quality, accessible, local play facilities. Our play facilities are particularly important for low-income households who rely on local free provision. This programme will improve the accessibility of six play areas for children and young people, including those with additional needs.
- Six housing estate sites that are part of the Tower Hamlets Homes portfolio will benefit from upgrades to playgrounds to ensure they are inclusive. There will also be improvements to gym equipment and general upgrades to sites.
- Improve three parks and open spaces that include Alton Street Open Space, Pennyfields Open Space and Shandy Park. These sites will benefit from general upgrades, improved site layout to reduce anti-social behaviour and improved recreational facilities.

4.23 **Highways**

Funding of £4.227m is allocated to deliver a series of public realm improvements across 7 key sites; Bigland Street, Poplar High street, Bromley-by-Bow, City Island, Plumbers Row, Preston's Road and Marsh Wall. Improvement works will include additional parking bays, new electrical vehicle charging points, increased provision of pedestrian crossing facilities, undertaking footway and carriageway improvements, increasing cycle parking and environmental improvements such as tree planting. These schemes aim to provide safer roads and cleaner air quality for the local community, encourage walking and cycling, encourage the community to switch to electric vehicles to reduce the negative impact of carbon emissions.

4.24 Rubbish and Recycling bins

The council is investing £1.485m in additional rubbish and recycling bins to support the rapid growth in housing development in Tower Hamlets. It is recognised existing purpose-built blocks of flats, storage and signage infrastructure is often inadequate to accommodate the type and volumes of waste being produced.

4.25 Care Technology Transformation

The council is investing £0.300m in 'care technology' as a key part of the Council's Adult Social Care vision and strategy. Care Technology offers opportunities for residents to be better supported, to live independently and with improved health and wellbeing for longer and be better connected with their communities.

4.26 Idea Stores IT Hardware

Capital funding of £0.300m is allocated for new IT hardware (Desktops and Monitors) to be used in Idea Stores to benefit Residents and other Idea Store Service Users.

4.27 Carbon offset programme

Through the strategic plan, there is a commitment to making the borough cleaner and greener. Commitments have been included across the programme funded from the 'carbon fund' to deliver the following;

- Community tree planting - Approx. 200 trees planted on THH estates, at locations which have been identified in consultation with residents.
- installing Solar PV panels onto council offices and leisure centres.
- Residential Energy Efficiency Project - deliver energy efficiency measures such as insulation, double glazing, replacement boilers to reduce carbon emissions from the existing housing stock in the borough.
- Funding will be made available to community groups to install low-carbon heating and energy-generating technologies, energy-efficiency retrofits and to promote learning and behavioural projects.
- Bio-Solar Installation Project- will deliver biodiverse roof area and renewable energy generating technologies to buildings across the Borough.

Housing Revenue Account

- 4.28 The 2023-27 budget for the HRA capital programme set in this report is £457.075m, which is supported by the refreshed HRA Business Plan and will enable the completion of homes already in the delivery programme and enable

new sites in the pipeline to be identified and progressed through the design process for inclusion in the programme when future funding or partnership opportunities become available.

- 4.29 The 2022-26 HRA Capital Programme approved in March 2023 required updating following review of capital schemes within the new council homes capital programme by the Mayor and the administration and additional unallocated funding arising principally from reductions made on other capital projects and through increased Right to Buy receipts, which will contribute to the supply of affordable housing and the Mayoral target of 1,000 rented social homes a year.
- 4.30 The council is planning to increase specialist housing provision within the borough to meet the demand of significant numbers of people for their care and support needs. The Housing with Care strategy identifies a need for an additional 240 additional Extra Care beds by 2033. An initial budget provision of £20.000m is included within the HRA capital programme for a **Culturally Sensitive Extra Care Housing Development** scheme of between 50 and 60 beds to ensure delivery of the Mayors Priority is allocated within the programme for approval, subject to full feasibility. A programme wide approach will be taken, to enable schemes to be brought forward or moved back if issues that impact delivery arise, whilst also ensuring the provision of new homes is maintained. If schemes listed in the existing programme need to be removed, replacement schemes will be brought forward from the pipeline programme.
- 4.31 The report requests approval for reductions of £13.804m for the 2023-27 Housing Revenue Account Capital Programme relating to Tomlinson Close (£4.767m) and O’Leary Square (£9.038m) Rooftop extension schemes as they are now deemed not to be returning value for money on investment with the funding released (as detailed in Appendix 8C) being made available for future pipeline schemes.
- 4.32 The priorities for the annual housing capital rolling programme for the next three years are to maintain and improve the existing council stock and carry out the essential fire and building safety works. The existing approved programme totals £74.203m for 2023-26. Approvals are sought for additional budget provisions totalling £34.700m, largely related to providing budget provision in 2026/27 for the programme, to update the programme to equate to £23.903m in 2023-24, £23.000m in 2024-25, £28.000m in 2025-26 and £34.000m in 2026-27, totalling £108.903m from 2023-27 (including £10.000m for emergency works as required). The 30-year HRA Business Plan has established that there is sufficient funding available for this programme.

5 FUNDING

- 5.1 There are various funding options available to the council for the capital programme, including external grants, Community infrastructure Levy (CIL), Neighbourhood Community Infrastructure Levy (NCIL) which replaced the Local Infrastructure Fund (LIF) payments, s106 contributions, capital receipts, reserves/revenue and borrowing. The availability of each funding source is considered in this order, to ensure that all other funding options have been

maximised before drawing on capital receipts, reserves/revenue and borrowing.

- 5.2 Identified funding sources for the new additional growth to the General Fund capital programme are funded from external grants (£22.053m), s106 contributions (£31.885m), Community infrastructure Levy (CIL) contributions (£11.326m), and prudential borrowing (£2.708m), of which £0.647m will be substitution of existing borrowing, totalling £67.972m for 2023-27. New additional growth to the Housing Revenue Account capital programme are funded from HRA Leaseholder and Major Repairs Reserve contributions (£27.737m), HRA Capital Receipts (£8.000) and HRA prudential borrowing (£18.963m), totalling £54.700m for 2023-27.
- 5.3 Funding sources for the reductions to the General Fund capital programme will release external grants (£5.344m), s106 contributions (£14.493m), Community infrastructure Levy (CIL) contributions including the legacy Local Infrastructure Levy (LIF) (£14.371m), capital receipts (£0.711m) and substituted existing borrowing (£0.647m), totalling £35.565m for 2023-27. . Funding sources for the reductions to the Housing Revenue Account capital programme will release (£5.522m) Right-to-Buy receipts, (£1.554m) revenue reserves and (£6.729m) of existing prudential borrowing, totalling £13.804m for 2023-27.
- 5.4 In accordance with the council's financial regulations, formal approval from Cabinet is required for these schemes to be included/removed to/from the Approved Capital Programme.
- 5.5 For each project in the 2023-27 General Fund Capital Programme, funding sources have been identified and allocated (including borrowing where required). The remaining available resources for future allocation to the General Fund capital programme for CIL (including NCIL), S106 and capital receipts are as follows:

Resource	Brought forward balances as at 01/12/2023	Allocated in Capital Programme 2023-27 within this report	Total of balance remaining
	£m	£m	£m
CIL (including NCIL)	101.8	(59.6)	42.2
GF Capital receipts	8.2	(5.6)	2.6
GF S106 Capital monies	105.8	(53.5)	52.3
Total	215.8	(118.7)	97.1

- 5.6 The £42.2m total balance remaining relating to CIL (including NCIL) predominantly relates to NCIL monies and will need to be administered in line with the implementation of the Neighbourhood Community Infrastructure Levy (NCIL) as approved by cabinet in June 2023. Including, project level allocations of NCIL on an annual basis to Capital Programme and Affordable Housing schemes, being made via the Council's standard Capital Programme governance process and decisions on the allocation of NCIL to individual grants being made via the existing Council Grants process.

5.7 The balance remaining of GF capital receipts (£2.6m) has been ring-fenced to fund transformational costs to support the councils Medium Term Financial Strategy (MTFS).

5.8 The status of General Fund S106 funds by Heads of Terms are further detailed as follows:

S106 Heads of Term	Brought forward balances as at 01/12/2023	Allocated in Capital Programme 2023-27 within this report	Total of unallocated resources
	£m	£m	£m
Affordable Workspace	4.1	(0.0)	4.1
Public Art	0.1	(0.0)	0.1
Carbon Offset	14.6	(9.7)	4.9
Community Payment	4.0	(0.7)	3.3
Education	13.7	(12.9)	0.8
Environment and Public Realm	7.2	(3.7)	3.5
Health	8.5	(3.9)	4.6
Leisure	5.2	(2.7)	2.5
Landscape and Open Space	16.0	(13.0)	3.0
London Thames Gateway Tariff (for infrastructure in Lower Lea Valley)	13.4	(1.8)	11.6
Millennium Quarter	0.6	(0.6)	0.0
TfL	12.8	(2.0)	10.8
Highways and Transportation	5.5	(2.4)	3.1
Employment and Enterprise (Capital)	0.1	(0.1)	0.0
Total	105.8	(53.5)	52.3

The HRA capital programme of £457.075m for 2023-27 (Funding as per detailed in appendix 8D) represents the latest update to the HRA business plan, which takes into consideration the affordability of the HRA capital programme on the HRA as a whole. The capital programme maximises the availability of external funding and Right-to-Buy receipts, but the regulations associated with the use of these sources means that there is also a need for borrowing to be used.

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Capital Budget by Programme 2023-2027 - General Fund (GF)

Appendix 8A

Programme	Capital Budget 2023-27					Total Capital Budget Funding							
	Revised Budget 2023-24	2024-25	2025-26	2026-27	Sum of Total Programme	Grants	S106	CIL	LIF	Capital Receipts	RTB Receipts	Prudential Borrowing	Total Funding 2023-27
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Approved Programme	71.893	104.509	42.522	8.449	227.373	87.103	49.200	54.095	3.410	2.640	0.614	30.311	227.373
Approved Rolling Programme	14.013	16.598	16.900	5.852	53.363	17.461	-	-	-	0.198	-	35.704	53.363
Invest to Save Programme	2.220	5.839	0.250	-	8.309	-	4.280	-	-	2.482	1.245	0.301	8.309
LIF Programme	0.736	1.337	-	-	2.073	-	-	-	2.073	-	-	-	2.073
Grand Total	88.862	128.282	59.672	14.301	291.117	104.564	53.480	54.095	5.483	5.321	1.859	66.316	291.117

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Directorate	Programme	Cost Centre	Capital Budget 2023-27					Total Capital Budget Funding							
			Revised Budget 2023-24	2024-25	2025-26	2026-27	Sum of Total Programme	Grants	S106	CIL	LIF	Capital Receipts	RTB Receipts	Prudential Borrowing	Total Funding 2023-27
			£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Children's Services	Approved Programme	Conditions and Improvements	0.535	1.086	-	-	1.621	1.621	-	-	-	-	-	-	1.621
		Basic Needs/Expansions	43.454	29.658	6.345	3.433	82.891	63.351	12.851	6.689	-	-	-	-	82.891
		Provision for 2 year olds	0.057	0.149	0.092	-	0.298	-	-	-	-	0.298	-	-	0.298
		School Investment Works	0.722	0.070	-	-	0.792	-	-	0.792	-	-	-	-	0.792
		Children's Services	-	1.000	1.000	1.000	3.000	-	-	1.950	1.050	-	-	-	3.000
	Approved Rolling Programme	Conditions and Improvements	2.953	3.000	3.000	3.000	11.953	11.953	-	-	-	-	-	-	11.953
Communities	Approved Programme	Local Cultural Projects	0.012	-	-	-	0.012	-	0.012	-	-	-	-	-	0.012
		Markets	0.327	-	0.050	-	0.377	-	0.050	0.327	-	-	-	-	0.377
		New Infrastructure	2.165	10.127	5.015	-	17.306	14.984	1.558	0.765	-	-	-	-	17.306
		Parks	3.671	6.768	3.242	0.772	14.453	0.200	12.487	0.433	1.426	-0.093	-	-	14.453
		Waste, Recycling and Fleet	3.564	4.536	1.976	0.133	10.209	-	0.009	8.345	0.934	0.921	-	-	10.209
		Community Safety	0.444	-	-	-	0.444	-	-	0.444	-	-	-	-	0.444
		Environmental Health & Trading Standards	-	0.553	-	-	0.553	-	-	-	-	-	-	0.553	0.553
		Public Realm Improvements	-	3.686	0.825	0.120	4.631	-	4.388	0.243	-	-	-	-	4.631
		Transport S106 Funded Schemes	-	0.500	1.500	-	2.000	-	2.000	-	-	-	-	-	2.000
		Culture	0.949	19.530	16.150	2.952	39.581	-	4.130	13.900	-	-	-	21.551	39.581
		South Dock Bridge	1.931	12.737	3.386	-	18.054	6.192	0.663	11.199	-	-	-	-	18.054
		Approved Rolling Programme	Public Realm Improvements	5.329	5.407	5.400	-	16.135	-	-	-	-	-	16.135	16.135
		Culture	1.000	1.000	1.000	-	3.000	-	-	-	-	-	-	3.000	3.000
	Invest to Save Programme	Public Realm Improvements	0.918	4.278	-	-	5.196	-	4.280	-	-	0.916	-	-	5.196
	LIF Programme	Local Environmental Projects	0.030	-	-	-	0.030	-	-	-	0.030	-	-	-	0.030
		New Infrastructure	0.300	0.095	-	-	0.395	-	-	-	0.395	-	-	-	0.395
		Parks	-	0.120	-	-	0.120	-	-	-	0.120	-	-	-	0.120
		Waste, Recycling and Fleet	0.386	0.322	-	-	0.708	-	-	-	0.708	-	-	-	0.708
		Community Safety	-	0.800	-	-	0.800	-	-	-	0.800	-	-	-	0.800
		Environmental Health & Trading Standards	0.020	-	-	-	0.020	-	-	-	0.020	-	-	-	0.020
Health, Adults & Social Care	Approved Programme	Adult Social Care	1.858	1.762	2.027	-	5.647	-	2.165	1.450	-	-	0.414	1.619	5.647
		Public Health	3.278	3.302	-	-	6.579	0.104	1.594	4.882	-	-	-	-	6.579
	Approved Rolling Programme	Adult Social Care - DFG	-	0.300	0.300	0.300	0.900	0.900	-	-	-	-	-	-	0.900
Housing & Regeneration	Approved Programme	Asset Maximisation	0.820	0.979	-	-	1.799	-	0.065	0.220	-	1.514	-	-	1.799
		Business & Economic Growth	0.155	0.435	-	-	0.590	0.590	-	-	-	-	-	-	0.590
		London Square	0.869	0.030	-	-	0.899	-	-	0.899	-	-	-	-	0.899
		Registered Providers Grant Scheme	-	0.200	-	-	0.200	-	-	-	-	-	0.200	-	0.200
		Carbon Offsetting	1.707	2.809	0.873	0.039	5.428	0.060	5.368	-	-	-	-	-	5.428
		High Street & Town Centre	1.002	1.038	-	-	2.040	-	1.182	0.858	-	-	-	-	2.040
		Tower Hamlets Town Hall	3.895	1.899	0.041	-	5.835	-	-	-	-	-	-	5.835	5.835
	Approved Rolling Programme	DFG (Post Jul 03)-Mandatory	1.207	1.700	1.700	-	4.607	4.607	-	-	-	-	-	-	4.607
	Investment Works - LBTH assets	2.009	1.991	2.000	2.000	8.000	-	-	-	-	0.198	-	7.802	8.000	
	Invest to Save Programme	Conversion to TA 1-4-1	-	0.252	0.250	-	0.502	-	-	-	-	0.201	0.301	0.502	
Purchase of Accom for TA 1-4-1 receipts	1.300	1.311	-	-	2.611	-	-	-	-	1.567	1.045	-	2.611		
Resources	Approved Programme	IT - Smarter Working	0.454	0.300	-	-	0.754	-	-	-	-	-	0.754	0.754	
		Community Safety	-	1.000	-	-	1.000	-	0.300	0.700	-	-	-	1.000	
		Customer Services	0.027	0.354	-	-	0.380	-	0.380	-	-	-	-	0.380	
	Approved Rolling Programme	IT - Rolling programme	1.515	3.200	3.500	0.552	8.767	-	-	-	-	-	8.767	8.767	
Grand Total		88.862	128.282	59.672	14.301	291.117	104.564	53.480	54.095	5.483	5.321	1.859	66.316	291.117	

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General Fund (GF) Growth

Project	Growth Item Years					Total Growth Items Funding							
	Growth 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Sum of Total Programme	Grants	S106	CIL	LIF	Capital Receipts	RTB Receipts	Prudential Borrowing	Total Funding
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Institute of Academic Excellence (IAE)	0.500	8.500	5.000	1.000	15.000	-	9.110	5.890	-	-	-	-	15.000
Mulberry London Dock - Expansion	-	10.378	0.750	-	11.128	11.128	-	-	-	-	-	-	11.128
Lochnagar Bridge	-	1.537	3.174	-	4.711	3.174	1.537	-	-	-	-	-	4.711
Streetlighting Replacement	-	3.780	-	-	3.780	-	3.780	-	-	-	-	-	3.780
C&I Rolling Budget	-	-	-	3.000	3.000	3.000	-	-	-	-	-	-	3.000
Beatrice Tate Special School - Expansion	-	2.050	0.400	-	2.450	2.450	-	-	-	-	-	-	2.450
Sports Facilities in Parks	-	0.459	1.450	0.391	2.300	-	2.300	-	-	-	-	-	2.300
Cherry Trees / Antill Rd	-	0.050	2.027	-	2.077	-	2.077	-	-	-	-	-	2.077
Blackwall Reach DLR	-	0.500	1.500	-	2.000	-	2.000	-	-	-	-	-	2.000
Culturally Sensitive Misuse Treatment Centre	-	1.510	-	-	1.510	-	-	1.510	-	-	-	-	1.510
Additional Rubbish and Recycling Bins	-	1.485	-	-	1.485	-	-	1.485	-	-	-	-	1.485
Marsh Wall Environmental and Highways Improvement	-	1.100	0.200	-	1.300	-	1.300	-	-	-	-	-	1.300
Residential Energy Efficiency Project	0.400	0.700	-	-	1.100	-	1.100	-	-	-	-	-	1.100
High Needs Works for Schools	-	1.086	-	-	1.086	1.086	-	-	-	-	-	-	1.086
Prestons Road	-	0.780	0.100	0.120	1.000	-	1.000	-	-	-	-	-	1.000
Women's Resource Centre (with a focus on Bangladeshi women)	-	1.000	-	-	1.000	-	1.000	-	-	-	-	-	1.000
Investment Work LBTH Assets Mechanical	-	-	-	0.871	0.871	-	-	-	-	-	-	0.871	0.871
Middlesex Street Regeneration Programme	-	0.850	-	-	0.850	-	0.472	0.378	-	-	-	-	0.850
Parks - Play Ground Upgrades	-	-	0.448	0.381	0.829	-	0.829	-	-	-	-	-	0.829
Wood Wharf Expansion	0.200	0.604	-	-	0.804	-	0.804	-	-	-	-	-	0.804
Secondary Schools Universal Free School Meals (UFSM)	0.652	0.140	-	-	0.792	-	-	0.792	-	-	-	-	0.792
Parks - Council Managed Parks (QP2)	-	0.785	-	-	0.785	-	0.785	-	-	-	-	-	0.785
Investment Works LBTH Assets Fabrication/Buildings	-	-	-	0.738	0.738	-	-	-	-	-	-	0.738	0.738
Parks - Tower Hamlets Estates	-	0.390	0.315	-	0.705	-	0.705	-	-	-	-	-	0.705
Plumbers Row	-	0.502	0.100	-	0.602	-	0.602	-	-	-	-	-	0.602
Remote Monitoring of Street Lighting	-	0.500	-	-	0.500	-	0.500	-	-	-	-	-	0.500
Inclusive Growth Affordable Workspace	-	0.435	-	-	0.435	0.435	-	-	-	-	-	-	0.435
Poplar High Street	-	0.281	0.150	-	0.431	-	0.431	-	-	-	-	-	0.431
Poplar Baths Gaming Pitch	-	0.430	-	-	0.430	-	-	-	-	-	-	0.430	0.430
Investment Work LBTH Assets Electrical	-	-	-	0.391	0.391	-	-	-	-	-	-	0.391	0.391
Ford Square and Cavell Street Gardens	0.282	0.087	-	-	0.369	-	0.369	-	-	-	-	-	0.369
Idea Store - Watney Market Learning Labs	-	0.355	-	-	0.355	-	0.355	-	-	-	-	-	0.355
Bromley-by-Bow Environmental & Highway Improvements	-	0.252	0.100	-	0.352	-	0.352	-	-	-	-	-	0.352
City Island	-	0.200	0.100	-	0.300	-	0.300	-	-	-	-	-	0.300
Idea Stores IT Hardware	-	0.300	-	-	0.300	-	0.300	-	-	-	-	-	0.300
Care Technology Transformation	-	0.300	-	-	0.300	-	0.036	0.264	-	-	-	-	0.300
Tredegar Centre	0.276	-	-	-	0.276	0.276	-	-	-	-	-	-	0.276
South Quay	0.259	-	-	-	0.259	0.259	-	-	-	-	-	-	0.259
Bigland Street and Walburg Street	-	0.242	-	-	0.242	-	-	0.242	-	-	-	-	0.242
Essential H&S Works to St Saviours Playground	-	0.200	-	-	0.200	-	0.200	-	-	-	-	-	0.200
Fridges and Freezers, Poplar Public Mortuary	-	0.190	-	-	0.190	-	-	-	-	-	-	0.190	0.190
Bigland Street and Walburg Street	-	0.082	0.075	-	0.157	-	0.157	-	-	-	-	-	0.157
Leading Inclusive Futures through Technology – (LIFT) Affordable Workspace	0.155	-	-	-	0.155	0.155	-	-	-	-	-	-	0.155
Coroner's Court co-location to Bromley Public Hall	-	0.088	-	-	0.088	-	-	-	-	-	-	0.088	0.088
Quality Parks	-	0.067	-	-	0.067	-	0.067	-	-	-	-	-	0.067
Norman Grove (Adult Social Care element)	-	0.065	-	-	0.065	-	-	0.065	-	-	-	-	0.065
Floating Island	0.060	-	-	-	0.060	0.060	-	-	-	-	-	-	0.060
Island Gardens Café	0.036	0.010	-	-	0.046	-	0.046	-	-	-	-	-	0.046
Watney Market Stalls	-	-	0.050	-	0.050	-	0.050	-	-	-	-	-	0.050
School Super Zone	0.030	-	-	-	0.030	0.030	-	-	-	-	-	-	0.030
Chrip Street Idea Store Improvements	0.022	-	-	-	0.022	-	0.022	-	-	-	-	-	0.022
General Fund (GF) Total Growth	2.873	42.268	15.939	6.892	67.972	22.053	31.885	11.326	-	-	-	2.708	67.972

General Fund (GF) Reductions

Project	Reduction Item Years					Total Reduction Items Funding							
	Reductions 2023-24	Reductions 2024-25	Reductions 2025-26	Reductions 2026-27	Sum of Total Programme	Grants	S106	CIL	LIF	Capital Receipts	RTB Receipts	Prudential Borrowing	Total Funding
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Local Infrastructure (LIF)	(4.614)	(7.752)	-	-	(12.366)	-	-	-	(12.366)	-	-	-	(12.366)
S106 Funded TFL schemes	(2.020)	(3.141)	-	-	(5.161)	-	(5.161)	-	-	-	-	-	(5.161)
Liveable Streets	(2.962)	-	-	-	(2.962)	-	(2.962)	-	-	-	-	-	(2.962)
Arnhem Wharf Damp Permanent Resolution	(0.013)	(2.937)	-	-	(2.950)	(2.950)	-	-	-	-	-	-	(2.950)
S106 Funded PR Schemes	(2.303)	-	-	-	(2.303)	-	(2.303)	-	-	-	-	-	(2.303)
Improving Air Quality (rapid charger)	(1.847)	-	-	-	(1.847)	(1.847)	-	-	-	-	-	-	(1.847)
Carbon Offsetting Projects	-	-	(1.100)	-	(1.100)	-	(1.100)	-	-	-	-	-	(1.100)
Idea Store Whitechapel/Cultural Campus	(1.041)	-	-	-	(1.041)	-	(1.041)	-	-	-	-	(0.030)	(1.041)
Conversion of council buildings to TA	(1.028)	-	-	-	(1.028)	-	-	-	-	-	-	(0.617)	(1.028)
Poplar High Street public realm and bus service improvements	(0.400)	(0.489)	-	-	(0.889)	-	(0.889)	-	-	-	(0.411)	-	(0.889)
Quality Parks	-	(0.765)	-	-	(0.765)	-	-	-	(0.765)	-	-	-	(0.765)
Preston's Road: Vision Zero	(0.200)	(0.349)	-	-	(0.549)	-	(0.549)	-	-	-	-	-	(0.549)
Boiler Replacement Programme	(0.377)	-	-	-	(0.377)	-	(0.377)	-	-	-	-	-	(0.377)
Community Gardens Programme	(0.312)	-	-	-	(0.312)	-	-	-	(0.312)	-	-	-	(0.312)
PLACE - Indicative Feasibility Schemes - Asset Maximisation	(0.300)	-	-	-	(0.300)	-	-	-	(0.300)	-	-	-	(0.300)
LIF Living Green Walls project	(0.279)	-	-	-	(0.279)	-	-	-	(0.279)	-	-	-	(0.279)
Protective Security Fund - Community Safety	(0.276)	-	-	-	(0.276)	-	-	(0.276)	-	-	-	-	(0.276)
Slow Charging Points	(0.248)	-	-	-	(0.248)	(0.248)	-	-	-	-	-	-	(0.248)
Inclusive Playgrounds	(0.160)	-	-	-	(0.160)	-	-	-	(0.160)	-	-	-	(0.160)
Sports Facilities in Parks	-	-	-	(0.142)	(0.142)	-	-	-	(0.142)	-	-	-	(0.142)
Brick Lane Regeneration	(0.124)	-	-	-	(0.124)	(0.124)	-	-	-	-	-	-	(0.124)
Cycle Parking Project funded by LIF	(0.072)	-	-	-	(0.072)	-	-	-	(0.072)	-	-	-	(0.072)
Streetspace Scheme Conversions	(0.066)	-	-	-	(0.066)	(0.066)	-	-	-	-	-	-	(0.066)
Wellington Way Health Centre	(0.050)	-	-	-	(0.050)	-	(0.050)	-	-	-	-	-	(0.050)
C&I Rolling Budget	(0.047)	-	-	-	(0.047)	(0.047)	-	-	-	-	-	-	(0.047)
Raines Foundation School	(0.043)	-	-	-	(0.043)	(0.008)	(0.035)	-	-	-	-	-	(0.043)
Roman Road West Regeneration Programme	(0.030)	-	-	-	(0.030)	-	(0.030)	-	-	-	-	-	(0.030)
School Super Zone	(0.030)	-	-	-	(0.030)	(0.030)	-	-	-	-	-	-	(0.030)
Whitechapel Traffic rationalisation	(0.025)	-	-	-	(0.025)	(0.025)	-	-	-	-	-	-	(0.025)
Signage, Interpretation, Heritage	(0.013)	-	-	-	(0.013)	-	(0.013)	-	-	-	-	-	(0.013)
Air Quality Audits / Green Screens for Primary Schools Exposed to High Pollution	(0.008)	-	-	-	(0.008)	-	(0.008)	-	-	-	-	-	(0.008)
Restoration of the Hale Street - Poplar Rates Rebellion Mural	(0.003)	-	-	-	(0.003)	-	(0.003)	-	-	-	-	-	(0.003)
General Fund (GF) Total Reductions	(18.891)	(15.433)	(1.100)	(0.142)	(35.565)	(5.344)	(14.493)	(0.276)	(14.095)	(0.300)	(0.411)	(0.647)	(35.565)

Housing Revenue Account (HRA) Growth

Project	Growth Item Years					Total Growth Items Funding							
	Growth 2023-24	Growth 2024-25	Growth 2025-26	Growth 2026-27	Sum of Total Programme	Grants	S106	Major Repairs Reserve	Revenue Reserves & Leaseholder Contributions	Capital Receipts	RTB Receipts	Prudential Borrowing	Total Funding
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
2023-27 Rolling programme	(2.500)	2.100	1.100	34.000	34.700	-	-	16.327	11.410	-	-	-	34.700
Culturally Sensitive Extra Care Housing Development	-	5.000	15.000	-	20.000	-	-	-	-	8.000	-	12.000	20.000
Housing Revenue Account (HRA) Total Growth	(2.500)	7.100	16.100	34.000	54.700	-	-	16.327	11.410	8.000	-	18.963	54.700

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Capital Budget by Programme 2023-27 - Housing Revenue Account (HRA)

Appendix 8D

Directorate	Programme	Capital Budget 2023-27					Total Capital Budget Funding									
		Revised Budget 2023-24	2024-25	2025-26	2026-27	Sum of Total Programme	GLA Grant	S106	GF Capital Receipts	HRA Capital Receipts	GLA RTB Receipts Grants	RTB Receipts	Prudential Borrowing	Major Repairs Reserve	Revenue Reserves & Leaseholder Contributions	Total Funding
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Housing & Regeneration	New Councils Homes Programme	46.974	93.057	129.932	74.143	344.107	19.857	20.691	-	61.041	11.675	61.689	144.561	0.349	24.245	344.107
	Approved Programme Projects	1.280	2.658	0.128	-	4.066	-	-	1.862	-	-	-	-	2.203	-	4.066
Housing & Regeneration	Total	48.254	95.715	130.060	74.143	348.172	19.857	20.691	1.862	61.041	11.675	61.689	144.561	2.552	24.245	348.172
Housing	Rolling programme	23.903	23.000	28.000	34.000	108.903	-	-	-	-	-	-	6.963	73.693	28.247	108.903
Housing	Total	23.903	23.000	28.000	34.000	108.903	-	-	-	-	-	-	6.963	73.693	28.247	108.903
HRA	Total	72.157	118.715	158.060	108.143	457.075	19.857	20.691	1.862	61.041	11.675	61.689	151.524	76.245	52.492	457.075

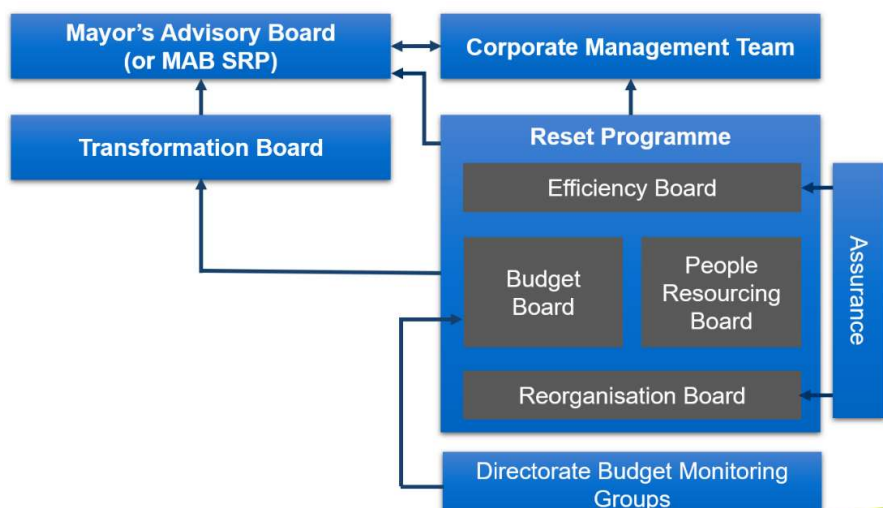
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Overview of Governance Arrangements

The Council is undergoing a transformation programme to make sure we are achieving the council's agreed priorities, Mayor's ambitions for the borough and the objectives set out in the Strategic Plan in a more efficient and financially sustainable manner with evidence the programme is embedding into the organisation through the improved overall forecast General Fund outturn position reported.

Boards have been set up to drive the transformation and achieve those efficiencies detailed in our Medium-Term Financial Strategy (MTFS). These boards have been set up to bring much more rigour to the financial management process, in part based on the annual underachievement of savings targets over a number of years and will help to reorganise and restructure the council and are subject to on-going quarterly review to ensure they are working as effectively as possible.

The diagram below shows how these new governance arrangements for the transformation of the Council operate:



A key element of these arrangements is the Budget Board, which is chaired by the Section 151 Officer and leads on approving budget efficiencies, including saving targets, budget growth requests and in-year variances.

In addition, the Council is also reviewing its Target Operating Model to guide the organisations evolution towards one that places more emphasis upon the needs and aspirations of the people of our Borough and the users of our services.

Directorates have been issued with additional savings targets to achieve and proposals will progress through the new governance framework to ensure they are deliverable, and all potential savings are identified. Savings that can be taken in year will be identified as part of this process.

A corporate savings target has also been set for the Corporate Restructure Initiative. There are three drivers that necessitate a review of the departmental structures for the Council's services. These are: -

- To ensure staff resource is better aligned to the Council's priorities
- To ensure that the services we offer are as efficient and customer focused as they can be
- To provide an accelerated contribution to the delivery of £40m of realisable recurring savings required over the coming medium term to secure a financially sustainable position in line with our financial strategy.

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Budget Consultation 2023

On behalf of London Borough of Tower Hamlets

December 2023 (V01)



Prepared by

SMSR
RESEARCH

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Headline Findings

Residents and businesses across the borough feel that Public Health and Community Safety should be prioritised by the council with around half ranking these services in their top three priorities. The findings are consistent with the top two priorities identified in the previous budget consultation, undertaken in 2021.

Other prominent services included Housing (32%) and Economic Growth and Job Creation (29%); the latter being favoured amongst younger people. Services less likely to be ranked highly include Culture, Libraries and Parks (15%) and Highways and Transport Services (6%).

Respondents ranked Parking Services (42%) as the paid service they use the most from those that the council provides; nearly three quarters of businesses (72%) ranked Parking Services highly. Waste Collection was the next most prominent service (29%) and 27% said they do not use any paid services provided by the council. Residents of Tower Hamlets were more likely to rank Sports and Physical Activity (29%) and Arts, Parks and Events (28%) highly.

A tenth say they would be prepared to support an increase to their council tax (11%) with the majority in opposition (84%). Support for a rise generally increased with age and residents were more likely to support this action rather than businesses. Support has decreased significantly since 2021 (42% in favour).

Support for an increase in council tax above 1% was also low with less than a tenth prepared to support such a rise (9%). Almost a fifth say they would support an increase between 0% and 1% (17%), leaving three-quarters in opposition to any proposed increase (74%).

More people across the borough support an adult social care precept as an additional council tax charge to fund services within this sector (31%). Higher levels of support for this increase were found amongst those aged 65 and over (68%) compared to other age groups. Support has receded from 58% recorded in the 2021 survey. Three-fifths say they do not support this additional precept (60%) and a tenth were unsure (10%).

Two-thirds (67%) support the Council expanding its approach to income generation so it can continue to protect frontline services and limit the impact of government cuts. A decrease in support was noted since 2021 (85%), although the majority support the approach.

Introduction

Background

This year, Tower Hamlets Council are spending £1.4 billion gross expenditure (£445.5 million net expenditure budget) on public services to support residents and the wider community.

Almost half of the council's net budget is being spent on vital adult social care services and important services for children. The borough also has a growing population and increased numbers of vulnerable residents with complex and on-going support needs.

More than a decade of government austerity has seen the council's central government funding continue to fall. At the same time, the council is investing in the future of the borough and working with partners to protect residents from the negative impacts of the cost of living crisis.

The council has made savings of over £200 million from their budget since 2010, and it is expected that they will need to make further savings of £40 million over the next two years.

Despite the challenges from government budget cuts and the increasing demands of a growing population, Tower Hamlets Council is proud to continue their flagship programme of significant investment in vital frontline services, and to have one of the lowest rates of council tax in London.

The council wants to hear the views of residents, businesses, and other stakeholders as they progress work to establish the budget for next year.

Report structure

This report includes headline findings for each question combined with insight based on demographic trends. It should be noted that when the results are discussed within the report, often percentages will be rounded up or down to the nearest one per cent. Therefore, occasionally figures may add up to 101% or 99%. Due to multiple responses being allowed for the question, some results may exceed the sum of 100%.

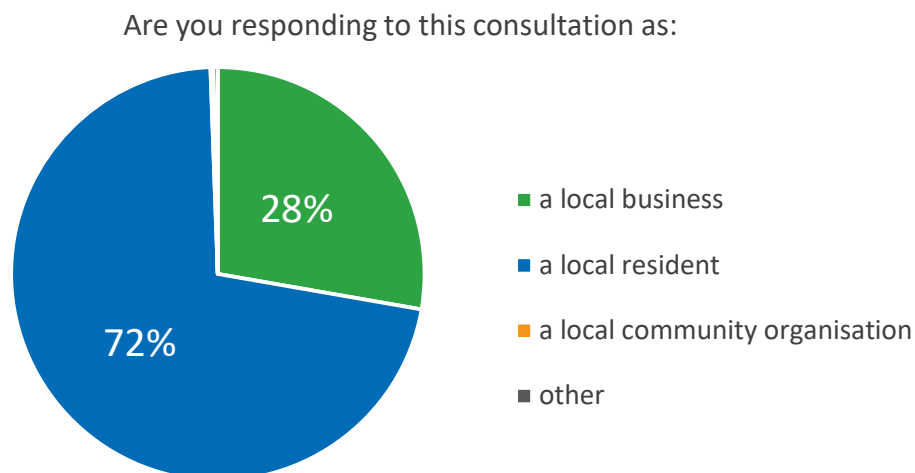
Trends identified in the reporting are statistically significant at a 95% confidence level. This means that there is only 5% probability that the difference has occurred by chance (a commonly accepted level of probability), rather than being a 'real' difference. Unless otherwise stated, statistically significant trends have been reported on.

Sample / Methodology

An interviewer led questionnaire was designed by staff from Tower Hamlets Council with support from SMSR Ltd and surveys collected using CAPI (Computer Aided Personal Interviewing) and CATI (Computer Aided Telephone Interviewing) methodology. The survey script mirrored an online consultation open to all residents, businesses, and local organisations in the borough, located on the Council’s website.

Interviews with residents were collected using random quota sampling to maximise representation across the borough and the sample collected is broadly accurate. Target quotas for age, gender and ethnicity were set using the most recent ONS figures available for the residents’ consultation with representation from each of the wards within the borough. Quotas for business interviews were set by business size.

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



A total of 1,931 residents, businesses and community groups took part in the consultation, overall. A representative sample of 1,100 residents were interviewed by SMSR Ltd using residents on the street, via telephone or at the Council’s Ideas Stores. A further sample of 501 businesses were interviewed by SMSR Ltd, using the same methodology. In addition, a total of 330 residents, businesses and community groups responded to an online consultation, hosted on the Council’s website. Overall, almost three-quarters responded as a local resident (72%), just over a quarter responded as a business (28%) and less than 1% via a local community organisation (4 respondents) or in another way (7 respondents). All responses have been combined in this report.

The consultation ran from Monday 23rd October to Monday 4th December 2023.

Resident Sample Breakdown

The following tables show the demographic breakdown of all respondents who participated in the research and identified themselves as a local resident (1,384). Please note that not all residents provided demographic information.

Gender (n=1384)	Number	Percentage of sample
Male	683	49%
Female	653	47%
Prefer not to say	48	3%

Age (n=1384)	Number	Percentage of sample
16-24	174	13%
25-34	407	29%
35-44	306	22%
45-54	221	16%
55-64	145	10%
65+	107	8%
Prefer not to say	24	2%

Ethnicity (n=1384)	Number	Percentage of sample
White Background	604	44%
Ethnic Minority Background	754	54%
Prefer not to say	26	2%

Ward (n=1096)	Number	Percentage of sample*
Bethnal Green East	71	6%
Bethnal Green West	70	6%
Blackwall & Cubitt Town	72	7%
Bow East	76	7%
Bow West	54	5%
Bromley North	44	4%
Bromley South	48	4%
Canary Wharf	64	6%
Island Gardens	54	5%
Lansbury	68	6%
Limehouse	23	2%
Mile End	78	7%
Poplar	27	2%
Shadwell	47	4%
Spitalfields & Banglatown	48	4%
St Dunstan's	52	5%
St Katharine's & Wapping	42	4%
Stepney Green	44	4%
Weavers	47	4%
Whitechapel	67	6%

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

Business Sample Breakdown

The following tables show the breakdown business who responded to the consultation:

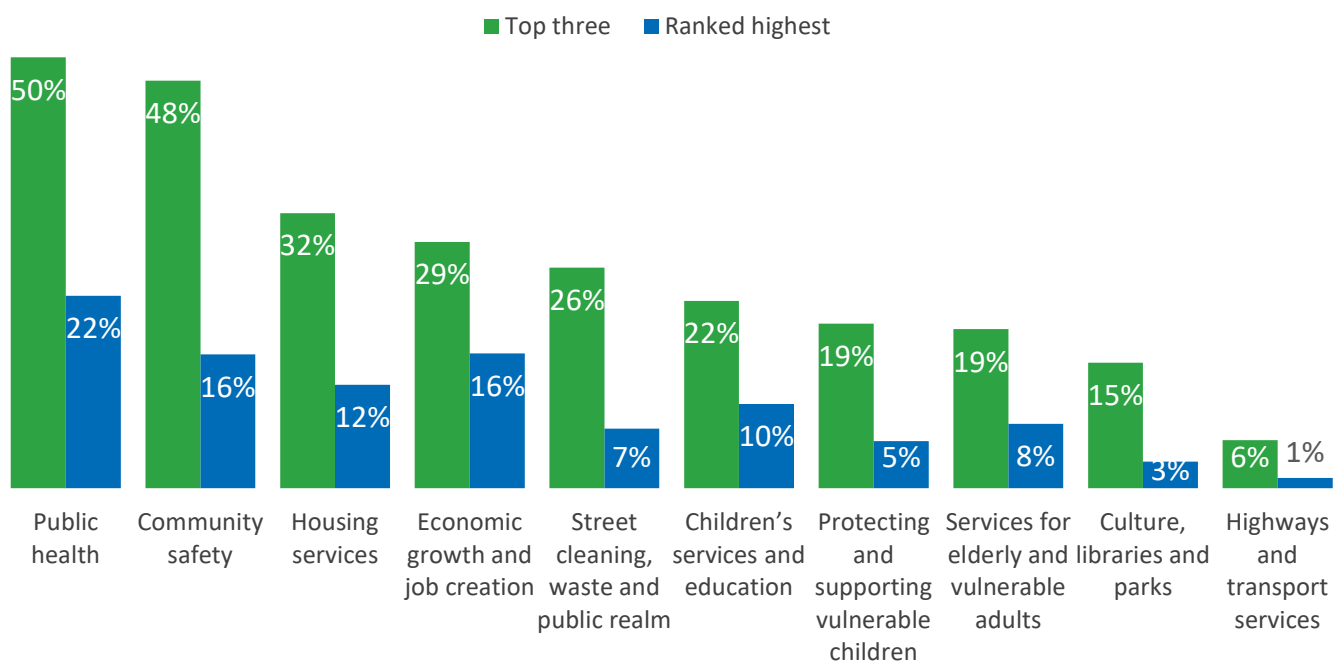
Business size (n=511)	Number	Percentage of sample
Micro (1-9 employees)	328	64%
Small (10-49 employees)	178	35%
Medium (50-249 employees)	4	1%
Large (250+ employees)	1	0%

Ward (n=528)	Number	Percentage of sample
Bethnal Green East	21	4%
Bethnal Green West	20	4%
Blackwall & Cubitt Town	9	2%
Bow East	45	9%
Bow West	29	5%
Bromley North	11	2%
Bromley South	6	1%
Canary Wharf	13	2%
Island Gardens	12	2%
Lansbury	32	6%
Limehouse	9	2%
Mile End	72	14%
Poplar	7	1%
Shadwell	29	5%
Spitalfields & Banglatown	71	13%
St Dunstan's	18	3%
St Katharine's & Wapping	14	3%
Stepney Green	13	2%
Weavers	44	8%
Whitechapel	53	10%

Main Findings

Respondents were asked to rank which services they think the council should prioritise from a list.

With limited resources available, please tell us which services you think the council should prioritise?



Around half rank Public Health (50%) and Community Safety (48%) in three services to prioritise. When considering the services respondents ranked as most important, Public Health scored highest (22%) alongside Community Safety (16%) and Economic Growth and Job Creation (16%). In the previous budget consultation, conducted during 2021, Public Health and Community Safety were both viewed as priority services (with Public Health succeeding Community Safety as the number 1 ranked priority during 2023), highlighting consistency in attitudes towards the importance of these areas of council provision. Culture, Libraries and Parks and Highways and Transport Services were viewed as lesser priorities, overall.

More than half of those aged 35-44 (53%) and 45-54 (55%) included Public Health in their top three ranked priorities as did almost three-fifths of those aged 65 or over (59%). Fewer respondents aged below 35 chose this option with younger respondents significantly more likely to include Economic Growth and Job Creation in their top three compared to older respondents.

Respondents from an ethnic minority background were more likely to believe that Public Health should be prioritised compared to White people (55% vs 44%), particularly amongst Asian (56%) and Black (56%) communities.

Those who identified as disabled were more inclined to rank Public Health as a priority compared to non-disabled respondents (57% vs 50%) and this cohort also placed high importance on Services for Elderly and Vulnerable Adults (43% compared to 15% non-disabled).

More than two thirds of those responding from Lansbury (69%), Limehouse (66%), Spitalfields and Banglatown (66%) and St Dunstan's (66%) felt that Public Health should be prioritised. Three quarters of those in popular mentioned Community Safety as a priority (75%).

When comparing the three samples of representative residents, businesses, and online respondents, Public Health was deemed less important by online respondents (29%) compared to the representative residents' sample (52%) and businesses (61%). Online respondents were significantly more likely to prioritise Children's Services and Education (43%) and Street Cleaning, Waste, and Public Realm (42%).

The council charges for a number of services in addition to Council Tax and Business Rates. Respondents were asked to rank the services they use the most from a list of services. For some services, an explanation on fees was provided for clarity. The chart below shows the top 5 ranked services:

Please select the services below you use the most (Top 5 ranked)



The highest used paid services were Parking (42%) and Waste Collection (29%). Just over a quarter revealed they did not use any of the paid provisions that the council provide (27%). Just under a quarter said they pay for Sports and Physical Activity Services (24%) or Arts, Parks, and Events (22%). Lesser used paid services include Planning and Building Control (7%), Idea Stores (7%) and Venue Hire (6%).

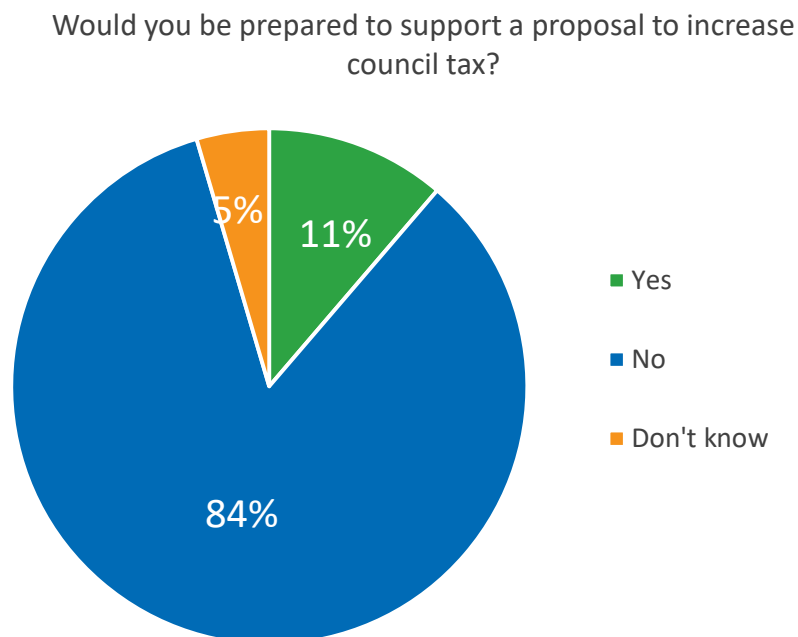
Higher ranking of Parking and Waste Collection Services were driven by businesses rather than residents with almost three quarters of business respondent ranking Parking Services highly (72%). Half of those responding on behalf a business ranked Waste Collection as important (51%) compared to a fifth of residents (21%). Residents were more likely to rank Parking (30%), Sports and Physical Activity Services (29%) and Arts, Parks and Events (28%) higher.

More than half of those aged 45-54 (52%) and 55-64 (57%) ranked Parking Services highly, compared to just a fifth (20%) of those aged under 25, who were more likely to use Sports and Physical Activity Services (32%). Males were also significantly more likely to rank Parking Services highly compared to females (49% vs 32%). People from an Ethnic Minority Background ranked Parking Services higher than White people (44% vs 38%), in particular, the Asian Community (46%).

Those based in Bow East (63%), Bromley North (84%), Bromley South (61%) and Mile End (59%) were more likely to rank Parking Services higher.

Waste Collection services was ranked higher amongst those aged 45-54 (40%) and 55-64 (41%) compared to other age groups. Those who identified as having a disability also ranked Waste Collection Service higher (35% vs 28%, non-disabled), together with Arts, Parks, and Events (31% vs 20% non-disabled).

Respondents were asked if they would be prepared to support a proposal to increase council tax:



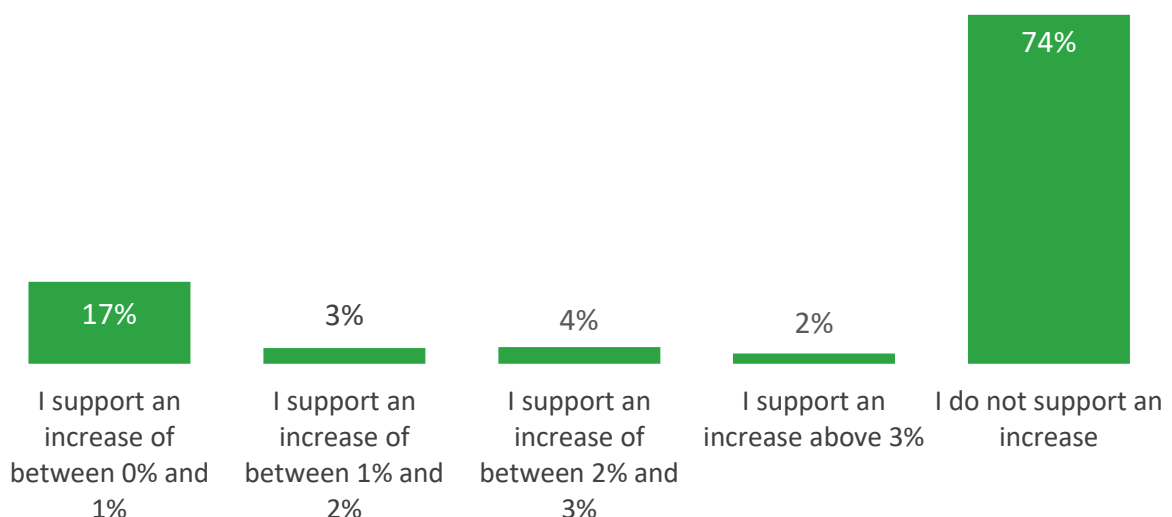
Around a tenth (11%) say they would be prepared to support an increase in their council tax. More than 8 in every 10 do not support a raise and a small percentage were unsure (5%). The percentage of respondents who support an increase has receded significantly since the 2021 consultation (42%) and may be explained to a large extent by the current cost of living crisis affecting the country.

Higher levels of support for an increase could be found amongst those over the age of 65 (19%), compared to just 4% amongst those under the age of 25. Support generally increases with age. Almost a fifth of White people said they would support an increase (18%) compared to 7% amongst those from an Ethnic Minority Background, with lowest levels found amongst Asian (6%) and Black people (4%) in this respect.

Overall, residents were more likely to support an increase in council tax compared to businesses (13% vs 5%). Furthermore, around a third of those responding online supported a rise (34%).

Any council wishing to raise council tax higher than a threshold set by central government will have to hold a local referendum. For 2024/25, the government have announced a threshold of 3% for a Council Tax referendum. In this context, respondents were asked which percentage of increase they would support most:

We would like to seek your view on which of the following Council Tax increases you would support most:



Around a quarter say they would support some level of increase with just less than a fifth (17%) stating they would back an increase between 0% and 1%. Almost three quarters confirmed they would not support any increase in council tax (74%), increasing from 45%, in 2021.

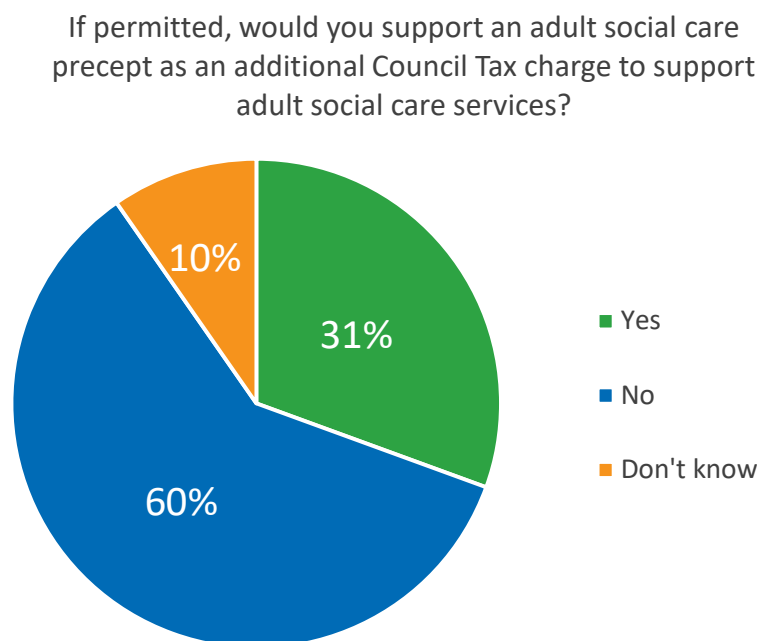
Support for an increase between 0% and 1% was more prominent amongst those aged between 35 and 64 and White people (20% vs 16% Ethnic Minority Background), particularly compared to Black people (8%).

Younger people aged under 25 (84%) were more likely to oppose any level of increase, compared to older respondents, as were respondents from an Ethnic Minority Background compared to White people (80% vs 63%).

Those in Blackwall and Cubitt Town, Poplar, Weavers and Whitechapel were more likely to support any form of increase (all >90%).

The government has allowed councils over the last few years to add an additional charge to their Council Tax for adult social care to support some of their most vulnerable residents. This is called the adult social care precept and is capped at 2%. We estimate that the additional cost pressures to the council for adult social care services in 2024/25 will be circa £7m, although this could be higher.

The council has to meet these costs whether or not it increases council tax or other income, therefore, if it doesn't increase its income, savings have to be found elsewhere. Respondents were asked, if permitted, would they support an adult social care precept to support adult social care services:



Overall, just under a third (31%) would support an additional Council Tax charge to support adult social care services. The majority (60%) do not support this proposal and a tenth did not know (10%). Compared to the same question posed in the previous budget consultation, this represents a significant fall in support from 58% during 2021.

Significantly higher levels of support were found amongst those aged 65 or over (68%) compared to all other age groups with females also more likely to be amiable the additional

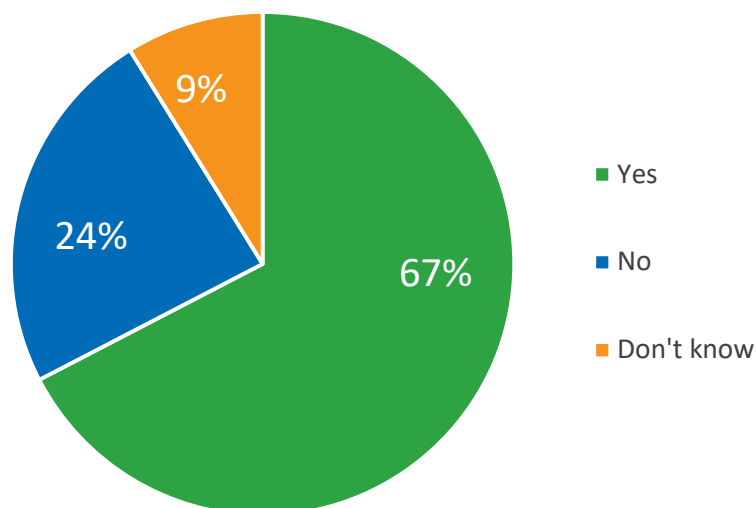
charge, compared to males (34% vs 29%). Two-fifths of White respondents (40%) backed a potential charge compared to a quarter of those from an Ethnic Minority Background (25%) with Black people, less likely to support the proposal (21%).

More than two-fifths of those who identified as disabled supported the proposal (44%), significantly more than those who did not identify in this way (29%). More than two-fifths of those in Bethnal Green West (40%), Bromley North (42%), Canary Wharf (47%) and Poplar (44%) were more likely to favour an adult social care precept to support adult social care services with people responding from Bethnal Green East, Lansbury, St Dunstan's and Stepney Green, less likely (all <20%).

Finally, the Council is looking at ways it can generate income to contribute towards the budget shortfall and minimise the impact of cuts on its services.

One of the ways the Council already generates income is by hiring out its unique council-owned assets such as parks for events and filming, and the use of venues for ceremonies and sporting activities. Participants were asked if they supported this approach to income generation.

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



Around two-thirds say they support this approach to income generation (67%). A quarter do not support this action (24%) and less than a tenth was unsure (9%). During 2021, 85% were in favour of the approach, confirming a significant decrease in support during 2023, although the majority still approve.

Almost three quarters of those aged 45-54 (73%) and 55-64 (74%) approved of the approach compared to 56% of those aged 16-24. Those responding from Bow West, Bromley North, Bromley South and Mile End were more likely to support council expanding its approach to income generation (all >80%). Those in Blackwall and Cubitt Town (27%), Limehouse (34%) and Stepney Green (20%) were least likely to favour this approach.

Levels of support were higher amongst those responding on behalf of a business compared to residents (87% vs 60%).

Appendices

Ethnicity Sample

Care was taken to ensure the sample included representation from all demographic groups within the borough and was aligned to the 2021 census amongst the resident sample. An expanded breakdown of ethnic background, overall, can be found below:

Ethnicity (n=1931)	Number	Percentage of sample
White - English, Welsh, Scottish, Northern Irish or British	496	26%
White - Irish	43	2%
White - Gypsy or Irish Traveller	0	0%
White - Roma	1	0%
White - Any other background	180	9%
Mixed or Multiple ethnic groups - White and Black Caribbean	33	2%
Mixed or Multiple ethnic groups - White and Black African	18	1%
Mixed or Multiple ethnic groups - White and Asian	40	2%
Mixed or Multiple ethnic groups - Any other background	13	1%
Asian or Asian British - Indian	166	9%
Asian or Asian British - Pakistani	121	6%
Asian or Asian British - Bangladeshi	453	23%
Asian or Asian British - Chinese	49	3%
Asian or Asian British - Any other background	33	2%
Black or Black British - Caribbean	57	3%
Black or Black British - Somali	70	4%
Black or Black British - Other African	72	4%
Black or Black British - Any other background	1	0%
Other ethnic group - Arab	50	3%
Other ethnic group - Any other ethnic group	2	0%
Prefer not to say	33	2%



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Glossary of terms – Local Government Finance

Autumn Statement – a statement made by the Chancellor of the Exchequer in which he updates the House of Commons on the state of the economy and announces tax and spending decisions. It sets out the government's tax and spending plans for the year ahead, affecting the take-home pay and household budgets of millions of people, as well as the funding for key public services.

Balances – the cash which the authority uses in the normal course of its business to aid cash management and meet contingencies not otherwise provided for. These are also known as Reserves.

Base Budget – the budget from the previous year is taken forward to create the initial budget for the next year before inflation and other adjustments such as budget pressures and savings are added/deducted.

Billing Authorities – the tier of local authority who are responsible for the billing and collection of 'Council Tax' and 'Business Rates' in its local area. London Boroughs collect for the Greater London Authority and business rates for Central Government.

Budget – The Council's aims and policies set out in financial terms, against which performance is measured. Both capital and revenue budgets are prepared each financial year.

Budget Gap – where the estimated expenditure is higher than the estimated income in a budget, there is said to be a 'budget gap'.

Business Rates – National Non-Domestic Rates ('NNDR') – the tax raised on nondomestic properties, based each year on a 'Business Rates Multiplier' applied to an assessment of the value of the property. This is the means by which local businesses contribute to the cost of local services. Tower Hamlets is also part of a Business Rates pool so business rates are pooled with other London authorities.

Business Rates Baseline Funding Level – the amount of 'Business Rates' income the Government believes a local authority needs to deliver local services. This is the Council's share of the 'Business Rates' income.

Business Rates Reset – this is the mechanism used by Government to redistribute the 'Business Rates' growth retained by some councils back into the Business Rates system. This could have a significant impact on the business rates retained by the District Council. The Business Rates Reset has been delayed for successive years and the current budget modelling has assumed that it will be delayed until at least 2026/27.

Business Rates Retention - the system under which the Council is able to keep a proportion of the 'Business Rates' raised in any year in excess of a baseline measure.

Business Rates Tariff – a local authority must pay a levy (tariff) if its individual 'Business Rates Baseline' is greater than its baseline funding level. Conversely a local authority will receive a **Business Rates Top-Up** if its baseline funding level is greater than its 'Business Rates Baseline'. Tower Hamlets is a Top-Up authority.

Business Rates Multiplier – the annual amount established by central government used in the calculation of the 'Business Rates' bill. This amount is multiplied by the businesses rateable value to derive the size of the 'Business Rates' bill for the year. For 2024-25 the small business multiplier will remain at 49.9 pence with the standard multiplier at 54.6 pence.

Business Rates Pool – an agreement between neighbouring councils to add together to combine their 'Business Rates' activities in a pool. This is designed to maximise the ability for councils to retain 'Business Rates' locally. Tower Hamlets is part of a pool with 8 other London authorities.

Capital Expenditure – expenditure either on the acquisition of a fixed asset (e.g. land, buildings, vehicles), or expenditure which adds to and not merely maintains the value of an existing fixed asset.

Capital Financing – the Council's arrangement for meeting the cost of 'Capital Expenditure' covering grants, 'Capital Receipts' and charges to revenue over the period that will benefit from the expenditure. Capital Financing includes borrowing to fund the Capital Programme, made up of principal repayments and interest (similar to a mortgage). Borrowing can only be used to fund capital expenditure, borrowing cannot fund revenue expenditure.

Capital Programme – this provides details on the planned expenditure on capital projects over a period of years, and the resources available to fund those schemes.

Capital Financing Requirement (CFR) – is the sum of money required from external sources to fund Capital Expenditure and represents the Authority's underlying need to borrow for capital purposes.

Capital Receipts – the proceeds of sale from the disposal of assets such as land and buildings. They can be used to finance new capital expenditure, but not revenue.

Central Schools Services Block (CSSB) – was introduced in 2018-19 to fund Local Authorities for their statutory duties relating to maintained schools and academies.

CIPFA - The Chartered Institute of Public Finance and Accountancy - the accountancy body primarily concerned with public services that issues guidance on accounts preparation for local authorities.

Collection Fund – a separate, statutory, account maintained by 'Billing Authorities' such as WDBC into which 'Council Tax' receipts are paid, and from which 'Precepting

Authorities' are paid. A Collection Fund is also maintained for the collection and redistribution of 'Business Rates'.

Core Spending Power – this is the term the Government use to say how much money Councils have to run their services. It's a headline figure used by the Government to represent the key revenue resources available to local authorities, including an estimate of actual and potential 'Council Tax'.

Council Tax – a local tax on domestic properties set by local authorities and based on the value of the property within eight bands, A to H. The 'Council Tax' value of each band is expressed as a proportion of band D.

Council Tax Base – the number of properties in a local authority area from which it is estimated 'Council Tax' will be collected, expressed as the number of equivalent band D properties using pre-set ratios. The tax base can increased by building new homes as well as by increasing the 'Council Tax' Band D amount itself.

Council Tax Requirement – the amount of funding required to be raised from 'Council Tax' to meet the expenditure plans of the authority after taking into account all other funding sources such as business rates income.

Dedicated Schools Grant (DSG) – the DSG is a specific grant made under section 14 of the Education Act 2002. It is paid by the Department to local authorities to fund schools, early years, and children and young people with high needs. The grant is the main source of income for the schools budget. The Local Authority receives money from central government each year to fund schools.

Department for Education (DfE) – A government department responsible for children's services and education, including early years, schools, higher and further education policy, apprenticeships and wider skills in England.

Department for Levelling Up, Housing & Communities (DLUHC) – A government department whose work includes investing in local areas to drive growth and create jobs, delivering homes, supporting community and faith groups, and overseeing local government, planning and building safety.

Earmarked Reserves – these are amounts of money which have been set aside for a specific purpose to meet future spending plans or contingencies.

Fair Funding Review – the Fair Funding Review is a process to set new baseline funding allocations for local authorities. The review will use various factors to assess the relative needs and resources of local authorities, such as population, deprivation and sparsity. The review has been delayed for a number of years and it unclear when it will be implemented.

Fees and Charges - income raised by charging users of services directly for services used e.g. car parking income, planning income.

General Fund (GF) - the council's main revenue account which includes day to day income and expenditure on the provision of services.

General Fund Balance – also known as '**Unearmarked Reserves**' - the amount the Council has available to fund unforeseen events. It must be maintained at a sufficient level to ensure spending obligations can always be met and is set on a risk based approach. A minimum balance of £20m has been set.

Gross Expenditure - the total cost of providing services before the deduction of government grants or other income.

Housing Revenue Account (HRA) – The HRA is a ring fenced account that must be kept separate from the General Fund. It relates to the Council's function as a social landlord and is ring fenced to avoid cross subsidy between Council Tax payers and rents from tenants.

Local Council Tax Relief Scheme (LCTRS) – Since April 2013, local authorities have had the duty of determining their own scheme. This followed the Government's decision to abolish the national Council Tax benefit arrangements. LCTR is a means-tested benefit for households that have a low income which may result in them having to pay reduced or, in some cases, no Council Tax through this scheme.

Local Government Finance Settlement (LGFS) - the annual announcement by Government of the amount of grant funding to be provided for the forthcoming year. The provisional settlement is usually announced in December, with a final settlement confirmed in late January.

London Councils – is the collective of London local government, the 32 boroughs and the City of London Corporation. They come together through London Councils to work in collaboration to deliver their shared ambitions for London and Londoners.

Medium Term Financial Strategy (MTFS) - this sets out the budget strategy for the Council for the next three years.

National Schools Funding Formula (NSFF) – is the way the government decides how much core funding to allocate for mainstream state-funded schools in England.

Net Expenditure - the cost of providing a service after the deduction of specific government grants and other sources of income but excluding the use of reserves.

NNDR – National Non-Domestic Rates – see **Business Rates**

New Homes Bonus - The New Homes Bonus (NHB) scheme was introduced in 2011 to provide an incentive for local authorities to encourage housing growth in their areas. The aim of the NHB was to provide a financial incentive to reward and encourage local authorities to help facilitate housing growth.

Office of budget Responsibility (OBR) – is a non-departmental public body funded by the UK Treasury, that the UK government established to provide independent economic forecasts and independent analysis of the public finances.

Precept – the levy made by ‘Precepting Authorities’ on ‘Billing Authorities’ requiring it to collect the required income from Council Tax payers on their behalf.

Precepting Authorities – these bodies do not collect ‘Council Tax’ directly but instruct ‘Billing Authorities’ to do it on their behalf. The Greater London Authority is a precepting authority and Tower Hamlets is a billing authority.

Prudential Code - this is a code of practice agreed between Government and CIPFA that regulates local council capital spending and financing. The Code allows local authorities to set their own borrowing limits based upon affordability, sustainability and prudence.

PWLB - Public Works Loans Board - a statutory body operating within the United Kingdom Debt Management Office, which is an Executive Agency of HM Treasury. Its function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.

Reserves - amounts of money put aside to meet certain categories of expenditure. Reserves can be ‘Earmarked’ and ‘Unearmarked’.

Revenue Expenditure - comprises the day to day costs associated with running the Council’s services and financing the Council’s outstanding debt. The costs such as staff salaries, contract expenditure and general running expenses (heat, light and utilities) are financed from income.

Section 151 Officer (S151 Officer) – the responsible financial officer. Every council, by law will designate an individual officer as having legal responsibility over providing effective financial management and advice across the Council. The post holder must be a qualified member of one of the main accountancy bodies in the UK. This is currently Lisa Buckle.

SEND – Special Educational Needs or Disabilities.

Settlement Funding Assessment (SFA) - this is essentially the ‘Business Rates Baseline’ and is the amount of money the Council retains from its share of the ‘Business Rates’ income.

Unearmarked Reserves – see **General Fund Balance**

Upper Tier Authorities – in two-tier areas, this is the County Council. Tower Hamlets has both upper tier and lower tier responsibilities.

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ANNEX 3

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<p>Non-Executive Report of the:</p> <p>Audit Committee 22nd January 2024</p> <p>and</p> <p>Council 28th February 2024</p>	
<p>Report of: Julie Lorraine, Corporate Director Resources</p>	<p>Classification: Unrestricted</p>
<p>Treasury Management Strategy Statement, Investment Strategy Report and Capital Strategy Report for 2024-25 to 2026-27</p>	

Originating Officer(s)	<p>Abdulrazak Kassim, Director of Finance, Procurement and Audit</p> <p>John Harrison, Interim Director of Finance, Procurement and Audit</p> <p>Paul Audu, Interim Head of Pensions & Treasury</p>
Wards affected	All wards

EXECUTIVE SUMMARY

- 1) This Report has been updated from the version reviewed by the Audit Committee at their meeting of 21 January 2024. The amendments reflect the final proposed capital programme, capital receipt forecasts and reserve movements which were approved by Cabinet on 31 January 2024. Whilst the indicators and tables have been updated to reflect the latest forecasts, there are no changes to the Borrowing, Investment or Capital strategies considered and recommended by the Audit Committee.
- 2) This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the DLUHC Guidance on Treasury Management.
- 3) The Council is required by legislation and guidance to produce three strategy statements in relation to its treasury management arrangements. The three statements are:
 - a) Treasury Management Strategy Statement which sets out the Council's strategy for the management of the Council's treasury investments and debt portfolio, including potential new borrowing, for the financial year and establishes the parameters (prudential and treasury indicators) within which officers under delegated authority may undertake such activities.
 - b) Investment Strategy which sets out the Council's service and commercial investments, its policies for managing existing investments and the governance/decision-making arrangements for new investments.
 - c) Capital Strategy Report which sets out an overview of how the Council's capital

expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. The Capital Strategy Report incorporates the Minimum Revenue Provision (MRP) Policy Statement.

- 4) This report also covers the requirements of the 2021 Prudential Code and Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA TM Code) and Department for Levelling Up Housing & Communities (DLUHC) issued revised Guidance on Local Authority Investments.
- 5) Clear delegated responsibility for overseeing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions is required. For this Council, the delegated body is the Audit Committee. Officers will report details of the Council's treasury management activity to the Audit Committee through presentation of a mid-year and outturn report.
- 6) The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Training will be arranged as required for members of the Audit Committee charged with reviewing and monitoring the Council's treasury management policies. The training of treasury management officers is also periodically reviewed and enhanced as appropriate.

Recommendations:

It is recommended to Audit Committee to recommend to Council to:

- 1) Approve and adopt the following policy and strategies:
 - 1.1) The Treasury Management Strategy Statement (TMSS) contained in Appendix A;
 - 1.2) The recommended investment counterparties and limits in Appendix A paragraph 5.7;
 - 1.3) The Investment Strategy Report contained in Appendix B;
 - 1.4) The Capital Strategy, which includes the Minimum Revenue Provision (MRP) Policy Statement, contained in Appendix C;
 - 1.5) The Prudential and Treasury Management indicators contained in Appendix D; and
 - 1.6) The Treasury Management Policy Statement as set out in Appendix E.

1 REASONS FOR THE DECISIONS

- 1.1 The Council has adopted the relevant CIPFA Treasury Management and Prudential Codes and has regard to the DLUHC Investment Guidance (which came into force on 1st April 2018), as required to comply with the Local Government Act 2003. The guidance prescribes the production of three strategy documents, to be approved by the Council before the start of the financial year to which they relate.
- 1.2 The Prudential Code for Capital Finance in Local Authorities (2021) produced by CIPFA guides the Council in the production of a framework designed to ensure that the Council's capital expenditure and financing plans are prudent, sustainable and affordable.
- 1.3 The Treasury Management in the Public Services: Code of Practice (2021) produced by CIPFA guides the Council in setting a risk management framework for the management of its surplus cash and new and existing borrowing.
- 1.4 The DLUHC Investment Guidance guides the Council in setting a decision-making, governance and risk management policy for its service and commercial investments.
- 1.5 The three strategy documents that the Council should produce are:
 - Treasury Management Strategy, including prudential indicators
 - Investment Strategy
 - Capital Strategy

2 ALTERNATIVE OPTIONS

- 1.2 The Council is bound by legislation to have regard to the CIPFA Codes and DLUHC Investment Guidance. If the Council were to deviate from those requirements, there would need to be some good reason for doing so. It is not considered that there is any such reason, having regard to the need to ensure that the Council's capital investment plans are affordable, sustainable and prudent, and its treasury management activity is managed within an adequate risk control framework.

3 DETAILS OF THE REPORT

Background to Treasury Management

- 3.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Council's low-risk appetite, with adequate liquidity primarily, before considering investment

return. A portion of the investment balance is invested on a long-term basis to preserve purchasing power and generate higher returns to support the revenue budget.

3.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses.

3.3 CIPFA defines treasury management as:

“The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

3.4 The Treasury Management Strategy Statement report forms part of an annual cycle of Committee and Council reports. The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

- I. **A treasury management strategy statement** (Appendix A)
- II. **A mid-year treasury management report** – This will update members on year-to-date performance against the prudential and treasury indicators, amending indicators as necessary, and whether any policies require revision.
- III. **A treasury outturn report** – This provides details of annual actual performance against the prudential and treasury indicators.

3.5 The Council uses Arlingclose Limited as its external treasury management advisor. The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and officers will ensure that undue reliance is not placed upon the external service providers.

3.6 The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Training will be arranged as required. The training needs of treasury management officers are periodically reviewed.

The 2023-24 Strategy and Current Investment Position and Performance

3.7 The Strategy for 2023-24 was approved by Full Council on 1 March 2023 and the Audit Committee received a Treasury Management mid-year review on 22 January 2024 which stated that:

- a) The investment income budget for 2023-24 was £2m.
- b) From a benchmarking exercise, a total return of 5.14% was achieved for the

reporting period, which was 0.8% above the average 4.34% for similar Local Authorities return and 1.48% higher than the average return of 3.66% for all Local Authorities in the exercise; and

- c) The Prudential Indicators and Treasury Management indicators have been fully complied with.

Treasury Management Strategy

- 3.8 The Treasury Management Strategy Statement contained in Appendix A sets out the Council's proposed borrowing strategy, in the context of the UK's economic outlook, credit outlook and interest rate forecast as well as the local context of the requirement to borrow. Given the significant cuts to public expenditure, in particular local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.
- 3.9 The Authority had previously raised the majority of its long-term borrowing from the Public Works Loans Board (PWLB) but will consider long-term loans from other sources including banks, pension funds and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Authority intends to avoid this activity to retain its access to PWLB loans.
- 3.10 Alternatively, the Authority may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
- 3.11 All long-term borrowing decisions will be reported to the appropriate decision-making body at the next available opportunity. Please note that the borrowing of monies purely to lend on and make a return is unlawful and the Council will not engage in such activity.
- 3.12 Where spend is financed through the creation of debt, the Council is required to pay off an element of the accumulated capital spend each year. The payment is made through a revenue charge (the minimum revenue provision - MRP) made against the Council's expenditure, although it is also allowed to undertake additional voluntary payments where affordable (voluntary revenue provision (VRP)). The MRP policy is set out in the Capital Strategy contained in Appendix C.
- 3.13 There is no requirement to make an MRP for Housing Revenue Account (HRA) debt. To maximise resources available for investment in the existing stock and the new build programme, there will be no budgeted VRP to repay HRA debt. In order to assess borrowing affordability and constraints in the HRA, the Council will ensure that the interest cover ratio does not exceed 1.15. This change has been discussed with the Council's technical advisor and is in line with the policies of other London Boroughs.

- 3.14 Although reducing, the Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. Both the CIPFA Code and the CLG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 3.15 The investment strategy has been developed using the principle that the Council will also achieve optimum return on its investments commensurate with proper levels of security and liquidity. The majority of the Authority's surplus cash remains invested in short-term unsecured bank deposits, money market funds and local authority deposits.
- 3.16 The proposed structure for selecting counterparties is set out in the TMSS. This methodology has been proposed by Arlingclose Limited and, after review, is being proposed to the Council for adoption. The Council has not listed all the counterparties that meet these criteria as these counterparties will naturally change over time. The Council, in conjunction with its treasury management advisor, Arlingclose, will use Fitch, Moodys and Standard and Poor's ratings to derive its credit criteria. The Council's treasury advisor alerts officers to changes in ratings of all agencies.
- 3.17 The Corporate Director of Resources has delegated responsibility to add or withdraw institutions from the counterparty list when circumstances change, either as advised by Arlingclose Limited (the Council's advisor) or from another reliable market source.

Investment Strategy Report 2024-25

- 3.18 The Investment Strategy Report is contained in Appendix B. This strategy meets the requirement of the Guidance issued by Government in January 2018 and sets out the Council's Strategy in relation to supporting local public services by lending to or buying shares in other organisations and earning investment income other than investment returns on cash balance (commercial investments).

Capital Strategy Report for 2024-25

- 3.19 The Capital Strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes-technical areas.
- 3.20 Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They

are, therefore, subject to both a national regulatory framework and to a local policy framework, summarised in this report.

- 3.21 The Capital Strategy Report is contained in Appendix C. The report sets out how the Capital Financing Requirement (CFR) for both the General Fund (GF) and the Housing Revenue Account (HRA) will change through to 2026-27, along with the Authorised Limit and the Operational Limit for borrowing and Prudential Indicators (PIs). Any shortfall of resources results in a borrowing need.

Other Treasury Management Issues

- 3.22 To meet statutory requirements, clear delegated responsibility for overseeing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions rests with the Audit Committee. Officers will report details of the Council's treasury management activity to the Audit Committee through presentation of a mid-year and outturn report. The responsibilities and delegated decision-making path are set out in Appendices F and G.
- 3.23 The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny, for whom training will be arranged as required. The training needs of treasury management officers are periodically reviewed and form part of the annual learning and development plan for individual officers.

4 EQUALITIES IMPLICATIONS

- 4.1 The Equality Act 2010 requires the Council in the exercise of its functions to have due regard to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.
- 4.2 Capital investment will contribute to achievement of the corporate objectives, including all those relating to equalities. Establishing the statutory policy statements required facilitates the capital investments and ensures that it is prudent.

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.
- a. **Best Value Implications:** The Treasury Management Strategy, Investment Strategy, Capital Strategy and the arrangements put in place to monitor them should ensure that the Council optimises the use of its monetary resources within the constraints placed on the Council by statute, appropriate management of risk and operational requirements. Assessment of value for money is achieved through monitoring against benchmarks and operating within budget.
- b. **Risk Management:** There is inevitably a degree of risk inherent in all treasury activity. The Investment Strategy identifies the risk associated with different classes of investment instruments and sets the parameters within which treasury activities can be undertaken and controls and processes appropriate for that risk. Treasury operations are undertaken by nominated officers within the parameters prescribed by the Treasury Management Policy Statement as approved by the Council. The Council is ultimately responsible for risk management in relation to its treasury activities. However, in determining the risk and appropriate controls to put in place, the Council has obtained independent advice from Arlingclose who specialise in Local Authority treasury issues.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 This report contains the three strategy statements in relation to the Council's treasury management arrangements. As this report is financial in nature the comments of the Chief Finance Officer have been incorporated throughout this report.

7 COMMENTS OF LEGAL SERVICES

- 7.1 The Local Government Act 2003 ('the 2003 Act') provides a framework for the capital finance of local authorities. It provides a power to borrow and imposes a duty on local authorities to determine an affordable borrowing limit. It provides a power to invest. Fundamental to the operation of the scheme is an understanding that authorities will have regard to proper accounting practices recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) in carrying out capital finance functions.
- 7.2 The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 ('the 2003 Regulations') require the Council to have regard to the CIPFA publication "Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes" ("the Treasury Management Code") in carrying out capital finance functions under the 2003 Act. If after having regard

to the Treasury Management Code the Council wished not to follow it, there would need to be some good reason for such deviation.

- 7.3 It is a key principle of the Treasury Management Code that an authority should put in place “comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities”. Treasury management activities cover the management of the Council’s investments and cash flows, its banking, money market and capital market transactions, the effective control of risks associated with those activities and the pursuit of optimum performance consistent with those risks. It is consistent with the key principles expressed in the Treasury Management Code for the Council to adopt the strategies and policies proposed in the report.
- 7.4 The report proposes that the treasury management strategy will incorporate treasury and prudential indicators. The 2003 Regulations also requires the Council to have regard to the CIPFA publication “Prudential Code for Capital Finance in Local Authorities” (“the Prudential Code”) when carrying out its duty under the Act to determine an affordable borrowing limit. The Prudential Code specifies a minimum level of prudential indicators required to ensure affordability, sustainability and prudence. The report properly brings forward these matters for determination by the Council. If after having regard to the Prudential Code the Council wished not to follow it, there would need to be some good reason for such a deviation.
- 7.5 The Local Government Act 2000 and regulations made under the Act provide that adoption of a plan or strategy for control of a local authority’s borrowing, investments or capital expenditure, or for determining the authority’s minimum revenue provision, is a matter that should not be the sole responsibility of the authority’s executive and, accordingly, it is appropriate for the Cabinet to agree these matters and for them to then be considered by Council.
- 7.6 The report sets out the recommendations of the Corporate Director of Resources in relation to the Council’s Minimum Revenue Provision, Treasury Management Strategy and its Annual Investment Strategy. The Corporate Director Resources has responsibility for overseeing the proper administration of the Council’s financial affairs, as required by section 151 of the Local Government Act 1972 and is the appropriate officer to advise in relation to these matters.
- 7.7 When considering its approach to the treasury management matters set out in the report, 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 don’t (the public sector equality duty).

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

Appendix A - Treasury Management Strategy Statement

Appendix B - Investment Strategy Report

Appendix C - Capital Strategy Report

Appendix D - Prudential and Treasury Indicators

Appendix E - Treasury Management Policy Statement

Appendix F - Treasury Management Scheme of Delegation

Appendix G - Treasury Management Reporting Arrangement

Appendix H - Glossary

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

- None

Officer contact details for documents:

Paul Audu, Interim Head of Pensions & Treasury

Treasury Management Strategy Statement (TMSS) 2024-25

1. Introduction

- 1.1 Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk is therefore central to the Council's prudent financial management.
- 1.2 Treasury risk management in the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
- 1.3 Investments held for service purposes or for commercial profit are considered in the Investment Strategy Report included with this TMSS report.
- 1.4 This TMSS forms part of the Council's overall budget strategy and financial management framework.

2. External Context

- 2.1 **Economic background:** The impact on the UK from higher interest rates and inflation, a weakening economic outlook, an uncertain political climate due to an upcoming general election, together with war in Ukraine and the Middle East, will be major influences on the Authority's treasury management strategy for 2024-25.
- 2.2 The Bank of England (BoE) increased Bank Rate to 5.25% in August 2023, before maintaining this level for the rest of 2023. In December 2023, members of the BoE's Monetary Policy Committee voted 6-3 in favour of keeping Bank Rate at 5.25%. The three dissenters wanted to increase rates by another 0.25%.
- 2.3 The November quarterly Monetary Policy Report (MPR) forecast a prolonged period of weak Gross Domestic Product (GDP) growth with the potential for a mild contraction due to ongoing weak economic activity. The outlook for CPI inflation was deemed to be highly uncertain, with upside risks to CPI falling to the 2% target coming from potential energy price increases, strong domestic wage growth and persistence in price-setting.

- 2.4 Office for National Statistics (ONS) figures showed CPI inflation was 3.9% in November 2023, down from a 4.6% rate in the previous month and, in line with the recent trend, lower than expected. The core CPI inflation rate declined to 5.1% from the previous month's 5.7%, again lower than predictions. Looking ahead, using the interest rate path implied by financial markets the BoE expects CPI inflation to continue falling slowly, but taking until early 2025 to reach the 2% target before dropping below target during the second half 2025 and into 2026.
- 2.5 ONS figures showed the UK economy contracted by 0.1% between July and September 2023. The BoE forecasts GDP will likely stagnate through 2024. The BoE forecasts that higher interest rates will constrain GDP growth, which will remain weak over the entire forecast horizon.
- 2.6 **Credit outlook:** Credit Default Swap (CDS) prices were volatile during 2023, spiking in March on the back of banking sector contagion concerns following the major events of Silicon Valley Bank becoming insolvent and the takeover of Credit Suisse by UBS. After then falling back in Q2 of calendar 2023, in the second half of the year, higher interest rates and inflation, the ongoing war in Ukraine, and now the Middle East, have led to CDS prices increasing steadily.
- 2.7 Moody's revised its outlook on the UK sovereign to stable from negative to reflect its view of restored political predictability following the volatility after the 2022 mini-budget. Moody's also affirmed the Aa3 rating in recognition of the UK's economic resilience and strong institutional framework. Following its rating action on the UK sovereign, Moody's revised the outlook on five UK banks to stable from negative and then followed this by the same action on five rated local authorities. However, within the same update the long-term ratings of those five local authorities were downgraded.
- 2.8 There remain competing tensions in the banking sector, on one side from higher interest rates boosting net income and profitability against another of a weakening economic outlook and likely recessions that increase the possibility of a deterioration in the quality of banks' assets.
- 2.9 However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.
- 2.10 **Interest rate forecast (December 2023):** Although UK inflation and wage growth remain elevated, the Council's treasury management adviser Arlingclose forecasts that Bank Rate has peaked at 5.25%. The Bank of England's Monetary Policy Committee will start reducing rates in 2024 to stimulate the UK economy but will be

reluctant to do so until it is sure there will be no lingering second-round effects. Arlingclose sees rate cuts from Q3 2024 to a low of around 3% by early mid 2026.

2.11 Arlingclose expects long-term gilt yields to be broadly stable at current levels (amid continued volatility), following the decline in yields towards the end of 2023, which reflects the expected lower medium-term path for Bank Rate. Yields will remain relatively higher than in the past, due to quantitative tightening and significant bond supply. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

3 Local Context

3.1 For the purpose of setting the Council's budget and MTFs, it has been assumed that new treasury investments in 2024-25 will be made at an average rate range of 5.25% depending on duration and future Bank of England rate rises, and that new long-term loans will be borrowed at an average rate of 5.0%. However, reduction in cash balances will significantly impact interest earned.

3.2 On 31 December 2023, the Council held £68.7m of external debt and £249.98m of treasury investments. This is set out in further detail at Annex B. Forecast changes in these sums are shown in the balance sheet analysis Table below.

Table 1: Balance Sheet summary and forecast

	31.03.23 actual £m	31.03.24 estimate £m	31.03.25 forecast £m	31/03/26 forecast £m	31/03/27 forecast £m
General Fund CFR	404.900	405.108	425.690	437.413	423.415
HRA CFR	165.598	181.052	218.957	274.429	314.427
Total CFR	570.498	586.160	644.647	711.842	737.842
Less other debt liabilities *	(48.506)	(44.440)	(59.585)	(53.958)	(47.698)
Borrowing CFR	521.992	541.720	585.062	657.884	690.144
External borrowing	(68.709)	(68.709)	(68.709)	(68.709)	(68.709)
Internal borrowing	453.283	473.011	516.353	589.175	621.435
Less usable reserves	(650.872)	(592.450)	(480.750)	(429.250)	(418.250)
Less working capital	(40.361)	(58.152)	(88.152)	(123.152)	(158.152)
Treasury investments or (new borrowing)	237.950	177.591	52.549	(36.773)	(45.033)

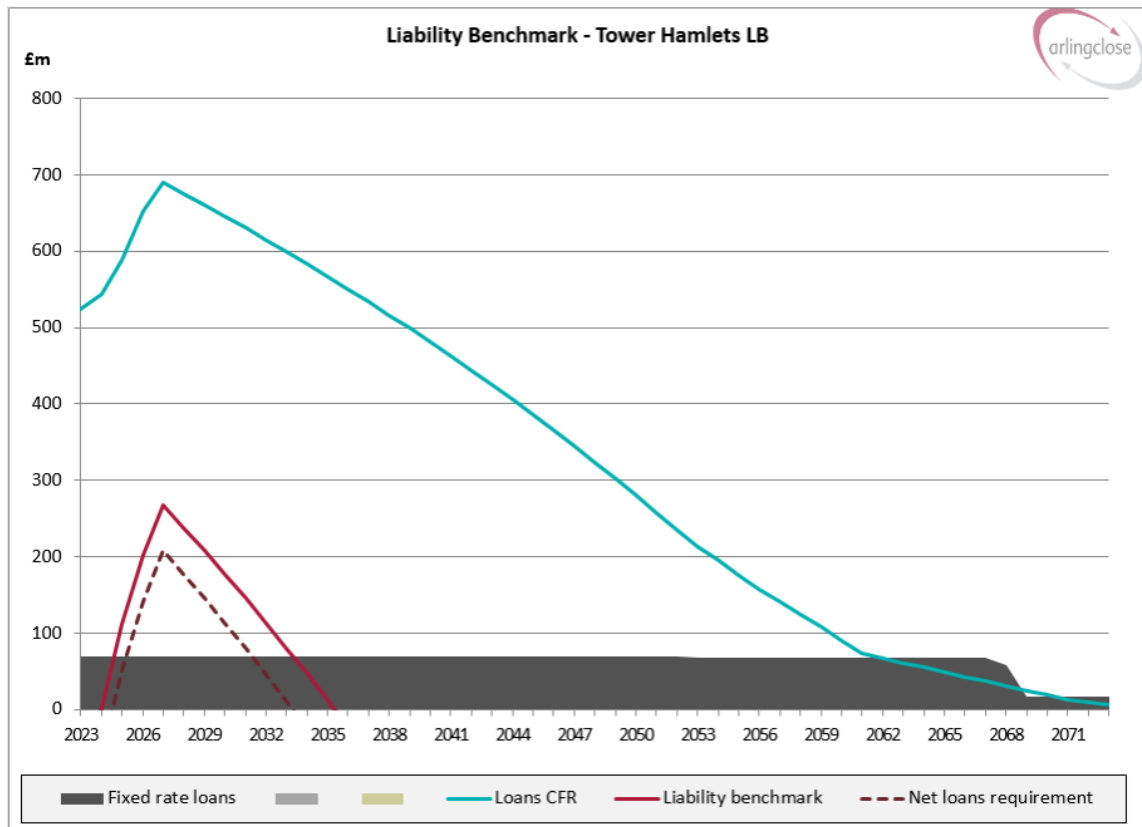
* leases and PFI liabilities that form part of the Council's total debt

3.3 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

- 3.4 Actual internal borrowing on 31 March 2023 was £453.3m and forecast internal borrowing on 31 March 2024 is forecast at £473.0m. Internal borrowing represents the actual borrowing which is yet to be financed with external debt. By not borrowing to date the council has saved millions of pounds in debt interest.
- 3.5 However, the Council has an increasing borrowing requirement (CFR) due to the capital programme and lower cash balances as the level of reserves is reduced. The Council could therefore be required to borrow at least £110m over the forecast period.
- 3.6 CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation between 2024-25 to 2026-27.
- 3.7 **Liability benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as Table 1 above, but that cash and investment balances are kept to a minimum level of £60m at each year-end to maintain sufficient liquidity but minimize credit risk.

Table 2: Liability benchmark

	31/03/23 Actual £m	31/03/24 Estimate £m	31/03/25 Forecast £m	31/03/26 Forecast £m	31/03/27 Forecast £m
Borrowing CFR	521.992	541.720	585.062	657.884	690.144
Less usable reserves	(650.872)	(592.450)	(480.750)	(429.250)	(418.250)
Less working capital	(40.361)	(58.152)	(88.152)	(123.152)	(158.152)
Net loans requirement	(169.241)	(108.882)	16.160	105.482	113.742
Plus liquidity allowance	60.000	60.000	60.000	60.000	60.000
Liability benchmark	(109.241)	(48.882)	76.160	165.482	173.742



3.8 The liability benchmark suggests the Council will require a minimum level of new borrowing of £10m in 2024-25 to maintain the minimum investment level of £60m at the year end. This largely represents the nominal value of strategic funds the Council has invested for long-term returns, these can however be sold if necessary. The actual level of borrowing at the year-end depends on whether the Council’s spending plans proceed as planned, cash flows and the actual timing of borrowing.

4 **Borrowing Strategy**

4.1 The Council currently holds £68.7m of external borrowing, as part of its strategy for funding previous years’ capital programmes. The balance sheet forecast in table 2 shows that the Council expects to borrow around £10m in 2024-25 (the difference between the liability benchmark and existing borrowing). The Council may also borrow to pre-fund future years’ requirements, provided this does not exceed the authorized limit for borrowing of £700m.

4.2 **Objectives:** The Council’s main objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council’s long-term plans change is a secondary objective.

4.3 **Strategy:** The Council’s borrowing strategy continues to address the key issue of

affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently at a 15-year high but are expected to fall in the coming years, it is likely to be more cost-effective over the medium-term to either use internal resources, or to borrow short-term loans instead.

- 4.4 By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal borrowing or short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Council officers are able to draw on borrowing advice as required to ascertain whether the Council borrows additional sums at long-term fixed rates in 2024-25 with a view to keeping future interest costs low, even if this causes additional costs in the short-term.
- 4.5 The Council had previously raised the majority of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pension funds and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council intends to avoid this activity in order to retain its access to PWLB loans.
- 4.6 The Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period. The Council may additionally borrow short-term loans to cover unplanned cash flow shortages.
- 4.7 The approved sources of long-term and short-term borrowing are:
- HM Treasury's PWLB Lending Facility (formerly the Public Works Loan Board)
 - UK Infrastructure Bank Ltd
 - any institution approved for investments (see below)
 - any other bank or building society authorised to operate in the UK
 - any other UK public sector body
 - UK public and private sector pension funds (except the London Borough of Tower Hamlets Pension Fund)
 - capital market bond investors
 - retail investors via a regulated peer-to-peer platform
 - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- 4.8 In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
- leasing
 - hire purchase

- Private Finance Initiative
- sale and leaseback
- similar asset-based finance

4.9 **Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

4.10 **Short-term and variable rate loans:** These loans may leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. The Council will avoid variable rate loans except on advice.

4.11 **Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

5 Treasury Investment Strategy

5.1 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's treasury investment balance has ranged between £237.95m and £283.94m. Investment levels are expected to reduce in the forthcoming year as capital expenditure increases and reserves and balances reduce.

5.2 The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

5.3 Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of

inflation, in order to maintain the spending power of the sum invested. The Authority aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

- 5.4 **Strategy:** As demonstrated by the liability benchmark in table 3, since capital expenditure is not fully funded with Council resources, capital receipts or grants, the Council expects to be a long-term borrower and new or existing treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risks into different sectors and boost investment income.
- 5.5 **Business models:** Under the IFRS 9 standard, the accounting for certain investments depends on the Council’s “business model” for managing them. The Council aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.
- 5.6 **Environmental Social and Governance (ESG):** Environmental, social and governance (ESG) considerations are increasingly a factor in global investors’ decision making, but the framework for evaluating investment opportunities is still developing and therefore the Authority’s ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Authority will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.
- 5.7 **Approved counterparties:** The Council may invest its surplus funds with any of the counterparty types in Table 3 below, subject to the limits shown.

Table 3: Recommended investment counterparties and limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities <i>(subject to checks on their balance sheet position and current financial status)</i>	25 years	£25m	Unlimited
Secured investments *	25 years	£25m	Unlimited
Banks (unsecured) *	13 months	£15m	Unlimited

Building societies (unsecured) *	13 months	£15m	£30m
Registered providers (unsecured) *	5 years	£15m	£75m
Money market funds *	n/a	£30m	Unlimited
Strategic pooled funds*	n/a	£30m	£150m
Real estate investment trusts	n/a	£30m	£75m
Other investments *	5 years	£15m	£30m

This table must be read in conjunction with the notes below

5.8 **Minimum Credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is not lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account during decision making. This is monitored on a regular basis in liaison with our advisors.

5.9 For entities without published credit ratings, investments may be made under the above limits where external advice indicates the entity to be of similar credit quality following an external credit assessment.

5.10 **Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities, and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

5.11 **Secured Investments:** These are investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

5.12 **Banks and Building Societies (unsecured):** Accounts, deposits, certificates of

deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

- 5.13 **Registered Providers:** Loans to, and bonds issued by or guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government, and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.
- 5.14 **Money Market Funds (MMFs):** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will exercise due care by diversifying its liquid investments across various providers, to ensure access to cash at all times.
- 5.15 **Strategic Pooled Funds:** Bond, equity and property funds that offer enhanced returns over the longer-term but are more volatile in the short-term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. As these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.
- 5.16 **Real Estate Investment Trusts (REITS):** Shares in companies that invest mainly in real estate and pay most of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. Investments in REIT shares cannot be withdrawn but can be sold on the stock market to another investor.
- 5.17 **Other Investments:** This category covers treasury investments not listed above, for example, unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.
- 5.18 **Operational Bank Accounts:** The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring

services to any UK bank with credit ratings not lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £2m if it falls below the minimum bank credit rating referred to in 5.7. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

5.19 Risk Assessment and Credit Ratings: Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit-rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

5.20 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") which may make it fall below the approved rating criteria, then only investments that can be withdrawn [on the next working day] will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

5.21 Other information on the security of investments: The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

5.22 The Authority is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.

5.23 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of

security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

5.24 **Investment limits:** In order that no more than 25% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £30 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes.

5.25 Limits are also placed on fund managers, investments in brokers' nominee accounts, foreign countries, and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country since the risk is diversified over many countries.

Table 4 - Additional Investment limits

	Cash Limit
Any group of pooled funds under the same management	£75m per manager
Negotiable instruments held in a broker's nominee account	£75m per broker
Foreign countries	£30m per country

5.26 **Liquidity management:** The Council uses a cash flow forecasting model to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast. The Council will spread its liquid cash over at least four providers (e.g., bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

6 Treasury Management Indicators

6.1 The Council measures and manages its exposures to treasury management risks using the following indicators.

6.2 **Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target	Minimum
Portfolio average credit rating	A	A-

- 6.3 **Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

Liquidity risk indicator	Target
Total cash available within 3 months	£30m

- 6.4 **Interest rate exposures:** This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£2m
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£2m

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at new market rates.

- 6.5 **Maturity structure of borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	60%	0%
5 years and within 10 years	75%	0%
10 years and within 20 years	100%	0%
20 years and within 30 years	100%	0%
30 years and within 40 years	100%	0%
40 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

- 6.6 **Long-term Treasury management investments:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early

repayment of its investments. The prudential limits on the long-term treasury investments will be:

Price risk indicator	2024-25	2025-26	2026-27
Limit on principal invested beyond year end/ no fixed maturity date	£150m	£140m	£125m

7 Related Matters

- 7.1 The CIPFA Code requires the Council to include the following in its treasury management strategy.
- 7.2 **Financial Derivatives:** The Council will only use standalone financial derivatives (such as swaps, forwards, futures, and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be considered when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 7.3 In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.
- 7.4 **Housing Revenue Account:** The Council shall maintain two loan pools, General Fund and HRA. Loans will be assigned in their entirety to two pools. Interest payable and other costs/income arising from long-term loans (e.g., premiums and discounts on early redemption) are charged/credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each month and interest transferred between the General Fund and HRA at the Council's average interest rate on treasury investments, adjusted for credit risk.
- 7.5 **External Funds:** From time to time, the Council may hold funds on behalf of other bodies which will be separated where possible from the Council's cash via separate bank accounts or separate ledger codes. Where possible interest will be apportioned, and appropriate impairment losses applied as necessary.
- 7.6 **Markets in Financial Instruments Directive (MiFID):** The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers, and fund managers, allowing it access to a greater range of services

but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.

8 Financial Implications

- 8.1 The draft budget for investment income in 2024-25 is £7.9m, based on an average investment portfolio of £175m at an average interest rate of 4.5%. The draft budget for debt interest payable in 2024-25 is £2.3m, based on an average debt portfolio of £79m at a consolidated average interest rate of 3.3%. If actual levels of investments and borrowing, or actual interest rates, differ from that forecast, performance against budget will be correspondingly different.
- 8.2 The revised budget for MRP (borrowing) in 2023-24 and 2024-25 is £11.3m.

9 Other Options Considered

- 9.1 The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Financial Officer, having consulted with the treasury advisers Arlingclose, the Cabinet Member for Resources and Corporate Leadership Team believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater due to amount invested in each counterparty
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term borrowing interest costs may be more certain

Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Arlingclose Economic and Interest Rate Forecast – December 2023**Underlying assumptions:**

- UK inflation and wage growth remain elevated but have eased over the past two months fueling rate cuts expectations. Near-term rate cuts remain unlikely, although downside risks will increase as the UK economy likely slides into recession.
- The MPC's message remains unchanged as the Committee seeks to maintain tighter financial conditions. Monetary policy will remain tight as inflation is expected to moderate to target slowly, although some wage and inflation measures are below the Bank's last forecasts.
- Despite some deterioration in activity data, the UK economy remains resilient in the face of tighter monetary policy. Recent data has been soft but mixed; the timelier PMI figures suggest that the services sector is recovering from a weak Q3. Tighter policy will however bear down on domestic and external activity as interest rates bite.
- Employment demand is easing. Anecdotal evidence suggests slowing recruitment and pay growth, and we expect unemployment to rise further. As unemployment rises and interest rates remain high, consumer sentiment will deteriorate. Household and business spending will therefore be weak.
- Inflation will fall over the next 12 months. The path to the target will not be smooth, with higher energy prices and base effects interrupting the downtrend at times. The MPC's attention will remain on underlying inflation measures and wage data. We believe policy rates will remain at the peak for another 10 months, or until the MPC is comfortable the risk of further 'second-round' effects has diminished.
- Maintaining monetary policy in restrictive territory for so long, when the economy is already struggling, will require significant policy loosening in the future to boost activity.
- Global bond yields will remain volatile. Markets are currently running with expectations of near-term US rate cuts, fuelled somewhat unexpectedly by US policymakers themselves. Term premia and bond yields have experienced a marked decline. It would not be a surprise to see a reversal if data points do not support the narrative, but the current 10-year yield appears broadly reflective of a lower medium-term level for Bank Rate.
- There is a heightened risk of fiscal policy and/or geo-political events causing

substantial volatility in yields.

Forecast:

- The MPC held Bank Rate at 5.25% in December. We believe this is the peak for Bank Rate.
- The MPC will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. We see rate cuts from Q3 2024 to a low of around 3% by early-mid 2026.
- The immediate risks around Bank Rate have become more balanced, due to the weakening UK economy and dampening effects on inflation. This shifts to the downside in the short term as the economy weakens.
- Long-term gilt yields are now substantially lower. Arlingclose expects yields to be flat from here over the short-term reflecting medium term Bank Rate forecasts. Periodic volatility is likely.

	Current	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26
Official Bank Rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Central Case	5.25	5.25	5.25	5.25	5.00	4.75	4.25	4.00	3.75	3.50	3.25	3.00	3.00
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
3-month money market rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Central Case	5.40	5.40	5.40	5.30	5.15	4.80	4.30	4.10	3.80	3.50	3.25	3.05	3.05
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
5yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.77	3.75	3.75	3.75	3.70	3.60	3.50	3.50	3.40	3.30	3.30	3.30	3.35
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
10yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.72	3.75	3.80	3.80	3.80	3.80	3.80	3.80	3.75	3.65	3.60	3.65	3.70
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
20yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.16	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.25
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
50yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.76	3.80	3.85	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.95	3.95	3.95
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00

PWLB Standard Rate = Gilt yield + 1.00%

PWLB Certainty Rate = Gilt yield + 0.80%

PWLB HRA Rate = Gilt yield + 0.40%

UK Infrastructure Bank Rate = Gilt yield + 0.40%

Existing Investment and Debt Portfolio Position

£m	31.12.2023 Actual Portfolio £m	31.12.2023 Average Rate %
External borrowing:		
Public Works Loans Board	51.209	2.55
Other Loans	17.500	4.34
Sub-total external borrowing	68.709	3.01
Other long-term liabilities:		
Private Finance Initiative	23.457	
Leases	26.630	
Sub-total other long-term liabilities	50.087	
Total gross external debt	118.796	
Treasury Investments		
Bank Call Accounts	1.000	0.40
Banks & Building Societies (unsecured)	00.000	0.00
Government	40.000	16.00
Local authority	00.000	0.00
Money Market Funds	132.983	53.20
Cash-plus funds	20.000	8.00
Strategic pooled funds	56.000	22.40
Total treasury investments	249.983	
Net Debt	131.187	

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Non-treasury Investment Strategy Report 2024-25

1. Introduction

- 1.1 The Council invests its money for two broad purposes:
- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as treasury management investments)
 - to support local public services by lending to or buying shares in other organisations (service investments)
- 1.2 This investment strategy meets the requirements of the statutory guidance issued by the Government in January 2018 and focuses on service investments.
- 1.3 The statutory guidance defines investments as “all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios.” The Council interprets this to exclude (a) trade receivables which meet the accounting definition of financial assets but are not investments in the everyday sense of the word and (b) property held partially to generate a profit but primarily for the provision of local public services. This aligns the Council’s definition of an investment with that in the 2021 edition of the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code, a more recent piece of statutory guidance.

2. Treasury Management Investments

- 2.1 The Authority typically receives its income in cash (e.g. from taxes, grants and fees & charges) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from CIPFA. The balance of treasury management investments is expected to fluctuate between £56m and £200m during the 2024-25 financial year.
- 2.2 The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities. Full details of the Council’s policies and its plan for 2024-25 for treasury management investments are covered in a separate document, the Treasury Management Strategy Statement.

3. Service Investments: Loans

- 3.1 The Council may lend money to its subsidiaries and associates, local charities, housing associations and its employees to support local public services and

stimulate local economic growth. For example, loans to PLACE Ltd and Oxford House.

- 3.2 The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1 - loans for service purposes

Category of borrower	Actuals at 31.03.2023			2024-25
	Balance owing £m	Loss allowance £m	Net figure in accounts £m	Approved Limit £m
Subsidiaries & associates				
Seahorse	0.030	-	0.030	50.000
Place Ltd	0.646	-	0.646	
Mulberry Homes	0.010	-	0.010	
Local charities				2.000
Oxford House	0.728	-	0.728	0.700
Employees	0.160	-	0.160	
Sundry loan advances	0.601	-	0.601	
TOTAL	2.175	-	2.175	52.700

- 3.3 Loans to local charities relate to Oxford House. Employee loans relate to car loans, bicycle loans and train season tickets. Loans to subsidiaries and associates relate to PLACE Ltd, Seahorse Homes and Mulberry Homes.
- 3.4 The Council assesses the risk of loss before entering and whilst holding service loans. Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments. The Council is expecting full repayment on the loans to charities and employees.

4. Service Investments: Shares

- 4.1 The Council invests in shares to support the provision of local public services, housing in the local community and to stimulate local economic growth. The Council has nominal value shares in several companies - Tower Hamlets Local Education Partnership Ltd, Mulberry Housing, Seahorse Homes Ltd and Tower Hamlets Homes. Capital Letters is owned along with other London boroughs, the company is limited by guarantee. The Council is one of five London boroughs with shareholdings in PLACE Ltd. The company is limited by guarantee therefore the Council has no shareholdings in PLACE Ltd.

- 4.2 Seahorse Homes is a wholly owned company limited by shares established in 2017, to provide market rented homes and deliver a return on investments, both to cross-subsidise affordable housing and to fund wider General Fund services. The Council holds 10% of the shares in this company and has initially committed £6m in equity. The company has yet to start trading.
- 4.3 One of the risks of investing in shares is that they fluctuate in value, meaning that the initial outlay may not be recovered. In order, to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

Table 2 - shares held for service purposes

Category of company	Actuals at 31.03.2023			2024-25
	Amounts invested £m	Gains or losses £m	Value in accounts £m	Approved Limit £m
Subsidiaries	6.00	-	6.00	6.00
Suppliers	-	-	-	-
TOTAL	6.00	-	6.00	6.00

- 4.4 The Authority assesses the risk of loss before entering into, and whilst holding shares. The investments in Seahorse Homes Ltd will be turned into property-backed assets that have a long-term track record of value appreciation, although there may be short-term value falls. Legal and independent advice was obtained before the company was created.
- 4.5 Proposed investments and loans are longer-term in nature. These investments will, therefore, not be used for short-term cash flow purposes. The maximum value of the investments is less than 20% of the Council's current investment portfolio.
- 4.6 Shares are the only non-treasury investment type that the Authority has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Authority's upper limits on non-specified investments. The Authority has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

5. Loan Commitments and Financial Guarantees

- 5.1 Loan commitments and financial guarantees are not strictly counted as investments since no money has exchanged hands yet, however these carry similar risks to the Authority and are included here for completeness.
- 5.2 The Council has historically provided financial guarantees on properties transferred to social landlords. No liabilities have been payable on these guarantees.

6. Capacity, Skills and Culture

- 6.1 A training plan is being produced for the training of elected members and Council officers attend regular training during the year.
- 6.2 To ensure corporate governance, the Audit Committee is presented with mid-year and outturn reports to enable the review of treasury management activities.

7. Investment Indicators

- 7.1 The Council has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.
- 7.2 **Total risk exposure:** The indicator shows the Council's total exposure to potential investment losses. This includes amounts the Council is contractually committed to lend but have yet to be drawn down and guarantees that the Authority has issued over third-party loans.

Table 3 - total investment exposure

Total investment exposure	31.03.2023 Actual £m	31.03.2024 Forecast £m	31.03.2025 Forecast £m
Treasury management investments	237.950	175.000	130.000
Service investments: Loans	2.175	2.175	2.175
Service investments: Shares	6.000	6.000	6.000-
TOTAL INVESTMENTS	246.125	183.175	138.175
Commitments to lend	-	-	-
Guarantees issued on loans	-	-	-
TOTAL EXPOSURE	246.125	183.175	138.175

- 7.3 **How investments are funded:** Government guidance is that these indicators should include how investments are funded. Since the Authority does not normally associate individual assets with individual liabilities, this guidance is difficult to comply with. Some investments could be described as being funded by borrowing with the remainder of the Authority's investments being funded by usable reserves and income received in advance of expenditure.
- 7.4 **Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year in which they are incurred.

Table 4 - investment rate of return (net of all costs)

Investments net rate of return	2022-23 Actual	2023-24 Forecast	2024-25 Forecast
Treasury management investments	2.5%	5.25%	4.5%
Service investments: Loans	-	-	-
Service investments: Shares	-	-	-
Commercial investments: Property	-	-	-
All Investments	2.5%	5.25%	4.5%

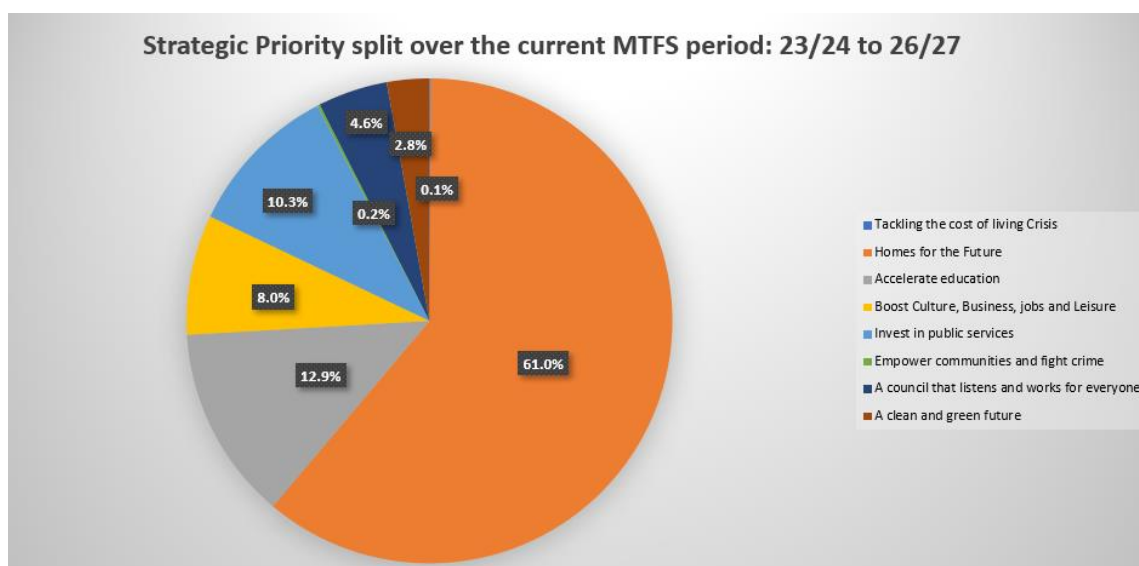
*forecast return includes income returns from externally managed pooled funds

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Capital Strategy 2024-25

1. Introduction

- 1.1 This Capital Strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services in Tower Hamlets Council along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members’ understanding of these sometimes-technical areas.
- 1.2 Decisions made this year on capital and treasury management will have financial consequences for the Council for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.
- 1.3 The long-term capital investment plan is underpinned by the council’s strategic plan 2022-26. Capital proposals are considered within the Council’s overall medium to long-term priorities, and the preparation of the capital programme is an integral part of the financial planning process. The pie chart below summarises how the total £748.2m capital investment within the General Fund (GF) and Housing Revenue Account (HRA) capital programmes are allocated to priorities within the council’s strategic plan 2022-26:



Key General Fund Capital Program Highlights to Date

- 1.4 The Council has been continuing to deliver against Strategic Plan priorities since the last capital programme was approved in March 2023. Key achievements include;

Parks

- 1.5 The redevelopment of the Island Gardens Café to provide a modern style café

with public toilet access is nearly complete, enhancing the social value of the park and its place in the community. The historic parks programmes approved in 2018 are coming to an end. Achievements include:

- Playground has been fully replaced.
- Self-locking gates have been added to tennis courts on 5 sites.
- Improvements including more tree planting, replacement of bins/benches and health and safety upgrades across parks.
- New interpretations, orientation, park rules and information signs have been installed at various parks across the borough.
- New lighting and CCTV cameras have been installed at various parks across the borough.

Tree Planting

1.6 The programme to plant trees across the Borough continues to help the council reach its Air Quality Action Plan Targets and support commitment to carbon neutrality by 2025. To date, 522 trees have been planted split across highways, parks and THH housing estates.

Education

1.7 The Basic Needs Programme is set to deliver a new two form entry primary school at Wood Wharf, which will open to students in early 2024. In addition, the Council has successfully delivered amalgamations at St Annes and Guardian Angels Primary Schools, Stepney Park Primary School, as well as the expansion of alternative provision at London East Alternative Provision (Harpley), and delivery of a rolling programme of condition and improvement to ensure our assets remain safe and usable continue.

Youth Safe Spaces

1.8 As part of youth transformation, two 'safe spaces' have been provided at 27 Columbia Road, Bethnal Green and 16 Goulston Street, Whitechapel. The buildings underwent a full refurbishment to provide modern, safe, welcoming spaces for young people.

Health and Social Care

1.9 The Tower Hamlets Public Health Team work together with NHS North East London Integrated Care Board to ensure there are sufficient modern health facilities available to meet the primary care needs of the boroughs residents. The following are now complete and operational:

- Goodman's Fields Health Centre
- Sutton Wharf Health Centre

- Island Medical Centre
- Wellington Way Health Centre
- Wood Wharf Health Centre
- The Adult Day Care centre at Sewardstone Road has been completed, increasing in-borough provision of support and accommodation services to people with learning disabilities. A new Service Provider will be appointed early 2024 following fit out of the facility with specialist equipment.

Carbon Offset Programme

1.10 The Council remains committed to carbon neutrality by 2025 and through the s106 Carbon Fund offset fund, the council has successfully delivered;

- Boiler Replacement Programme to replace old, inefficient gas boilers and faulty radiators as well as upgrading heating controls.
- Schools Carbon Emission Reduction Programme supported various schools with carbon reduction projects to reduce energy consumption and improve energy-efficiency of the buildings, install renewable and low-carbon technology resulting in lower energy costs, consumption and related carbon emissions.
- Small and medium-sized enterprises (SME) Energy Efficiency Grants Programme provided SMEs across the borough with grants to deliver energy-efficiency improvements, heating upgrades and renewable energy technologies.
- Public Sector Retrofit project replaced gas boilers with air source heat pumps in council buildings to provide decarbonised heating.

Street Lighting

1.11 Street lighting programme is nearing completion, installing new Light Emitting Diode (LED) lanterns in an effort to reduce the energy consumption which in turn reduces costs and carbon footprint within the borough and work is also underway to complete the replacement of the columns. In addition, they are future proofed for advertising, banners, way finding and EV charging points.

CCTV Transformation

1.12 The CCTV Transformation Programme is in the final stages of completion with 337 new cameras installed (96%). It is anticipated that all 350 cameras will be upgraded by the end of March 2024.

Key General Fund Capital Program Additions

1.13 Approvals are also being sought to include additional budget provisions with the capital programme to further deliver against Strategic Plan priorities since the

last capital programme was approved in March 2023. Key additions include;

Institute of Academic Excellence (IAE)

1.14 Funding of £15.000m is allocated to deliver on the Mayoral pledge 'Accelerate Education':

- Establish a high-performing, selective A-Level institution to accelerate attainment, to ensure more Tower Hamlets students attend the world's top universities, including Oxbridge and Russell Group universities.
- Review our sixth forms and colleges' performance to accelerate A level attainment so more of our pupils go to the top universities, including Oxbridge and Russell group of universities.
- Increase the number of our youngsters going on to Further and Higher Education, including boosting Oxbridge and Russell Group entrance through intensive learning after school, and support with applications, and a full review of sixth-form and college performance.

1.15 The primary purpose of this growth bid is the reassignment and reconfiguration of the Professional Development Centre (PDC) through a feasibility study utilising the 6th form Schedule of Accommodation model for a 250 place setting.

Culturally Sensitive Misuse Treatment Centre

1.16 Funding of £1.510m is allocated to develop and deliver a specialist recovery service for problematic substance users local to Tower Hamlets from the Black, Asian, and Minority Ethnic (BAME) communities. This service will deliver drug and alcohol related prevention, treatment, recovery and aftercare services which are culturally sensitive and meet the needs of these communities. Service delivery will be flexible to meet the needs of the service users which will include evening and weekend opening times.

Women's Resource Centre (with a focus on Bangladeshi women)

1.17 Funding of £1.000m is allocated to establish a dedicated Women's Resource Centre, with a particular culturally sensitive approach towards the needs of Bangladeshi women, as data suggests Bangladeshi women continue to be marginalised and face economic, health, social and gender inequalities disproportionately. The project aims to provide a dedicated resource centre to enable opportunities for the development of all marginalised women, especially Bangladeshi women.

Basic Need Programme

1.18 The Basic Need programme will continue to deliver expansions across the borough including a new flagship 6FE Secondary School at Mulberry London Dock. The Department of Education (DfE) has provided grant funding of £53.8m to deliver the school which is designed as a passiv haus building to ensure the air quality within the school provides the best learning environment for its pupils.

An additional budget provision of £11.128m is required for the development, which is due to be completed by July 2024 in time for the school to be opened before the start of the 2024-25 academic year. The facility will also provide wider benefits to the Tower Hamlets community through a 'Community Use agreement' which will ensure the sporting and social facilities of the school are available for wider community use outside of school hours. Additional budget provisions of £2.450m and £0.804m will also enable the basic need programme to deliver expansion at Beatrice Tate Special School and Wood Wharf respectively.

- 1.19 The borough's SEND sufficiency review has highlighted areas of significant need which will be a focus for capital investment in the coming period. A programme for investing HNPCA (DfE) grant will progress, with key investment in Beatrice Tate and Hermitage; as well as the development of Alternative Resource Provisions (ARPs) at key education sites across the borough.

Universal Free School Meals (UFSM)

- 1.20 Tower Hamlets will be the first Council to extend free school meals to all secondary school pupils up to the age of 16. An additional capital investment of £0.792m will ensure that secondary schools have the correct equipment and resources to increase their catering capacity to successfully deliver UFSM from September 2023.

Parks Programme

- 1.21 The council is additionally investing £4.619m in improvements to recreational, leisure and play facilities across the borough's parks and open spaces, including a number of housing estate sites. With a growing population and a high number of residents having little or no access to private outdoor space, well-maintained parks and open spaces are more important than ever in supporting the health and well-being of our residents. Better play, recreational and sports facilities are also needed to help tackle high levels of childhood obesity and general poor health in the population. The programme has four key strands, which are detailed as follows:

- Improving Sporting Facilities in Parks - seeks to upgrade existing multi-use games areas and install new astroturf facilities at Stebondale, Millwall Park, and at King Edward Memorial Park. The funding will also enable the Council to install the borough's first natural turf cricket pitch at Victoria Park and provide cricket practice nets at Millwall Park and Stepney Green Park.
- Inclusive playgrounds programme will support families to have access to high quality, accessible, local play facilities. Our play facilities are particularly important for low-income households who rely on local free provision. This programme will improve the accessibility of six play areas for children and young people, including those with additional needs.
- Six housing estate sites that are part of the Tower Hamlets Homes portfolio will benefit from upgrades to playgrounds to ensure they are inclusive. There will also be improvements to gym equipment and general upgrades to sites.

- Improve three parks and open spaces that include Alton Street Open Space, Pennyfields Open Space and Shandy Park. These sites will benefit from general upgrades, improved site layout to reduce anti-social behaviour and improved recreational facilities.

Highways

1.22 Funding of £4.227m is allocated to deliver a series of public realm improvements across 7 key sites; Bigland Street, Poplar High street, Bromley-by-Bow, City Island, Plumbers Row, Preston's Road and Marsh Wall. Improvement works will include additional parking bays, new electrical vehicle charging points, increased provision of pedestrian crossing facilities, undertaking footway and carriageway improvements, increasing cycle parking and environmental improvements such as tree planting. These schemes aim to provide safer roads and cleaner air quality for the local community, encourage walking and cycling, encourage the community to switch to electric vehicles to reduce the negative impact of carbon emissions.

Rubbish and Recycling Bins

1.23 The council is investing £1.485m in additional rubbish and recycling bins to support the rapid growth in housing development in Tower Hamlets. It is recognised existing purpose-built blocks of flats, storage and signage infrastructure is often inadequate to accommodate the type and volumes of waste being produced.

Care Technology Transformation

1.24 The council is investing £0.300m in 'care technology' as a key part of the Council's Adult Social Care vision and strategy. Care Technology offers opportunities for residents to be better supported, to live independently and with improved health and wellbeing for longer and be better connected with their communities.

Idea Stores IT Hardware

1.25 Capital funding of £0.300m is allocated for new IT hardware (Desktops and Monitors) to be used in Idea Stores to benefit Residents and other Idea Store Service Users.

Carbon offset Programme

1.26 Through the strategic plan, there is a commitment to making the borough cleaner and greener. Commitments have been included across the programme funded from the 'carbon fund' to deliver the following;

- Community tree planting - Approx. 200 trees planted on THH estates, at locations which have been identified in consultation with residents.
- installing Solar PV panels onto council offices and leisure centres.

- Residential Energy Efficiency Project - deliver energy efficiency measures such as insulation, double glazing, replacement boilers to reduce carbon emissions from the existing housing stock in the borough.
- Funding will be made available to community groups to install low-carbon heating and energy-generating technologies, energy-efficiency retrofits and to promote learning and behavioural projects.
- Bio-Solar Installation Project- will deliver biodiverse roof area and renewable energy generating technologies to buildings across the Borough.

Capital Expenditure and Financing

1.27 Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. The Council has some limited discretion on what counts as capital expenditure. At this stage capital budgets are still subject to change, including changes arising due to the implementation of IFRS 16 - Accounting for Leases.

1.28 In 2024-25 the Council's planned capital spending is £247.0m, £128.3m in the General Fund and £118.7m in the HRA, as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £millions

Capital Expenditure	2022-23 Actual	2023-24 Forecast	2024-25 Budget	2025-26 Budget	2026-27 Budget	2023-27 (MTFS Period)
General Fund	94.199	88.862	128.282	59.672	14.301	291.117
HRA	43.079	72.157	118.715	158.060	108.143	457.075
TOTAL	137.278	161.019	246.997	217.732	122.444	748.192

* Capital expenditure arising from a change in the accounting for leases does not represent cash expenditure.

1.29 The main General Fund capital projects include work on the New Leisure Centre, waste and recycling, capital footway and public realm improvement and new infrastructure.

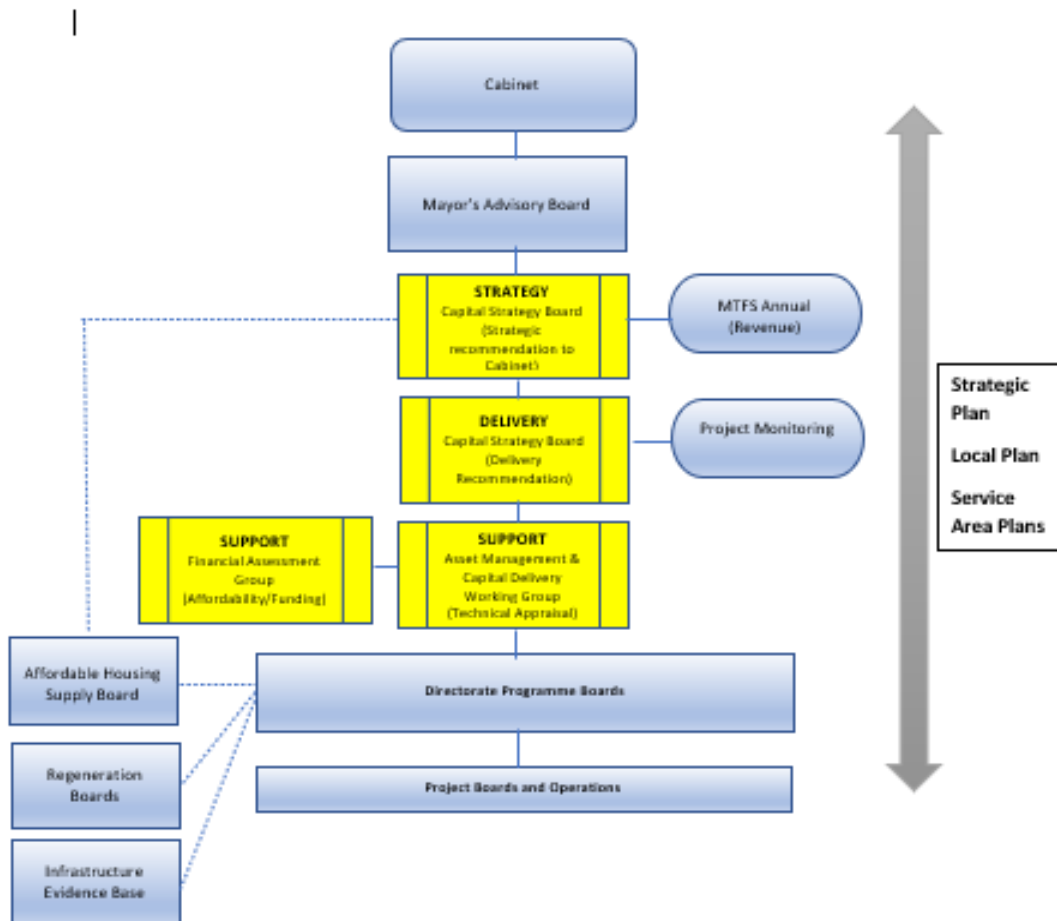
1.30 The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately and includes £344.1m on the building of new homes over the period 2023-24 to 2026-27 of which £144.6m is forecast to be funded from prudential borrowing, which has been factored into the latest update to the 30-year HRA business plan and deemed affordable.

1.31 **Governance:** Following an officer process, taking account of service priorities and Mayor's Advisory Board direction, the final capital programme is presented to Cabinet in January and to Council in February/March each year for approval.

1.32 To successfully deliver a substantial and agile capital programme, it is essential

to have effective governance, project monitoring, financial management and appropriate staff resources in place. The current governance arrangements seek to ensure that quality outcomes are delivered on time, with best value always demonstrated. The summary flow chart below details the existing capital governance process:

LBTH CAPITAL PROGRAMME GOVERNANCE



1.33 For a scheme to be delivered through the council's capital programme, it will need to have been progressed through the capital governance process. Capital bids for new schemes are signed off by Divisional Directors, following consideration at the relevant directorate Programme Boards. Schemes are expected to be prioritised by directorates based on service need in line with the priorities set out in the Strategic Plan 2022-26.

1.34 The first step in the governance process is to identify funding sources. This exercise is completed by the Financial Assessment Group, comprising of representatives from the Corporate Capital Finance Team, Capital Delivery PMO and lead monitoring officers for s106 and CIL funding sources are allocated in the following order: external grant, s106 and CIL, capital receipts and requirement for borrowing.

- 1.35 Once bids have been accepted in principle, directorate client teams are required to complete a Project Initiation Document (PID). Subject to the consideration of financial and technical appraisals, the scheme is recommended for approval to the Capital Strategy Board, ahead of Cabinet approval and approved budget allocation as required.
- 1.36 All capital expenditure must be financed, from external sources (e.g., government grants, Community Infrastructure Levy (CIL) and other contributions), the Council's own resources (revenue, reserves, capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the approved capital programme is as follows:

Table 2: Capital financing in £ millions

Funding Source	2022-23 Actual	2023-24 Forecast	2024-25 Budget	2025-26 Budget	2026-27 Budget	2023-27 (MTFS Period)
External resources	53.170	78.207	123.764	50.525	17.348	269.844
Capital receipts	11.343	14.991	36.767	52.146	27.867	131.771
Revenue resources	23.748	35.200	31.884	30.067	31.586	128.737
Debt	49.017	32.621	54.582	84.994	45.643	217.840
TOTAL	137.278	161.019	246.997	217.732	122.444	748.192

** debt arising from changes to accounting for leases are to be reflected in the approved capital programme*

- 1.37 Debt is only a temporary source of finance since loans and leases must be repaid. This is therefore replaced over time by other financing, usually from revenue which is known as Minimum Revenue Provision (MRP). Proceeds from capital receipts are also used to finance the capital program. Table 3 below shows the level of capital receipts used in place of debt finance. Planned MRP and use of capital receipts are as follows:

Table 3: Replacement of debt finance in £millions

	2022-23 Actual	2023-24 Forecast	2024-25 Budget	2025-26 Budget	2026-27 Budget
Planned MRP	12.830	16.958	16.095	17.799	19.643
Capital receipts	-	-	-	-	-
TOTAL	12.830	16.958	16.095	17.799	19.643

- 1.38 The Council's full Minimum Revenue Provision Statement is attached at Annex A.
- 1.39 The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase by £58.5m during 2024-25. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions

Capital Financing requirement (CFR)	2022-23 Actual	2023-24 Forecast	2024-25 Budget	2025-26 Budget	2026-27 Budget
General Fund	404.900	405.108	425.690	437.413	423.415
HRA	165.598	181.052	218.957	274.429	314.427
TOTAL CFR	570.498	586.160	644.647	711.842	737.842

The CFR has been increased in respect of changes in the accounting for leases.

1.40 **Asset management:** To ensure that capital assets continue to be of long-term use, the Council has updated its strategic asset management strategy (SAMP).

1.41 Tower Hamlets owns over 1100 separately listed non-residential buildings and land assets, with a book value of over £1.3bn. Property assets play a critical 'enabling' role within the Council: accommodating services; underpinning our finances; and supporting our wider aims of local economic and social development. The SAMP reviews the context with relevance to property assets, in particular:

- External trends such as economic and population growth.
- The strategies and policies which influence the need for property and what benefits the council expects to realise from property.
- The operational context of our assets – such as building condition, running costs and usage patterns.

Priorities

1.42 Following analysis of our ambitions and the key challenges facing the council, four priorities are proposed for the next 5 years:

- Responding to changing property need – reviewing council services' forecast needs for property over the next 5 years
- Supporting the council's financial sustainability – setting out the interaction of the council's financial strategy with our asset planning
- Managing our estate as a corporate landlord – ensuring that we take a 'corporate view' of assets through our Corporate Landlord Model framework
- Responding to the Net Zero challenge – reviewing the implications of the Net Zero Council target, in view of the significance of buildings to the need for decarbonisation

1.43 **Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects. The Authority is currently also permitted to spend capital receipts "flexibly" on service transformation projects until 2025-26. Repayments of capital grants, loans and investments also generate capital receipts.

Table 5: Capital Receipts receivable in £ millions

	2022-23 Actual	2023-24 Forecast	2024-25 Budget	2025-26 Budget	2026-27 Budget
General Fund	28.650	25.000	20.000	20.000	20.000
Loans repaid	-	-	-	-	-
TOTAL CFR	28.650	25.000	20.000	20.000	20.000

2. Treasury Management

- 2.1 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
- 2.2 As of 31 December 2023, the Council had £68.7m of borrowings at an average interest rate of 3.01% and £250.0m of treasury investments at an average rate of 4.9%.
- 2.3 **Borrowing strategy:** The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheaper short-term loans and long-term fixed rate loans where the future cost is known but higher. The Council does not borrow to invest for the primary purpose of financial return and therefore retains full access to Public Works Loans Board as its main source of borrowing.
- 2.4 Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities and leases) are shown below, compared with the Capital Financing Requirement (see above).

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions

	2022-23 Actual	2023-24 Forecast	2024-25 Budget	2025-26 Budget	2026-27 Budget
Actual debt (including PFI & leases)	117.215	113.149	128.294	122.667	116.407
Estimated new borrowing	-	-	10.000	100.000	110.000
Total debt	117.215	113.149	138.294	222.667	226.407
Capital Financing Requirement	570.498	586.160	644.647	711.842	737.842

- 2.5 Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. Table 6 above demonstrates that the Council expects to comply with this.
- 2.6 **Liability benchmark:** To compare the Council’s actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £60m at each year-end. This benchmark is forecast to increase to £173.9m over the next three years.

Table 7: Borrowing and the Liability Benchmark in £ millions

	31.03.23 Actual	31.03.24 Forecast	31.03.25 Budget	31.03.26 Budget	31.03.27 Budget
Forecast borrowing	68.709	68.709	78.709	168.709	178.709
Liability benchmark	(109.241)	(48.882)	76.160	165.482	173.742

- 2.7 The table shows that the Council expects to remain borrowed above its liability benchmark.
- 2.8 **Affordable borrowing limit:** The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 8: Prudential Indicators: Authorised limit and operational boundary for external debt

	2023-24	2024-25	2025-26	2026-27
	Limit	Limit	Limit	Limit
Authorised limit – borrowing	572.000	635.000	708.000	790.000
Authorised limit - PFI and leases	50.000	65.000	59.000	53.000
Authorised limit - total external debt	622.000	700.000	767,000	843.000
Operational boundary – borrowing	542.000	585.000	658.000	690.000
Operational boundary - PFI and leases	45.000	60.000	54.000	48.000
Operational boundary – total external debt	587.000	645.000	712.000	738.000

- 2.9 **Treasury Investment Strategy:** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 2.10 The Council’s policy on treasury investments is to prioritise security and liquidity over yield that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, money market funds or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, strategic pooled funds, shares and property, to balance the

risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy, and the Council may request its money back at short notice.

Table 9: Treasury Management Investment forecast in £ millions

	31.03.23 actual	31.03.24 forecast	31.03.25 budget	31.03.26 budget	31.03.27 budget
Near-term investments	182.000	122.000	7.000	7.000	9.000
Longer-term investments	56.000	56.000	56.000	56.000	56.000
TOTAL	238.000	178.000	63.000	63.000	65.000

2.11 Further details on treasury investments are in pages 5.1 to 5.26 of the Treasury Management Strategy

2.12 **Risk Management:** The effective management and control of risk are prime objectives of the Council's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

2.13 The treasury management prudential indicators are in paragraphs 6.1 to 6.6 of the Treasury Management Strategy.

2.14 **Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Corporate Director Resources and staff, who must act in line with the treasury management strategy approved by Council. The Audit Committee is presented with mid-year and outturn reports on treasury management activities. The Audit Committee is responsible for scrutinising treasury management decisions.

3. Investments for Service Purposes

3.1 The Council makes investments to assist local public services, including making loans to its subsidiaries & associates, local charities, and its employees to support local public services and to stimulate economic growth. Considering the public service objective, the Council is willing to take more risk than with treasury investments, however it still plans for such investments to protect the real term value of the Council's financial assets.

3.2 Total investments for service purposes are currently valued at £2.1m with the largest being loans to Oxford House and PLACE Ltd.

3.3 **Governance:** Decisions on service investments are made by the relevant service manager in consultation with the Strategic Heads of Finance and Corporate Director Resources and must meet the criteria and limits laid down in the investment strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the

3.4 Prudential indicator: Net income from commercial and service investments to net revenue stream. The Council has nominal commercial/service investments and has not borrowed to invest in the commercial portfolio.

4. Liabilities

4.1 In addition to the debt detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £478.0m at 31 March 22). The Council is also at risk of having to pay for any defaults on loans by housing associations in connection with residential properties transferred to them by the Council, and the pension liabilities of Tower Hamlets Homes should the ALMO not be able to meet its pension obligations. As of 31 March 2022, the Tower Hamlets Homes pension fund had an IAS19 surplus of £8.4m. The Council has not put aside any money for these potential liabilities.

4.2 Governance: Decisions on incurring new discretionary liabilities are taken by service managers in consultation with the Strategic Heads of Finance and Corporate Director Resources. The risk of liabilities crystallising and requiring payment is reported in the Council's accounts.

5. Revenue Budget Implications

5.1 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e., the amount funded from Council Tax, business rates and general government grants.

Table 10a: Proportion of Financing Costs to Net Revenue Stream (General Fund)

	2022-23 Actual	2023-24 Forecast	2024-25 Budget	2025-26 Budget	2026-27 Budget
Financing costs (£m)	5.342	8.882	8.062	8.197	9.696
Proportion of net revenue stream	1.4%	2.0%	1.8%	1.8%	2.1%

Table 10b: Proportion of Financing Costs to Net Revenue Stream (HRA)

	2022-23 Actual	2023-24 Forecast	2024-25 Budget	2025-26 Budget	2026-27 Budget
Financing costs (£m)	4.794	4.195	4.768	10.353	16.473
Proportion of net revenue stream	4.7%	3.7%	3.9%	8.0%	12.1%

5.2 **Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend in some cases for up to 50 years into the future. The Corporate Director of Resources is satisfied that the proposed capital programme is prudent, affordable and sustainable.

6. Knowledge and Skills

- 6.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Interim Corporate Director of Resources is a qualified accountant with over 30 years' experience and the Council pays for junior staff to study for relevant professional qualifications including CIPFA.
- 6.2 Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers and Savills as property consultants. This approach ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

Minimum Revenue Provision (MRP) Policy Statement 2024-25

1. The Guidance requires the Council to approve an annual MRP statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods. This statement is consistent with that approved by the Council for 2023-24
2. For supported capital expenditure MRP will be determined in accordance with the former regulations that applied on 31 March 2008, incorporating an “Adjustment A” of £17.5m. (DLUHC Guidance Option 1 – the Regulatory Method).
3. For unsupported capital expenditure incurred after 31 March 2008, MRP will be determined by charging over the expected useful life of the relevant asset in equal instalments, starting in the year after that in which the asset becomes operational. There are two areas where asset lives are bound by regulation. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years. (DLUHC Guidance Option 3 – the Asset Life Method).
4. For assets acquired by leases or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability (per DLUHC Guidance).
5. Where former operating leases are brought onto the balance sheet due to the adoption of the IFRS 16 Leases accounting standard, the asset values adjusted for accruals, prepayments then, the annual MRP charges will be adjusted so that the total charge to revenue remains unaffected by the new standard.
6. For capital expenditure loans to third parties, the Authority will make nil MRP unless (a) the loan is an investment for commercial purposes and no repayment was received in year or (b) an expected credit loss was recognised or increased in-year but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment on loans that are investments for commercial purposes, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. Sufficient MRP will be charged to ensure that the outstanding capital financing requirement (CFR) on the loan is no higher than the principal amount outstanding less the expected credit loss. This option was proposed by the government in its recent MRP consultation and in the Authority’s view is consistent with the current regulations.
7. Under the DLUHC Guidance MRP is not required to be charged in respect of assets held within the Housing Revenue Account (HRA). Since removal of the HRA debt cap by central government in 2018, the Council has made a voluntary revenue provision (VRP) on new HRA debt funded capital expenditure. Future provision will

be subject to affordability and the HRA Business Plan.

8. Where there is a change in policy from the previous year for any category of expenditure, this change will be reported to Council including reason the change is prudent.
9. Capital expenditure incurred during 2023-24 will not be subject to a MRP charge until 2024-25 or later.

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PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS FOR 2024-25

Capital Expenditure	2022-23 actual £m	2023-24 current £m	2024-25 forecast £m	2025-26 forecast £m	2026-27 forecast £m
General Fund	94.199	88.862	128.282	59.672	14.301
Housing Revenue Account (HRA)	43.079	72.157	118.715	158.060	108.143
Total	137.278	161.019	246.997	217.732	122.444
Financed by:					
External resources (grants and developer contributions)	53.170	73.694	121.657	45.869	16.949
Capital Receipts	11.343	19.504	38.874	56.802	28.266
Revenue Financing	23.748	35.200	31.884	30.067	31.586
Net financing need (borrowing) for the year	49.017	32.621	54.582	84.994	45.643
Prudential Borrowing - GF	33.808	14.866	16.558	29.391	5.501
HRA Borrowing	15.209	17.755	38.024	55.603	40.142
Net financing need (borrowing) for the year	49.017	32.621	54.582	84.994	45.643

	2022-23 Limit £m	2023-24 Limit £m	2024-25 Limit £m	2025-26 Limit £m	2026-27 Limit £m
Authorised limit - borrowing	609	572	635	708	790
Authorised limit - PFI and leases	49	50	65	59	53
Authorised limit - total external debt	658	622	700	767	843
Operational boundary - borrowing	569	542	585	658	690
Operational boundary - PFI and leases	49	45	60	54	48
Operational boundary - total external debt	618	587	645	712	738
Upper limit for total principal sums invested for over 365 days (per maturity date)	£150m	£150m	£150m	£140m	£125m

Maturity structure of new fixed rate borrowing during 2024-25	Upper Limit	Lower Limit
under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	60%	0%
5 years and within 10 years	75%	0%
10 years and within 20 years	100%	0%
20 years and within 30 years	100%	0%
30 years and within 40 years	100%	0%
40 years and within 50 years	100%	0%

Treasury Management Policy Statement

The London Borough of Tower Hamlets defines the policies and objectives of its treasury management activities as follows: -

1. This organisation defines its treasury management activities as:

“The management of the Council’s cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.

2. This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
3. This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.”

Policy on use of an External Treasury Advisor

The Council shall employ an external treasury advisor to provide treasury management advice and cash management support services. However, the Council shall control the credit criteria and the associated counter-party list for investments.

The Council recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

Treasury Management Scheme of Delegation

1. Council

- receiving reports from the Audit Committee on treasury management policies, practices and activities
- approval of annual Treasury Management and Investment Strategy
- approval of annual Capital Strategy

2. Section 151 Officer

- approval of/amendments to the organisation's adopted clauses and Treasury Management Policy Statement
- budget consideration and approval
- approval of the division of responsibilities
- approving the selection of external service providers and agreeing terms of appointment

3. Audit Committee

- reviewing the treasury management policies, practices and activities and making recommendations to the responsible body
- receiving the mid-year and annual outturn reports
- receiving and reviewing regular monitoring reports and acting on recommendations

Treasury Management Reporting Arrangement

Area of Responsibility	Council/Committee/ Officer	Frequency
Treasury Management Strategy Statement Annual Investment Strategy Minimum Revenue Provision Policy Capital Strategy Report	Council	Annually before the start of the financial year to which policies relate
Mid-Year Treasury Management Report	Audit Committee or Council	Annually during the financial year to which the report relates
Updates or revisions to the Treasury Management Strategy Statement Annual Investment Strategy Minimum Revenue Provision Policy Capital Strategy Report	Audit Committee or Council	As necessary
Annual Treasury Outturn Report	Audit Committee or Council	Annually after the year end to which the report relates
Treasury Management Practices	Corporate Director, Resources	Annually
Scrutiny of Treasury Management Strategy Statement Annual Investment Strategy Capital Strategy	Overview and Scrutiny Committee (if called in) Audit Committee	Annually before the start of the financial year to which the report relates
Scrutiny of Treasury Management Performance	Audit Committee	Quarterly

GLOSSARY


Asset Life	How long an asset, e.g. a Council building is likely to last.
Borrowing Portfolio	A list of loans held by the Council.
Borrowing Requirements	The principal amount the Council requires to borrow to finance capital expenditure and loan redemptions.
Capitalisation direction or regulations	Approval from central government to fund certain specified types of revenue expenditure from capital resources.
CIPFA Code of Practice on Treasury Management	A professional code of Practice which regulates treasury management activities.
Capital Financing Requirement (CFR)	Capital Financing Requirement- a measure of the Council's underlying need to borrow to fund capital expenditure.
Certificates of Deposits	A certificate of deposit (CD) is similar to a fixed deposit with a bank but is more liquid as it can be sold to another counterparty should the need arise.
Commercial paper	Commercial paper is a discounted security issued by large corporations to obtain funds to meet short-term debt obligations.
Counterparties	Organisations or Institutions the Council lends money to e.g. Banks; Local Authorities and MMF.
Corporate bonds	A corporate bond is a bond issued by a corporation to raise debt funding.
Covered bonds	A covered bond is a corporate bond with one important enhancement: recourse to a pool of assets that secures or "covers" the bond if the originator (usually a financial institution) becomes insolvent. These assets act as additional credit cover.
Consumer Prices Index & Retail Prices Index (CPI & RPI)	The main inflation rate used in the UK is the CPI. The Chancellor of the Exchequer bases the UK inflation target for the Bank of England on the CPI. The CPI inflation target is set at 2%. The CPI differs from the RPI in that CPI excludes housing costs.
Credit Default Swap (CDS)	A derivative providing protection against counterparty default.

Credit Arrangements	Methods of Financing such as finance leasing
Credit Ratings	A scoring system issued by credit rating agencies such as Fitch, Moody's and Standard & Poors to indicate the financial strength of a counterparty.
Creditworthiness	The strength of a counterparty with regard to its chances of becoming insolvent and therefore defaulting.
Debt Management Office (DMO)	The DMO is an agency of the HM Treasury which is responsible for carrying out the Government's Debt Management Policy.
Debt Rescheduling	The refinancing of loans at different terms and rates to the original loan.
Depreciation Method	The spread of the cost of an asset over its useful life.
Gilts	Gilt-edged securities are bonds issued by the UK government to raise funding from investors to meet the fiscal deficit.
Interest Rate exposure	A measure of the impact movements in interest rates will have on the Council's debt cost and investment income budgets.
Impaired investment	An investment that has had a reduction in value to reflect changes that could impact significantly on the benefits expected from it.
BID	The London Interbank Bid Rate – it is the interest rate at which major banks in London are willing to borrow (bid for) funds from each other.
Money Market Fund (MMF)	A 'pool' of investments managed by a fund manager that invests in highly liquid short-term financial instruments. The Council can invest in these funds to maintain liquidity and gain the creditworthiness benefits of the diversified structure.
Monetary Policy Committee (MPC)	Committee designated by the Bank of England whose main role is to set monetary policy.
Minimum Revenue Provision (MRP)	This is the amount which must be set aside from the revenue budget each year to cover future repayment of the CFR.
Premium	Cost of early repayment of loan to PWLB to compensate for any losses that they may incur

Prudential Indicators	Set of rules providing local authorities borrowing for funding capital projects under a professional code of practice developed by CIPFA and providing measures of affordability and prudence reflecting the Council's Capital Expenditure, Debt and Treasury Management.
PWLB	Public Works Loan Board, a statutory body whose function is to lend money to Local Authorities (LAs) and other prescribed bodies.
Treasury bills (or T-bills)	Treasury bills (or T-bills) are short-term debt securities issued by the UK government to manage its cash position.
Unrated institution	An institution that does not possess a credit rating from one of the main credit rating agencies.
Unsupported Borrowing	Borrowing where costs are wholly financed by the Council.

ANNEX 4

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Cabinet 31 January 2024	 TOWER HAMLETS
Report of: Julie Lorraine, Corporate Director of Resources	Classification: Unrestricted
Housing Revenue Account (HRA) Financial Resourcing Strategy	

Lead Member	Councillor Saied Ahmed, Cabinet Member for Resources and the Cost of Living
Originating Officer(s)	Paul Butler, Head of Strategic Finance - Housing & Regeneration and Communities
Wards affected	All
Key Decision?	Yes
Reason for Key Decision	Approval of this financial strategy will inform future investment in the Council's Housing, both in the General Fund and HRA
Forward Plan Notice Published	2 November 2023
Exempt information	N/A
Strategic Plan Priority / Outcome	Priority 2 – Homes for the Future

Reasons for Urgency

This report was not available 5 clear working days in advance of the meeting due to need for independent legal external review alongside testing of assumptions. This report is integral to the 2024-25 budget process and should be reviewed in conjunction with the previously submitted budget documents elsewhere on the agenda for this meeting.

Executive Summary

This report presents an updated financial resourcing strategy for the Housing Revenue Account (HRA) and if approved by Cabinet will form an integral part of the budget report presented for approval by full council.

The strategy been developed to resource the key housing challenges the Borough currently faces across 3 primary areas under the following headlines:

“**Better Homes**” - meeting the investment requirements for existing stock to ensure compliance with all landlord's obligations, improving customer experience and prioritising our highest risk areas for both tenant and landlord. Enabling the council to also take account of the new Consumer Standards under the Social Housing

(Regulation) 2023, Act, from 1 April 2024. LBTH will need to demonstrate it is preparing “reasonable readiness” steps and has timely mitigation plans to be compliant within the standards of the act. This could result in the Council amending its delivery plans to ensure compliance.

“More Homes” – expediting and increasing the delivery of additional new homes at an affordable rent in the borough.

“Less Homelessness” – reducing the number of households currently reliant on 3rd Party B&B accommodation.

The Council’s HRA, as for a large proportion of local authorities, faces a number of pressures in respect of the net cost of homelessness, and forthcoming proactive regulation for the ownership of affordable housing. seeks to tackle this through “Better Homes”, “More Homes” and “Less Homelessness” with identified approaches.

In summary these include:

- Maintaining required levels of investment in the housing stock.
- Resourcing a risk focused team in the short-term to prioritise immediate works to properties via surveys on high-risk properties.
- Mitigating risk and preparing for a new stronger regulatory requirement.
- Reducing the Council’s reliance on high-cost temporary accommodation by utilising the HRA to support an additional 300 homes rather than placing households in non-LBTH owned housing.

In order to achieve these the following steps have been taken to ensure a viable business plan to support additional investment:

- The Council’s previous approach to Minimum Revenue Provision (MRP) within the HRA is to be discontinued to create additional revenue resources (at the expense of an increasing HRACFR).
- In addition, the ‘golden rule’ in terms of prudential borrowing levels from the HRA has changed from a minimum of an interest cover ratio (ICR) of 1.5 to 1.15.

In terms of changes to investment levels with the plan the following have been made:

- A re-modelled level of up-front investment into the existing stock from 2024.25 to 2026.27 plus an additional safety net of £10million which can be drawn down at any time.
- An indicative acquisition of an additional 600 properties to be let at social rent levels supported by grant from the GLA as part of the recently announced round of funding at an assumed average cost.

This strategy based on understanding the immediate requirements of the stock, investing additional resources to identify those works that are presenting the highest risk in terms of regulation and compliance and the moves to create additional capacity in terms of the removal of MRP and

lowering the minimum interest cover level to create capacity to acquire additional properties, be it for temporary accommodation or secure tenancies.

The delay to consultation on decent homes 2 results in continued uncertainty around the timing of meeting any new requirements and as such the council has ensured capacity in terms of additional headroom and flexibility in changing investment priorities and has specifically stress tested these actions to demonstrate resilience and ability to accommodate changes quickly.

The strategy is customer centric, focusing on meeting the housing needs and improving current experience of those most in need across our borough and in so doing will achieve the following:

- Increased headroom for capital investment of £224m across the revised 30-year business plan
- Maintaining required levels of investment in existing stock across the 30-year business plan, with an additional £10 million allocated over and above the previous plan.
- Resourcing a risk focused team to prioritise works on existing housing stock to focussing on high-risk properties and issues affecting our most vulnerable residents.
- Ensuring timely updating of robust stock condition data and accurate performance monitoring to inform timely and accurate decisions around future investment / divestment across the HRA asset base.
- Mitigating risk and preparing for the new stronger regulatory environment being introduced from April 2024
- Reducing the Council's reliance on high-cost temporary accommodation by utilising the HRA (under section 9 of the Housing Act 1985 (part 2)) to support an additional 300 households, currently housed on a 3rd party B&B bases into dedicated temporary accommodation. This reduces the financial risk associated with Housing Benefit subsidy loss that the General Fund incurs on each family taken from B&B accommodation and housed in T.A. within the HRA

On 1st November 2023 the Council insourced its ALMO, Tower Hamlets Homes. This budget cycle therefore represents the first opportunity for the Housing Revenue Account to be considered holistically and for historic issues, particularly in relation to works on existing stock to be addressed.

This report seeks the mayor's approval to adopt this financial resourcing strategy to enable the Corporate Director of Housing & Regeneration to develop a delivery plan for consideration by members, that meets the stated objectives of Safer Homes, More Homes and Improved quality of life for those faced with homelessness. The delivery plan developed will also to take account of the new Consumer Standards under the Social Housing (Regulation) 2023, Act, from 1 April 2024.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Agree the financial strategy for the HRA
2. Agree to the acquisition of c600 homes over the next two years within the HRA.
3. Agree an allocation of 200 homes for temporary accommodation from vacated units of existing stock within the HRA. The allocation of the 600 additional new homes will be made available to those on the housing register ensuring both existing tenants and those on the waiting list to become tenants benefit directly from the investment.
4. Request the Corporate Director of Housing to provide a detailed service delivery plan to ensure timely and agile implementation of the agreed strategy and enable elected members to review and approve proposed works within this plan ahead of their commencement.

1 REASONS FOR THE DECISIONS

- 1.1 Like all Council's nationally, Tower Hamlets is experiencing a housing crisis, with significant levels of overcrowding across the Borough, a lack of new homes, an ageing housing stock, homelessness increasing and a lack of temporary accommodation to meet this need. This is resulting in significant budget pressures on both the General Fund and HRA.
- 1.2 This financial strategy aims to better utilise the resources available within the HRA with the aim of providing more homes, better homes and less reliance on 3rd party B&B accommodation for those experiencing homelessness.
- 1.3 It focuses on the three categories of local people in housing need that are a priority to members,;
 - 1) Those housed in existing stock but are in need of alternative accommodation
 - 2) Those on the waiting list for housing that have not been successful in bidding for social housing due to the shortage of houses
 - 3) Those in bed & breakfast accommodation in the borough which places considerable strain on the people occupying such accommodation and the councils general fund budget.
- 1.4 Speed and agility are key, it is important that the Council acts quickly and adopts this financial strategy enabling us to take advantage of a new round of funding, recently announced by the GLA to support the acquisition of both temporary accommodation and social rent housing. Grants of up to £75k per unit will be made available to the general fund for temporary accommodation and up to £200k per unit to the HRA for social rented housing, the amount of grant is dependent on the number of bedrooms in

each property acquired. The application window is open, and funding will be approved on a first come, first served basis. All homes must be acquired within a two-year envelope. Early discussions with the GLA have already taken place and are indicative of their support for a significant bid from LBTH. Securing this GLA grant funding will maximise the number of properties that can be acquired which benefits the Borough.

1.5 The impact of this strategy is illustrated by the graphs below:



1.6 The aim is to provide additional housing to meet the needs of those who are in unsuitable accommodation, those on the waiting list and homeless people in bed & breakfast accommodation on an equal basis, with where possible c200 homes being allocated to each category.

2 ALTERNATIVE OPTION

2.1 Do nothing – The Council would not have any headroom for an acquisitions programme or to fund additional investment requirement in existing stock and as a result will not be able to alleviate the temporary accommodation pressures currently being experienced or demonstrate (as we are required to do) readiness to comply with new Consumer Standards under the Social Housing (Regulation) 2023, Act, from 1 April 2024.

2.2 The Council will also miss out on applying for GLA subsidy funding towards the acquisition costs of new properties. The current proposed investment in the existing stock and new build programmes would be unaffordable and require a reduction to prevent the HRA falling into deficit.

2.3 Land Led Development Programme – Developing schemes internally or through a development agreement with a JV partner remains an important element of the council's investment strategy but it is time consuming and will therefore not alleviate the immediate housing pressure in Borough. The

Council will not be able to bid for this tranche of GLA grant funding to support land led development schemes.

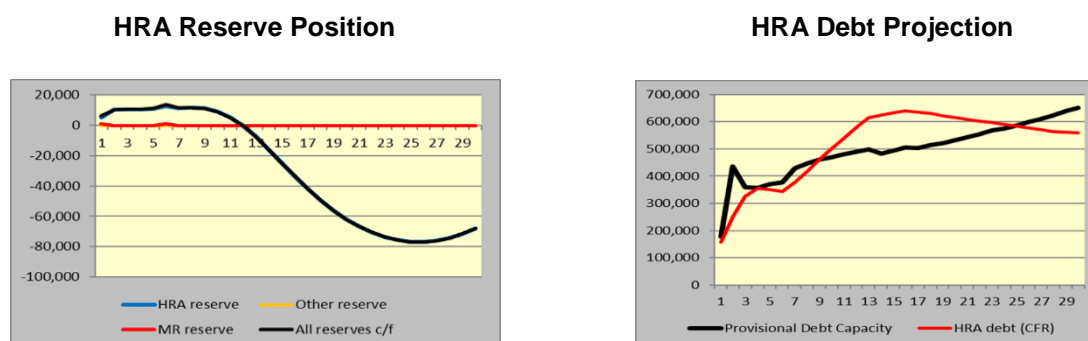
- 2.4 Fund Temporary Accommodation acquisitions through the General Fund. The scale of acquisitions would be dependent on the resources available within the General Fund to deliver it. The Council would only be able to take advantage of up to £75k GLA grant funding per property if acquiring new dedicated T.A. but can receive up to £200k per property if for social housing within the HRA. Therefore, the Council's contribution would be greater and the number of properties it could acquire would be less.

3 DETAILS OF THE REPORT

- 3.1 The Housing Revenue Account (HRA) was introduced as part of the Local Government & Housing Act 1989. It is a ringfenced account that contains the income and expenditure relating to the activities of the Council as landlord of its dwelling stock.
- 3.2 Being a ringfenced account means that any surplus or deficit on the HRA cannot be transferred to the General Fund and must remain within the HRA. The HRA cannot subsidise or be subsidised by the General Fund and must remain in balance.
- 3.3 From April 2012, the Localism Act abolished the previous subsidy grant system and replaced it with self-financing, under which local authorities took a one-off share of the national housing debt in return for retaining all rental income collected. Therefore, since this date the HRA has retained all benefits associated with its property portfolio but also incurs the risk and costs associated with them.
- 3.4 The HRA business plan is a requirement of self-financing and is a 30-year plan that models both revenue and capital income and expenditure and assesses the affordability of current and future plans and their impact on HRA reserve balances. The HRA business plan is updated annually as part of the budget setting process to ensure current and future activities within the HRA are affordable.

HRA Business Plan - Current Position

- 3.5 The graphs below show the current position for the HRA. This position is based on a new build capital programme to deliver 817 new properties and stock conditions work based on the outputs of a 10% sample stock conditions survey. This stock conditions survey front loads the investment programme and does not take account of risk or vulnerability of residents.



- 3.6 The graphs above show that the levels of current estimated levels of investment requirement are unsustainable and the HRA cannot afford to deliver the arising capital programme, with reserves falling into deficit and borrowing exceeding debt capacity in 2027/28 (year 4 of the business plan) and again in 2035/36 (year 13 of the business plan) where the plan remains unaffordable until 2047/48. The HRA would be unable to repay its interest on the levels of borrowing required. The estimated capital investment requirements are difficult to place reliance on because of the absence of accurate stock condition data which is driving “accountancy based” assumptions on investment modelling for the existing stock. This accountancy driven model is a blunt instrument, blind to areas of greatest risk. The current business plan assumes borrowing to fund these relatively “un-informed” investment requirements and generates no corresponding increase in rental income to meet the cost of borrowing.

Creating headroom and additional borrowing capacity

- 3.7 This Council, along with all other Council’s in the UK is facing a housing crisis with overcrowding, a need for more housing, greater investment in an ageing stock, increasing levels of homelessness and a lack of temporary accommodation available to meet this demand which is increasing the use of expensive 3rd party B&B providers, in the main commercial hotels in turn and putting significant pressure on budgets.
- 3.8 The experience for those occupying such accommodation is not a good one, for example, cooking facilities are often not available. The cost of this type of accommodation is high and not all elements can be recovered by the council as a result, a considerable burden falls to local council taxpayers. In the current year the General Fund is forecasting a Housing Benefit Subsidy loss of £14.3m against a budget of £7m, a pressure of £7.3m.

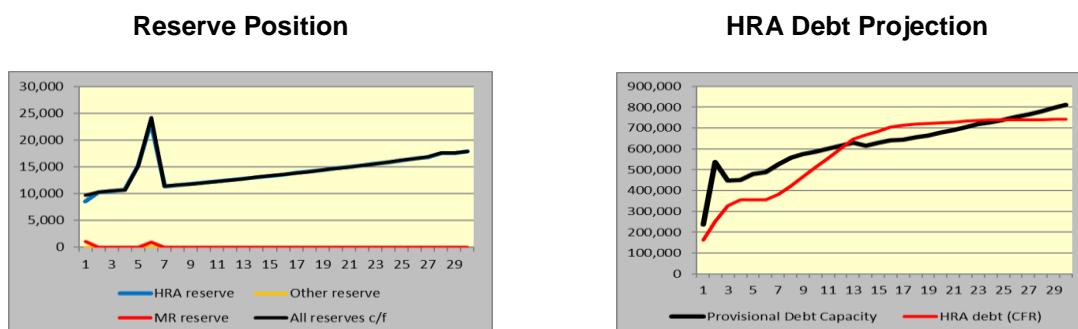
- 3.9 This financial strategy aims to utilise resources within the HRA to tackle these challenges by reviewing and amending the accounting treatment applied to the HRA, in line with contemporary practice and developing a deliverable risk-based stock investment programme that's takes into account current market supply chains. The aim is to create headroom and borrowing capacity to implement a property acquisition programme, taking advantage of GLA funding that is available to part fund these acquisitions over the next two years. The acquisition programme will provide additional housing on a secured tenancy bases and enable some older stock to be allocated as Temporary accommodation on non-secure tenancies.

Accounting Treatment

- 3.10 In October 2018 the Government abolished the debt cap as it was felt to have been set artificially low and was restricting Local Authorities in their new homes programme which was contributing to the shortage of available housing. As a result, the HRA is now able to borrow at higher levels than the debt cap and monitors the affordability of its current and planned future borrowing through parameters set by the s151 Officer within the HRA business plan.
- 3.11 The main parameter used to control debt capacity is the Interest Cover Ratio (ICR). This ratio measures the HRA's ability to repay the interest on its borrowing from its income, primarily rents and service charges collected. This ratio was set at 1.5. Therefore, to comply, the HRA needed to have available £1.50 for every £1 of interest repaid on its debt.
- 3.12 Discussions with the Council's specialist HRA advisors and benchmarking against other Local Authorities deemed this level to be overly prudent and restrictive and after careful consideration the s151 officer has approved a revised ICR of 1.15. This is in line with peers and increases the HRA's borrowing capacity without putting its financial position at risk.
- 3.13 The HRA also makes Minimum Revenue Provision contributions, in effect making provision to pay off debt not yet due. Unlike the General Fund, which has a legal obligation to make such provisions, it is a voluntary contribution in the HRA. Currently the HRA is paying c£2.9m per annum in revenue provision, which represents 2% of its current debt. The s151 officer has approved the cessation of minimum revenue provision contributions within the HRA, freeing up revenue resources.
- 3.14 The equivalent resource will be ring fenced in the short-term to contribute towards funding a risk-based team to identify priorities and develop a data led approach to the investment programme for existing stock, reflective of best practice. In future years it will provide additional capacity for servicing debt, increasing the borrowing capacity within the HRA. As more stock is acquired the rent base grows and the ability to fund further investment increases. This further investment is not limited to new housing it will also fund the investment requirements in existing stock, which are likely to increase as a result of the age of the stock and changes to legislation, such as decent homes 2.

3.15 Timeliness is key to secure the available external funding however, current interest rates are relatively high, resulting in HRA potentially borrowing at these higher levels, even when applying the discount that the Government has applied to the PWLB rate for borrowing in the HRA for new social housing. Therefore, it is proposed that debt is structured to enable it to be refinanced at a time that is beneficial, for modelling purposes that is assumed to be in three years' time.

3.16 The impact of these changes can be seen on the graphs below.



3.17 Changes to the accounting policies result in an improved position within the HRA business plan and mitigates the financial risk in the historical plan. Reserve balances NOW remain positive and above the agreed £10m de minimus threshold throughout the 30-year planning cycle. However, although improved the debt projections continue to exceed debt capacity. HRA debt exceeds capacity in 2035/36 with a maximum headroom deficit of £69m in 2039/40. The HRA cannot afford to fund its existing capital programme and cannot meet any future ambitions above these levels of investment due to existing stock investment forecasts being based on historic stock data which uses age rather than condition or risk as a measure of investment, the effect of which drives up the investment requirement in the early years of the programme to unaffordable levels. Further, we have no assurance the data is reliable and as such we could be blind to additional more urgent investment requirements outside of those determined by age alone. Currently there would be insufficient headroom to address any such arising issues, the updated strategy strengthens the council's position considerably.

Investment in the Existing Stock Portfolio

3.18 The main reason for the pressure on debt capacity highlighted in para. 3.16 results from high levels of proposed investment in the existing stock during the early years of the business plan. These levels of investment are based on the current stock condition data which, as has been highlighted, does not currently reflect best contemporary practice. Placing reliance on this data could result in significant failings in terms of those properties at highest risk in the early years. Overall, the total amount indicated as being required over the period may not be sufficient to accommodate current and emerging additional needs around building safety, environmental sustainability and energy efficiency. Currently, the HRA would utilise its borrowing capacity to fund

these costs but in the absence of growth, no additional rental income is generated to meet the additional interest payments should these costs escalate.

- 3.19 The programme of works on the Council’s existing housing stock has been informed by the outputs of a 10% stock conditions survey sample. The outputs do not consider risk and focuses significant “age based” rather than “risk based” investment in the early years of the business The current data drives an approach informed primarily by the age of the stock and not its state of repair or actual useful residual life.
- 3.20 Planned works done on this basis are neither informed or deliverable, as a combined result current reliance on limited cloned data alongside limitations in internal & external capacity alongside (there is a known and significant lack of supply chains in the current market). Therefore, available financial resources in the current business plan would be allocated for expenditure unlikely to take place and with little if any capacity to deal with emerging additional works requirements. The table below outlines the capital works delivered against budget on the existing stock programme over the past five years. The historical shortfall in delivery against plan could be indicative of underinvestment or unreliable data or perhaps a combination of both. Only comprehensive updated stock condition data can inform the actions to be taken.

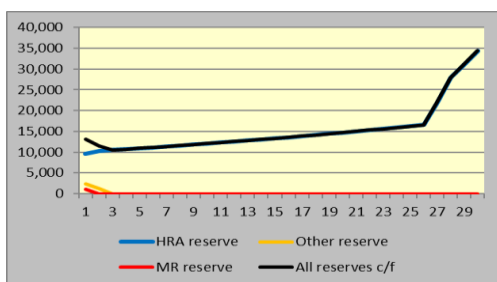
Year	Revised Budget	Spend	Outturn Variance
2022/23	20,435,001	15,236,256	-5,198,745
2021/22	25,503,639	16,700,339	-8,803,300
2020/21	23,334,000	21,215,729	-2,118,271
2019/20	32,600,000	25,458,581	-7,141,419
2018/19	29,286,000	25,815,646	-3,470,354
	131,158,640	104,426,551	-26,732,089
Average	26,231,728	20,885,310	-5,346,418

- 3.21 The primary risk to this strategy is speed of the acquisitions. Its success is highly dependent on acquiring properties in a timely manner in a competitive market where other Local Authorities will be doing the same. Recent interest rate falls could result in the housing market becoming more buoyant and both prices and competition increasing.
- 3.22 Developing a data driven plan of works that is both accurate and deliverable will take time. As a result, in the short-term it is proposed to take a risk-based approach to programming works on the existing stock, focusing resources on blocks and individual properties that are in the poorest condition and where our residents at their most vulnerable. Therefore, this approach provides resources for planning works resulting from damp and mould surveys, fire safety and building safety surveys will be prioritised over traditional cyclical works such as replacement bathrooms and kitchens. Work has been undertaken with the Director of Asset Management to identify spend levels

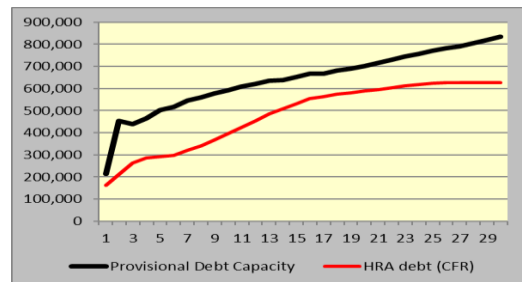
that are deliverable in the short-term and budgets have been set based on these levels (£20m in 2024/25; £25m in 2025/26; £30m in 2026/27). These amounts exceed the levels of work currently being delivered. The programme of works will be drawn up using industry experts including Pennington’s health check and Savill’s Shape programme and real time data technology to monitor performance of 3rd party contractors which currently adversely impact customer satisfaction.

- 3.23 An additional £10m safety net has been put in place in the form of a contingency budget for the first three years of the business plan which can be drawn on at any time to complete urgent works that have arisen but have not been built into the capital programme.
- 3.24 The current stock conditions survey identifies £1.1bn of works required on the existing stock over the next 30 years. Proposed investment levels remain at £1.1bn within the revised programme (plus the additional £10 million safety net), with expenditure being smoothed across the years, rather than being front loaded on the current relatively uninformed bases.
- 3.25 It is proposed to use revenue funding that will be saved from ceasing to make minimum revenue provision contributions to fund a team on a temporary basis to develop this data led programme of works. It is planned that this team will complete this work over the next two years. This change will be applied to the current year and £2.9m ringfenced in a dedicated reserve to fund this team.
- 3.26 Overall, the impact of these changes focuses funding on properties and residents at highest risk, ensuring compliance with the new regulatory framework and prioritising safer homes.
- 3.27 The impact of revising the stock conditions programme on affordability within the HRA business plan is detailed below.

Reserve Position



HRA Debt Projections



- 3.28 The graphs above demonstrate that through amending the accounting treatment and revising the stock investment levels to those that are deliverable within the current supply chain constraints, capacity has been created for further investment on top of the 817 new units already built into the capital programme. The pinch point (year in which the red and black lines in the HRA debt projections graph above are closest) is in year 17 of the plan,

where there is capacity to borrow an additional £131m. Investment in new stock will generate an income stream to repay the interest on borrowing.

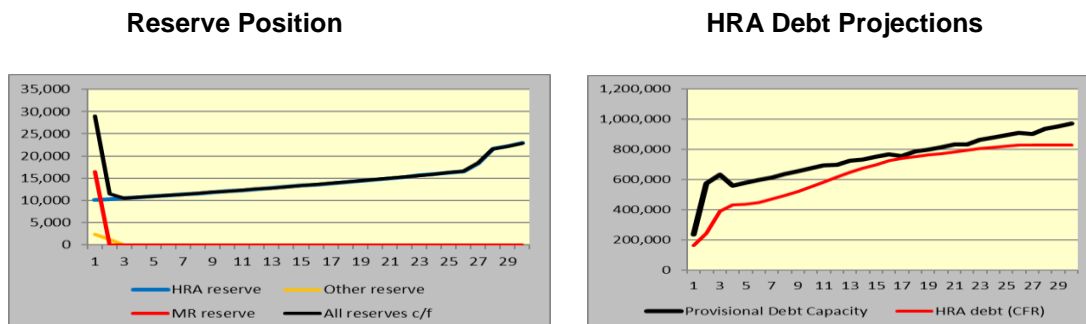
Temporary Accommodation

- 3.29 The Council has taken external legal advice from Trowers & Hamblins and has assurances that it can legally provide T.A. from within the HRA. The properties remain HRA assets but are let through a non-secure tenancy and the rents received remain within the HRA.
- 3.30 There is a benefit to both the HRA and to the General Fund from this arrangement. The HRA benefits from the rental income. Properties will be let at social rents and the tenant will only pay the social rent. The General Fund benefits from a reduction in Housing Benefit Subsidy loss by reducing the number of clients housed in high-cost commercial hotels and other expensive nightly booked accommodation. The table below details the potential saving against the Housing Benefit Subsidy loss.

Saving to General Fund (Social rents)		
	2 Bed	3 Bed
<u>Buyback Units</u>	£	£
Weekly Rental Charged	121	138
HB Subsidy Claimed	121	138
Weekly HB Subsidy Loss	0	0
Annual HB Subsidy Loss	0	0
<u>Commercial Units</u>		
Weekly Rental Charged	910	910
HB Subsidy Claimed	216	216
HB Subsidy Loss	694	694
Annual HB Subsidy Loss / Property	36,088	36,088
Weekly (Benefit) / Cost per Property	-694	-694
Annual (Benefit) / Cost per Property	-36,088	-36,088

- 3.31 The proposal is therefore to acquire new property within the HRA for social housing, taking advantage of the GLA funding that has been made available of up to £200k per property. Tenants will bid for these new properties and where existing properties are vacated, one in every two of the vacated properties will be used for T.A. from within the HRA. For every 100 commercial hotel/BB rooms vacated and clients housed instead in standard T.A. within the HRA, there will be a reduction in the Housing Benefit subsidy loss by about £3.6m, a direct cost saving to the General Fund. As of 31 December 2023, the council currently has 597 households in such accommodation.

3.32 The impact on the HRA Business Plan of acquiring an indicative 600 additional properties over the next two years at an average purchase price of £450k is illustrated below.



3.33 The actual number of properties that can be acquired will be dependent on market availability, purchase price and the level of grant awarded by the GLA for each acquisition. As a result, the target number of 600 new properties could be higher or lower.

3.34 The HRA Business Plan remains affordable, with a pinch point in year 17 where there is additional headroom of £17.164m. Testing different scenarios within the plan identifies the possibility of further investment totalling £10m over the life of the capital programme (years 1-3 of the business plan) in the existing stock programme, providing a further buffer above that already modelled should the cost of surveys be higher than anticipated. Alternatively, the acquisition price can increase from £450k to £475k before the business plan falls into deficit and reductions to the capital programme need to be identified. If capital investment remains as modelled, the plan can withstand an increase in interest rates of 0.2% over the next three years before funding cuts are required.

3.35 This stress testing of the baseline assumptions within the business plan demonstrates it has capacity and a level of flexibility to mitigate unforeseen cost pressures and risks that may occur in the immediate future. This provides a level of contingency within the plan to deal with such events before reductions in funding and changes to assumptions are required.

3.36 The key to success of this financial strategy is in the speed with which we acquire these new properties as they are immediately available for use (unlike development schemes which often take several years to complete) and provide an immediate rental income stream that is used to meet the interest charges on the borrowing required to acquire them.

3.37 Understandably the nature of this paper focuses on financial and asset-based issues. However, supporting local people by meeting their housing needs underpins all that this strategy seeks to achieve. The council's focus on "People First" is more than an internal driver of resource allocation. It impacts all we do. Housing is all about people and the financial capacity released as a

result of this strategy will enable the Corporate Director of Housing & Regeneration to effectively resource significant improvements in a customer focussed way. The following elements of additional resource will be included in the arising delivery plan:

- Additional Case workers dedicated to identifying and supporting tenants most at risk will be mainstreamed into the service via corresponding reductions to the establishment currently within the mayor's office.
- An immediate comprehensive independent "compliance health check will be commissioned to inform the highest areas for priority investment.
- 3rd party contract delivery expectation will be amended to ensure full damp & mould surveys of every property in the shortest possible timescale.
- Technology will be deployed to ensure real time monitoring of critical elements of our service delivery and tenant's experience.

3.38 This Strategy reflects innovation and transformational change. These changes have not been suggested lightly. The council has secured extensive specialist 3rd party advice from a number of nationally recognised experts in the field including Savill's, Trowers & Hamlyn, and Pennington's Advisory,

4 EQUALITIES IMPLICATIONS

- 4.1 The Equality Act 2010 requires the Council, in the exercise of its functions to have due regard to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.
- 4.2 Our Borough's strength lies in its diversity and the different communities and cultures living side by side. The Council is working to make the Borough safe, welcoming and a place of opportunity for all however inequalities still exist. The borough is the most densely populated local authority in the country.
- 4.3 Tower Hamlets continues to experience exceptionally large population increases and since the 2021 census the population has risen from 310,306 in March 2021 to 325,789 just over a year later, the second fastest growing area in England. Research shows that overcrowding can have a detrimental effect on health and well-being and educational attainment.
- 4.4 These inequalities and rapid growth mean that ensuring equality is embedded throughout Council plans, services and activities is the number one priority and at the heart of all decision making.
- 4.5 To help meet its duty under the Equality Act, on all proposed changes, the Council undertakes an Equality Impact Screening and where required a full Equality Impact Analysis to determine whether the proposal will have a disproportionate impact on persons who share a protected characteristic and to also outline actions to mitigate against the equality risks.

- 4.6 The council has a total stock size of 21,771 homes of which 11,794 are tenants and 9,977 are leaseholders. There are 24,339 applicants on the council's housing register seeking affordable homes in council or housing association properties. Over 10,000 of these households are overcrowded and seeking larger homes. There are 2,880 homeless households in temporary accommodation.
- 4.7 The recommendations in this report are seeking to secure investment in existing council homes and to accelerate a programme of new build homes for those who require housing.
- 4.8 An Equality Impact Screening assessment has been completed for the revised Housing Revenue Account Financial Strategy. The screening has concluded that the approach that the council's revised Housing Revenue Account Financial Resourcing Strategy will take is not anticipated to cause any adverse or negative impacts across residents who may identify with one or more of the protected characteristics.
- 4.9 Therefore, concluding that irrespective of ethnicity, age, sex, disability and other protected characteristics, residents will not be disproportionately impacted by the outcomes that the revised strategy is seeking to deliver. Women who head up more homeless households than men and have more council tenancies than men and make up more applications on the housing register will benefit significantly from the investment in new and existing homes.
- 4.10 In prioritising the delivery of better homes by improving the quality and condition of the council's existing social housing stock, positive impacts would be delivered to all residents. The risk-based approach within the strategy to the programming of works on existing stock, will focus resources on blocks and individual properties that are in the poorest condition and where our residents at their most vulnerable.
- 4.11 Investing in our existing homes, should also improve their energy efficiency and indirectly may be of benefit in terms of preventing health issues arising from cold/damp properties, reducing energy costs associated with heating.
- 4.12 Utilising the Housing Revenue Account to acquire additional homes will be to the advantage of all common housing register regardless of one or more protected characteristics. The council and its Common Housing Register Partners Allocation Scheme does not discriminate against any of the protected groups in the allocation of social housing in the borough.
- 4.13 While people of all financial backgrounds can find themselves in genuine housing need (i.e. due to mortgage repossession, high housing costs, the cost of living crisis and evictions), the strategy is likely to have a positive impact on low- income groups who are at a greater risk of homelessness and are therefore more likely to subsequently seek social housing or require assistance under Homelessness legislation to prevent or relieve homelessness.

- 4.14 The positive impacts of this strategy will apply to all residents in the borough who identify with all the protected characteristics whether they are current or future council tenants, those residents who gain from additional properties being made available through the Common Housing Register and those residents who are in need of temporary accommodation.

5 OTHER STATUTORY IMPLICATIONS

- 5.1 The proposals contained in the report will assist in meeting the Councils Best Value obligations under the requirements of the Local Government Act 1999.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 This is a finance report, and the financial implications are considered throughout.

7 COMMENTS OF LEGAL SERVICES

- 7.1 The report confirms that the Council will hold some of the HRA properties for use as temporary accommodation. Section 9 of the Housing Act 1985 provides the power for the Council to build or otherwise acquire accommodation. There is no requirement in that power for the property to be held for any specific purpose. Properties held using that power must be accounted for in the Council's Housing Revenue Account. The report further confirms that the HRA properties used for Temporary Accommodation will be let on non-secure tenancies and this is permissible pursuant to Schedule 1 of the Housing Act 1985 which provides that properties let by the Council for Temporary Accommodation are excluded from security of tenure. The rent to be charged is confirmed as social rent. The Government policy on rent for social housing requires the rent must be the social rent level on any re-let of a property that has previously been let at a social rent level.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- NONE

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

Officer contact details for documents:

N/A

ANNEX 5

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Budget Assurance Statement Corporate Director of Resources
(including Corporate budgets)

I acknowledge that the Council operates a system of devolved financial responsibility under which Directorates administer their financial affairs. I understand and accept that it is my responsibility as a Chief Officer of the Council to ensure that I comply personally with Financial Regulations/ Procedures and ensure that all officers within my Directorate with financial responsibilities also comply with them.

This statement is made in support of the Corporate Director of Resources on the robustness of the proposed budget and medium-term financial strategy, and the adequacy of the Council's Reserves and Balances, as required by Section 25 of the Local Government Act 2003.

The following table summarises the approved growth and savings by directorate:

Directorate	2023-24	2024-25			2025-26			2026-27		
	Net budget £'000	Growth £'000	Savings £'000	Net budget £'000	Growth £'000	Savings £'000	Net budget £'000	Growth £'000	Savings £'000	Net budget £'000
Chief Executive's Office	18,306	1,442	(4,583)	15,165	(480)	(330)	14,355	(66)	(150)	14,139
Children's Services	90,794	5,981	(3,020)	93,755	550	1,510	95,815	-	-	95,815
Corporate	20,841	18,355	(7,858)	31,338	7,003	(2,275)	36,066	6,510	29	42,605
Health and Adult Social Care	170,495	13,072	(9,548)	174,019	572	1,168	175,759	4,799	(179)	180,379
Housing and Regeneration	43,958	2,056	(1,287)	44,727	(1,581)	350	43,496	(2,200)	-	41,296
Communities	52,700	8,922	(3,969)	57,653	(2,731)	(4,728)	50,194	1,342	(3,697)	47,839
Resources	48,386	1,695	(4,132)	45,949	737	(2,261)	44,425	867	-	45,292
Grand Total	445,480	51,523	(34,397)	462,606	4,070	(6,566)	460,110	11,252	(3,997)	467,365

This statement sets out my confirmation that I:

- Acknowledge my responsibility to manage the financial affairs of my areas of responsibility in accordance with the Constitution and Financial Regulations/Procedures; and
- Will deliver the agreed savings proposals for 2024-25 and prior years in full, and will put in place delivery plans for savings in future years (savings proposals are detailed at Appendix 1).

Signature:

Name: Julie Lorraine

Title: Corporate Director of Resources

Date:

Budget Assurance Statement Corporate Director of Health and Adult Social Care

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Signature:

Name: Denise Radley

Title: Corporate Director of Health and Adult Social Care

Date:

Budget Assurance Statement Corporate Director of Housing and Regeneration

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Signature:

Name: Paul Patterson

Title: Corporate Director of Housing and Regeneration

Date:

Budget Assurance Statement Corporate Director of Communities

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This statement sets out my confirmation that I:

- Acknowledge my responsibility to manage the financial affairs of my areas of responsibility in accordance with the Constitution and Financial Regulations/Procedures; and
- Will deliver the agreed savings proposals for 2024-25 and prior years in full, and will put in place delivery plans for savings in future years (savings proposals are detailed at Appendix 1).

Signature:

Name: Simon Baxter

Title: Corporate Director of Communities

Date:

Budget Assurance Statement Corporate Director of Children's Services

I acknowledge that the Council operates a system of devolved financial responsibility under which Directorates administer their financial affairs. I understand and accept that it is my responsibility as a Chief Officer of the Council to ensure that I comply personally with Financial Regulations/ Procedures and ensure that all officers within my Directorate with financial responsibilities also comply with them.

This statement is made in support of the Corporate Director of Resources on the robustness of the proposed budget and medium-term financial strategy, and the adequacy of the Council's Reserves and Balances, as required by Section 25 of the Local Government Act 2003.

The following table summarises the approved growth and savings by directorate:

Directorate	2023-24	2024-25			2025-26			2026-27		
	Net budget £'000	Growth £'000	Savings £'000	Net budget £'000	Growth £'000	Savings £'000	Net budget £'000	Growth £'000	Savings £'000	Net budget £'000
Chief Executive's Office	18,306	1,442	(4,583)	15,165	(480)	(330)	14,355	(66)	(150)	14,139
Children's Services	90,794	5,981	(3,020)	93,755	550	1,510	95,815	-	-	95,815
Corporate	20,841	18,355	(7,858)	31,338	7,003	(2,275)	36,066	6,510	29	42,605
Health and Adult Social Care	170,495	13,072	(9,548)	174,019	572	1,168	175,759	4,799	(179)	180,379
Housing and Regeneration	43,958	2,056	(1,287)	44,727	(1,581)	350	43,496	(2,200)	-	41,296
Communities	52,700	8,922	(3,969)	57,653	(2,731)	(4,728)	50,194	1,342	(3,697)	47,839
Resources	48,386	1,695	(4,132)	45,949	737	(2,261)	44,425	867	-	45,292
Grand Total	445,480	51,523	(34,397)	462,606	4,070	(6,566)	460,110	11,252	(3,997)	467,365

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Signature:

Name: Steve Reddy

Title: Interim Corporate Director of Children's Services

Date:

Budget Assurance Statement Chief Executive

I acknowledge that the Council operates a system of devolved financial responsibility under which Directorates administer their financial affairs. I understand and accept that it is my responsibility as a Chief Officer of the Council to ensure that I comply personally with Financial Regulations/ Procedures and ensure that all officers within my Directorate with financial responsibilities also comply with them.

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Signature:

Name: Steve Halsey

Title: Chief Executive

Date:

**ANY FURTHER
PAPERS RELATED
TO THE BUDGET
AND COUNCIL TAX
2024/25**

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Overview & Scrutiny Committee

Review of budget proposals 2024-25

16/02/2024



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Foreword

Cllr Musthak Ahmed, Overview & Scrutiny Committee Chair

I am pleased to introduce the Overview & Scrutiny Committee's (OSC) Budget Report 2024-25. OSC has comprehensively examined the budget, its allocations, and the strategic decisions made to navigate key challenges, capitalise on opportunities, and steer Tower Hamlets towards a financially resilient future.

Our community faces a dynamic and ever-evolving set of challenges and opportunities. At the same time, many Local Authorities across the country are experiencing equally difficult challenges, as resources continue to reduce while demand and costs are increasing. As we scrutinised the budget, it became evident that this is not just a financial plan but a reflection of our collective vision for a resilient, inclusive, and prosperous Tower Hamlets. OSC has a responsibility to ensure that we offer the correct checks and balances, and words of caution, to ensure it is a budget which protects our most vulnerable residents, in a sensible and prudent way. I am pleased to see that concerns we raised last year calling for a long term, sustainable, financial plan which does not excessively rely on reserves have been addressed in the budget proposals presented to OSC this year.

At the forefront of our scrutiny is a commitment to preserve and enhance essential services that our community relies on. I am pleased to see that this budget is shaped by a dedication to meeting the diverse needs of Tower Hamlets, from health and education to infrastructure and social programs. We are now deep into a cost-of-living crisis. A crisis which impacts both on the Council and our ability to deliver services for the residents and businesses we serve. Inflation has reached levels higher than many residents have endured in their lifetime, which is having a real impact on living standards and driving more people into poverty.

I would like to thank my scrutiny colleagues for their invaluable participation, knowledge, and insights in undertaking our review of the budget. I would also like to thank Cabinet Members: Councillors Saied Ahmed, Kabir Hussian and Kabir Ahmed for their engagement with the Committee throughout this process. We recognise the collective effort required to build a thriving community. I am proud of the work and integrity of this committee, as we have all committed to ensuring the highest level of transparency, executing our work with precision and foresight.

Thank you for your trust and partnership.

Recommendations

1. The Council should explore the sustainability of £5m investment in Waste Services. Additionally, OSC should be provided with quarterly updates on the impact additional investment is having on performance.
2. That the Council accelerates and enhances Landlord Recruitment campaign to ensure it delivers at pace and beats competition.
2. Introduce a cap to rent increases so that no resident is paying more than an additional £10 per week.
3. That the Mayor reviews the proposed increases to resident parking permits which will add to the cost-of-living crises facing residents.
5. Utilise additional resources to top up the Resident Support scheme or replicate the scheme using a separate source of funding

Approach to Budget Scrutiny

- 1.1. Budget scrutiny is aligned to the Council's annual budget process, which starts with challenging how the budget has been constructed (i.e. during budget setting) before it is agreed.
- 1.2. OSC undertakes quarterly monitoring of the budget and engages regularly with the Cabinet Member for Resources and the Cost of Living as a key component of its work programme.
- 1.3. Recommendations in this report are based on the Committee's discussions at the Budget Scrutiny meeting held on 08 January 2024, where Scrutiny Members reviewed proposed Fees and Charges for 2024-25, the 2024-25 Budget position and the longer-term Medium Term Financial Strategy (MTFS) over the next three years. The Committee discussed the proposals with Councillor Saied Ahmed, Cabinet Member for Resources and the Cost of Living, the Council's Deputy Chief Executive and Corporate Director for Health and Adult Social Care, and the Council's Corporate Director for Resources.
- 1.4. The Committee held a further review of the Budget proposals on 23 January, and this has also informed the comments and recommendations set out in this report. This meeting focused specifically on three areas of the budget: Parking Services, Housing Options and Homelessness, and Waste Services. These areas were chosen by the Committee as they were areas of high spend, risk, strategic priority and/or resident concern. The Committee conducted a deep dive review into these areas and analysed key components of the budget including overspend, details of growth and savings proposals and reasons behind this. It also considered ongoing and new pressures, key risks, and links between budget and strategic priorities and performance. The Committee discussed these areas with Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding, Cllr Kabir Hussain, Cabinet Member for Environment and the Climate Emergency, the Council's Corporate Director of Communities, Interim Corporate Director of Housing and Regeneration, and Director of Housing. Following this meeting an initial draft of the Committee's report was submitted to the Mayor and Cabinet for their consideration at Cabinet on 31 January.
- 1.5. To support Members in their scrutiny of the budget, Scrutiny Members were provided with training by the Centre for Governance and Scrutiny (CFGs) in 2022/23. Training focused on treasury management, budget setting, Councils reserves and outturn monitoring and risk management. This year, in preparation for scrutiny of budget proposals, Members were provided with refresher slides from this training session and a new publication from CFGs which updated their guidance on what must be considered as part of budget scrutiny. Members also held several discussions to shape how they will carry out robust scrutiny of proposals and agreed on an additional deep dive session.

- 1.6. Following significant and material changes to the budget proposals in January, the Committee held a final meeting on 5 February to consider the changes and impact they will have on Council services and residents. The discussion from this session updates the previous draft report submitted to the Mayor and Cabinet and have shaped the Committee's final comments and recommendations set out in this report.

Findings

- 2.1. OSC recognises that there are many positive ideas and schemes set out in this budget. The Committee supports the considerable investment in services and focus on helping residents at a time when the cost of living crises continues to present a significant challenge for many people. The Committee is encouraged by the continued investment in Educational Maintenance Allowance and University Bursaries, the introduction of free swimming for women and girls over 16 and men over 55, funding for a Women's Resource Centre, and creation of a Council Tax Cost of Living Relief Fund. In addition to this the budget will support investment in a Somali Resource Hub, a culturally sensitive adult care home, a culturally sensitive Drug Misuse Treatment Centre, and an Institute of Academic Excellence.
- 2.2. During the Committee's review of budget proposals last year (2023-24), the Committee expressed concerns over the reliance on reserves and sustainability of the approach taken to deliver growth and achieve a balanced budget. The Committee called for the development of a financial strategy which will ensure the Council has long term financial stability without the need to draw on significant reserve funding. The Committee welcomed the draft position now shows a reduction in the use of reserves by £19.1m over the life of the MTFs, with the Council in a more financially sustainable position.
- 2.3. Linked to concerns over use of reserves, the Committee previously noted that it was unclear how the significant savings target of £37.8m would be delivered in the absence of detailed savings pro-formas. We welcome the detailed savings pro-formas which have been provided as part of this year's budget proposals and the opportunity to scrutinise them to understand their impact. The Committee was informed that savings have been identified with a clear criteria to protect frontline services to residents. The Committee is pleased to note that the savings identified are higher than the previous target at £42.5M, therefore reducing further reliance on reserves to bridge the budget gap. Given the increasing number of Council's issuing a section 114 notice, it is encouraging to see continued investment, but the Committee once again cautions the need to ensure the Council remains in a secure financial position as it now moves to realise the identified savings alongside a commitment to invest in services.
- 2.4. The Committee questioned the risks attached to this budget and the mitigation the Council has in place to respond to them. The Committee heard that the

proposals put forward are only a plan, and a significant risk to this budget is a failure to deliver. Strong governance arrangements are in place through the Budget Monitoring Board to ensure delivery. The Committee resolved to keep delivery under close consideration at future meetings as part the quarterly monitoring reports. The Committee will ensure particular attention is given to forecasting as part of quarterly monitoring so that potential risks and inhibitors to delivery can be identified and addressed. The Committee will also engage Officers to discuss the format of quarterly reporting to ensure the information is as accessible as possible. Furthermore, the Committee noted the reliance on commercial income generation, and housing pressures, present significant risk to the budget and the Council's financial resilience. The Committee heard that financial modelling has been carried out in regard to income generation and this has informed the decision to increase the risk reserve by £2.3m to a total of £18m. In regard to housing, a review of resourcing for the Housing Revenue Account has been performed which will enable to Council to borrow additional funds for acquisitions. This will in turn help to increase rental income, which will help generate the income needed to respond to pending pressures in the sector from regulations around decent homes and further demand for investment in housing stock. The Committee are assured that appropriate mitigation is in place but will keep progress under close review as part of their 2024/25 work programme.

Waste Services

Recommendation 1.

The Council should explore the sustainability of £5m investment in Waste Services. Additionally, OSC should be provided with quarterly updates on impact investment is having on performance.

- 2.5. OSC previously raised concerns over the performance of waste services and continue to monitor this through its work programme. We are pleased to hear that this budget proposes to invest £5m into the service which will allow for recruitment of an additional 77 frontline workers, additional nighttime and weekend provision, new vehicles, and a significant investment of £3.1m into street cleansing enhancements. The Committee noted that this is a huge investment as a one-off area of growth, and questioned whether this will provide value for money and allow for sustainable improvements and better performance. The Committee noted that it is anticipated that this growth will accelerate performance and after this point the service will be in a significantly better position to sustain performance improvements. However, the Committee recommended that a long-term plan be developed which considers funding requirements over a longer period and accurately responds to service need. Members noted that benchmarking is currently taking place with neighbouring boroughs to understand the level of investment they are making into waste services and this will provide valuable intelligence and contribute to future service arrangements beyond the growth bid. In addition to benchmarking, the Committee stressed that it is imperative that clear metrics for success are developed, and data collected, to understand how effective the growth has been and inform future planning.

Housing Options, Homelessness & Cost of Living Support

Recommendation 2.

That the Council accelerates and enhances Landlord Recruitment campaign to ensure it delivers at pace and beats competition.

Recommendation 3.

Introduce a cap to rent increases so that no resident is paying more than an additional £10 per week.

Recommendation 4.

That the Mayor and Cabinet reviews the proposed increases to resident parking permits which will add to the cost-of-living crises facing residents

- 2.6. The Committee identified Housing Options & Homelessness as an area for further consideration as there is an overspend in the service and two separate growth bids totalling £8m to help tackle homelessness. The Committee heard that there are several significant reasons behind the adverse variance detailed in the budget. The main reason relates to Housing Benefit Subsidy loss where the Council can only claim back benefits paid out at 90% of 2011 Local Housing Allowance rates. The adverse variance is also linked to higher numbers in expensive temporary accommodation, the short supply of move on options in the private rented market, and an increase of evictions (exacerbated by the cost-of-living crisis and living of the eviction ban which was in place during Covid-19 pandemic).
- 2.7. The Committee questioned what plans are in place to address the overspend and was assured that there are several measures in place to help prevent and reduce placements into temporary accommodation or reduce the length of time people remain in temporary accommodation. This will in turn help address the Housing Benefit Subsidy loss. The Committee welcomed the plans to develop an Acquisition Strategy to help identify cheaper properties and ease the need for expensive temporary accommodation. However, Members want to ensure that the Council is creative in its acquisitions and improves partnerships with registered social landlords in the borough. The Council is engaging landlords through a recruitment campaign including a Town Hall event and posters. The Committee recommends that the Council accelerates and enhances this campaign as it will be competing with numerous other stakeholders and will need to deliver at pace. The Committee raised concerns that the increased expenditure is driven by the Council failing to register all household benefit claims. Furthermore, it is driven by the large number in expensive temporary accommodation. Whilst the Committee were informed about the plans in place and will continue to monitor performance

through the Housing & Regeneration Scrutiny Sub Committee, the Committee have requested further information to confirm how many of the 2,500 in temporary accommodation are registered and in receipt of housing benefit.

- 2.8. The Committee also raised concerns over the proposed increase to housing rents by 7.7%. The Committee heard that it is considered a necessary increase to allow the Council to generate £5.6m of additional income within the Housing Revenue Account. This income will in turn allow the Council to fund the borrowing costs associated with investment in existing stock, expanding the property portfolio and launching new developments. This will help move people out of temporary accommodation and reduce the pressure on the housing waiting list and overcrowding pressures. However, the Committee are concerned that, in addition to an increase in service charges and Council Tax, this will potentially push residents who are not permitted to access additional financial support, and sit just above the threshold, into great financial difficulty. The Committee Recommends that this increase is capped so that no resident is paying more than an additional £10 per week.
- 2.9. The Committee also heard that there will be an increase in resident parking permits. The Committee noted that there is a pledge not to penalise the community, who in many cases are not responsible for the bulk of air pollution. The Committee feels that at this moment in time, when many residents are facing increased costs and bills, that it is the wrong time to place this extra burden on them. The Committee recommends that the Mayor and Cabinet reviews the proposed increases to resident parking permits which will add to the cost-of-living crises facing residents.

Resident Support Scheme

Recommendation 5.

Utilise additional resources to top up the Resident Support scheme or replicate the scheme using a separate source of funding.

- 2.10. The Committee welcomes the support the Council is giving to residents facing the challenges presented by the cost-of-living crisis. There are many interventions in both last year's budget and this year's budget which demonstrates a significant commitment to support residents at a time when they need it most.
- 2.11. The Committee notes that the Resident Support Scheme, which aims to tackle poverty in the borough, is funded by the Household Support Fund. The Committee recognises this as a key resource to support residents facing increased living pressures. The Committee would like to see the Council use additional resources to top up the Resident Support scheme or replicate the scheme using a separate source of funding.

Council Tax Increase & Council Tax Cost of Living Relief Fund

- 2.12. The Committee noted that the biggest change to the budget proposals in January was the introduction of a 2.99% increase to the general Council Tax, representing a total 4.99% increase (when combined with a 2% Adult Social Care precept). This will provide the Council with an additional income of £3.2m.
- 2.13. The Committee questioned the reasons behind the increase and specifically why this was not included in the first iteration of budget proposals released given the significance and impact on residents. The Committee heard that the Council had to take this action as Government funding for Local Authorities did not provide sufficient resources to support the investment residents need and help tackle additional cost pressures. The decision was also taken as it will support the Council to create a sustainable budget position that does not rely on reserves. The Committee observed that this move will push some residents who sit above the threshold to access additional Council Tax relief into financial difficulty. For every ambitious area of investment set out in the budget proposals, the increase in Council Tax and other increases identified in this report such as parking permits and rent, will offset this and potentially push residents into hardship if appropriate support is not in place.
- 2.14. The Committee heard that a Council Tax Cost of Living Relief Fund will be introduced to support those most impacted by the increase to general Council Tax. This means that any household with an income of up to £49,500 will be able to claim relief against the entire increase in Council Tax. The Committee noted that this has the potential to be an innovative scheme which is beneficial to those residents who are not ordinarily in receipt of state means tested benefits. However, the Committee questioned how the 'means testing' will work in practice as it may push some residents who fall outside of this scheme into financial difficulty. The Committee also questioned if this relief will apply across future years and not just the upcoming year. The Committee heard that it will provide protection for the next three years and there will be an opportunity at the end of each year to reconsider the threshold to access this Fund. If residents who are not entitled to access this scheme fall into difficulty, they will be able to access the Resident Support Scheme for support. As part of recommendation 5, the Committee would like to see the needs of those residents who are unable to access the Council Tax Cost of Living Relief Fund taken into consideration to ensure support is in place for them if they fall into difficulty.