

# Cabinet



Wednesday, 10 July 2024 at 5.30 p.m.

Council Chamber - Town Hall, Whitechapel

## Agenda

### Mayor Lutfur Rahman

### Cabinet Members

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

[The quorum for Cabinet is 3 Members]

### Further Information

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



## Public Information

### Viewing or Participating in Cabinet Meetings

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

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

### Meeting Webcast

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

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

### Contact for further enquiries:

Joel West, Democratic Services,  
Town Hall, 160 Whitechapel Road, London, E1 1BJ  
Tel: 020 7364 4207  
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Web: <http://www.towerhamlets.gov.uk>

### Electronic agendas reports and minutes.

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## A Guide to CABINET

### Decision Making at Tower Hamlets

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

### Which decisions are taken by Cabinet?

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

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

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

Upcoming Key Decisions are published on the website on the 'Forthcoming Decisions' page through [www.towerhamlets.gov.uk/committee](http://www.towerhamlets.gov.uk/committee)

### Published Decisions and Call-Ins

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

- The decisions will be published on: **Friday, 12 July 2024**
- The deadline for call-ins is: **Friday, 19 July 2024**

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

### Public Engagement at Cabinet

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

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

## Cabinet

Wednesday, 10 July 2024

5.30 p.m.

Pages

### **PUBLIC QUESTION AND ANSWER SESSION**

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

#### **1. APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

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

11 - 12

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

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

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

#### **3. UNRESTRICTED MINUTES**

To Follow

The unrestricted minutes of the Cabinet meeting held on Wednesday 16 May 2024 are presented for approval.

#### **4. ANNOUNCEMENTS (IF ANY) FROM THE MAYOR**

#### **5. OVERVIEW & SCRUTINY COMMITTEE**

##### **5.1 Chair's Advice of Key Issues or Questions**



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

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

(Under provisions of Section 30, Rule 59 of the Constitution).

## 6. UNRESTRICTED REPORTS FOR CONSIDERATION

<b>6.1</b>	<b>Budget Monitoring 2023/24 Provisional Outturn</b>	<b>13 - 78</b>
<b>Report Summary:</b> Budget Monitoring 2023/24 Provisional Outturn		
<b>Wards:</b> All Wards		
<b>Lead Member:</b> Cabinet Member for Resources and the Cost of Living		
<b>Corporate Priority:</b> All Priorities		
<b>6.2</b>	<b>Record of Corporate Directors Actions 2023/24 Q4</b>	<b>79 - 86</b>
<b>Report Summary:</b> This report sets out, for noting by Cabinet, the Corporate Director's Actions taken under Rule 10 (section 50 Record of Corporate Director's Actions (RCDA) - Waiving of Procurement Procedures) in Part C – Codes and Protocols of the Council's constitution. The section states that Corporate Director's Actions in respect of contracts over £100,000 must be reported to Cabinet for noting and this report fulfils this requirement.		
<b>Wards:</b> All Wards		
<b>Lead Member:</b> Cabinet Member for Resources and the Cost of Living		
<b>Corporate Priority:</b> All Priorities		



6 .3 Procurement Transformation Programme	To Follow
<b>Report Summary:</b>	
<p>This report provides a progress update on the Procurement Transformation Programme. The proposed changes respond to significant procurement failures and historical challenges that have left the Council exposed to undue risk and service failure and ensures full and exemplary compliance with the new Procurement Act 2023 that comes into force in October 2024, and the NHS Provider Selection Regime (PSR) which came into effect in January 2024. The proposed transformation programme includes an accelerated delivery plan for the upcoming changes. Those changes will ensure the Mayoral commitment to sound competitive processes providing opportunities for local and small business to trade with the council are realised quickly. This is aligned to the underlying principles of the new Procurement Act 2023.</p>	
<b>Wards:</b>	All
<b>Lead Member:</b>	Cabinet Member for Resources, and the Cost of Living
<b>Corporate Priority:</b>	All Priorities

6 .4 Annual Strategic Delivery & Performance Report 23/24	To Follow
<b>Report Summary:</b>	
<p>This report provides the Mayor in Cabinet with a Quarter 4 monitoring update of the Year 2 Annual Delivery Plan 2023-24 performance measures and annual deliverables.</p>	
<p>The delivery status of operations relevant to the council's strategic objectives is reported with the intention to give a clear understanding of the council's current performance.</p>	
<p>This data is provided to inform any necessary decisions or actions arising from current operational delivery.</p>	
<b>Wards:</b>	All Wards
<b>Lead Member:</b>	Mayor
<b>Corporate Priority:</b>	All Priorities

6 .5 Tower Hamlets Local Plan 2038 – Proposed Submission Version	87 - 100
<b>Report Summary:</b>	
<p>This report seeks approval to publish the proposed submission version of the Local Plan and associated documents and undertake the statutory Regulation 19 consultation on those documents.</p>	
<b>Wards:</b>	All Wards
<b>Lead Member:</b>	Cabinet Member for Regeneration, Inclusive Development and Housebuilding



**Corporate Priority:** Homes for the future  
Boost culture, business, jobs and leisure  
A clean and green future  
A council that works for you and listens to you

**6 .6 Approval of the council's revised Homelessness Accommodation Placement Policy 101 - 158**

**Report Summary:**

The Mayor and Cabinet are asked to approve:

- The council's revised Homelessness Accommodation Placement Policy

In addition, permission is sought from the Mayor and Cabinet, should any further amendments be required as a result of legislation or case law, to delegate approval of subsequent amendments to the document to the council's Corporate Director of Housing and Regeneration.

The council's revised Homelessness Accommodation Placement Policy clearly sets out the council's approach as to how officers will use available housing stock to discharge the council's statutory homelessness duties and responsibilities. The policy will ensure that the council follows current legislation and provides a reference point for Housing Options staff to make their decisions.

**Wards:** All Wards  
**Lead Member:** Cabinet Member for Regeneration, Inclusive Development and Housebuilding  
**Corporate Priority:** Homes for the future

**6 .7 Improving our homelessness services - update To Follow**

**Report Summary:**

This report provides an update made on the Mayoral decisions taken in Cabinet on 16 May 2024 to improve our Homelessness services. The focus in the past weeks has been on achieving immediate improvements and includes actions to improve the customer experience, enhance staff wellbeing and meet the increase in demand.

**Wards:** All Wards.  
**Lead Member:** Cabinet Member for Regeneration, Inclusive Development and Housebuilding  
**Corporate Priority:** A clean and green future

**6 .8 Annual Report on School Performance for 2022-2023 159 - 176**



**Report Summary:**

This report provides an overview of education performance in the school year 2022/23.

A summary analysis of the 2023 results, compared to previous years, is provided for national average attainment including for Children in Our Care (CIOC). The report highlights successes, challenges and barriers to further progress. The report also highlights THEP support and interventions in primary and secondary schools to raise achievement through system leadership.

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

<b>6 .9 Interim use of former Shapla School Site</b>	<b>To Follow</b>
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**Report Summary:**

This report seeks the approval of Cabinet for the former Shapla School site to be allocated as the agreed decant site for the Council services identified in this report from the Professional Development Centre and Commercial Road site until 2030.

We request the site is retained for interim use within the Council rather than meanwhile use. This is a change to the original decision in October 2021 Cabinet that the site be considered for meanwhile use pending disposal

**Wards:** Whitechapel  
**Lead Member:** Cabinet Member for Resources and the Cost of Living  
**Corporate Priority:** Accelerate Education

<b>6 .10 Market Designation (Columbia Road, Watney, Whitechapel)</b>	<b>To Follow</b>
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**Report Summary:**

The proposal is to increase the designated pitch sizes at Columbia Road, Watney and Whitechapel Markets and also designate an additional area at Columbia Road. This is to regularised an established trading pattern

**Wards:** Shadwell; Spitalfields & Banglatown; Weavers  
**Lead Member:** Cabinet Member for Environment and the Climate Emergency  
**Corporate Priority:** A council that works for you and listens to you

<b>6 .11 Market &amp; Street Trading Fees &amp; Charges 2024/25</b>	<b>To Follow</b>
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**Report Summary:**

The proposal is to implement the new fees & charges for Markets & Street Trading for 2024/25

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

**Wards:**  
**Lead Member:**  
**Corporate Priority:**

## 6 .12 LBTH Productivity Plan

**To Follow**

### **Report Summary:**

The LBTH Productivity Plan is in response to a letter sent to all council chief executives on 19 April 2024 by the Minister for Local Government, Simon Hoare, asking all councils to produce Productivity Plans. These plans are to help the department understand what is working well, common themes and future opportunities.

Councils must hand in their productivity plans by 19 July 2024, as well as uploading the plans on the council's website for residents to see.

**Wards:** All Wards  
**Lead Member:** Mayor  
**Corporate Priority:** All Priorities

## 6 .13 Nominations to Outside Bodies

**177 - 180**

### **Report Summary:**

It is the responsibility of the Mayor to nominate representatives to certain Outside Bodies on behalf of Tower Hamlets Council.

This report proposes changes to nominees to outside bodies for the Mayor to consider. Although all appointments are reviewed regularly, they are, unless stated elsewhere in this report, valid until such time as they are amended or renewed by a Mayoral decision.

**Wards:** All Wards  
**Lead Member:** Mayor  
**Corporate Priority:** All Priorities

## 7. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

## 8. EXCLUSION OF THE PRESS AND PUBLIC



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

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

### **EXEMPT/CONFIDENTIAL SECTION (PINK)**

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

## **9. EXEMPT / CONFIDENTIAL MINUTES**

Nil items.

## **10. OVERVIEW & SCRUTINY COMMITTEE**

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

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

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

(Under provisions of Section 30, Rule 59 of the Constitution).

## **11. EXEMPT / CONFIDENTIAL REPORTS FOR CONSIDERATION**

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

### **Next Meeting of Cabinet:**

Wednesday, 24 July 2024 at 5.30 p.m. in Council Chamber - Town Hall, Whitechapel





# 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.

## **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.

<b>Cabinet</b>  <b>10 July 2024</b>	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Julie Lorraine, Corporate Director of Resources	<b>Classification:</b> Unrestricted
<b>Budget Monitoring 2023/24 Provisional Outturn</b>	

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

### Executive Summary

The total council General Fund (GF) approved revenue net expenditure budget for 2023/24 was £445.5m. The councils provisional outturn actual was £451.5m. The position after the net drawdown of earmarked reserves of £6.3m requested by directorates (a reduction of £13.1m from the £19.4m forecast in quarter 3) is an overall £0.3m underspend variance, an increase in net underspend of £0.2m from the previous quarter 3 forecast reported to Cabinet in March 2024. This £0.3m overall net underspend will be transferred to General Fund general reserves.

The gross overspend across the General Fund (before the net drawdown of £6.3m from earmarked reserves) totalled £6.0m at year-end. This gross pressure has been mitigated by £7.8m of in-year budget savings due to the delayed delivery of Mayors Priority growth investments in 2023/24 outside of the council’s control.

This is a good financial performance for the council given the nationally recognised pressures faced by the council including, but not limited to, major net overspend variances due to demand service-based pressures totalling £11.5m related to

Homelessness (£5.2m), Special Education Needs (SEN) (£3.2m) and Adult Social Care (£3.1m).

The total savings target for 2023/24 was £15.5m, which included previous years' slipped savings. Of which, £12.3m is identified as being delivered, a net position of £2.1m slipping into future years due to timing issues and £1.1m has been identified as unachievable.

The provisional outturn General Fund capital expenditure for the year was £81.7m, which represents 92% of the revised 2023/24 capital budget of £88.9m, resulting in a variance of £7.2m. The provisional outturn HRA capital expenditure for the year was £60.7m, which represents 84% of the revised 2023/24 capital budget of £72.2m, resulting in a variance of £11.5m.

### **Recommendations:**

Cabinet is recommended to:

1. Note the council's position and consequent provisional outturn as at 31<sup>st</sup> March 2024, against General Fund Budget (£0.3m underspend) Dedicated Schools Grant Budget (£1.5m overspend), Housing Revenue Account (£5.2m overspend).
2. Note the actions taken to date to address the demand pressures as set out in Appendix A, Section 3.2.
3. Note the progress made against the 2023/24 savings targets, based at 31<sup>st</sup> March 2024.
4. Note the council's provisional outturn position against General Fund and Housing Revenue Account capital programme approved budgets for 2023/24, based on provisional outturn at 31<sup>st</sup> March 2024.
5. Approve the net slippages of £8.9m and net overspends of £1.7m across the General Fund capital programme and net slippages of £10.6m and net underspends of £0.9m across the Housing Revenue Account capital programme as detailed in section 3.18 and 3.19 below.
6. Note that there are no equalities implications directly resulting from this report, as set out in Section 4.

## **1 REASONS FOR THE DECISIONS**

- 1.1 The regular, timely and accurate reporting of Revenue and Capital Budget Monitoring information through the year is a key financial control. It makes visible variations to budget to inform decision making and enable the council to take timely mitigating actions.

- 1.2 It is important that issues driving variations to budget are understood, challenged and addressed so that the council remains both within the approved budget envelope and on track to delivering the plans Members budgeted for.

## **2 ALTERNATIVE OPTIONS**

- 2.1 The council could choose to monitor its budgetary performance against an alternative time frame, but it is considered that the reporting schedule provides the appropriate balance to allow strategic oversight of the budget by Members and to manage the council's exposure to financial risk. More frequent monitoring is undertaken by officers and considered by individual service directors and the council's CMT including approval of management action.

## **3 DETAILS OF THE REPORT**

- 3.1 On 1 March 2023, council agreed a general fund budget of 445.5 million, which required delivering savings of £15.5m. The overall savings requirement included elements of slippage from previous years where the Council had been unable to deliver its savings targets during the period. The progress made against savings targets for the year is contained in Appendix B.
- 3.2 The councils provisional outturn actual is £451.5m. The position after the proposed net drawdown of earmarked reserves requested by directorate is an overall £0.3m underspend variance, an increase in net underspend of £0.2m from the previous quarter 3 forecast reported to Cabinet in March 2024. This £0.3m overall net underspend will be transferred to General Fund general reserves, resulting in an cumulative GF general reserve balance of £21.2m at year-end.
- 3.3 The gross overspend across the General Fund (before the net drawdown of £6.3m from earmarked reserves) totalled £6.0m at year-end. This gross pressure has been mitigated by £7.8m of in-year budget savings due to the delayed delivery of Mayors Priority growth investments in 2023/24 outside of the council's control. The significant in-year budget savings related to £3.2m on the recently established Young Tower Hamlets service and £0.7m on enhancing community language services within the Children's Services directorate. Within Communities, significant in-year budget savings included £1.5m on budgets for additional Metropolitan Police Officers for the Borough and £1.3m on budgets for the recruitment of additional Tower Hamlets Enforcement Officers (THEOs).
- 3.4 This is a good financial performance for the council given the nationally recognised pressures faced by the council including, but not limited to, major overspend variances due to demand service-based pressures totalling £11.5m related to Housing Homelessness (£5.2m), Education Special Education Needs Disabilities (SEND) (£3.2m) and Adult Social Care (£1.1m).

- 3.5 Housing (£5.2m) – (Q3 – £4.2m, an adverse movement of £1.0m)**  
As rents in Tower Hamlets are above LHA rates, the housing options service incurs a HB subsidy loss on each placement, incurring the council a significant deficit, which the council does not have control over. The budget is supported by annual government grant totalling £9.3m. It is assumed these grants will be applied in full during the year and it is proposed to drawdown £5.1m in-year from these reserves to partially mitigate the overspend position. After applying grants and reserves still leaving an overall adverse variance of £4.6m within the Housing Options service. The overall outturn position in Housing represents an adverse movement of £1.0m against the previous quarter 3 forecast, due to continued increased demand for Temporary Accommodation (£3.0m), increases in employee related costs (£0.4m), mitigated by additional utilisation of Homelessness earmarked reserves (£2.5m).
- 3.6 The service is taking actions to mitigate these budget pressures including supporting improvements in the service through recruitment campaigns, taking part in London wide initiatives and identifying additional units and resources available to mitigate Temporary Accommodation pressures, taking intervention to increase the supply of the private rented sector and facilitating better strategic working.
- 3.7 Education Special Educational Need (SEND) pressures including transport (£3.2m) – (Q3 - £3.2m, no change)**  
The provisional outturn position for Education is in line with that reported for quarter 3. SEND pressures are the greatest concern and continue to increase with a clear link to the impact of the pandemic upon children’s development, with unprecedented increases in the number of referrals for Education Help and Care Plans (EHCPs). Whilst the costs associated with the delivery of EHCPs are met from within the DSG there are several services that relate to these increases that are met from within the General Fund including, our statutory responsibilities in relation to assessments and annual reviews. These costs have significantly increased with the need for additional staff in Education Psychology and SEN casework, to keep pace with the rising demand. Whilst growth for staffing was included for 2023/24 the need to use locums and interim staff continues to cause a pressure where these staff are in high demand and short supply. There continues to be significant increases of SEN transport costs, both with increased volumes of children accessing transport and the large increase in fuel costs and London ULEZ surcharges for private hire vehicles.
- 3.8 Whilst mitigations have been introduced to facilitate personnel budgets and accelerate the programme of travel training this is not keeping up with the volume growth. We are still working with the Communities directorate to find a solution to the uncertainty and volatility of the internal transport budgets that are split with adult services, with a greater proportion and pressure now being met from Children’s Services budgets.
- 3.9 Adult Social Care (£3.1m) – (Q3 – £3.2m, a favourable movement of £0.1m)**  
The provisional outturn position for Adult Social Care remains broadly in line with that reported for quarter 3. Care and Support Plan Assurance Meetings



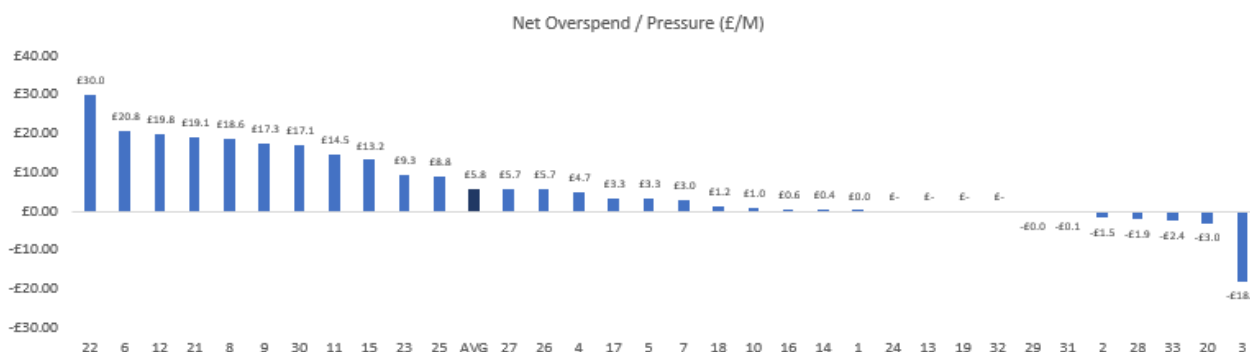
(CSPAM) data clearly demonstrates the increasing needs and complexities of clients, with additional packages being required to meet growing demand. The total allocated demographic growth (for new packages) for 2023/24 approved as part of the MTFS process was £4.0m, against which a total of £3.967m was utilised during the financial year, with a slight underspend of £32k. Most of this demographic growth funding was utilised on new clients in receipt of Homecare Services, clearly demonstrating the growth of demand in this service area. A significant pressure facing all Local Authorities is inflationary uplifts in the care provider market. In addition to the existing Market Sustainability and Improvement Fund Grant (MSIF) that has been provided by Central Government to provide funding to care providers to sustain cost pressures, a corporate allocation of inflation budget of £4.4m on top of the Tower Hamlets MSIF grant of £3.1m has been fully utilised during the financial year. A further £1.4m was needed to deal with additional inflationary pressures and has been drawn down from the Social Care Pressures Risk Reserve.

- 3.10 The Adult Social Care Transformation and Improvement Programme has been put in place to reduce costs in the medium to long-term and achieve a more sustainable financial position for the service. Business cases for technology enabled care and increasing housing with support options will come through in the new year.
- 3.11 As reported through the year, 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. Boards have been set up to drive the transformation and achieve those efficiencies detailed in our Medium-Term Financial Plan (MTFP). These boards have been set up to bring much more rigour to the financial management process and to introduce additional controls in the way the council spends its money. Another aspect of transformation taken to meet the Mayor's ambitions for the borough, drive efficiencies and to aid in financial control has been to re-organise the council, with a new council structure going live in August 2023. There is evidence the transformation programme is beginning to embed within the organisation, notably through the improved overall General Fund provisional outturn position reported compared to quarter 3, an overall increase in underspend by £0.2m.
- 3.12 The council has experienced challenges in previous years relating to slippages and non-achievement of savings targets, leading to overspends for the council which have largely been mitigated through the use of savings/efficiencies generated elsewhere in the council or one-off reserves. This is not sustainable and savings targets will need to be closely monitored through the year to ensure urgent action is taken where savings are not being achieved through substitution of savings or reduced growth to maintain the robustness of the councils financial position moving forward. Total savings target for 2023/24 was £15.5m, which included previous years' slipped savings. Of which, £12.3m is identified as being delivered, a net position of £2.1m is slipping into future years due to timing issues and £1.1m has been identified as unachievable, summarised as follows;

Services	2023/24 Target	Prior Year Slippage	Saving Target	Savings	Slippage	Under Recovery
	£m	£m	£m	£m	£m	£m
	A	B	C = A + B			
Health and Adult Social Care	2.6	-	2.6	2.6	-	-
Children's Services	2.5	0.1	2.6	2.6	-	-
Housing and Regeneration	4.7	0.3	5.0	2.8	2.1	0.1
Chief Executive's Office	0.3	-	0.3	0.3	-	-
Resources	1.0	0.2	1.1	1.1	-	-
Communities	2.3	-	2.4	2.4	-	-
Cross-Directorate	1.0	0.5	1.5	0.5	-	1.0
<b>Total</b>	<b>14.4</b>	<b>1.1</b>	<b>15.5</b>	<b>12.3</b>	<b>2.1</b>	<b>1.1</b>

3.13 Based on the provisional outturn, total general fund balance and reserves without restrictions will remain within tolerable limits in the short term at a total £94.5m at the end of the year, as shown in Section 5 of Appendix A. Therefore, at this stage the council can demonstrate financial resilience which importantly provides time to progress corresponding recurring savings / underspends to replace shorter term sources of funding which has helped offset much of the demand pressures to date.

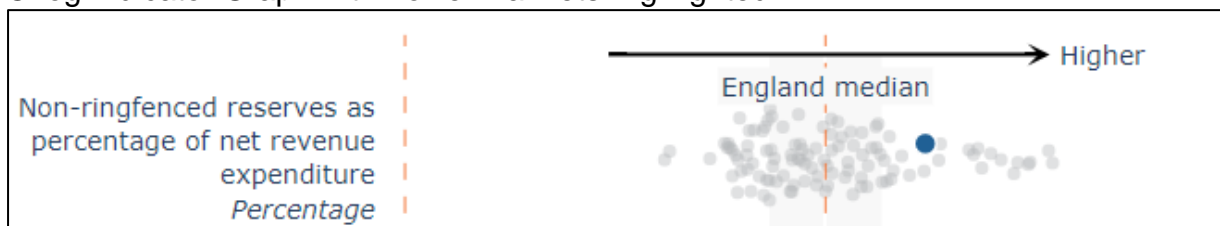
3.14 By way of comparison and illustrative context the quarter 3 Budget Monitoring Survey produced by London Councils shows similar significant external pressures being faced by local government. Due to a combination of strong financial oversight and the actions taken by the Council as set out in section 3.2 of Appendix A, the Table below demonstrates Tower Hamlets remains in a comparatively strong position with a provisional outturn net underspend of £0.3m, well below the average of £5.8m net overspend reported across all 33 London Councils who participated in the survey in quarter 3.



3.15 Government indicators from Oflog benchmark Councils' Non-ringfenced reserves. This data is for the 2021/22 financial year and shows Tower Hamlets in the top 25% of local authorities for the size of its reserves. This shows that

the Council had a comparatively high level of non-ringfenced reserves in comparison to other authorities and as such was well placed to weather a storm with some short-term reliance on reserves to support revenue expenditure.

Oflog Indicator Graph with Tower Hamlets Highlighted:



- 3.16 The gross overspend in the Dedicated Schools Grant (DSG) amounted to a deficit of £2.7m, this represents a £2.4m adverse movement from quarter 3. After the in-year drawdown of £1.2m of surplus DSG reserves, the net overspend for the year amounted to £1.5m, resulting in a year-end cumulative deficit of £15.8m on the DSG ringfenced account. This budget is exceptionally volatile with the main variable related to spend on individual high needs arrangements for children with SEND. We have seen large increases in the number of referrals for assessment with the majority of those progressing to a full plan with additional cost. 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. As part of the DFE’s Delivering Better Value programme, colleagues from Children Services and Finance are collaborating with CIPFA on developing a Higher Needs Block (HNB) Deficit Recovery Plan.
- 3.17 The provisional outturn on the Housing Revenue Account (HRA) is an overspend of £5.2m when compared with budget. It is assumed that this balance will be transferred from general HRA balances at year-end. Variances in the HRA relate to delegated budget, which is have a year-end adverse variance of £6.7m, the non-delegated budget is have a year-end adverse variance of £5.4m and technical adjustment budgets have a favourable variance of £6.9m. Further details are provided in section 4 of this appendix. HRA general balances of £8.2m were also utilised in-year to fund the HRA new council home capital programme, resulting in an cumulative HRA general reserve balance of £24.3m at year-end.
- 3.18 The Provisional outturn General Fund capital expenditure for the year was £81.7m, which represents 92% of the revised 2023/24 capital budget of £88.9m. The variance of £7.2m is due to net slippages of £8.9m and net overspends of £1.7m across the programme. The capital projects driving the net overspend largely relate to the Communities directorate including, Transformation of CCTV systems (£0.4m), Interim Depot (£0.4m) and Transport S106 Funded Schemes (£0.4m) projects and the Health, Adult and Social Care directorate including, Health Centres (£0.4m) and Sewardstone Road (£0.4m) projects. Further details of the General Fund provisional outturn

capital monitoring position at programme level is provided in Appendix A, section 10 as well as Appendix C.

- 3.19 The provisional outturn HRA capital expenditure for the year was £60.7m, which represents 84% of the revised 2023/24 capital budget of £72.2m. The variance of £11.5m is due to expected net slippages across the programme (£10.6m) and net underspends of (£0.9m). The capital projects driving the net underspends of £0.9m relate to HRA New Build programme. Further details of the HRA provisional outturn capital monitoring position at programme level is also provided in Appendix A, section 10.
- 3.20 Although the council is operating in a challenging financial environment, much of it driven by external factors, such as high inflation and interest rates, our financial strategy remains focussed on securing long-term sustainability and as such delivery of our identified savings in parallel with the accelerated identification of future savings requirements remains a key area of action across the organisation, in order to achieve a sustainable balanced position across the medium term.

#### **4 EQUALITIES IMPLICATIONS**

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

#### **5 OTHER STATUTORY IMPLICATIONS**

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

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

#### **6 COMMENTS OF THE CHIEF FINANCE OFFICER**

- 6.1 The attached report is primarily financial in nature and the financial implications of the issues raised have been included in the report and its associated appendices.

## **7 COMMENTS OF LEGAL SERVICES**

- 7.1 The council is required by section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs. The council's chief finance officer has established financial procedures to ensure the council's proper financial administration. These include procedures for budgetary control. It is consistent with these arrangements for Cabinet to receive information about the revenue and capital budgets as set out in this report
- 7.2 The monitoring of financial information is also a significant contributor to meeting the council's Best Value legal duty and therefore this report complies with that legal duty.
- 

### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- None

#### **Appendices**

- Appendix A: Budget Monitoring Report 2023-24 Provisional Outturn 31<sup>st</sup> March 2024
- Appendix B: Summary MTFS Savings Tracker 2023-26
- Appendix C: Detailed General Fund (GF) 2023-24 Provisional Outturn Capital by Programme

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

- None

#### **Officer contact details for documents:**

N/A

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## Appendix A

### Budget Monitoring Report 2023-24 Provisional Outturn 31<sup>st</sup> March 2024

	Section	Page
<b>Summary</b>	<b>1</b>	<b>2</b>
<b><i>Directorate positions</i></b>		
Children's Services	2.1	6
Resources	2.2	9
Chief Executive's Office	2.3	12
Health and Adult Social Care	2.4	13
Housing and Regeneration	2.5	17
Communities	2.6	23
<b>Corporate Costs</b>	<b>3.1</b>	<b>26</b>
<b>Actions to Address Forecast Overspends</b>	<b>3.2</b>	<b>28</b>
<b>Housing Revenue Account</b>	<b>4</b>	<b>29</b>
<b>General Fund and Earmarked Reserves</b>	<b>5</b>	<b>32</b>
<b>HRA, DSG and Capital Usable Reserves</b>	<b>6</b>	<b>33</b>
<b>NNDR and Council Tax</b>	<b>7</b>	<b>34</b>
<b>Treasury</b>	<b>8</b>	<b>36</b>
<b>Savings</b>	<b>9</b>	<b>38</b>
<b>Capital GF and HRA</b>	<b>10</b>	<b>39</b>

Circulated to	Cabinet
Date	10 July 2024
Classification	Unrestricted
Report of	Corporate Director of Resources
Lead Member	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living
Originating Officer(s)	Abdulrazak Kassim, Director of Finance, Procurement and Audit Ahsan Khan, Strategic Head of Finance (Chief Accountant)
Wards affected	All Wards
Key Decision?	No

Provisional outturn General Fund (GF) underspend of £0.3m

Provisional outturn Dedicated Schools Grant (DSG) overspend of £1.5m

Provisional outturn Housing Revenue Account (HRA) overspend of £5.2m

<b>Provisional Outturn as Overspend/(Underspend) (£m)</b>						
	2023/24 Net expenditure budget	Provisional Outturn	Gross over / (under) spend	Transfer to / (from) reserves	Net variance over / (under) spend	Increase / (decrease) net spend from Quarter 3
	A		C = B - A	D	= C + D	
Children's Services Resources	91.1	91.3	0.2	0.4	0.6	0.1
Chief Executive's Health and Adult Social Care	48.5	47.2	(1.3)	(0.2)	(1.5)	(0.7)
Housing and Regeneration Communities	18.3	16.8	(1.5)	0.3	(1.2)	0.9
<b>Sub-total GF services</b>	<b>170.7</b>	<b>180.9</b>	<b>10.2</b>	<b>(7.4)</b>	<b>2.8</b>	<b>(0.2)</b>
Corporate and Financing costs	37.4	45.8	8.4	(5.6)	2.8	0.4
<b>Total General Fund</b>	<b>54.3</b>	<b>53.8</b>	<b>(0.5)</b>	<b>1.2</b>	<b>0.7</b>	<b>0.6</b>
<b>Sub-total GF services</b>	<b>420.3</b>	<b>435.8</b>	<b>15.5</b>	<b>(11.3)</b>	<b>4.2</b>	<b>1.1</b>
<b>Total General Fund</b>	<b>445.5</b>	<b>451.5</b>	<b>6.0</b>	<b>(6.3)</b>	<b>(0.3)</b>	<b>(0.2)</b>
<b>Ringfenced Items</b>						
DSG Grant	0.0	2.7	2.7	(1.2)	1.5	
HRA	0.9	3.7	2.8	(2.4)	5.2	

## **General Fund**

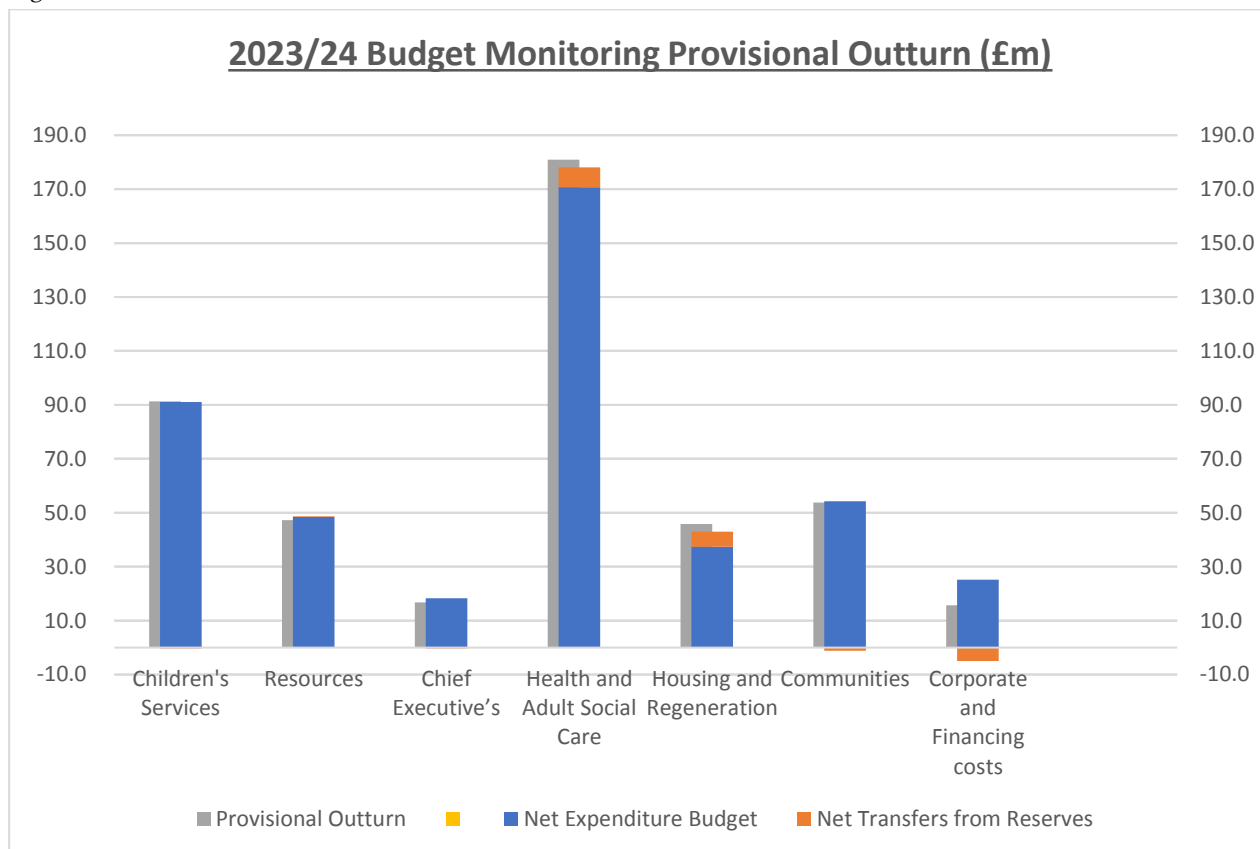
The total council approved revenue net expenditure budget for 2023/24 was £445.5m. The councils provisional outturn actual is £451.5m. The position after the net drawdown of earmarked reserves of £6.3m requested by directorates (a reduction of £13.1m from the £19.4m forecast in quarter 3) is an overall £0.3m underspend variance (*see figure 1.1 below*), an overall increase in net underspend of £0.2m from the previous quarter 3 forecast reported to Cabinet in March 2024. This £0.3m overall net underspend will be transferred to General Fund general reserves.

The gross overspend across the General Fund (before the net drawdown of £6.3m from earmarked reserves) totalled £6.0m at year-end. This gross pressure has been mitigated by £7.8m of in-year budget savings due to the delayed delivery of Mayors Priority growth investments for 2023/24 outside of the council's control. The significant in-year budget savings related to £3.2m on the recently established Young Tower Hamlets service and £0.7m on enhancing community language services within the Children's Services directorate. Within Communities, significant in-year budget savings included £1.5m on budgets for additional Metropolitan Police Officers for the Borough and £1.3m on budgets for the recruitment of additional Tower Hamlets Enforcement Officers (THEOs).

The council's overall general and earmarked reserves are detailed in section 5. General and earmarked reserve allocations brought forward from previous years have been done so for three main purposes; the council maintains general balances in order to provide a contingency against unplanned or unexpected events and earmarked reserves are maintained to help cushion the impact of uneven cash flows as well as setting aside funds to meet known or predicted future liabilities.

The detailed directorate monitoring, setting out the provisional outturn against revised budgets and the reasons for the variances are detailed within the body of this Appendix.

*Figure 1.1*



### General Fund general balances and all Earmarked Reserves

There has been £25.8m reduction in the overall General Fund general balances and all earmarked reserves position, from £221.3m at the start of the year to £195.5m at year end, summarised in the table below. This is a £22.5m improvement to the position forecast at quarter 3.

All in figures in £m	Draft accounts 31 March 2023	Provisional outturn increase / (decrease)	Provisional outturn 31 March 2024
General Fund balance	20.9	0.3	21.2
Reserves without restrictions	92.4	(19.1)	73.3
<b>Sub-total</b>	<b>113.3</b>	<b>(18.8)</b>	<b>94.5</b>
<b>General Fund Restricted Reserves</b>	108.0	(7.0)	101.0
<b>Total</b>	<b>221.3</b>	<b>(25.8)</b>	<b>195.5</b>

Some reserve movements do not show on the 'Provisional Outturn as Overspend/(Underspend)' table above either due to the way they are accounted for or their balance movements do not directly impact service Directorates. A reconciliation between the above table and the 'Provisional Outturn as Overspend/(Underspend)' table is detailed as follows:

	<b>£m</b>
<b>Directorates movement in GF earmarked reserves</b>	<b>(6.3)</b>
<b>Directorates movement in HRA earmarked reserves</b>	<b>2.4</b>
Contribution from earmarked reserves to fund MTFs (from the Mayor's Priority Investment Reserve) as approved by council 1st March 2023	(22.1)
Contribution from earmarked reserve to fund Collection Fund deficit costs (from the Collection Fund Smoothing Reserve)	(12.0)
Contribution to earmarked reserve to fund the Mayors Community Grants programme (to the Mayors Community Grants reserve)	11.9
Contribution to general reserve of overall provisional outturn underspend position	0.3
<b>Total General Fund and All GF and HRA Earmarked Reserves movement</b>	<b>(25.8)</b>

**General Fund balances and reserves without restrictions** have decreased by £18.8m, from £113.3m to £94.5m in 2023/24. We are in a hugely unpredictable environment and we are facing significant challenges over the medium-term thus it is important to maintain reserves at an adequate level to help mitigate and manage these significant risks and ensure the council remains on a sustainable footing going forward.

**General Fund Restricted reserves** have decreased by £7.0m, from £108.0m to £101.0m in 2023/24, this includes funds that are to be utilised for specific purposes, including grants received in advance pertaining to the Collection Fund, the Mayors Community Grants reserve, the council's self-insurance reserve, Public Health and other various revenue grants the council has received, which include conditions on the spend.

### **Collection Fund**

For Business Rates, to the end of Period 12, we collected £419.1m of £425.9m billed (98.40% in-year collection rate) compared to 94.42% for 2022/23, a significant increase on the previous year and back to pre-pandemic levels. This includes collection of the Business Rate Supplement (BRS) for the London Crossrail development.

For Council Tax, to the end of Period 12, we collected £158.3m of the £173.8m Council Tax bills raised (91.04% in-year collection rate) compared to 94.7% for the same period in 2022/23, this is lower than the previous year, in part due to the application of energy rebates to council tax accounts during the same period in 2022/23. It is also lower than pre-pandemic collection levels. Future years' collection rates could continue to be negatively affected by wider economic impacts being experienced by residents (including inflationary and market pressures on energy and food costs).

### **Dedicated Schools Grant (DSG) Budget**

The gross overspend in the Dedicated Schools Grant amounted to a deficit of £2.7m, this represents a £2.4m adverse movement from quarter 3. After the in-year drawdown of £1.2m of surplus DSG reserves, the net overspend for the year amounted to £1.5m, resulting in a year-end cumulative deficit of £15.8m on the DSG ringfenced account. This budget is exceptionally volatile with the main variable related to spend on individual high needs arrangements for children with SEND. We have seen large increases in

the number of referrals for assessment with the majority of those progressing to a full plan with additional cost. 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. As part of the DFE's Delivering Better Value programme, colleagues from Children Services and Finance are collaborating with CIPFA on developing a Higher Needs Block (HNB) Deficit Recovery Plan.

#### **HRA**

The provisional outturn on the Housing Revenue Account (HRA) is an overspend of £5.2m when compared with budget. It is assumed that this balance will be transferred from general HRA balances at year-end. Variances in the HRA relate to delegated budget, which have a year-end adverse variance of £6.7m, the non-delegated budget have a year-end adverse variance of £5.4m and technical adjustment budgets have a favourable variance of £6.9m. Further details are provided in section 4 of this appendix. HRA general balances of £8.2m were also utilised in-year to fund the HRA new council home capital programme, resulting in an cumulative HRA general reserve balance of £24.3m at year-end.

Provisional outturn overspend of £0.6m

Provisional Outturn Dedicated Schools Grant (DSG) overspend of £2.7m

Service	2023/24 Net expenditure budget £m	Provisional Outturn £m	Gross over / (under) spend £m	Transfer to / (from) reserves £m	Over / (under) spend £m	Increase / (decrease) net spend from Quarter 3 £m
	A	B	C = B - A	D	= C + D	
Supporting Families	67.8	65.0	(2.8)	0.1	(2.7)	0.2
Youth and Commissioning	4.0	4.1	0.1	0.0	0.1	0.1
Education	14.8	18.0	3.2	0.0	3.2	0.0
Children's Resources	4.5	4.2	(0.3)	0.3	0.0	(0.2)
<b>Total</b>	<b>91.1</b>	<b>91.3</b>	<b>0.2</b>	<b>0.4</b>	<b>0.6</b>	<b>0.1</b>

### General Fund

The Children's Services Directorate is reporting a provisional outturn General Fund net overspend of £0.6m, broadly in line with the position reported in quarter 3, a £0.5m net overspend.

Supporting Families division is showing a net underspend of £2.7m, Youth and Commissioning a net overspend of £0.1m, Children's Resources a breakeven position and an Education net overspend of £3.2m.

Children's Services delivered its savings targets for 23/24 of £2.59m in full.

### Supporting Families - £2.7m underspend

The budget position reflects that Supporting Families is managing demand pressures well, however the area remains volatile with just small changes in placements liable to significantly change the position. The division continues to deliver effective support through Early Help and Social Work teams that enables more children to remain within their family network than is the case in boroughs which are our statistical neighbours – and our children in care population remains stable and low despite recent pressures in relation to asylum seeking children.

### Key variances:

- Children with Disabilities (CWD) /Family Support and Protection- £0.3m overspend:

The overspend is attributed to a growing demand for short breaks, driven by an increased number of children eligible for Educational Health Care Plans (EHCP) and diagnosed with ASD, resulting in a £0.2m pressure. The remaining deficit was linked to associated costs for supporting families and young individuals without recourse to public fund (NRPF).



- Young Tower Hamlets- £3.2m underspend.

This underspend is largely due to in-year staffing and activities underspend within the recently established Young Tower Hamlets service related to delays in permanent recruitment of staff.

**Youth and Commissioning - £0.1m overspend**

The overspend position of £0.1m is due to supported housing contract costs.

**Education - £3.2m overspend**

SEND pressures are the greatest concern and continue to increase with a clear link to the impact of the pandemic upon children's development, with unprecedented increases in the number of referrals for EHCP's. Whilst the costs associated with the delivery of EHCPs are met from within the DSG there are several services that relate to these increases that are met from within the General Fund including, our statutory responsibilities in relation to assessments and annual reviews. These costs have significantly increased with the need for additional staff in Education Psychology and SEN casework, to keep pace with the rising demand. Whilst growth for staffing was included for 2023/24 the need to use locums and interim staff continues to cause a pressure where there these staff are in high demand and short supply. There continues to be significant increases of SEN transport costs, both with increased volumes of children accessing transport and the large increase in fuel costs and London ULEZ surcharges for private hire vehicles.

Whilst a few mitigations have been introduced to facilitate personnel budgets and accelerate the programme of travel training this is not keeping up with the volume growth. Currently working with Communities Directorate to review internal transport costs with a view of reducing these costs.

Regarding the Community Languages components of the division additional spending was temporarily halted. As a result, there was an underspend which assisted in offsetting some of the SEN pressures.

**Key variances:**

- SEN Transport - £3.5m overspend:

This is a result of continued increases in the costs of SEN transport, driven by both the rising volumes of children accessing transport and the substantial increase in fuel costs, along with London ULEZ surcharges for private hire vehicles.

- Education Psychology - £0.3m overspend:

The rise in EHCP requests has increased the demand on the psychology service. In past years the service was supported by additional income generated from offering non statutory support to Schools. This has not been possible with the demand on the service which has also needed to cover some posts on a temporary basis. The cost of temporary staff in this area is high due to a strong market demand and a shortage in supply.

**Childrens Resources – Break even position**

**Dedicated Schools Grant (DSG)**

The gross overspend in the Dedicated Schools Grant amounted to a deficit of £2.7m, this represents a £2.4m adverse movement from quarter 3. After the in-year drawdown of £1.2m of surplus DSG reserves, the net overspend for the year amounted to £1.5m.

### High Needs Block (HNB) overspend (£2.7m)

The majority of this overspend is within the high needs block and is off-set by underspends within the Early years and Schools block.

It is projected that the number of Education Health and Care Plans held and managed within Tower Hamlets will rise from 4,400 to 6,750. Currently, 9% of school-age children and young people have an EHCP: factoring in the projected growth in EHCPs against a backdrop of a falling school-age population, this is projected to rise to 16% of the school-age population by the end of the decade. The impact of this increase is what is contributing to High Needs Budget overspend.

The adverse movement (£2.4m) is largely as a result of the following:

- Prior year legacy funding issues from special schools raised after quarter 3 reporting (£1.4m) London East Alternative Provision, £0.4m George green, £0.3m Beatrice Tate, Hermitage £0.1m. Following these legacy funding issues the corporate director has requested a review of all special school funding SLA's to prevent future occurrences.
- The Early years DSG funding was reduced by £0.3m as a result of a clawback by the DFE due to lower pupil numbers

### Schools

At the start of 2023/24 financial year, there were 74 maintained schools, although 2 schools amalgamated and 1 school converted to an academy in-year. The combined school reserve balances at year-end was £34.0m, which is a reduction in balances of £1.3m from previous year. There are 9 schools currently in deficit (an increase of 3 this year) totalling £1.4m. A sustainability programme is underway to support those high priority schools to move back into a balanced budget over a 3-year period.

### Delivering Better Value

As part of the DFE's Delivering Better Value programme, colleagues from Children Services and Finance are collaborating with CIPFA on developing a HNB Deficit Recovery Plan. Funding of £1.0m has been secured as part of this programme to go towards schemes and initiatives that will enhance financial planning, and resource allocation ensuring that funding is allocated efficiently and effectively to support the needs of schools and ultimately reducing the cumulative deficit over time.

Provisional outturn underspend of £1.5m

Service	2023/24 Net expenditure budget £m	Provisional Outturn £m	Gross over / (under) spend £m	Transfer to / (from) reserves £m	Over / (under) spend £m	Increase / (decrease) net spend from Quarter 3 £m
	A	B	C = B - A	D	= C + D	
Customer Services	9.0	7.8	(1.2)	0.0	(1.2)	(0.3)
Finance, Procurement & Audit	9.3	9.6	0.3	(0.2)	0.1	(0.2)
ICT	14.1	13.9	(0.2)	0.2	0.0	0.0
Revenue and Benefits Service	3.4	3.6	0.2	(0.2)	0.0	(0.1)
Workforce, OD and Business Support Service	12.7	12.3	(0.4)	0.0	(0.4)	(0.1)
<b>Total</b>	<b>48.5</b>	<b>47.2</b>	<b>(1.3)</b>	<b>(0.2)</b>	<b>(1.5)</b>	<b>(0.7)</b>

Summary

The Resources directorate has a provisional outturn of £1.5m underspend, this takes account of the net use of reserves - funds set aside for a specific purpose - of £0.2m (detailed below). This is an overall increase of £0.7m from the quarter 3 forecast.

Customer Services – £1.2m underspend

This compares with the Q3 position of £0.9m underspend.

Customer Services Management £0.6m underspend. This has increased since Q3 by £0.1m due to savings on the purchase of the Telephony system. Elsewhere in the service there are underspends in both the Customer Contact Centre due to the holding of vacant posts and in the Residents Hub due to late appointments.

Registrars – £0.1m overspend. No change since the quarter 3 position and is due to the lowering of the outturn for Ceremonies income because of the opening date of the new Garden Suite being pushed back and the final payments for the functions, previously assumed as falling into this financial year, will now fall into the 2024-25 financial year.

Information Governance - £0.2m underspend. No change since the Q3 position and is primarily due to late appointment of new posts from the Growth Bid.

Idea Stores - £0.3m underspend. This has increased since Q3 by £0.1m due to the further pushing back of the appointment of staff in the Watney Market Idea Store and an underspend at the Biblio library.

Idea Stores Learning – £0.3m underspend. This is £0.1m more than in Q3 is due to the further pushing back of vacant posts in the Skills for Life area. The previously forecasted underspend is due to excess grant income from the Department for Education of £0.1m.

#### Finance, Procurement and Audit – £0.1m overspend

This is an improved position of £0.2m compared to the forecast at quarter 3.

There is an overspend in staffing for the Procurement Team of £0.8m due to the current high number of procurements occurring, including social care homecare contracts and a high level of agency staff usage. The base budget has not proven sufficient in past years and a permanent recruitment and review of the structure is underway to fill posts covered by agency workers and address the budget shortfall.

Use of the £0.3m procurement reserve which was set aside in recognition of the pressures facing the service will be utilised to offset some of the overspend.

Insurance outturn includes Reserve drawdown for team staffing of £0.3m. Internal Audit Anti-Fraud & Risk are 0.04m underspend due to the late appointments of the vacant posts.

Finance underspend of £0.4m due to uncommitted Contingency budget has increased by £0.2m since Q3.

#### Information Technology – breakeven position

A breakeven position, following the drawdown of Cyber Security Grant reserve (0.1m). and a top-up to the ICT transformation reserve. No change from quarter 3 forecast.

There will be inflationary pressures which could impact the 2024-25 position as contracts are renewed during the year.

Transfers from the ICT Transformation reserves have been calculated following an assessment of revenue costs related to capital expenditure.

#### Revenues and Benefits Service – breakeven position

The forecasted overspend of £0.1m as at quarter 3 did not materialise, primarily due to the Loss Adjustment for Court Cost income being lower than anticipated. There is an underlying budget pressure of £0.8m in the service. This was offset by under and overspends elsewhere in the service totalling £0.6m as follows:

In the Council Tax and NNDR area there were three material underspends totalling £0.8m which were £0.3m due to the holding of vacant posts, the net impact of the court fees and costs associated with topping up the Loss Adjustment provisions was £0.3m better than budgeted for, plus the grant funding overachieved by £0.1m.

The Sundry Debtors area underspent by £0.2m due to the holding of vacant posts.

Counteracting this are overspends totalling £0.6m in the Housing Benefit admin and Reprographics Services. This was due to an increase in resilience costs in HB and in the case of Reprographics the costs of developing the new system, increased costs for work completed for the Revenues and Benefits budget and the inability to charge for the peak work undertaken in March due to the Financial Year Closure Timetable.

All of the above results in an overspend of £0.2m which has been mitigated by a Reserve which was created from the New Burdens grant received in 2022/23 in relation to administration of government support schemes.

Workforce, OD and Business Support Service – £0.4m underspend

This bears out the position as at Q3. The detail is as follows:

Learning and Development £0.3m underspend. The underspend increased by another £0.1m since Q3 due to further underspends in the Training and Corporate events budgets. The other £0.1m underspend is due to part-year staffing vacancies in the L&D Management and National Graduate Development Programme.

HR Break even. The Q3 underspend of £0.1m disappeared due to the charging of additional HR work late in the financial year.

Business Support Service £0.1m underspend. This replicates the Q3 position due to part-year savings resulting from new vacancies and funding received from other Directorates for two posts. Historical budget pressures within the service have been carefully managed to ensure that overspend has been eradicated.

Provisional outturn underspend of £1.2m

Service	2023/24 Net expenditure budget £m	Provisional Outturn £m	Gross over / (under) spend £m	Transfer to / (from) reserves £m	Over / (under) spend £m	Increase / (decrease) net spend from Quarter 3 £m
	A	B	C = B - A	D	= C + D	
Communications and Marketing	2.1	2.1	0.0	0.0	0.0	0.0
Strategy, Improvement and Transformation	8.1	6.6	(1.5)	0.1	(1.4)	0.6
Legal, Monitoring Officer, Democratic and Electoral Services	5.5	5.5	0.0	0.2	0.2	0.3
Corporate Management	0.4	0.4	0.0	0.0	0.0	0.0
Mayor's Office	2.2	2.2	0.0	0.0	0.0	0.0
<b>Total</b>	<b>18.3</b>	<b>16.8</b>	<b>(1.5)</b>	<b>0.3</b>	<b>(1.2)</b>	<b>0.9</b>

The Chief Executive's Office provisional outturn indicates an underspend of £1.2m following movements from reserves, this is £0.9m less than projected at Q3.

#### Communications and Marketing – breakeven position

A breakeven position following a drawdown from the transformation reserve (£26k) and a top-up to the Communication service reserve.

#### Strategy, Improvement and Transformation – £1.4m underspend after transferring the net of £0.1m to reserve.

Underspend of £1.4m to the general fund due to funding of the new Mayor's Community Grant Programme (MCGP), approved by cabinet in March 2023. The new programme will be funded through the Neighbourhood Community Infrastructure Levy (NCIL). In year underspend against grants will be put into a reserve. The movement of £0.6m from quarter 3 is due to less underspend on staff costs than forecast, request for carry forward, additional training costs and NCIL funding is based on actuals for the 5 months when the new funding arrangements came into effect.

#### Legal, Monitoring Officer, Democratic and Electoral Services – £0.2m overspend

Democratic Services underspent by £0.2m in the main due to the current Members Allowance. Legal Services overspend has increased to £0.4m since the Q3 this is due to higher agency staff cost and a downturn in external income. The Electoral Services broke even rather than the underspend of £0.1m that was forecast at quarter 3 after transfer to reserves.

#### Corporate Management and Mayor's Office – breakeven position

Provisional outturn overspend of £2.8m

Provisional outturn Public Health (GF) underspend of £0.1m before the transfer to reserve

Service	2023/24 Net expenditure budget £m	Provisional Outturn £m	Gross over / (under) spend £m	Transfer to / (from) reserves £m	Over / (under) spend £m	Increase / (decrease) net spend from Quarter 3 £m
	<b>A</b>	<b>B</b>	<b>C = B - A</b>	<b>D</b>	<b>= C + D</b>	
Adult Social Care	117.1	124.4	7.3	(4.2)	3.1	(0.1)
Integrated Commissioning	15.9	18.9	3.0	(3.3)	(0.3)	(0.1)
Public Health	37.7	37.6	(0.1)	0.1	0.0	0.0
<b>Total</b>	<b>170.7</b>	<b>180.9</b>	<b>10.2</b>	<b>(7.4)</b>	<b>2.8</b>	<b>(0.2)</b>

The Health and Adult Social Care Directorate's provisional outturn is a £2.8m overspend position against a budget of £170.7m. This represents a relatively small £0.2m decrease on the Period 9 forecast outturn position.

The pressures in Adult Social Care reflect a continuation of increasing costs and complexity of care packages for disabled and older people, provided under the Care Act, offset by a significant use of additional funding in the financial year for meeting the costs of care packages on discharge of clients from hospital (Discharge to Assess pathway D2A). The underlying pressure in Adult Social Care, with additional grants, but without transfers from reserves for 2023/24 is a £7.3m overspend position.

The Adult Social Care Transformation Programme was put in place to reduce costs in the medium to long-term and has started to achieve some quality benefits for service delivery models.

Public Health is a breakeven position after transfers to the ring-fenced Public Health Grant Reserve, whilst Integrated Commissioning's outturn is a £0.3m underspend, primarily due to funding from specific reserves of £3.3m.

### Transfers to and (from) Reserves (£7.4m)

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

- Costs of care provision for clients discharged from hospital for the first 4 weeks following discharge, and community equipment issued to clients on discharge, are accounted for separately and funded from s75 Integrated Discharge Hub funding agreed with the ICB held in a specific reserve. For the financial year, a total of **£0.8m** has been funded via the reserve to top up the costs charged against the Adult Social Care Discharge Fund.
- The ring-fenced Tower Hamlets Place Investment Fund had a joint pool of £6.0m funding at the beginning of this financial year. At period 9 it was anticipated that £2.0m would be drawn down for joint project

funding. At outturn, a total of £2.7m, based on actual costs incurred by the Local Authority and the ICB, have been drawn down from the specific reserve.

- The Public Health Grant Reserve at the start of the financial year 2023/24 was £7.16m. After the final transfer to reserves of £0.1m, the balance in the reserve will be £7.29m. As part of the MTFs 2024-27 savings have been offered against the PH Grant Reserve for substitutions for other general fund services in the amount of £1.75m per annum for 3 financial years (total committed £5.25m). At the end of 2026-27, the balance in the PH Grant Reserve is forecast to be £2.04m.
- Expenditure incurred in relation to the ASC Transformation Programme in 2023/24 in the amount of £0.3m will be transferred, as approved, to the Council's Transformation Reserve.
- Costs charged to the Covid non-ringfenced grant for 2023/24 relate to care package costs for previous discharge to assess clients, with the drawdown totalling £1.6m for the Health & Adult Social Care Directorate.
- In agreement with the ICB, underspends against the Joint Funded Better Care Fund (BCF) for the Local Incentive Scheme Projects and Community Equipment Service were transferred to a specific reserve in the amount of £1.17m. Based on actual expenditure £0.6m has been drawn down from this reserve in 2023/24.
- Due to unprecedented inflationary uplift pressures by social care providers during the financial year, in addition to those funded via the Market Sustainability and Improvement Grant, a further £1.4m pressure has been drawn down from the Social Care Pressures Risk Reserve.

#### **Adult Social Care – Outturn £3.1m overspend**

Adult Social Care is overspent by £3.1m against a budget of £117.1m. This represents a small reduction from the period 9 projected position by £0.05m.

The outturn position for 2023/24 reflects the underlying overspend position for Adult Social Care of £7.3m against budget, after accounting for the additional central government grant funding and growth approved as part of the MTFs process, detailed above, that has offset further pressures. These have been off set further by one-off transfers from specific reserves that total £4.2m (as detailed above) resulting in a reduced overspend position of £3.1m.

The continuation of central government grant funding into future financial years is a major risk factor as it maintains the funding for the underlying pressure in Adult Social Care. As the use of the funding held in the specific reserves is depleted, this is a further risk to the ongoing mitigation of the pressures as demand and complexity of cases continues to rise, as well as the requests from care providers to meet increasing costs of providing care.

#### **(i) Employee Costs – Outturn (£0.3m) underspend**

The outturn position for employee costs is a £0.3m underspend position against a budget of £24.3m after transfers from reserves of £0.26m relating to costs incurred for the ASC Transformation Program. This represents a reduction in the underspend forecast at quarter 3 by £0.56m.

A vacancy factor of 2% across all services in Adult Social Care has been maintained in order to meet approved savings for 2023/24.



**(ii) Care Package Costs and other Service Costs – outturn £10.9m overspend**

The outturn position for the direct costs associated with care packages is an overspend of £10.0m against a budget of £114.1m after transfers from reserves totalling £3.87m. These transfers are in relation to the S75 Integrated Discharge Hub funding (£0.83m), transfer from the Covid risk reserve (£1.61m) and the Social Care Pressures Risk Reserve (£1.43m), all of which have been required to offset care package pressures.

Care and Support Plan Assurance Meetings (CSPAM) data clearly demonstrates the increasing needs and complexities of clients, with additional packages being required to meet growing demand.

The total allocated demographic growth (for new packages) for 2023/24 approved as part of the MTFS process was £4.0m, against which a total of £3.967m was utilised during the financial year, with a slight underspend of £32k. Most of this demographic growth funding was utilised on new clients in receipt of Homecare Services, clearly demonstrating the growth of demand in this service area.

A significant pressure facing all Local Authorities is inflationary uplifts in the care provider market. In addition to the existing Market Sustainability and Improvement Fund Grant (MSIF) that has been provided by Central Government to provide funding to care providers to sustain cost pressures, a corporate allocation of inflation budget of £4.4m on top of the Tower Hamlets MSIF grant of £3.1m has been fully utilised during the financial year. A further £1.4m was needed to deal with additional inflationary pressures and has been drawn down from the Social Care Pressures Risk Reserve.

**Other Service Costs** are in relation to a provision for bad debts ((i.e. irrecoverable income against historic invoices raised for residential and non-residential income), and other supplies and services costs relating to Adult Social Service clients. The outturn position is £0.9m overspend against a budget of £0.95m.

**(iii) Income – £7.5m over achievement of income over budget**

Income has exceeded the budget of £18.1m by £7.5m at outturn due to additional funding received during the financial year, which includes Discharge to Assess and joint health funding of £4.5m, Market Sustainability and Improvement Workforce Grant of £2.2m and client contributions received of £2.8m over the budget of £5.8m.

**Integrated Commissioning – Outturn (£0.3m) underspend**

The outturn position for Integrated Commissioning is an underspend of £0.3m at year-end against a revised budget of £15.9m. This represents an increase of £0.1m in the underspend from the position at Period 9, after transfers from reserves. Total transfers from specific reserves for Integrated Commissioning total £3.2m in 2023/24 and include £2.7m from the IDH Tower Hamlets Place Investment Fund for joint Local Authority and ICB agreed projects and £0.6m from the BCF Reserve.

The decommissioning of the Dellow Centre and the renegotiation of the contract for the Riverside hostel resulted in an underspend against the allocated budget. Furthermore, the budget for the Day Centre also reported a minor underspend due to a delay in the tendering process for one of the services. Additional income was received for the Tower Hamlets Connect and Localities Neighbouring projects. Coupled with a delay in recruitment across Integrated Commissioning has meant several underspends against budgets.

However, one area of budget pressure within Integrated Commissioning arises from recharges by the Transport Services Unit (TSU) for Client Transport for Adult Social Care clients attending day centres and care homes. Against a budget of £2.6m, the actual outturn for 2023/24 was £3.2m, resulting in an overspend of £0.6m. To address this, financial improvement plans have been put in place for 2024/25 to alleviate the budget pressure against the Transport Budget. These measures include insourcing college

routes, rolling out personal travel budgets, and introducing flexi routes. These mitigations are expected try to offset any potential overspends for 2024/25.

**Public Health – Outturn 2023/24 Breakeven**

Public Health will break-even at outturn due to the balance being transferred to the ring-fenced Public Health Grant Reserve, after all expenditure has been met.

The transfer to the Public Health Grant reserve for 2023/24 is £0.125m from an overall Public Health Grant allocation in 2023/24 of £38.6m.

Provisional outturn overspend of £2.8m

Service	2023/24 Net expenditure budget £m	Provisional Outturn £m	Gross over / (under) spend £m	Transfer to / (from) reserves £m	Over / (under) spend £m	Increase / (decrease) net spend from Quarter 3 £m
	A	B	C = B - A	D	= C + D	
Property & Major Programmes	19.2	17.0	(2.2)	(0.1)	(2.3)	(1.0)
Resources	1.9	1.9	0.0	0.1	0.1	0.1
Growth & Economic Development	2.8	3.1	0.3	(0.2)	0.1	0.1
Planning & Building Control	2.6	2.8	0.2	(0.5)	(0.3)	0.2
Housing	10.9	21.0	10.1	(4.9)	5.2	1.0
<b>Total</b>	<b>37.4</b>	<b>45.8</b>	<b>8.4</b>	<b>(5.6)</b>	<b>2.8</b>	<b>0.4</b>

### Draft Outturn Position

The Housing & Regeneration Directorate comprises five main divisions, Property & Major Programmes, Resources (directorate wide budgets), Growth & Economic Development, Planning & Building Control and Housing. The Directorate has a net revenue budget of £37.4m and an provisional outturn position with an adverse variance of £2.8m against this budget after reserve adjustments. The Directorate is drawing down £5.6m from reserves. These are planned drawdowns, predominantly within Housing to meet specific costs. The reserve drawdowns are significantly lower than previously forecast, with grants received by Growth & Economic Development being used to fund costs that were previously forecast to be met from reserves, for example resident support scheme, tackling poverty team.

Previously the Directorate was forecasting an adverse variance of £2.4m, with the provisional outturn position worsening by £0.4m.

### Property & Major Programmes – (£2.3m) Favourable Variance

The Property & Major Programmes division has a favourable variance of £2.3m after reserve adjustments. This represents a favourable movement of £1.0m from previous forecasts, the improved position being within the Corporate Landlord Model. Key variances contributing towards the outturn position are detailed as follows;

#### Corporate Property – £0.5m Adverse Variance

A £0.1m favourable variance due to vacant posts and a further £0.2m favourable variance resulting from increased asset management recharges to the HRA where higher than budgeted time is being spent on the HRA commercial stock.

Vacant property costs including security, insurance, utilities, rates and general maintenance are being incurred, creating a budget pressure of £0.7m relating to four schools (Cherry Trees, Guardian Angels,

Shapla and Bromley Hall) and Mile End playgroup are empty that have been declared surplus to requirements without any financial provision being made as part of the decision-making process when declaring the buildings as surplus.

Facilities Management – (£0.8m) Favourable Variance

A £0.8m favourable variance against employee related budgets resulting from vacancies that have not been filled.

Corporate Landlord Model (CLM) – (£2.5m) Favourable Variance

A £2.4m favourable variance resulting from a significantly lower than budgeted electricity charge for the New Town Hall. The budgeted charge was based on the usage and size of Mulberry Place. This represents a favourable movement of £0.3m when compared with previous forecasts when full year costs were estimated.

Non-Operational Investment Estate – £0.5m Adverse Variance

Void units resulting from capital works at the Montefiore building is resulting in an adverse variance of £0.1m.

A £0.4m adverse variance resulting from shortfall in income received against budget. Future planned lettings of vacant space at Jack Dash House and other properties should reduce the variance in future years.

Resources – £0.1m Adverse Variance

Largely due to unbudgeted employee costs within the Housing and Regeneration Director cost centre, the service overall is reporting a £0.1m adverse variance against budgets.

Growth & Economic Development – £0.1m Adverse Variance

Growth & Economic Development has outturned with an adverse variance of £0.1m against budget after reserve after reserve drawdowns totalling £0.2m. This represents an adverse movement of £0.1m from that reported at Q3.

The Growth & Economic Development division received grant funding totalling £11.6m in year. This includes £6m Household Support grant, Holiday Activity Funding of £1.7m, Energy Bill Support scheme funding of £2m, £0.7m SIP funding (LIFT and Inclusive Growth money), £0.3m UKSPF funding and a number of smaller grants across GED totalling £0.9m.

Reserve drawdowns are £2.4m lower than were previously forecast, with the grants highlighted above being used to fund activities that were planned to be paid for out of reserves, including use of the Mayoral Priority reserve (Tackling Poverty) to fund the Tackling Poverty team and reserve funding for the Residents Support Scheme.

The relatively small outturn variance of £0.1m is largely related to Economic Development Management, where unbudgeted recharge for works undertaken by the Strategy, Policy & Improvement team. This is in line with previous forecasts.

Planning & Building Control – (£0.3m) Favourable Variance

Planning & Building Control has a favourable variance of £0.3m from its general fund activities. This favourable position is largely the result of vacancies across the division which are mitigating an underachievement of statutory planning fees and local land charge income as a result of a downturn in both developments and the housing market.

This downturn in income was experienced in the previous financial year and continued through 2023/24. Development has slowed down for a number of reasons, including the state of the economy - the level of inflation and interest rates in particular impacting the housing market. This turbulence in the economy impacts all of Planning & Building Control income streams as the service covers the whole development pipeline. In addition, the proposed amendments to building regulations requiring two staircases for residential buildings above 30m (recently announced to be applied to buildings above 18m) has caused a number of schemes to stall and reassess proposals, again reducing the number of applications and start on sites, impacting on income.

This represents a £0.2m adverse movement on the position previously reported as it had been assumed that more of the additional CIL admin would be applied to general fund activities. Key variances contributing towards the outturn position are detailed as follows;

*Building Control General Fund – (£0.3m) Favourable Variance*

A £0.1m favourable variance relating to vacant posts.

Permanent growth totalling £0.4m was approved to restructure the existing team and recruit to five additional registered building inspector posts as part of the Council's response to the Building Safety Act. Spend to date has been minimal with the recruitment process taking longer than anticipated. Recruitment is ongoing and this growth will be spent in full in 2024/25.

An adverse variance of £0.2m from additional costs incurred ensuring all staff were registered with the Building Safety Regulator to continue to assist them with the technical requirements of the Building Safety Act 2022. Local Authorities Building Control services were only notified of this change on 13<sup>th</sup> March 2024, to be in place by 6<sup>th</sup> April and this cost was not captured in the quarter 3 forecast, resulting in an adverse movement of £0.2m from that previously reported.

*Development Management – (£0.1m) Favourable Variance*

There is no net General Fund budget within Development Management, with the service being entirely income funded. The service has vacant posts resulting in a favourable variance of £0.3m. This is being offset by a budget pressure of £0.4m for Consultant's and Counsel fees for the public enquiries that are taking place. A £0.1m shortfall against the planning income target for statutory fees where the volume of planning applications is projected to be less than budgeted levels. Additional CIL administration income totalling £0.3m to the development management service in line with legislative requirements which mitigated these pressures.

*Digital & Commercial Innovation Team – (£0.1m) Favourable Variance*

This favourable variance is the result of vacancies within the team.

*Spatial Data Team – £0.4m Adverse Variance*

A downturn in the property market due to the cost-of-living crisis and high interest rates has resulted in an adverse variance of £0.4m against the Local Land Charge income budget. This represents an adverse movement of £0.1m on that previously reported, with the impact of the downturn in the property market having a larger impact on income than was anticipated.

*P&BC Support Team – (£0.2m) Favourable Variance*

A £0.2m favourable variance relating to staff costs – vacant posts and officers being recruited to lower than budgeted spinal points.

### Housing – £5.2m Adverse Variance

The Housing division has an adverse variance of £5.2m after reserve drawdowns of £4.9m. This represents an adverse movement of £1.0m when compared with the previous quarter 3 forecast, resulting from a worsening position within Housing Options due to increasing numbers in Temporary Accommodation and higher use of expensive commercial hotels.

### Housing Options – £4.6m Adverse Variance

The Housing Options (Homelessness and Rough Sleeping) service is a £4.6m adverse variance against budget after applying grant and reserve drawdowns. This represents an adverse movement of £0.7m from that reported at Q3.

The table below shows a breakdown of the variances against budget for both controllable and non-controllable costs. The core budgets the service has control over (its core activity), e.g. staffing and accommodation expenditure offset by rental and other income, has an adverse variance of £3.5m. The remaining pressure resulting from the housing benefit subsidy losses which the service cannot control.

<b>Subjective Analysis</b>	<b>Variance – Adverse / (Favourable) £m</b>
Employee Related Costs	0.4
Accommodation Costs	9.6
Bad Debt Provision	1.5
HB Income on Placements	(8.0)
<b>Variance from Core Activity</b>	<b>3.5</b>
Housing Benefit Subsidy Loss	7.7
<b>Variance before Reserve Drawdowns &amp; Unbudgeted Grant</b>	<b>11.2</b>
Homeless Prevention Top Up Grant	(1.5)
Drawdown from Reserves	(5.1)
<b>Variance after Reserve Drawdowns</b>	<b>4.6</b>

As rents in Tower Hamlets are above LHA rates, the housing options service incurs a HB subsidy loss on each placement (difference between housing benefit paid out in rent and the subsidy claimed back from Central Government). This puts the budget position into a significant deficit. HB subsidy loss is not something the council has control over. It is a government formula for reimbursing the council for any HB spent on temporary accommodation.

The budget is supported by annual government grant totalling £9.3m. This is in the form of Homelessness Prevention Grant, Homelessness Prevention Top Up Grant and Rough Sleeping Initiative funding. These grants have been spent in full. Drawdowns from reserves totalling £5.1m have been made to fund core activity, this is in line with budgeted amounts. After the use of grant and reserves, the housing options service has a £4.6m adverse variance.

The outturn position represents an adverse movement of £0.7m against previous forecasts. This results from an optimistic view of where the service forecast to be at year end, projecting to be in a position to withdraw from the commercial hotel market for homeless families by the end of the year. The use of commercial hotels has continued, although the cohort of families envisioned to move from them into more cost-effective accommodation such as that procured in Lewisham and Slough has occurred as planned but rising T.A. numbers has resulted in these being backfilled.

In addition to this, the service has retained a portfolio of temporary accommodation properties which were at risk of being lost by the council (due to landlords requesting their properties back) which would have led to higher procurement costs and further increased use of commercial hotel if the retention of these properties at a higher negotiated rate was not undertaken.

Furthermore, the service has increased the rates for temporary accommodation provision to meet the demands of new homelessness presentations and the large number of families in unsuitable and expensive hotels which attract a smaller subsidy collection in comparison to self-contained units procured at a competitive cost. Homelessness numbers remain high and have risen since the start of the year. The main reasons for people presenting homeless are family evictions, domestic abuse and private tenancies that have been terminated. The cost-of-living crisis has increased family exclusions and reduced accessibility of private tenancies.

These high numbers place pressure on the use of expensive nightly booked and bed & breakfast accommodation and the use of commercial hotels at additional cost. There are currently 631 households in B&B accommodation compared with 363 at the start of the year, an increase of 268. The number of room bookings and the cost of B&B accommodation are rising, putting further pressure on the budget. Rooms are now costing £70-£100 per night with current providers who were charging £35 per night during the pandemic and new providers are charging in excess of £120 per night. The cost of using commercial hotels is higher still, some charging over £200 per night and these rooms are often not fit for purpose with no kitchen facilities. Competition for accommodation with the asylum seeker market and other Local Authorities is further driving up costs.

A lack of move on options in affordable housing within London is increasing this pressure, particularly for larger properties, making it very difficult for the Council to discharge its duty. The lack of move on options is resulting in the service failing to meet its suitability obligations for the first time since 2016 and not moving claimants from B&B accommodation within the six-week statutory target.

The overall numbers in TA and the cost of the TA has a knock on effect on Housing Benefit subsidy loss. The Council incurs a Housing Benefit Subsidy loss on every placement. Whilst Housing Options can claim the cost of the rent from Revenues and Benefits for placements in T.A., the Council can only claim back in subsidy from the DWP the Housing Benefit costs incurred up to 90% January 2011 LHA rates for those same placements. Rents within Tower Hamlets and neighbouring Boroughs are higher than this rate, resulting in the Housing Benefit payment made to Housing Options being higher than the amount that can be claimed back. This is further exacerbated where households are in temporary accommodation without Housing Benefit in payment so the HB subsidy on those accounts is nil. The volume of cases affected is in the region of 300. £4m of growth was added to the Housing Benefit Subsidy Loss budget in 2021/22 and despite this, there remains an adverse variance of £5.7m against this budget.

The impact of the shortfall in temporary accommodation subsidy is a net charge to the Council's Housing Benefit budget. This was previously accounted for in Housing Benefits (Resources Directorate) but has recently transferred to Housing Options to allow the full cost of the homelessness to the council to be identified. In previous years, the budget pressure was managed by one-off grant, for example Covid grant. This is now unavailable, resulting in a budget pressure against the General Fund.

The extent of the unadjusted increase in Subsidy loss since 2016/17 can be seen in the table below with increase of over 197% over the past 8 years.

2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
£3,903,546	£4,345,368	£5,131,048	£6,012,341	£7,431,645	£6,890,120	£7,206,159	£7,673,032

These budget pressures are not unique to Tower Hamlets and are being felt across London and the Country as a whole.

The service is actively working to mitigate these budget pressures moving forwards through a number of initiatives:

The Temporary Accommodation placement policy is being updated to allow placements in zones outside of the Borough and Greater London where accommodation can be procured at lower rates, reducing the subsidy loss. The Housing Procurement team are in negotiation with suppliers of cheaper and quality hotel accommodation that will reduce this cost burden and also provide quality and a longer-term hotel sustainable option. The expected onboarding of those hotels is May/June 2024, reducing the need for emergency commercial hotel provision. The council's procurement team has increased the volume of self-contained accommodation, in both the Temporary Accommodation and Private Rented Sector to increase the supply of cheaper accommodation than the use of commercial and standard hotels.

Increasing staffing capacity on the frontline to promote the prevention of homelessness and upstreaming the service.

Increase staffing provisions that undertake occupancy checks for those who live in TA and may not occupy the property, and visit homes of families to carry out prevention work on households that may become homeless due to family breakdowns.

Pilot incentive schemes to prevent friend and family evictions and to encourage new private rented landlords into the T.A. market. Discussions are underway with large-scale property suppliers to increase the provision of longer-term owned or leased TA and PRS stock and reduce the council's reliance on private sector rental fluctuations which are often competitive, in limited demand which drives up prices and have a shorter timespan on their use.

#### Lettings – £0.5m Adverse Variance

Adverse variance of £0.5m resulting from a reduction of the choice-based letting service recharge to the HRA. The evidence based revised recharge is based on the number of lets to Council owned property, rather than a historic charge against which the budget was set. This has resulted in the general fund incurring more of this cost rather than the HRA. Now that THH has been insourced this recharge will be revisited to confirm it remains correct.

#### Energy & Sustainability – (£0.1m) Favourable Variance

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

A £0.1m adverse variance relating to the Barkentine PFI scheme will be mitigated through a drawdown from the smoothing reserve, resulting in nil variance. There is currently a balance of £1m in this reserve and is therefore sufficient to cover this cost. A further £0.2m is being drawn down to be drawn down to meet the cost of industry specialists who are assisting in securing the future PFI provision once it expires.

#### Housing Supply – £0.2m Adverse Variance

There is an overspend in the Affordable Housing partnerships service due to a timing difference brought about by the cancellation of an erroneous 'VAT only' invoice in a prior financial period for £0.3m. When the Debtors ledger was reviewed in the last quarter the mistake was discovered and the credit note raised, leading to a cost in the current year which offsets the credit taken to the service when the initial invoice was raised (2019/20).



Provisional Outturn overspend of £0.7m

Service	2023/24 Net expenditure budget £m	Provisional Outturn £m	Gross over / (under) spend £m	Transfer to / (from) reserves £m	Over / (under) spend £m	Increase / (decrease) net spend from Quarter 3 £m
	A	B	C = B - A	D	= C + D	
Directorate Management	0.0	0.2	0.2	0.0	0.2	0.1
Public Realm	39.0	40.8	1.8	0.2	2.0	0.6
Community Safety	10.6	8.7	(1.9)	0.7	(1.2)	0.1
Culture	4.7	4.1	(0.6)	0.3	(0.3)	(0.2)
<b>Total</b>	<b>54.3</b>	<b>53.8</b>	<b>(0.5)</b>	<b>1.2</b>	<b>0.7</b>	<b>0.6</b>

The Communities Directorate was formed in August 2023, and comprises of three main divisions, Public Realm, Community Safety and Culture which were previously reported in other directorates.

The Communities directorate has a net revenue budget of £54.3m and has a provisional outturn adverse variance of £0.8m after reserve adjustments (£1.2m net top up to reserves). This represents an adverse movement of £0.6m when compared with the adverse variance of £0.1m previously reported in quarter 3. The adverse variance primarily relates to Waste services, where the position has worsened by £1m where the base budget is inadequate for waste and cleansing since the service was in sourced from Veolia. The budget provision is currently being reviewed. This is being offset by a favourable movement within Arts, Parks & Events, with income targets exceeding those reported previously.

Further details of the variances against budget and movements from the variances previously reported are outlined below.

#### **Communities Directorate Management - £0.2m Adverse Variance**

A £0.2m adverse variance relating to the costs of the Corporate Director. There is no budgetary provision for this post as it relates to an in-year restructure undertaken by the Chief Executive.

#### **Public Realm – £2.0m Adverse Variance**

Public Realm has an outturn adverse variance of £2.0m against budget. This figure is inclusive of a proposed reserve movements netting to a £0.2m net top up. This represents an adverse movement of £0.6m when compared with previous forecasts. This primarily is the result of a worsening position within Waste Operations.

#### **Public Realm Management – (£0.3m) Favourable Variance**

Favourable variance resulting from underspend on employee related expenditure.

#### **Operational Services – (£1.6m) Favourable**

The overall favourable position within the service is largely being driven by a £1.6m favourable variance relating to the Council's share of electricity generated and sold by the waste disposal contractor. The service has been requesting the Council's forecast profit share throughout the year, but the contractor has

only shared the relevant information recently. This was previously reported as a £1.1m favourable variance, based on a cautious estimate prepared by the disposal contractor.

Waste Operations (Environmental Services) – £4.2m Adverse Variance

A £0.3m favourable variance relating to payroll deductions resulting from the waste operative strike.

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

A favourable variance of £1.6m against salaries and overtime relating to vacant posts. This is being offset by additional costs of £5.1m, a net budget pressure of £3.5m. This represents a worsening position of £1.6m when compared to previous forecasts. A proportion of this relates to the backdated pay award for the agency workers and additional payroll costs following the permanent appointment of agency workers. Despite this, agency costs have continued to increase.

The main reason for this variance is unbudgeted agency expenditure at the point of transferring staff from Veolia to Tower Hamlets in March 2020.

Unachievable income target of £0.1m relating to charging for household bulky waste collections. This income target formed part of a historic greater commercialisation saving allocated to Place in 2021/22.

Additional vehicle repairs and increased costs for scheduled maintenance due to contract prices increases is resulting in an adverse variance of £1m. This represents a favourable movement of £0.6m, with the Q3 position overly cautious.

There are a number of mitigating actions that are being undertaken to manage this ongoing cost pressure. These include targeting illegal waste through increased enforcement activity; improve the commercial waste offer and increasing market share (whilst also targeting over production of waste by existing commercial waste customers through targeted enforcement activity to drive compliance and increase sales); reducing contamination through identification of hotspots followed by targeted communication (education/advice/enforcement); targeting rogue landlords through policy change/interventions; workforce recruitment of permanent staff to replace temporary staff and reduce overtime; and route optimisation and increased staff training to reduce vehicle damage / insurance claims.

Commercial Waste – £0.7m Adverse Variance

There is an under recovery of income totalling £0.4m for commercial waste where customers were lost during the pandemic and the customer base has not recovered. A further adverse variance of £0.3m which has not previously been reported relating to an increase in the bad debt provision due to the level of outstanding debt over 12 months old increasing.

Concessionary Fares – (£1.2m) Favourable Variance

A £1m favourable variance for Freedom Passes resulting from fewer TfL journeys being undertaken during the pandemic. The current years calculation is based on the previous two year's average journeys where travel was restricted due to lockdown. This one-off saving and although budget was taken, the final settlement was lower than estimated.

Although there is a favourable variance in year, projections for future years are forecasting significant adverse variances (£1.5m in 2024/25 and a further £2.2m in 2025/26).

A £0.2m favourable variance relating to taxi cards. The TfL contribution to the scheme is sufficient to cover the cost of the taxi card scheme in 2023/24 in its entirety.

### Parking services – Nil Variance

Parking services has a favourable variance of £3.1m against budget. This amount will be transferred to the Parking Control reserve and reallocated to fund other highways and transport related services and school crossing patrols. This reserve top up is £1.9m higher than previously forecast with income across the whole service exceeding previously reported levels and further underspends on expenditure.

The Enforcement service (PCN related income) has exceeded budgeted levels because of moving traffic cameras, which includes school street cameras. These cameras reduce the overall environmental impact along these roads and increase road user safety and wellbeing. This has resulted in an increase in tickets issued across the Borough, with additional income of £1.8m.

However, this is being offset by pressures on the Parking debt budget where there is an under recovery against the income target of £1.6m.

Vacant posts across the Parking service is resulting in a favourable variance of £0.1m. Staff retention is challenging and when vacant these posts are difficult to fill.

Bay suspension income over-recovered by £0.6m with demand for the service continuing to be high.

Casual parking income exceeded budget by £1m with demand being higher than that budgeted and the early introduction of the 2024/25 fees and charges.

A £0.2m favourable variance resulting from an increase in demand for visitor vouchers.

Additional income totalling £0.2m relating to changes to Traffic Management Orders.

A £0.2m favourable variance relating to an underspend on expenditure where the parking stress survey work has been delayed.

A reduction in the corporate support service recharge of £0.6m relating to the customer contact centre where the SLA on which the previous calculation was based does not reflect the service received.

### Street Trading – £0.3m Adverse Variance

The Street Trading account is a ringfenced account and has a £0.3m adverse variance. This relates to cleansing and refuse collection recharges from waste services. There is no reserve balance to mitigate this adverse variance and it is therefore a pressure on general fund budgets.

### Community Safety – (£1.2m) Favourable Variance

Community Safety has an underspend of £1.2m at provisional outturn against a budget of £10.6m. This is a reduction on the reported underspend at period 9 by £0.1m.

MTFS Growth was agreed for 2023/24 as part of the Mayor's Priority Investments for growth in Tower Hamlets Enforcement Officer Recruitment of £2.829m. Due to delays in recruitment, and full utilisation of this growth, the balance of £1.3m will be transferred back to the Mayor's Priority Investment Reserve.

### Culture – £0.3m Favourable Variance

Culture has a provisional outturn position with a favourable variance of £0.3m after reserve adjustments. This compares with an favourable variance of £0.1m reported previously, a favourable movement of £0.2m. This movement is predominantly against additional income generated within the Arts, Parks and Events budgets.

Provisional outturn underspend of £4.5m

Service	2023/24 Net expenditure budget £m	Provisional Outturn £m	Gross over / (under) spend £m	Transfer to / (from) reserves £m	Over / (under) spend £m	Increase / (decrease) net spend from Quarter 3 £m
	<b>A</b>	<b>B</b>	<b>C = B - A</b>	<b>D</b>	<b>= C + D</b>	
Corporate Costs	25.2	15.7	(9.5)	5.0	(4.5)	(1.3)
<b>Total</b>	<b>25.2</b>	<b>15.7</b>	<b>(9.5)</b>	<b>5.0</b>	<b>(4.5)</b>	<b>(1.3)</b>

A underspend of £4.5m for Corporate Costs is reported for the provisional outturn.

#### Pay inflation budget held centrally – £4.9m overspend

The final pay agreement was announced with a pay increase of the higher of £2,352 or 3.88%. Distribution of the budget increase for the pay award identified that the total allocation was £4.9m higher than originally budgeted. This was built into the MTFs to a recurring prevent a recurring pressure.

#### Non-pay inflation budget held centrally – £2.6m underspend

A corporate provision of £16.6m for non-pay inflation was budgeted. We have now assessed the impact of contract inflation across the Council which has identified a saving of £1.2m. A separate contingency of £4.2m for energy costs was also included in the budget. Since the quarter 3 report an underspend of £1.4m has arisen due to the lowering of energy and fuel prices.

#### Cross-Directorate Savings – £1.1m overspend

There are two savings that haven't been allocated to a service and were agreed to be written off from 2024/25 as part of the 2024/25 budget setting.

1. Council wide efficiencies £0.8m - This relates to staffing savings including the deletion of vacant posts and reducing agency. Although this saving has slipped work is being undertaken around the use of agency staff and structures that is anticipated to deliver this saving in future.
2. Hybrid mail £0.3m – The saving was based on reduced costs through the use of hybrid mail. However, actual expenditure hasn't reduced sufficiently to realise the saving.

#### Redundancy, Severance and Early Retirement – breakeven

An allowance of £2.5m is included in the budget for redundancy costs. To fund the future costs of the remaining Early Retirement / Voluntary Redundancy scheme payments, the underspend of £0.8m has been put into a reserve to utilise in 2024/25.

#### Pension Fund deficit repayment – £1.0m underspend

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

#### Corporate contingency budget to cover unforeseen circumstances – £1.5m underspend

There is £3.1m included in the budget to cover unforeseen circumstances. The following allocations were made for VAT payments (£0.8m), refuse investment following strike action (£0.8m) and other smaller

amounts (£0.1m). This is a £0.5m improvement on quarter 3 as £0.2m of VAT overpayments were recharged externally and £0.3m set aside for additional contingency use was not required.

Treasury Management – £3.5m underspend

An underspend of £3.5m has arisen due to lower Minimum Revenue Provision costs and higher investment returns. This is a £2.4m improvement from quarter 3 as interest rates remained held.

Corporate income and expenditure – £1.9m Underspend

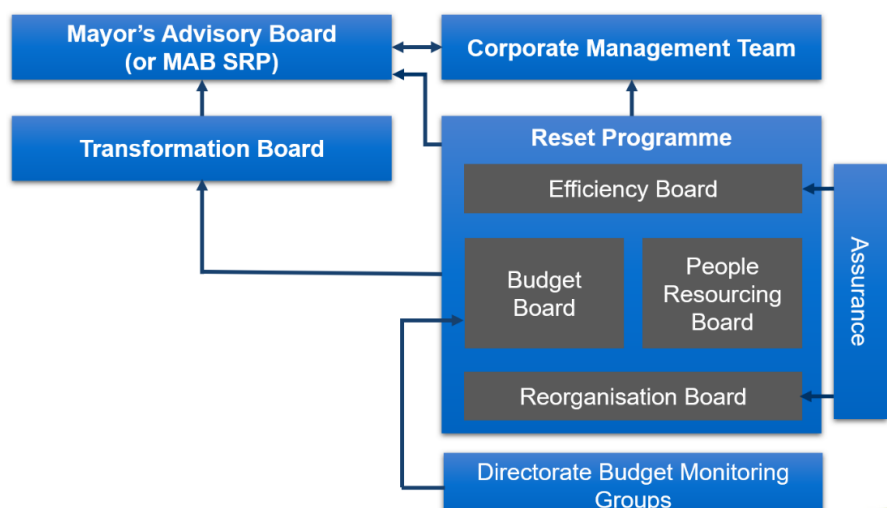
Following final confirmation of the 2021/22 business rates pooling position the £2.7m held in relation to this can now be released from reserves. Lower than anticipated corporate recharges of £0.8m have partly offset this.

This is £2m lower than the underspend reported at quarter 3 as the unexpected £2.2m from the London mayor in respect of Free Healthy School Meals has been used to maintain the Free School Meals reserve rather than drawing from it as originally budgeted.

As reported through the year, the Council continues its 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 from quarter 3 to provisional outturn (increase in forecast underspend by £0.2m).

Boards have been set up to drive the transformation and achieve those efficiencies detailed in our Medium-Term Financial Plan (MTFP). 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

Provisional outturn overspend of £5.2m before transfer from reserve

Service	2023/24 Net expenditure budget £m	Provisional Outturn £m	Gross over / (under) spend £m	Transfer to / (from) reserves £m	Over / (under) spend £m	Increase / (decrease) net spend from Quarter 3 £m
Housing Revenue Accounts (HRA)	0.9	3.7	2.8	2.4	5.2	5.3
<b>Total</b>	<b>0.9</b>	<b>3.7</b>	<b>2.8</b>	<b>2.4</b>	<b>5.2</b>	<b>5.3</b>

The Housing Revenue Account has a net budget of £0.9m. The provisional outturn position is an adverse variance of £5.2m against this budget. This balance is made up of a number of favourable and adverse variances which are detailed below. The outturn position represents an adverse movement of £5.3m when compared with previous forecasts. The movement relates primarily to repairs and maintenance costs, where costs were a lot higher than were forecast.

### Delegated Budgets – £6.7m Adverse Variance

The Delegated budgets cover income and expenditure where LBTH retain ownership of the budgets but delegated management responsibility to THH. The net Delegated budgets for 2023/24 is an income of £50m. There is an adverse variance of £6.7m against these budgets. This represents an adverse movement of £3.5m from that previously reported.

#### Income – £0.4m Adverse Variance

Delegated income budgets total £111m and primarily relates to tenants rents and service charges and leasehold service charges. There is a £0.4m adverse variance against these budgets in 2023/24, this represents an adverse movement of £0.7m on previous forecasts.

A £2.4m favourable variance relating to leaseholder service charges. Income is projected to exceed budgeted levels due to an increase in the cost of energy and building insurance, with this additional charge being passed on to Leaseholders. Although the budget was inflated, recent price increases have exceeded the level of inflation applied.

A £1.6m adverse variance in tenant rental income due to properties being held void. A policy decision was taken to hold significant numbers of properties void for respite / decant purposes from Maltings & Brewster (structural works being undertaken) and Bentworth House (following an explosion). Rents are not charged to the decanted tenants on these properties. Further properties are void on new build sites awaiting occupation and on sites disposal. These are in addition to the normal day to day voids occurring during the year. This represents an adverse movement of £0.9m on previous projections where it was forecast that a number of these properties would be returned to occupation but ongoing delays with works at Maltings & Brewster and Bentworth House has prevented this happening.

A £0.7m adverse variance relating to tenant service charge income resulting from the high number of void properties where service charge income is not being collected.

Garage rents have an adverse variance of £0.3m. A total of 87 garages have been decommissioned with the sites being included in the Mayor's new build property programme.

A £0.2m adverse variance relating to the admin fee for major works. Lower than budgeted major works taking place due to leaseholder consultations not progressing and where they have leaseholders declining that major works are required.

#### Expenditure – £6.3m Adverse Variance

Delegated expenditure budgets total £60.9m and have outturned with an adverse variance of £6.3m. Details of key drivers for the variances are provided below.

The repairs & maintenance budget has an adverse variance of £4.5m. This represents an adverse movement of £5m on previous projections. The budget pressure relates to a number of factors, including Major Works contracts not in place which has resulted in additional repairs to exiting assets for Lifts, Communal Doors & Emergency lighting; Emergency removal rather than replacement works resulting in costs remaining in revenue rather than being capitalised; Higher revenue costs where capital project delays have occurred, specifically scaffolding costs, security costs etc; A high number of communal boiler and Water pumps breaking down have resulted in higher hire costs for generators, pumps, boilers etc; Emergency Works were unknown and unbudgeted, Spend expected in 2024/25 has come in earlier and included in the 2023/24 outturn figures.

A £1.4m favourable variance relating to communal energy costs. The budget for 2023/24 was based on estimated unit prices and usages with actual charges coming in lower than these budgets. This was helped by the mild winter, resulting in lower usage.

Building insurance has an adverse variance of £2.2m. The insurance market is experiencing contraction, as the number of insurers has declined, and premiums are increasing. During the tendering process, the Council received only one proposal, and it was accepted but resulted in a 58% increase in premiums.

An adverse variance of £0.5m relating to building and fire safety works. This represents a favourable variance of £1.1m when compared with previous projections. The pressure relates to outputs from the risk appraisal of external walls as part of the Council's response to the Fire and Building Safety Acts including waking watch and other measures to keep buildings safe ahead of remedial works being completed.

A £0.1m adverse variance relating to service charge payments for leasehold enfranchisements. The HRA budgets for three additional enfranchisements but there has a total of five in year.

Neighbourhood Action has an adverse variance of £0.1m relating to additional contract costs relating to pigeon proofing the properties to prevent damage requiring more extensive repairs.

A £0.3m against management fee costs post THH insourcing resulting from the legal SLA being higher than budgeted.

#### Non delegated budgets – £5.4m Adverse Variance

The non-delegated services have an adverse variance of £5.4m. This represents an adverse movement of £4.1m on previous forecasts. Details of the variances and reasons for this movement are outlined below.

A £0.4m favourable variance relating to non-dwelling rental income. This relates to shop income for Ben Johnson Road and St Stephens Health Centre which were not budgeted for in the HRA.



The Leaseholder Enfranchisements income has exceeded budget by £0.2m. The number of applications to extend leases is higher than budgeted. A total of 123 lease extensions have been completed in year.

Salary costs relating to building safety leads has a favourable variance of £0.3m. This results from the posts being difficult to recruit too with all local authorities competing for a limited resource.

A £2.8m adverse variance on repairs and maintenance costs relating to non-dwelling properties. This includes additional security costs on void properties, business rate charges on empty properties and unbudgeted responsive and programmed repairs. This represents an adverse variance of £2m on previous forecasts, with works being undertaken at Watney Market late in the year that were not forecast at quarter 3.

A £0.7m adverse variance for support service recharges relating to additional recharges from the General Fund, including the asset management, capital delivery and Strategy, Performance and Improvement teams who have undertaken additional HRA related works above those included in the budget.

Additional revenue pressures of £1m on staffing budgets due to slippage within the HRA cyclical capital programme. This represents an adverse movement of £0.3m against the quarter 3 forecast, with further slippage on the capital programme in the final quarter.

Feasibility costs expended in year have exceeded budget by £1.2m, including costs incurred on schemes no longer proceeding.

A favourable variance of £0.5m against the Bad debt provision resulting from a review of outstanding debt, resulting in a greater collection of historic debt and higher levels of write offs in year, reducing the outstanding debt balance.

An adverse variance of £1.1m against insurance premiums for dwellings with costs rising at a higher percentage than was budgeted. This represents an adverse movement of £0.6m from that previously reported, with the Council being notified of these higher increases late in the year.

#### **Technical Adjustments – (£6.9m) Favourable Variance**

A favourable variance of £6.9m against the HRA technical adjustments. This represents a favourable movement of £3.3m from previous projections. Details of these variances are outlined below.

A favourable variance of £0.7m against the depreciation charge for HRA dwellings and non-dwelling properties.

An adverse variance of £3.6m for the Item 8 debit and a favourable variance of £9.4m for the item credit resulting from increased interest rates on both debt and investments (net favourable variance £5.8m). This represents a favourable movement of £2.9m against the quarter 3 forecast.

There is a £0.1m adverse variance against debt management costs as a result of a higher than budgeted Treasury Management costs .

The accounting policy for HRA MRP was revised in year, with voluntary contributions ceasing. This resulted in a £2.9m favourable variance as no charges have been applied against the budget. £2.4m has been transferred to an earmarked reserve to fund a risk-based review of the housing stock aimed at informing the ongoing cyclical major works programme, with the remaining £0.5m being a budget underspend.

# General Fund general balances and all Earmarked Reserves

5

The table shows provisional outturn 2023/24 General Fund general balances and all Earmarked Reserves:

	Draft accounts 31 March 2023	Contribution to / (from) Reserve	Draft accounts 31 March 2024
£m	£m	£m	£m
<b>GF balances (general reserve)</b>	<b>20.9</b>	0.3	<b>21.2</b>
	<b>20.9</b>	<b>0.3</b>	<b>21.2</b>
<b>Earmarked reserves consist of:</b>			
<b>Earmarked reserves with restrictions</b>			
BAME	0.8	(0.2)	0.6
CIL Reserve	3.7	(1.3)	2.4
Collection Fund Smoothing*	45.8	(13.8)	32.0
Covid Recovery Fund	1.8	0.0	1.8
Covid-19 Grant	4.1	(1.7)	2.4
Free School Meals Reserve	1.8	0.0	1.8
HA&C Joint Funding Agreements	7.3	(3.5)	3.8
Insurance	7.9	0.2	8.1
Local Elections earmarked reserve	0.6	0.1	0.7
Mayors Community Grants**	0.0	10.7	10.7
Parking Control	8.8	1.0	9.8
Public Health Reserve	7.2	0.1	7.3
Revenue Grants Unused	12.1	(5.0)	7.1
Ringfenced Developers' Contributions	6.1	6.4	12.5
<b>Earmarked reserves with restrictions – Subtotal</b>	<b>108.0</b>	<b>(7.0)</b>	<b>101.0</b>
<b>Earmarked reserves without restrictions</b>			
ICT Reserve	9.3	0.4	9.7
Mayor Tackling Poverty Reserve	1.6	1.6	3.2
Mayors Priority Investment Reserve***	47.9	(26.7)	21.2
Risk Reserve	15.9	0.0	15.9
Services Reserve	14.6	(0.3)	14.3
Social Care Pressures Reserve***	0.0	3.2	3.2
Transformation Reserve	3.1	0.3	3.4
HRA Property Portfolio Reserve	0.0	2.4	2.4
<b>Earmarked reserves without restrictions - Subtotal</b>	<b>92.4</b>	<b>(19.1)</b>	<b>73.3</b>
<b>Total Earmarked Reserves</b>	<b>200.4</b>	<b>(26.1)</b>	<b>174.3</b>
<b>Total GF and Earmarked reserves</b>	<b>221.3</b>	<b>(25.8)</b>	<b>195.5</b>

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

\*\*The Mayors Community Grants reserve is restricted to fund the Mayor's Community Grants Programme which will provide funding to the voluntary and community sector

\*\*\*The Mayor's Priority Investment reserve has reduced by £26.7m largely due to budgeted contributions to fund MTFS (22.1m) and the budgeted creation of a Social Care Pressures Reserves (£4.6m) as approved by council on 1st March 2023

The table shows the 2023/24 provisional outturn position for the Housing Revenue Account, Dedicated Schools Grants and Capital Usable Reserves.

HRA and DSG reserves	Draft accounts 31 March 2023	Provisional outturn contribution to / (from) reserves	Draft accounts 31 March 2024
	£m	£m	£m
Housing Revenue Account (HRA)	38.5	(14.2)	24.3
Dedicated Schools Grant (DSG)	(13.1)	(2.7)	(15.8)
Capital Grants Unapplied	190.4	46.6	237.0
Capital Receipts Reserve	156.1	4.4	160.5
Major Repairs Reserve (MRR)	8.0	(0.3)	7.7
<b>Total Other Reserves</b>	<b>379.9</b>	<b>33.8</b>	<b>413.7</b>

Draft accounts 31 March 2024 position

Outside of reserves, the Council holds significant Developer Contributions (S106) to fund Capital Expenditure. These are held as creditors/receipts in advance on the balance sheet as they have to potentially be repaid if not used for a specific purpose. The total draft accounts balance as at 31 March 2024 was £93.4m.

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

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

The **Capital Grants Unapplied** reserve includes grants, S106 monies and Community Infrastructure Levy (CIL) payments received by the council with varying degrees of conditions on spend, which are utilised to fund capital projects and where expenditure is capital by nature and these reserves have been allocated where possible as part of the current 2023-27 General Fund and HRA approved capital programmes.

The **Capital Receipts** reserve includes capital receipts generated by the council (including HRA Right-to-Buy receipts) which are also utilised to fund capital projects and where expenditure is capital by nature and these reserves have also been allocated as part of the current 2023-27 General Fund and HRA approved capital programmes.

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

### **NNDR Business Rates**

We were expected to collect £404m in 2023/24 for total Business Rates income (30% retained by the Council and 37% passported to the GLA and 33% central government), excluding business rates supplement. Collection levels continue to be impacted by the economic impacts from the cost of living pressures, although collection rates are starting to return to pre-pandemic levels.

There is a provisional (subject to audit) accumulated Business Rates Collection Fund deficit at the end of 2023/24, of which the estimated Council share is £19.4m. The Council utilised its Collection Fund Smoothing Reserve to align the government grant funding of business rates reliefs with the timing of deficit payments over the three-year period 2021-24.

The accumulated deficit to the end of 2023/24 continues to include a significant loss allowance (bad debt provision) for potential non-payment of debts, of which the Council share is £4.7m, to allow for the ongoing potential impacts of cost of living pressures.

To the end of Period 12, we have collected £419.1m of £425.9m billed (98.40% in-year collection rate) compared to 94.42% for 2022/23, a significant increase on the previous year and back to pre-pandemic levels. This includes collection of the Business Rate Supplement (BRS) for the London Crossrail development.

There has been a significant amount of Appeals that have been settled by the Valuation Office Agency (VOA) in year. This is far in excess of any previous year and totalled £54.5m. Combined with the resulting increase in the Appeals Provision this has created a provisional deficit of £19.4m for Tower Hamlets' share that can be met from the Collection Fund Smoothing Reserve which was set aside for these risks.

### **Council Tax**

We are expected to collect £173.8m in 2023/24 (both GLA 27.5% and Council 72.5% shares). Collection levels continue to be impacted by the economic impacts of the cost of living pressures.

There is a provisional (subject to audit) accumulated Council Tax Collection Fund deficit to the end of 2023/24, of which the estimated Council share is £5.5m. There is council share loss allowance (bad debt provision) of £18.2m to allow for the potential impacts of cost of living pressures.

The Covid-19 pandemic reduced the collection rate and increased significantly those claiming benefits including through the Local Council Tax Reduction Scheme (LCTRS). The level of claimants has continued to reduce slightly from the increased pandemic level from 29,989 (end of 2021-22) to 27,816 (end of Period 12).

To the end of Period 12 we collected £158.3m of the £173.8m Council Tax bills raised (91.04% in-year collection rate) compared to 94.7% for the same period in 2022/23, this is lower than the previous year, in

part due to the application of energy rebates to council tax accounts during the same period in 2022/23. It is also lower than pre-pandemic collection levels. Future years' collection rates could continue to be negatively affected by wider economic impacts being experienced by residents (including inflationary and market pressures on energy and food costs).

The Council actioned the government's Council Tax support Fund, administering the reductions in bills of £55 to eligible Council Tax payers in time for the annual demand notices. During the final quarter the remaining balance of this grant was allocated Council Tax payers bringing the maximum payout to £59. Due to the lower collection rate and smaller increase in the base there is a deficit on the Council tax element of £5.5m for Tower Hamlets' share.

## Overall Position

The nominal value of Council's investment at the end of March 2024 was £219.7m (a decrease of £18.2m from March 2023 and a decrease of £30.3m from Q3). Capital growth from strategic and cash pooled funds during the year was £1.6m, making the market value of investments as £217.3m.

External borrowing was £68.709m and no new external borrowing took place during the year.

The Council's investment balance at the year-end remains higher than the Arlingclose pool of 20 London and Metropolitan Boroughs average balance of £78.2m, and pool of 126 local authority average of £63.9m.

The net income from external investments in 2023-24 was £6.5m compared to an original budget estimate of £2m. The increase is due to a combination of higher interest rates (as a consequence of the Bank of England's aggressive rate increases to control inflation) and higher cash balances.

Investment Category	Mar 2024 Nominal Value £m	Mar 2024 Fair Value £m
<b>Internally Managed Investments</b>		
Banks	1.000	1.004
DMADF	0	0
Money Market Funds	142.701	142.701
<b>Externally Managed Pooled Funds</b>		
Cash Plus & Short Bond Funds	20.000	19.978
Strategic Pooled Funds	56.000	53.581
<b>Total</b>	<b>219.701</b>	<b>217.264</b>

## Income Position

The yield of the internal portfolio at the end of the quarter was 5.21%. The portfolio was almost entirely invested in money market funds, so the return reflected the high interest rates across shorter durations. The income returns of the entire portfolio, including the Council's external investments during the quarter was 4.98% while total return including changes in the value of externally managed pooled funds was 5.74% (capital gain on cash plus pooled funds was 1.81% and strategic funds 2.38%).

## Benchmarking

According to the March quarter benchmarking information received from Council's treasury advisor, Arlingclose Ltd, average income return of 4.98% slightly underperformed against both a group of 20 London and Metropolitan Boroughs (5.10% average income return) and 126 national local authorities (5.10% average income return).

### Liquidity

66% of Council's invested cash at the end of the quarter is available within 7 days ensuring adequate cash is available to meet daily expenditure payments. This compared to the average London and Metropolitan Boroughs of 69% and 126 Local Authorities in the Arlingclose pool of 50%.

75% of funds were available within 100 days of maturity compared with a London and Metropolitan Borough average of 77% and local authority average of 66%.

Overnight liquidity at the end of March was £143.7m which is 100% of the internal portfolio. The average days to maturity of the internal portfolio at the end of the quarter was 44 days (11 days December 2023) which reflects the underlying weighted average maturities of the money market funds.

### Security

The investment average credit rating of A+ represents a secured portfolio compared to the average rating for Arlingclose pool of 20 London and Metropolitan Boroughs of A+ and A+ average for pool of 127 local authorities.

At the end of March 2024, the Council had £1m invested with Santander and £142.7m in MMF's. The Council therefore had minimal exposure to a single financial institution. Whilst the Council's investment portfolio's bail-in risk is 100%, this is all available overnight through MMFs.

### Inflation

Inflation continued to decline from the 8.7% rate seen at the start of 2023/24. By the last quarter of the financial year headline consumer price inflation (CPI) had fallen to 3.2%, but was still above the Bank of England's 2% target at the end of the period. The core measure of CPI, i.e. excluding food and energy, also slowed in March to 4.2% from 5.1% in December 2023.

CPI inflation is expected to return to close to the 2% target in the near term, but to increase slightly in the second half of this year owing to the unwinding of energy-related base effects, which reveals the persistence of domestic inflationary pressures.

### Interest Rate Forecast May 2024

	Current	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
Official Bank Rate Central Case	5.25	5.25	5.00	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00
3-month MMF rate Central Case	5.40	5.30	5.15	4.80	4.30	3.80	3.30	3.05	3.10	3.10	3.15	3.15	3.15
5yr gilt yield Central Case	4.04	3.95	3.85	3.75	3.60	3.50	3.40	3.40	3.40	3.40	3.45	3.50	3.55
10yr gilt yield Central Case	4.16	4.10	4.05	4.00	3.85	3.75	3.70	3.70	3.70	3.70	3.75	3.80	3.80
20yr gilt yield Central Case	4.60	4.50	4.40	4.35	4.25	4.25	4.20	4.20	4.20	4.20	4.25	4.30	4.35
50yr gilt yield Central Case	4.20	4.10	4.00	3.95	3.85	3.85	3.80	3.80	3.80	3.80	3.85	3.90	3.95

### Borrowing

The Council has Public Works Loan Board (PWLB) loans totalling £51.2m and fixed rate bank loans totalling £17.5m. No external borrowing took place during the year as the capital program is temporarily funded using cash reserves, thereby saving on external borrowing costs in the short-term.

Target for year £15.5m

£12.3m savings to be delivered

Services	£m	£m	£m	£m	£m	£m
	2023/24 Target	Prior Year Slippage	Saving Target	Savings	Slippage	Under Recovery
	A	B	C = A + B			
Health and Adult Social Care	2.6	-	2.6	2.6	-	-
Children's Services	2.5	0.1	2.6	2.6	-	-
Housing and Regeneration	4.7	0.3	5.0	2.8	2.1	0.1
Chief Executive's Office	0.3	-	0.3	0.3	-	-
Resources	1.0	0.2	1.1	1.1	-	-
Communities	2.3	-	2.4	2.4	-	-
Cross-Directorate	1.0	0.5	1.5	0.5	-	1.0
<b>Total</b>	<b>14.4</b>	<b>1.1</b>	<b>15.5</b>	<b>12.3</b>	<b>2.1</b>	<b>1.1</b>

Total savings target for 2023/24 is £15.5m which includes previous years' slipped savings. Of which,

- £12.3m is identified as delivered savings;
- A net position of £2.1m is to slip into future years due to timing issues;
- £1.1m has been identified as unachievable

Please refer to 'Appendix B – Summary MTFs Savings Tracker 2023-26' for a detailed breakdown and latest updates on the savings programme.



General Fund (GF) provisional outturn £81.7m against a revised budget of £88.9m  
 Net Variance £7.2m - net slippage £8.9m, net overspend £1.7m

## Capital General Fund (GF) Provisional Outturn (£m)

Theme	Directorate	Revised Budget 2023/24	Actual Spend 2023/24	Variance	Increase / (Decrease) to actual spend from Q3 Forecast	(Slippage) / Acceleration	(Underspend) / Overspend	Revised budget 2024/25	Revised budget 2025/26	Revised budget 2026/27	Total 2024-27 Revised Budget
Approved Programme	Children's Service	44.8	41.3	(3.5)	(1.1)	(3.2)	(0.3)	31.5	9.1	3.4	44.0
	Communities	11.1	10.3	(0.8)	0.5	(2.4)	1.6	44.3	29.0	7.1	80.4
	Housing & Regeneration	10.4	6.7	(3.7)	(1.4)	(3.8)	0.1	20.5	5.8	1.9	28.3
	Health, Adults & Social Care	5.1	7.8	2.7	(0.5)	1.9	0.8	4.1	2.0	0.1	6.2
	Resources	0.5	0.5	0.0	0.0	(0.1)	0.1	1.0	0.1	0.0	1.1
<b>Approved Programme Total</b>		<b>71.9</b>	<b>66.6</b>	<b>(5.3)</b>	<b>(2.5)</b>	<b>(7.6)</b>	<b>2.3</b>	<b>101.4</b>	<b>46.1</b>	<b>12.6</b>	<b>160.0</b>
Approved Rolling Programme	Children's Services	3.0	2.3	(0.7)	(0.7)	0.0	(0.7)	3.0	3.0	3.0	9.0
	Communities	6.3	5.3	(1.0)	(0.3)	(1.0)	0.0	8.4	5.4	0.0	13.9
	Housing & Regeneration	3.2	3.5	0.3	0.3	0.3	0.0	3.7	3.3	2.1	9.1
	Health, Adults & Social Care	0.0	0.3	0.3	0.3	0.3	0.0	0.3	0.3	0.0	0.6
	Resources	1.5	0.8	(0.7)	0.0	(0.9)	0.2	4.0	5.3	1.8	11.1
<b>Approved Rolling Programme Total</b>		<b>14.0</b>	<b>12.2</b>	<b>(1.8)</b>	<b>(0.4)</b>	<b>(1.3)</b>	<b>(0.5)</b>	<b>19.4</b>	<b>17.3</b>	<b>7.0</b>	<b>43.7</b>
Invest to Save Programme	Communities	0.9	1.2	0.3	0.0	0.3	0.0	4.0	0.0	0.0	4.0
	Housing & Regeneration	1.3	1.7	0.4	0.1	0.4	0.0	1.1	0.2	0.0	1.4
<b>Invest to Save Programme Total</b>		<b>2.2</b>	<b>2.9</b>	<b>0.7</b>	<b>0.1</b>	<b>0.7</b>	<b>0.0</b>	<b>5.1</b>	<b>0.2</b>	<b>0.0</b>	<b>5.4</b>
LIF Programme	Communities	0.7	0.0	(0.7)	(0.5)	(0.7)	0.0	0.8	0.3	0.1	1.2
	Health, Adults & Social Care	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.0	0.8
<b>LIF Programme Total</b>		<b>0.7</b>	<b>0.0</b>	<b>(0.7)</b>	<b>(0.5)</b>	<b>(0.7)</b>	<b>0.0</b>	<b>1.6</b>	<b>0.3</b>	<b>0.1</b>	<b>2.0</b>
<b>Grand Total</b>		<b>88.9</b>	<b>81.7</b>	<b>(7.2)</b>	<b>(3.2)</b>	<b>(8.9)</b>	<b>1.7</b>	<b>127.6</b>	<b>63.9</b>	<b>19.6</b>	<b>211.2</b>

## Introduction

As part of the Budget Report 2024-25 and Medium-Term Financial Strategy 2024-27, presented to Council on 28<sup>th</sup> February 2024, a total General Fund (GF) capital programme totalling £291.1m from 2023/24 to 2026/27 was approved, of which, £88.9m related to the 2023/24 financial year which is what this provisional outturn report is set against.

The summary GF capital provisional outturn by directorate, setting out the provisional outturn against revised 2023/24 capital budgets for directorates is presented in the above table.

The GF provisional outturn capital expenditure for the year is £81.7m, resulting in a total net variance of £7.2m against the 2023/24 revised capital GF budget of £88.9m (92% of the revised budget). This is due to net slippages of £8.9m and net overspends of £1.7m across the programme. The quarter 3 capital budget monitor report forecast an outturn position was £84.8m a movement of £3.2m (4%) in the spend position. The details of the programmes are set out below;

## Approved Programme

Theme	Directorate	Revised Budget 2023/24	Actual Spend 2023/24	Variance	Increase / (Decrease) to actual spend from Q3 Forecast	(Slippage) / Acceleration	(Underspend) / Overspend	Revised budget 2024/25	Revised budget 2025/26	Revised budget 2026/27	Total 2024-27 Revised Budget
Approved Programme	Children's Service	44.8	41.3	(3.5)	(1.1)	(3.2)	(0.3)	31.5	9.1	3.4	44.0
	Communities	11.1	10.3	(0.8)	0.5	(2.4)	1.6	44.3	29.0	7.1	80.4
	Housing & Regeneration	10.4	6.7	(3.7)	(1.4)	(3.8)	0.1	20.5	5.8	1.9	28.3
	Health, Adults & Social Care	5.1	7.8	2.7	(0.5)	1.9	0.8	4.1	2.0	0.1	6.2
	Resources	0.5	0.5	0.0	0.0	(0.1)	0.1	1.0	0.1	0.0	1.1
<b>Approved Programme Total</b>		<b>71.9</b>	<b>66.6</b>	<b>(5.3)</b>	<b>(2.5)</b>	<b>(7.6)</b>	<b>2.3</b>	<b>101.4</b>	<b>46.1</b>	<b>12.6</b>	<b>160.0</b>

The 2023/24 revised budget for the Approved programme is £71.9m. The provisional year-end outturn for the approved programme is £66.6m (93% of the revised budget), resulting in a variance of £5.3m. The net slippages for the approved programme is £7.6m and the net overspends is £2.3m.

## Children's Services

Revised Budget: £44.8

Provisional Outturn: £41.3 (92% of revised budget)

Variance: £3.5m (Net Slippages £3.2m, Net Underspends £0.3m)

The major programme under Children's Services is the Schools Basic Need and Expansion programme. Within the programme are schemes such as the Institute of Academic Excellence, the Mulberry London Dock School, Beatrice Tate Expansion. These three schemes account for £2.8m of the net slippage.

Mulberry London Dock expansion had a revised budget of £37.5m, and a spend of £36.4m (97% of the revised budget). The slippage of just under £1.1m relates to delays experienced with water suppliers. The water works were initially programmed to be delivered during the PCSA phase of the project in 2022, however, works did not commence until February 2024. A delay in this programme has knocked on to other elements of the development. The council is now working with contractors to deliver an accelerated programme to ensure the school is completed on time. It should be noted that the water supply works

are a statutory undertaking and can only be carried out by the water supplier or their appointed contractor.

Beatrice Tate expansion had a revised budget of £1.3m, by the end of March the provisional outturn was £0.1m, this represents 8% of the revised budget. This is because there were significant delays procuring and consequently the project was not fully mobilised in-year. The main contract is expected to start on site imminently, with an expected completion date of June 2025.

The Institute of Academic Excellence was formally added to the capital programme by full council in February 2024. A preliminary budget was added for 2023/24 for works to start, however the project will start once deliverability is being concluded.

School Investments works programme was the flagship scheme to introduce universal free school meals for all secondary schools. This project is almost complete, the scheme shows a variance of £0.4m, from a revised budget of £0.7m – which is no longer required within the General Fund programme.

### **Communities**

Revised Budget: £11.1m

Provisional Outturn: £10.3m (93% of revised budget)

Variance: £0.8m (Net Slippages £2.4m; Net Overspends £1.6m)

The Communities directorate was newly formed in August 2023. This directorate includes the following programmes: Parks, Waste, Recycling and Fleet, Public Realm Improvements, Markets, Environmental Health and Trading and Culture.

The revised budget for Parks was £3.7m, against an outturn of £2.3m, equating to 62% spend against revised budget. The significant areas of slippage relate to Victoria Park Mini Golf (£0.5m) and King Edward Memorial Park (£0.4m). A decision has now been made regarding the mini golf project and the scheme in its current form is no longer going ahead. King Edward Memorial Park is specific funding for the park, to mitigate the impact of the Thames Tideway project – or the “Super Sewer”. Works on the Super Sewer are now complete and work at Kemp Memorial Park is now scheduled to start on site from 2025/26. The remaining slippages are across various projects, such as Inclusive Playgrounds (£0.2m) and Quality Parks (£0.2m). All projects within Inclusive Playgrounds and Quality Parks are expected to be delivered in 2024/25 and 2025/26. Christ Church gardens has been delayed, with the 97% of the 2023/24 budget slipping into 2025/26. This re-profiling is due the Advisory Group procuring a new design, which is expected to occur in 2024/25.

The Markets programme is experiencing delays with the procurement of various EV (Electric Vehicles) charging points. The highways team are now leading on the tender process for three types of EV charging points, currently organisations are being invited to tender for a hybrid Trader Power/EV combined solution. It is anticipated that this budget will be utilised in 2024/25. £0.3m (98%) of the markets budget has slipped into future years.

The Electric Charging Points for Council Vehicles has been delayed and has spent £0.2m (21%) of the revised budget of £0.9m, leading to slippages of £0.7m. Delays are due to the confirmation of final sites being chosen. Another project relating to Electric Vehicles has also been delayed due to the knock-on delays with the charging points projects, the revised budget for 2023/24 was £0.6m, however due to delays with the installation of the charging infrastructure, purchases needed to be pushed back, resulting in slippages of £0.5m.

The significant variance within New Infrastructure programme, is the Lochnager Bridge project. The revised budget for the year was £0.9m, however 35% of spend was achieved resulting in slippage of £0.6m. This project is being delivered with LB Newham, and delays result from land acquisitions that are outside of the control of LB Tower Hamlets. Various agreements that need to be made, including air rights and bridge development agreements, coupled with delays in planning determinations have stalled progress on the project in-year.

The Public Realm Improvements programme recently went through a review, with several schemes being reviewed and redeveloped and to ensure that works being delivered in line with s106 funding agreements. However, the highways team were able to accelerate delivery, and have delivered £0.2m of works including across City Island, Marsh Wall and Plumbers Row. The works will continue into 2024/25 and 2025/26.

Under Transport S106 Funded Schemes, where the Council collects s106 and under the agreement the council is responsible for transferring the contribution to the named party subject to checks and agreements on the use of funds. For the Blackwall Reach DLR project, accelerated spend of £1.5m was incurred. For the Friends of Tower Hamlets Cemetery a payment of £0.4m was made in-year, resulting in an overspend.

Transformation of CCTV system project is reporting a £0.4m overspend. This project has been beset with cost problems, with all contract awardees coming in with values significantly higher than original estimates and additional costs due to changes in location for the hub from the original plan being for the hub to be located at the New Town Hall.

The BLEN (Business Low Emissions) Neighbourhood project shows an overspend of £0.1m. The team have been successful in securing £0.2m grant from the GLA to cover this cost, and the remainder will be invested in other suitable transport schemes.

The Waste Recycling and Fleet programme, with a revised budget of £3.9m, has spent 66% of this budget by outturn. The Interim Depot is showing a £0.4m overspend. The costs of delivering the health and safety works pertaining to the depot have increased over time and due to the essential nature of the works and legal requirements the overspend was incurred.

### **Housing and Regeneration**

Revised Budget: £10.4m

Provisional Outturn: £6.7m (64% of revised budget)

Variance: £3.7m (Net Slippages £3.8m; Net Overspends £0.1m)

The Housing and Regeneration directorate was also a newly formed Directorate in 2023/24. This directorate includes service areas such as Carbon Offsetting, Temporary accommodation, The New Town Hall, Investment works, Business and Economic Growth Local Cultural and Environmental projects.

The Carbon Offsetting programme has a revised budget of £1.7m, spending £0.5m, representing 26% spend against budget (£1.5m slippages and £0.3m accelerations). There are 4 projects that make up most of the slippage, they are the Renewable Energy Generation PV project (£0.5m slippage), Solar Community PV project (£0.4m slippage), the Residential Energy Efficiency Project (£0.4m slippage) and the Community Energy Efficiency and Renewable project (£0.3m slippage). The Community Energy Efficiency Project is in the final stage of the community grants programme and is closed for bids. Spend on this project is dependent on evidence and invoices supplied from community organisations, spend is therefore determined by pace of works outside of the council's control. The other three projects have all

faced delays largely due to finalising specifications and appointing contractors. All three projects delivery is anticipated to start in 2024/25, with works continuing into future years.

The New Town Hall has accelerated spend for 2023/24. A revised budget profile of £3.8m was set at outturn the spend was £4.3m. The project is now complete, there are a few remaining invoices to be settled after the defect liability period, which ends in June 2024.

South Dock bridge had a revised budget of £1.9m, spend at outturn was £0.3m (which is 14% of the budget), resulting in slippages of £1.6m. The delays are a result of varying architect contracts to complete the detailed design, and delays with land acquisition as a property specialist has been appointed to negotiate land, air and water rights.

Within the High Street and Town Centre programme sit three projects relating to the regeneration of Roman Road West, Brick Lane and Middlesex Street. The combined revised budget is £1.0m, with £0.5m outturn, resulting in slippages of £0.5m. The largest area of slippage relates to Roman Road West, which is slipping £0.3m, this is due to delays in construction contracts, however the works are on course to be completed in early 2024/25. Middlesex Street shows a slippage of £0.1m, from a revised budget of £0.5m, the project was paused as part of the mayor's capital review, and a revised project will be delivered in early 2024/25, with a re-procurement of contractor for Leydon Street.

### **Health and Social Care (HASC)**

Revised Budget: £5.1m

Provisional Outturn: £7.8m (152% of revised budget)

Variance: £2.7m (Net Accelerations £1.9m; Net Overspends £0.8m)

Public Health is the largest service area under the Health and Social Care directorate. From a revised budget of £3.3m, the outturn was £5.4m. This is a variance of £2.1m, which is explained by £1.7m accelerated spend and £0.4m overspend. Public Health focuses on works delivered by the NHS to meet the needs of a changing demographic, increasing the offer on health centres. Several of these health centres have now completed, and accelerated funds of £1.7m mean that final accounts are being settled. The centres that are now completed are Wood Wharf, Goodman's Fields, Aberfeldy and Island Medical Centre. The majority of the overspend is on the project that focuses on Maximising the Health Infrastructure (£0.3m) upon reconciliation of final accounts with the NHS.

Adult Social Care had a revised budget of £1.9m, provisional spend at outturn was £2.4m, which is 130% spend against budget. There are two live projects that sit under Adult Social Care; Sewardstone Road and Norman Grove. Sewardstone Road project has overspent by £0.4m, there have been many complications relating to this project, increases in construction costs due to inflation, reconfiguring of project management. Norman Grove is expected to complete in July 2024, and costs for this project have been accelerated (£0.3m).

### **Resources**

Revised Budget: £0.5m

Provisional Outturn: £0.5m (100% of revised budget)

Variance: Nil variance (Net slippages £0.1m; Net Overspends £0.1m)

The 2023/24 revised budget for Resources Approved Programme is £0.5m. The provisional outturn for the programme is £0.5m (100% of the revised budget) resulting in nil variance across the programme due to net slippages of £0.1m and net overspends of £0.1m.

## Annual Rolling Programme

Theme	Directorate	Revised Budget 2023/24	Actual Spend 2023/24	Variance	Increase / (Decrease) to actual spend from Q3 Forecast	(Slippage) / Acceleration	(Underspend) / Overspend	Revised budget 2024/25	Revised budget 2025/26	Revised budget 2026/27	Total 2024-27 Revised Budget
Approved Rolling Programme	Children's Services	3.0	2.3	(0.7)	(0.7)	0.0	(0.7)	3.0	3.0	3.0	9.0
	Communities	6.3	5.3	(1.0)	(0.3)	(1.0)	0.0	8.4	5.4	0.0	13.9
	Housing & Regeneration	3.2	3.5	0.3	0.3	0.3	0.0	3.7	3.3	2.1	9.1
	Health, Adults & Social Care	0.0	0.3	0.3	0.3	0.3	0.0	0.3	0.3	0.0	0.6
	Resources	1.5	0.8	(0.7)	0.0	(0.9)	0.2	4.0	5.3	1.8	11.1
<b>Approved Rolling Programme Total</b>		<b>14.0</b>	<b>12.2</b>	<b>(1.8)</b>	<b>(0.4)</b>	<b>(1.3)</b>	<b>(0.5)</b>	<b>19.4</b>	<b>17.3</b>	<b>7.0</b>	<b>43.7</b>

The revised approved budget for the Approved Rolling Programme for 2023/24 is £14.0m, outturn against the budget is £12.2m. This represents spend of 87% against the budget. Overall, the variance of £1.8m is made up of a net slippages of £1.3m and net underspends of £0.5m

Under the Rolling Programme there are five main service areas, they are Children's Services Conditions and Improvements; Public Realm Highways; Resources with the IT investment programme and Facilities Management with the Investment Works on LBTH assets and the Culture budget for Leisure Centre Investment Works.

The Conditions and Improvements (C&I) approved rolling programme had a revised budget of £3.0m, outturn of £2.3m, this is an underspend of £0.7m. Unspent budget allocation is not automatically rolled forward for rolling programme but will be recycled into future programmes. The annual allocation of the C&I programme is c£3m. Due to schools calendars, usually the majority of work is timed to fall within school holidays to lesson disruption to term time, which impacts the profiling of spend and slippages / accelerations can occur within the programme.

Leisure Centre Investment Works had a revised budget of £1.0m, the project was dependant on a conditions survey being produced which would inform the service what to prioritise workwise once the Leisure Centres were back in house. Due to this, the outturn was 10% of the revised budget, £0.1m. The budget has now been transferred to 2024/25 and the 2025/26 budget accelerated to allow priority works to be delivered across the council's leisure centres within the borough.

Public Realm – the Carriageways and Footways has a £5m annual budget set for the current capital programme for the years 2023-26. The programme spend is 97% of the revised budget.

Continued investment into the council's own assets ensure that fabrication, mechanical and electrical standards are adhered to, and buildings remain safe for users. The Revised budget for these works is £2.0m. Spend achieved at outturn was £1.9m, which is 94% of the budget.

The Health, Adults and Social Care project relating to Disabled Facilities Grant (DFG) works has accelerated spend of £0.3m against future year budgets which relates to adaptations to clients homes.

The IT rolling programme covers investment in IT systems to ensure the council can offer the best services possible to our residents by ensuring that both staff and users benefit from IT systems that work. The Revised budget for 2023/24 was £1.5m, outturn was £0.8m which is 54% of the budget. The variance is made up of £0.9m net slippage and £0.2m net overspend. Overspends relate to additional costs being incurred due to delays experienced from the supplier. Several projects have successfully completed such as the HR systems, the Resident Hub at the Town Hall and the customer access telephony to name a few. The IT rolling programme has a central budget held, that can be drawn from and added back to subject to governance.

### Invest to Save

Theme	Directorate	Revised Budget 2023/24	Actual Spend 2023/24	Variance	Increase / (Decrease) to actual spend from Q3 Forecast	(Slippage) / Acceleration	(Underspend) / Overspend	Revised budget 2024/25	Revised budget 2025/26	Revised budget 2026/27	Total 2024-27 Revised Budget
Invest to Save Programme	Communities	0.9	1.2	0.3	0.0	0.3	0.0	4.0	0.0	0.0	4.0
	Housing & Regeneration	1.3	1.7	0.4	0.1	0.4	0.0	1.1	0.2	0.0	1.4
<b>Invest to Save Programme Total</b>		<b>2.2</b>	<b>2.9</b>	<b>0.7</b>	<b>0.1</b>	<b>0.7</b>	<b>0.0</b>	<b>5.1</b>	<b>0.2</b>	<b>0.0</b>	<b>5.4</b>

The invest to Save programme includes Public Realm investment in Streetlighting (Communities) and the Council Buyback programme for Temporary accommodation (Housing and Regeneration). The revised budget for 2023/24 was £2.2m, outturn was £2.9m, which is 133% spend against budget due a net acceleration of £0.7m across both programmes.

### Local Infrastructure Fund (LIF) Programme

Theme	Directorate	Revised Budget 2023/24	Actual Spend 2023/24	Variance	Increase / (Decrease) to actual spend from Q3 Forecast	(Slippage) / Acceleration	(Underspend) / Overspend	Revised budget 2024/25	Revised budget 2025/26	Revised budget 2026/27	Total 2024-27 Revised Budget
LIF Programme	Communities	0.7	0.0	(0.7)	(0.5)	(0.7)	0.0	0.8	0.3	0.1	1.2
	Health, Adults & Social Care	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.0	0.8
<b>LIF Programme Total</b>		<b>0.7</b>	<b>0.0</b>	<b>(0.7)</b>	<b>(0.5)</b>	<b>(0.7)</b>	<b>0.0</b>	<b>1.6</b>	<b>0.3</b>	<b>0.1</b>	<b>2.0</b>

The revised budget for the LIF programme was £0.7m, outturn was £0.04m, which is 2% of the revised budget. The LIF programme will be slipped into future years. This profile represents the remaining legacy of the LIF programme. The LIF programme has now substantially been replaced by the Neighbourhood Community Infrastructure Levy (NCIL) programme. Schemes that have slipped into 2024/25 are Enforcing Effective Recycling and Waste management (CCTV) (£0.1m), due to delays in delivery of CCTV was delayed, which is now expected to complete in early 2024/25. The Recycling and Food Waste solutions project has also been delayed due to construction works, the slipped budget (£0.2m) will be carried forward to 2024/25. The Thames Path slipped budget of £0.3m was due to conclusion on reviews of scheme deliverability. This is now finalised, however, further complexities regarding landowner engagement for the wayfinding strategy have stalled the project with the project expected to delivered in 2024/25 and 2025/26.

Housing Revenue Account (HRA) provisional outturn £60.7m against a revised budget of £72.2m  
 Variance £11.5m - net slippage £10.6m, net underspend of £0.9m

## Capital Housing Revenue Account (HRA) Provisional Outturn (£m)

Theme	Directorate	Programme	Revised Budget 2023/24	Actual Spend 2023/24	Variance	Increase / (Decrease) to actual spend from Q3 Forecast	(Slippage) / Acceleration	(Underspend) / Overspend	Revised budget 2024/25	Revised budget 2025/26	Revised budget 2026/27	Total 2024-27 Revised Budget
Approved Programme	Housing & Regeneration	New Council Homes	47.0	41.0	(6.0)	(4.4)	(5.1)	(0.9)	93.3	130.4	78.5	302.2
	Housing & Regeneration	HRA (Projects)	1.3	0.4	(0.9)	(0.8)	(0.9)	0.0	3.4	0.2	0.0	3.6
Approved Rolling Programme	Housing & Regeneration	HRA (Rolling)	23.9	19.3	(4.6)	0.8	(4.6)	(0.0)	23.0	30.3	36.3	89.6
<b>Total</b>			<b>72.2</b>	<b>60.7</b>	<b>(11.5)</b>	<b>(4.4)</b>	<b>(10.6)</b>	<b>(0.9)</b>	<b>119.7</b>	<b>160.9</b>	<b>114.8</b>	<b>395.4</b>

As part of the Budget Report 2024-25 and Medium-Term Financial Strategy 2024-27, presented to Council on 28<sup>th</sup> February 2024, a total Housing Revenue Account (HRA) capital programme totalling £457.075m from 2023/24 to 2026/27 was approved, of which, £72.2m related to the 2023/24 financial year which is what this provisional outturn report is set against.

The outturn was £60.7m, with a variance of £11.5m. The variance is made up of £10.6m net slippages and £0.9m net underspends. The spend is 84% of the revised budget. The HRA is made up of three programmes, the New Build Programme, the Housing Stock Rolling Programme and the smaller housing estate projects (including in the Approved Programme below).

### Approved Programme

Theme	Directorate	Programme	Revised Budget 2023/24	Actual Spend 2023/24	Variance	Increase / (Decrease) to actual spend from Q3 Forecast	(Slippage) / Acceleration	(Underspend) / Overspend	Revised budget 2024/25	Revised budget 2025/26	Revised budget 2026/27	Total 2024-27 Revised Budget
Approved Programme	Housing & Regeneration	New Council Homes	47.0	41.0	(6.0)	(4.4)	(5.1)	(0.9)	93.3	130.4	78.5	302.2
	Housing & Regeneration	HRA (Projects)	1.3	0.4	(0.9)	(0.8)	(0.9)	0.0	3.4	0.2	0.0	3.6
<b>Total</b>			<b>48.3</b>	<b>41.4</b>	<b>(6.9)</b>	<b>(5.2)</b>	<b>(6.0)</b>	<b>(0.9)</b>	<b>96.7</b>	<b>130.6</b>	<b>78.5</b>	<b>305.8</b>

The 2023/24 revised budget for the Approved Programme is £48.3m. The provisional outturn for the Approved Programme is £41.4m resulting in total variance of £6.9m due to net slippages of £6.0m and net underspends of £0.9m across the programme.



### **Approved Programme - New Council Homes**

The Council's revised New Council Homes capital programme budget for 2023/24 amounted to £47.0m, with the latest HRA business plan and the capital New Build programme aligned to reflect the latest plans and time frames for the programme.

The revised 2023/24 programme budget amounted to £47.0m, outturn was £41.0m, this is 87% spend against the budget. The net variance is £6.0m, which is made up of £5.1m net slippages and £0.9m net underspends.

The largest area of slippage is on the HAP (Clichy Estate) project. £1.4m will be slipped into future years, due to a design of scheme and a resubmission of the planning application. Landon Walk will be paused, due to the contractor performance and the scheme will go through a redesign. This scheme has a slippage of £0.9m, from a revised budget of £2.2m and an actual spend of £1.2m. Two other schemes have completed in 2023/24, these are Keats House and the purchase of 88 Royal Mint Street. Slippage on Keats is £0.8m, this budget will be profiled into 2024/25, while the final accounts are settled. The housing development that is being built alongside the refurbishment of St George's Leisure centre spend is £0.3m against a revised budget of £1.0m, this project is still in the design stage and the budget will be slipped into future years.

The underspends have occurred on the Hanbury Street (£0.2m) and 88 Royal Mint Street (£0.7m) schemes, the remaining budget can be released and available for reallocation back into the HRA New Build programme once schemes are officially closed through the council's governance process.

Other reasons for slippages across the programme include;

- the New Building Safety Act 2022, where some schemes require a redesign to add a second stair core, improving fire safety measures in builds over 18m.
- on site difficulties with contractors e.g. experiencing labour and material supply issues, inflationary cost pressures, cash flow and actual contractual performance.
- difficulties in getting contracts out for tender returned meaning what had been hoped for as start on sites earlier have slipped.
- a number of schemes are going through re-design, some already with planning consent at the request of the administration to try get an increase in larger sized homes.

### **Approved Programme – Projects and Investment works LBTH Assets**

Approved Programme HRA projects are projects that are being delivered by councils Housing and Regeneration directorate. The 2023/24 revised budget for this programme is £1.3m. The spend to date for the programme is £0.4m (32% of the revised budget), resulting in a net slippage of £0.9m. There are two live projects under this programme, Watney Market Carpark, has budget of £0.2m, against a spend of £0.1m. Delays have occurred due to health and safety aspects and the need for additional drainage and concrete works. The second project under this programme is the introduction of new off street parking arrangements, this scheme had a revised budget of £1.1m, the spend for this project was £0.3m, the reason for the slippage is due the project being reviewed with no major site works taking place in the year. The budget will be slipped into 2024/25.

## **Annual Rolling Programme**

Theme	Directorate	Programme	Revised Budget 2023/24	Actual Spend 2023/24	Variance	Increase / (Decrease) to actual spend from Q3 Forecast	(Slippage) / Acceleration	(Underspend) / Overspend	Revised budget 2024/25	Revised budget 2025/26	Revised budget 2026/27	Total 2024-27 Revised Budget
Approved Rolling Programme	Housing & Regeneration	HRA (Rolling)	23.9	19.3	(4.6)	0.8	(4.6)	0.0	23.0	30.3	36.3	89.6
<b>Total</b>			<b>23.9</b>	<b>19.3</b>	<b>(4.6)</b>	<b>0.8</b>	<b>(4.6)</b>	<b>0.0</b>	<b>23.0</b>	<b>30.3</b>	<b>36.3</b>	<b>89.6</b>

### **HRA - Rolling Programme**

The HRA Rolling Programme, had a revised budget of £23.9m, provisional outturn was £19.3m, this represents 81% of the revised budget. The variance of £4.6m is due to slippages in the programme. The major obstacle being obtaining agreement to go ahead with works from leaseholders once the S20 notices are issued, which impacts on profiling of works.

Capital expenditure is financed through a variety of sources, from the sale of capital assets, capital grants, and external contributions such as S106 or Community Infrastructure Levy (CIL), from reserves or from revenue budget contributions. Any capital expenditure that is not financed by available capital resources must be financed by borrowing. The strategy for financing the capital programme is to utilise grants, before using council receipts and reserves, thereby minimising any requirements for borrowing which will impact on the council’s revenue budget. The council can temporarily utilise other resources in lieu of using external borrowing to fund capital expenditure. This is referred to as internal borrowing. Whilst internal borrowing is a useful treasury management facility to minimise debt financing costs, it merely defers the timing of external borrowing rather than removing the need and still requires contributions from revenue budgets to reduce internal borrowing as per usually debt financing. A summary of the provisional outturn capital financing for 2023/24 capital expenditure is set out below:

Sources of Funds	General Fund (GF)	Ratio Finance to Source Total (GF)	Housing Revenue Account (HRA)	Ratio Finance to Source Total (HRA)
	£ 'm	%	£ 'm	%
Capital Grants and contributions	44.1	54%	7.2	12%
External Contributions S106	8.6	11%	1.2	2%
External Contributions CIL	11.4	14%	0.0	0%
Capital Receipts	3.0	3%	1.2	2%
RTB Capital Receipts	1.1	1%	7.8	13%
GLA RTB Receipts	0.0	0%	2.7	4%
Borrowing	13.5	17%	15.0	25%
Direct Revenue/Reserves and Major Repairs Reserves	0.0	0%	25.6	42%
<b>Total</b>	<b>81.7</b>	<b>100%</b>	<b>60.7</b>	<b>100%</b>

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Summary MTFs Savings Tracker 2023-26

	2023-24						2024-25						2025-26					
	Savings target £000	Slippage from previous year £000	Revised Savings target £000	Forecast savings achievable £000	Savings slippage £000	Unachievable or (over delivery) £000	Savings target £000	Slippage from previous year £000	Revised Savings target £000	Forecast savings achievable £000	Savings slippage £000	Unachievable or (over delivery) £000	Savings target £000	Slippage from previous year £000	Revised Savings target £000	Forecast savings achievable £000	Savings slippage £000	Unachievable or (over delivery) £000
<b>Directorate</b>																		
Health and Adult Social Care	2,584	-	2,584	2,584	-	-	365	-	365	365	-	-	373	-	373	373	-	-
Children's Services	2,480	110	2,590	2,590	-	-	287	-	287	287	-	-	56	-	56	56	-	-
Housing and Regeneration	4,733	350	5,083	2,803	2,100	180	(430)	2,100	1,670	(400)	2,000	70	-	2,000	2,000	-	2,000	-
Chief Executive's Office	330	40	370	370	-	-	400	-	400	400	-	-	230	-	230	230	-	-
Resources	924	150	1,074	1,074	-	-	1,140	-	1,140	440	-	700	160	-	160	160	-	-
Communities	2,358	-	2,358	2,358	-	-	40	-	40	40	-	-	40	-	40	40	-	-
Cross-Directorate / Corporate	1,028	511	1,539	483	-	1,056	-	-	-	-	-	-	100	-	100	100	-	-
<b>Total</b>	<b>14,437</b>	<b>1,161</b>	<b>15,598</b>	<b>12,262</b>	<b>2,100</b>	<b>1,236</b>	<b>1,802</b>	<b>2,100</b>	<b>3,902</b>	<b>1,132</b>	<b>2,000</b>	<b>770</b>	<b>959</b>	<b>2,000</b>	<b>2,959</b>	<b>959</b>	<b>2,000</b>	<b>-</b>
<b>Savings Achievement Status</b>																		
Delivered / On Target	11,714	440	12,154	12,154	-	-	1,032	-	1,032	1,032	-	-	959	-	959	959	-	-
Slipping but Achievable	1,750	350	2,100	-	2,100	-	-	2,100	2,100	100	2,000	-	-	2,000	2,000	-	2,000	-
Undeliverable / Unachievable	973	371	1,344	108	-	1,236	770	-	770	-	-	770	-	-	-	-	-	-
<b>Total</b>	<b>14,437</b>	<b>1,161</b>	<b>15,598</b>	<b>12,262</b>	<b>2,100</b>	<b>1,236</b>	<b>1,802</b>	<b>2,100</b>	<b>3,902</b>	<b>1,132</b>	<b>2,000</b>	<b>770</b>	<b>959</b>	<b>2,000</b>	<b>2,959</b>	<b>959</b>	<b>2,000</b>	<b>-</b>



Reference	Year Approved	Title	Savings Type	Dir.	Directorate	Service Area
SAV / HAC 014 / 21-22	2021-22	Reprofiled savings - Review of Telecare - SAV / HAC 014 / 21-22	Reprofiling of Agreed Savings	HASC	Health and Adult Social Care	Adult Social Care
SAV / HAC 001 / 23-24	2023-24	Re-commissioning Hostel Support	Transformation	HASC	Health and Adult Social Care	Adult Social Care
SAV / HAC 002 / 23-24	2023-24	Achieving Cost Efficiencies in Commissioned Packages of Care - (24 hour POC)	Service reductions	HASC	Health and Adult Social Care	Adult Social Care
SAV / HAC 003 / 23-24	2023-24	Additional Savings Delivery from Existing Programmes - Supported Accommodation MH E103K, Transport E50K	Transformation	HASC	Health and Adult Social Care	Adult Social Care/ Integrated Commissioning
SAV / HAC 004 / 23-24	2023-24	Supporting Effective Care in the Home by Reducing the Need for Two Care Workers (double handed care localities)	Transformation	HASC	Health and Adult Social Care	Adult Social Care
SAV / HAC 005 / 23-24	2023-24	Health, Adults and Community Vacancy Factor	Employees	HASC	Health and Adult Social Care	All Service areas HAC
SAV / HAC 006 / 23-24	2023-24	Commissioned care and support savings for existing users following Reablement Service intervention	Transformation	HASC	Health and Adult Social Care	Reablement Service
SAV / HAC 007 / 23-24	2023-24	Deletion of Vacant Manager Post (Team Manager Housing Link Team)	Employees	HASC	Health and Adult Social Care	Mental Health
SAV / HAC 008 / 23-24	2023-24	Post reduction in the Deprivation of Liberty Safeguards (DoLS) team - (this was in relation to a vacant post)	Employees	HASC	Health and Adult Social Care	Deprivation of Liberty Safeguards Team
SAV / HAC 009 / 23-24	2023-24	Cost Reduction - Learning Disability Supported Living Scheme (Huddlesstone Close)	Transformation	HASC	Health and Adult Social Care	Integrated Commissioning
SAV / HAC 010 / 23-24	2023-24	Purchasing Efficiencies - Oplate Substitutes	Transformation	HASC	Health and Adult Social Care	Integrated Commissioning
SAV / HAC 011 / 23-24	2023-24	Improving Community Safety - Income generated in the Safer Neighbourhood Operations Service (FPN Income Generation)	Income generation	COM	Communities	Community Safety
SAV / HAC 012 / 23-24	2023-24	Reduction of Public Health contingency funding	Running costs	HASC	Health and Adult Social Care	Public Health
SAV / HAC 013 / 23-24	2023-24	Reduction of non-staff costs - Public Health (via in-house provision of evaluation, research and PH intelligence)	Running costs	HASC	Health and Adult Social Care	Public Health
SAV / HAC 014 / 23-24	2023-24	Optimisation of local delivery of sexual health provision (via substitution to a general fund activity)	Transformation	HASC	Health and Adult Social Care	Public Health
SAV / PLA 002 / 18-19	2018-19	Review of Housing Delivery (THR/TH)	Service transformation	HAR	Housing and Regeneration	Housing /TH
SAV / ALL 001 / 21-22	2021-22	Transformation of Regulatory and Enforcement Functions	Service transformation	COM	Communities	Public Realm
SAV / PLA 003 / 21-22	2021-22	Environmental Service Team - increased enforcement activity to target fly tipping	Income generation	COM	Communities	Public Realm
SAV / PLA 006 / 21-22	2021-22	New Town Hall revenue savings (partially written-off during the 2023-24 budget setting process)	Service transformation	HAR	Housing and Regeneration	Property and Major Projects

Savings Achievement Status	Status update
Delivered / On Target	Review of high cost packages and discharges - savings delivery reviewed - delivered.
Delivered / On Target	Discussions ongoing with service provider and Housing re closure plan for Dellow Centre as part of transformation of Hostel services
Delivered / On Target	Service Users in receipt of 24 Packages of Care identified to move to a new provide - savings delivery reviewed and delivered.
Delivered / On Target	MH savings reviewed and delivered. Transport rising costs and overspend putting pressures on increased costs in service. Work on personal budgets transport project has delivered saving.
Delivered / On Target	Packages identified to move from double handed to single handed care (reviewed and delivered)
Delivered / On Target	Vacant posts removed from budget at start of 23/24 (delivered)
Delivered / On Target	Service users identified as part of transformation savings. Under-delivery against savings target has been offset by over delivery against savings delivered on other projects in HASC.
Delivered / On Target	Not recruiting post to this post (delivered)
Delivered / On Target	Delivered - budget removed at start of financial year
Delivered / On Target	Deregistration of Huddlesstone Close (delivered)
Delivered / On Target	Conversations with medicine management teams and reduction in expenditure (delivered)
Delivered / On Target	Income generated from FPNs (delivered)
Delivered / On Target	Covid contingency removed from budget (delivered)
Delivered / On Target	Costs being met via new NHRC HDRC (delivered)
Delivered / On Target	Divert people out of borough to sexual health services delivered via block contract with Barts Health (on target)
Slipping but Achievable	THR will be incurred on the 1 November 2023. Service reviews to identify efficiencies will be undertaken following the in-sourcing exercise. As a result, this saving will slip into 2024/25 but remains deliverable.
Delivered / On Target	1. This savings target represents the Public Realm element of a larger saving between Place and HASC. 2. The element of the saving relating to Public Realm has not been delivered from the ERS service but unused budget elsewhere within Place has been used to mitigate it
Delivered / On Target	
Delivered / On Target	Risk - actual costs for bus rates / energy unknown. Once charges start coming through delivery in full can be reassessed

2023-24							
Savings target	Slippage from previous year	Revised Savings target	Forecast savings achievable	Savings slippage	Unachievable or (over delivery)	Forecast Savings RAG	Project Status RAG
£ '000	£ '000	£ '000	£ '000	£ '000	£ '000		
71		71	71			Green	Green
-		-	-			Green	Green
350		350	350			Green	Green
153		153	153			Green	Green
40		40	40			Green	Green
603		603	603			Green	Green
250		250	250			Green	Green
60		60	60			Green	Green
58		58	58			Green	Green
69		69	69			Green	Green
80		80	80			Green	Green
40		40	40			Green	Green
900		900	900			Green	Green
150		150	150			Green	Green
100		100	100			Green	Green
-	100	100	100			Amber	Amber
150		150	150			Green	Green
20		20	20			Green	Green
1,731		1,731	1,731			Green	Green

2024-25						
Savings target	Slippage from previous year	Revised Savings target	Forecast savings achievable	Savings slippage	Unachievable or (over delivery)	Forecast Savings RAG
£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	
-		-	-			
100		100	100			
-		-	-			
25		25	25			
40		40	40			
-		-	-			
200		200	200			
-		-	-			
-		-	-			
-		-	-			
-		-	-			
-		-	-			
-		-	-			
-		-	-			
-		-	-			
-		-	-			
-		-	-			
-		-	-			
-		-	-			

2025-26						
Savings target	Slippage from previous year	Revised Savings target	Forecast savings achievable	Savings slippage	Unachievable or (over delivery)	Forecast Savings RAG
£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	
-		-	-			
100		100	100			
-		-	-			
25		25	25			
40		40	40			
-		-	-			
-		-	-			
150		150	150			
-		-	-			
-		-	-			
-		-	-			
-		-	-			
-		-	-			
-		-	-			
-		-	-			
-		-	-			
-		-	-			
-		-	-			
-		-	-			
-		-	-			
-		-	-			
-		-	-			

Reference	Year Approved	Title	Savings Type	Dir.	Directorate	Service Area	Savings Achievement Status	Status update	2023-24							2024-25						2025-26						
									Savings target	Slippage from previous year	Revised Savings target	Forecast savings achievable	Savings slippage	Unachievable or (over delivery)	Forecast Savings RAG	Project Status RAG	Savings target	Slippage from previous year	Revised Savings target	Forecast savings achievable	Savings slippage	Unachievable or (over delivery)	Savings target	Slippage from previous year	Revised Savings target	Forecast savings achievable	Savings slippage	Unachievable or (over delivery)
									£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
SAV / PLA 009 / 23-24	2023-24	Transformational review of the Homelessness service	Service transformation	HAR	Housing and Regeneration	Housing Options	Slipping but Achievable	The transformation project to deliver £2m savings is ongoing. Despite this, homeless numbers continue to rise due to the lifting of the evictions ban and the impact of the cost of living crisis resulting in the service experiencing an increase in the numbers of family and friends evictions and a lack of move on options due to low numbers of private lets and low rents offered by the Council. Current numbers in T.A. continue to rise and the lack of move on options within the private sector is increasing the use of expensive B&B and nighty booked accommodation and hampering the delivery of this saving. B&B costs have significantly increased, rising from £10-£15 per night to £100 per night. Processes are being improved with the aim of more upstream intervention and increasing discharge into the PRS to prevent Homelessness. Significant work has been done to expedite decision making including clearing a significant backlog of decisions. Expansion of the use of PRS to prevent homelessness and to move on households will continue through the rest of the programme in an attempt to reduce numbers and suppress costs. A number of processes and improved ways of working have been introduced in the first year of the project and as these bed in over its duration savings and efficiencies are expected to result e.g. PRS Match List to allocate clients to suitable properties. The work completed to date has resulted in the service being able to absorb the additional cost of rising T.A. numbers within existing budget provision but is resulting in the saving slipping. Progress in terms of client numbers and savings progress will be monitored regularly through the Homelessness Prevention Transformation Board.	1,750	250	2,000	2,000	-	Amber	Amber	-	2,000	2,000	2,000	2,000	-	-	2,000	2,000	2,000	2,000	-	-
SAV / PLA 001 / 23-24	2023-24	Using Section 106 funding to fund Housing Supply Team	Income generation	HAR	Housing and Regeneration	Housing Regeneration	Undeliverable / Unachievable	Duplication with savings SAV / PLA 005 / 23-24 - Removal of Development Officer Vacant Post	50	-	50	-	-	Red	Red	-	-	-	-	-	-	-	-	-	-			
SAV / PLA 002 / 23-24	2023-24	Pest Control Charges uplift for Tower Hamlets Homes	Income generation	COM	Communities	Environmental Health and Trading Standards	Delivered / On Target		65	-	65	65	-	Green	Green	-	-	-	-	-	-	-	-	-	-			
SAV / PLA 003 / 23-24	2023-24	Planning and Building Control General Fund Income	Income generation	HAR	Housing and Regeneration	Planning and Building Control	Delivered / On Target		40	-	40	40	-	Green	Green	-	-	-	-	-	-	-	-	-	-			
SAV / PLA 004 / 23-24	2023-24	Change of funding for School Crossing Patrol (SCP)	Income generation	HAR	Housing and Regeneration	Parking	Delivered / On Target		113	-	113	113	-	Green	Green	-	-	-	-	-	-	-	-	-	-			
SAV / PLA 005 / 23-24	2023-24	Removal of Development Officer Vacant Post	Employees	HAR	Housing and Regeneration	Housing Regeneration	Delivered / On Target		58	-	58	58	-	Green	Green	-	-	-	-	-	-	-	-	-	-			
SAV / PLA 006 / 23-24	2023-24	Changes to the Resident Support Scheme	Transformation	HAR	Housing and Regeneration	Growth and Economic Development	Delivered / On Target		700	-	700	700	-	Green	Green	(500)	(500)	(500)	-	-	-	-	-	-	-			
SAV / PLA 007 / 23-24	2023-24	Economic Benefits Officer funding transfer	Income generation	HAR	Housing and Regeneration	Growth and Economic Development	Delivered / On Target		61	-	61	61	-	Green	Green	-	-	-	-	-	-	-	-	-	-			
SAV / PLA 008 / 23-24	2023-24	Consolidation of Management Positions	Employees	HAR	Housing and Regeneration	Place	Undeliverable / Unachievable	Undeliverable saving as superseded by the wider planned corporate restructuring	130	-	130	-	130	Red	Red	70	-	70	70	-	-	-	-	-	-			
SAV / PLA 009 / 23-24	2023-24	Highways Maintenance - change in funding	Income generation	COM	Communities	Public Realm	Delivered / On Target		783	-	783	783	-	Green	Green	-	-	-	-	-	-	-	-	-	-			
SAV / PLA 010 / 23-24	2023-24	Income Generation - Bromley Public Hall	Income generation	HAR	Housing and Regeneration	Asset Management	Delivered / On Target		100	-	100	100	-	Green	Green	-	-	-	-	-	-	-	-	-	-			
SAV / PLA 011 / 23-24	2023-24	Freedom Pass - budget reduction due to lower usage	Transformation	COM	Communities	Mobility	Delivered / On Target	Deliverable in 23/24 but not in full from 24/25 onwards due to increased TfL charges and additional Elizabeth line journeys	1,300	-	1,300	1,300	-	Green	Green	-	-	-	-	-	-	-	-	-	-			
SAV / RES 001 / 17-18	2017-18	Human Resources - reprofiled to 2024-25	Service transformation	RES	Resources	Human Resources	Undeliverable / Unachievable	The saving was originally agreed in 2017/18 but was not delivered and reprofiled. The saving has been superseded by structure reviews and is proposed for removal as part of the 24-27 MTFS.	-	-	-	-	-	Red	Red	700	-	700	700	-	-	-	-	-	-			
SAV / RES 009 / 21-22	2021-22	Merging the Revenues & Benefits Services (Phase 2)	Service transformation	RES	Resources	Revenues and Benefits	Delivered / On Target		-	150	150	150	-	Green	Green	-	-	-	-	-	-	-	-	-	-			
SAV / RES 001 / 23-24	2023-24	Recruitment and Resourcing Team staffing	Employees	RES	Resources	Workforce, OD and Business Support	Delivered / On Target		100	-	100	100	-	Green	Green	-	-	-	-	-	-	-	-	-	-			
SAV / RES 002 / 23-24	2023-24	Corporate training budget	Running costs	RES	Resources	Learning, Organisational and Cultural Development (LOCD)	Delivered / On Target		77	-	77	77	-	Green	Green	-	-	-	-	-	-	-	-	-	-			
SAV / RES 003 / 23-24	2023-24	Occupational Health	Running costs	RES	Resources	Workforce, OD and Business Support	Delivered / On Target		22	-	22	22	-	Green	Green	-	-	-	-	-	-	-	-	-	-			
SAV / RES 004 / 23-24	2023-24	Finance, Procurement and Audit staffing	Employees	RES	Resources	Finance, Procurement and Audit	Delivered / On Target		160	-	160	160	-	Green	Green	240	-	240	240	-	90	-	90	90	-			
SAV / RES 005 / 23-24	2023-24	IT Robust Service Rationing and Reduction	Running costs	RES	Resources	Information Technology (IT)	Delivered / On Target		255	-	255	255	-	Green	Green	-	-	-	-	-	-	-	-	-	-			
SAV / RES 006 / 23-24	2023-24	Increase in Court Cost Income	Income generation	RES	Resources	Revenues and Benefits	Delivered / On Target		130	-	130	130	-	Green	Green	200	-	200	200	-	70	-	70	70	-			
SAV / RES 007 / 23-24	2023-24	Customer Services	Running costs	RES	Resources	Customer Services	Delivered / On Target		180	-	180	180	-	Green	Green	-	-	-	-	-	-	-	-	-	-			




Appendix C - Detailed General Fund (GF) 2023-24 Provisional Outturn Capital by Programme

Theme	Directorate	Project	Revised Budget 2023-24 £'m	Actual Spend 2023-24 £'m	Variance (Actual vs Budget) £'m	Actual Spend vs Budget %	Increase/(Decrease) to actual spend from Q3 Forecast £'m	(Slippage) / Acceleration £'m	(Underspend) / Overspend £'m	Revised Budget 2024/25 £'m	Revised Budget 2025/26 £'m	Revised Budget 2026/27 £'m	Total 2024-2027 Revised Budget £'m	
Approved Programme	Children Services	Basic Needs/Expansions	43.5	40.5	(3.0)	93%	(1.3)	(3.1)	0.1	30.1	9.0	3.4	42.5	
		Conditions and Improvements	0.5	0.2	(0.4)	28%	0.2	(0.4)	0.0	1.5	0.0	0.0	1.5	
		Provision for 2 year olds	0.1	0.1	0.0	100%	0.0	0.0	0.0	0.1	0.1	0.0	0.2	
		School Investment Works	0.7	0.3	(0.4)	42%	(0.2)	0.0	(0.4)	0.1	0.0	0.0	0.1	
		Young Tower Hamlets	0.0	0.3	0.3	0%	0.3	0.3	0.0	(0.3)	0.0	0.0	(0.3)	
	<b>Total Approved Prog - Children Services</b>			<b>44.8</b>	<b>41.3</b>	<b>(3.5)</b>	<b>92%</b>	<b>(1.1)</b>	<b>(3.2)</b>	<b>(0.3)</b>	<b>31.5</b>	<b>9.1</b>	<b>3.4</b>	<b>44.0</b>
	Communities	Community Safety	0.4	0.8	0.4	185%	(0.0)	0.0	0.4	0.0	0.0	0.0	0.0	0.0
		Culture	0.9	0.7	(0.2)	74%	0.2	(0.2)	0.0	19.5	16.2	3.2	38.9	
		Environmental Health & Trading Standards	0.0	0.0	0.0	0%	0.0	0.0	0.0	0.2	0.0	0.0	0.2	
		Markets	0.3	0.0	(0.3)	2%	(0.0)	(0.3)	0.0	0.3	0.0	0.0	0.4	
New Infrastructure		2.2	1.7	(0.5)	77%	(0.1)	(0.5)	0.0	10.1	4.9	0.6	15.6		
Parks		3.7	2.3	(1.4)	63%	(0.9)	(1.4)	0.1	3.5	6.1	2.7	12.2		
Public Realm Improvements		0.0	0.3	0.3	0%	0.2	0.2	0.2	4.0	0.3	0.1	4.5		
TFL Funded Schemes		0.0	0.0	0.0	0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Transport S106 Funded Schemes		0.0	1.9	1.9	0%	1.9	1.5	0.4	0.5	0.0	0.0	0.5		
Waste, Recycling and Fleet		3.5	2.6	(1.0)	73%	(0.8)	(1.5)	0.5	6.2	1.5	0.5	8.1		
<b>Total Approved Prog - Communities</b>			<b>11.1</b>	<b>10.3</b>	<b>(0.8)</b>	<b>93%</b>	<b>0.5</b>	<b>(2.4)</b>	<b>1.6</b>	<b>44.3</b>	<b>29.0</b>	<b>7.1</b>	<b>80.4</b>	
Housing and Regeneration	Asset Maximisation	0.8	0.1	(0.7)	13%	(0.8)	(0.7)	0.0	1.5	0.3	0.0	1.7		
	Business & Economic Growth	0.2	0.0	(0.2)	0%	0.0	(0.2)	0.0	0.6	0.0	0.0	0.6		
	Carbon Offsetting	1.7	0.4	(1.3)	26%	0.1	(1.3)	0.0	2.7	2.1	0.3	5.0		
	Community Hubs/Buildings - HRA	0.0	0.0	0.0	0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
	High Street & TownCentre	1.0	0.5	(0.5)	54%	(1.1)	(0.5)	0.0	1.4	0.1	0.0	1.5		
	Local Cultural Projects	0.0	0.0	(0.0)	25%	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0		
	London Square	0.9	0.9	0.1	108%	0.1	0.0	0.0	0.0	0.0	0.0	0.0		
	Public Health	3.8	4.2	0.4	112%	0.4	0.4	0.0	1.5	0.0	0.0	1.5		
	RP Grant Scheme 1-4-1 receipts	0.0	0.0	0.0	0%	0.0	0.0	0.0	0.2	0.0	0.0	0.2		
	THCIL Capital Projects	1.9	0.3	(1.7)	14%	(0.2)	(1.7)	0.0	12.7	3.4	1.7	17.8		
Tower Hamlets Town Hall	0.1	0.1	0.1	162%	0.0	0.0	0.1	0.0	0.0	0.0	0.0			
<b>Total Approved Prog - Housing and Regeneration</b>			<b>10.4</b>	<b>6.7</b>	<b>(3.7)</b>	<b>64%</b>	<b>(1.4)</b>	<b>(3.8)</b>	<b>0.1</b>	<b>20.5</b>	<b>5.8</b>	<b>1.9</b>	<b>28.3</b>	
Health and Adults Social Care	Adult Social Care	1.9	2.4	0.6	130%	0.2	0.2	0.4	1.5	2.0	0.1	3.6		
	Capital Works-Social Services	0.0	0.0	0.0	0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
	Community Safety	0.0	0.0	0.0	0%	0.0	0.0	0.0	1.0	0.0	0.0	1.0		
	Public Health	3.3	5.4	2.1	164%	(0.7)	1.7	0.4	1.6	0.0	0.0	1.6		
<b>Total Approved Prog - Health and Adults Social Care</b>			<b>5.1</b>	<b>7.8</b>	<b>2.7</b>	<b>152%</b>	<b>(0.5)</b>	<b>1.9</b>	<b>0.8</b>	<b>4.1</b>	<b>2.0</b>	<b>0.1</b>	<b>6.2</b>	
Resources	CC for Projects w/o PIDs	0.0	0.0	0.0	0%	0.0	0.0	0.0	0.4	0.0	0.0	0.4		
	Customer Services - Capital Programme	0.0	0.1	0.1	100%	0.0	0.0	0.1	0.3	0.0	0.0	0.3		
	IT - Smarter Working	0.5	0.4	(0.1)	80%	(0.0)	(0.1)	0.0	0.3	0.1	0.0	0.4		
<b>Total Approved Prog - Resources</b>			<b>0.5</b>	<b>0.5</b>	<b>(0.0)</b>	<b>94%</b>	<b>0.0</b>	<b>(0.1)</b>	<b>0.1</b>	<b>1.0</b>	<b>0.1</b>	<b>0.0</b>	<b>1.1</b>	
<b>Approved Programme Total</b>			<b>71.9</b>	<b>66.6</b>	<b>(5.3)</b>	<b>93%</b>	<b>(2.5)</b>	<b>(7.6)</b>	<b>2.3</b>	<b>101.4</b>	<b>46.1</b>	<b>12.6</b>	<b>160.0</b>	
Approved Rolling Programme	Children Services	Conditions and Improvements	3.0	2.3	(0.7)	78%	(0.7)	0.0	(0.7)	3.0	3.0	3.0	9.0	
		<b>Total Approved Prog - Children Services</b>			<b>3.0</b>	<b>2.3</b>	<b>(0.7)</b>	<b>78%</b>	<b>(0.7)</b>	<b>0.0</b>	<b>(0.7)</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>
	Communities	Culture	1.0	0.1	(0.9)	10%	(0.1)	(0.9)	0.0	2.9	0.0	0.0	2.9	
		Public Realm Improvements	5.3	5.2	(0.1)	97%	(0.1)	(0.1)	0.0	5.5	5.4	0.0	10.9	
	<b>Total Approved Prog - Communities</b>			<b>6.3</b>	<b>5.3</b>	<b>(1.0)</b>	<b>83%</b>	<b>(0.3)</b>	<b>(1.0)</b>	<b>0.0</b>	<b>8.4</b>	<b>5.4</b>	<b>0.0</b>	<b>13.9</b>
	Housing and Regeneration	DFG (Post Jul 03)-Mandatory	1.2	1.6	0.4	132%	0.4	0.4	0.0	1.7	1.3	0.0	3.0	
		Investment Works - LBTH assets	2.0	1.9	(0.1)	94%	(0.1)	(0.1)	0.0	2.0	2.0	2.1	6.1	
	<b>Total Approved Prog - Housing and Regeneration</b>			<b>3.2</b>	<b>3.5</b>	<b>0.3</b>	<b>108%</b>	<b>0.3</b>	<b>0.3</b>	<b>0.0</b>	<b>3.7</b>	<b>3.3</b>	<b>2.1</b>	<b>9.1</b>
	Health and Adults Social Care	Capital Works-Social Services	0.0	0.3	0.3	0%	0.3	0.3	0.0	0.3	0.3	0.0	0.6	
	<b>Total Approved Prog - Health and Adults Social Care</b>			<b>0.0</b>	<b>0.3</b>	<b>0.3</b>	<b>0%</b>	<b>0.3</b>	<b>0.3</b>	<b>0.0</b>	<b>0.3</b>	<b>0.3</b>	<b>0.0</b>	<b>0.6</b>
Resources	CC for Projects w/o PIDs	0.0	0.0	0.0	0%	0.0	0.0	0.0	1.0	1.0	1.0	3.0		
	IT - Rolling programme	1.5	0.8	(0.7)	54%	0.0	(0.9)	0.2	3.0	4.3	0.8	8.1		
<b>Total Approved Prog - Resources</b>			<b>1.5</b>	<b>0.8</b>	<b>(0.7)</b>	<b>54%</b>	<b>0.0</b>	<b>(0.9)</b>	<b>0.2</b>	<b>4.0</b>	<b>5.3</b>	<b>1.8</b>	<b>11.1</b>	
<b>Approved Rolling Programme Total</b>			<b>14.0</b>	<b>12.2</b>	<b>(1.8)</b>	<b>87%</b>	<b>(0.4)</b>	<b>(1.3)</b>	<b>(0.5)</b>	<b>19.4</b>	<b>17.3</b>	<b>7.0</b>	<b>43.7</b>	
Invest to Save Programme	Communities	Public Realm Improvements	0.9	1.2	0.3	130%	(0.0)	0.3	0.0	4.0	0.0	0.0	4.0	
		<b>Total Approved Prog - Communities</b>			<b>0.9</b>	<b>1.2</b>	<b>0.3</b>	<b>130%</b>	<b>(0.0)</b>	<b>0.3</b>	<b>0.0</b>	<b>4.0</b>	<b>0.0</b>	<b>4.0</b>
	Housing and Regeneration	Conversion to TA 1-4-1	0.0	0.0	0.0	347%	0.0	0.0	0.0	0.3	0.2	0.0	0.5	
Purchase of Accom for TA 1-4-1 receipts		1.3	1.7	0.4	135%	0.1	0.4	0.0	0.9	0.0	0.0	0.9		
<b>Total Approved Prog - Housing and Regeneration</b>			<b>1.3</b>	<b>1.7</b>	<b>0.4</b>	<b>127%</b>	<b>0.1</b>	<b>0.4</b>	<b>0.0</b>	<b>1.1</b>	<b>0.2</b>	<b>0.0</b>	<b>1.4</b>	
<b>Invest to Save Programme Total</b>			<b>2.2</b>	<b>2.9</b>	<b>0.7</b>	<b>133%</b>	<b>0.1</b>	<b>0.7</b>	<b>0.0</b>	<b>5.1</b>	<b>0.2</b>	<b>0.0</b>	<b>5.4</b>	
LIF Programme	Communities	Environmental Health & Trading Standards	0.0	(0.0)	(0.0)	0%	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0	
		Local Infrastructure Initiatives	0.0	0.0	0.0	0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
		New Infrastructure	0.3	0.0	(0.3)	7%	(0.1)	(0.3)	0.0	0.1	0.3	0.0	0.4	
		Parks	0.0	0.0	0.0	0%	0.0	0.0	0.0	0.0	0.0	0.1	0.1	
		Public Realm Improvements	0.0	0.0	0.0	0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
		Waste, Recycling and Fleet	0.4	0.0	(0.4)	3%	(0.4)	(0.4)	0.0	0.7	0.0	0.0	0.7	
<b>Total Approved Prog - Communities</b>			<b>0.7</b>	<b>0.0</b>	<b>(0.7)</b>	<b>2%</b>	<b>(0.5)</b>	<b>(0.7)</b>	<b>0.0</b>	<b>0.8</b>	<b>0.3</b>	<b>0.1</b>	<b>1.2</b>	
Health and Adults Social Care	Community Safety	0.0	0.0	0.0	0%	0.0	0.0	0.0	0.8	0.0	0.0	0.8		
<b>Total Approved Prog - Health and Adults Social Care</b>			<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0%</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.8</b>	
<b>LIF Programme Total</b>			<b>0.7</b>	<b>0.0</b>	<b>(0.7)</b>	<b>2%</b>	<b>(0.5)</b>	<b>(0.7)</b>	<b>0.0</b>	<b>1.6</b>	<b>0.3</b>	<b>0.1</b>	<b>2.0</b>	
<b>Grand Total</b>			<b>88.9</b>	<b>81.7</b>	<b>(7.2)</b>	<b>92%</b>	<b>(3.2)</b>	<b>(8.9)</b>	<b>1.7</b>	<b>127.6</b>	<b>63.9</b>	<b>19.6</b>	<b>211.2</b>	

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# Agenda Item 6.2

<b>Cabinet</b>  10 July 2024	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Julie Lorraine - Lead Corporate Director	<b>Classification:</b> Unrestricted
<b>Issue Title: Record of Corporate Director's Actions Quarter 3&amp;4 (2023 -2024)</b>	

<b>Lead Member</b>	Councillor Saied Ahmed, Cabinet Member for Resources and the Cost of Living
<b>Originating Officer(s)</b>	Andy Grant, Head of Procurement Abdulrazak Kassim, Director of Finance, Procurement and Audit
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	No
<b>Reason for Key Decision</b>	This report has been reviewed as not meeting the Key Decision criteria.
<b>Forward Plan Notice Published</b>	18/04/2024
<b>Exempt information</b>	N/A
<b>Strategic Plan Priority / Outcome</b>	A fair and prosperous community

## **Executive Summary**

This report sets out, for noting by Cabinet, the Corporate Director's Actions taken under Rule 10 (section 50 Record of Corporate Director's Actions (RCDA) - Waiving of Procurement Procedures) in Part C – Codes and Protocols of the Council's constitution.

The section states that Corporate Director's Actions in respect of contracts over £100,000 must be reported to Cabinet for noting and this report fulfils this requirement.

## **Recommendations:**

The Mayor in Cabinet is recommended to:

1. Note the Record of Corporate Directors' Actions set out in Appendix 1.

## **1 REASONS FOR THE DECISIONS**

- 1.1 The Council's constitution requires that Corporate Director's Actions in respect of contracts over £100,000 must be reported to Cabinet for noting.
- 1.2 The regular reporting of Corporate Director's Actions should assist in ensuring that Members are able to scrutinise officer decisions.

## **2 ALTERNATIVE OPTIONS**

- 2.1 The Council is bound by its constitution to report to Cabinet financial decisions taken under Corporate Director's Actions.
- 2.2 If the Council were to deviate from those requirements, there would need to be a good reason for doing so. It is not considered that there is any such reason, having regard to the need to ensure that Members are kept informed about decisions made under the delegated authority threshold and to ensure that these decisions are in accordance with Financial Regulations.

## **3 DETAILS OF THE REPORT**

- 3.1 Section 50 of the Council's constitution "Record of Corporate Director's Actions (RCDA) - Waiving of Procurement Procedures" states that:
- 3.2 Procurement Procedures may be waived by a Corporate Director in liaison with the Head of Procurement and the Director of Legal, where the total value of the contract does not exceed the value of £177,897 (this is cumulative where there are a series of RCDAs in a period of 12 months), after considering a written report (RCDA) by the appropriate officer, that the waiver is justified because:

- a) The nature of the market for the works to be carried out or the supplies or services to be provided has been investigated and has demonstrated that only a single source of supply is available,
- b) On balancing the risk and circumstances, it is clearly in the Council's interest to do so; or
- c) The contract is for works, supplies or services that are required in circumstances of extreme urgency that could not reasonably have been foreseen – e.g. to protect life or property when no existing contractual arrangement is in place, or if the purchase is needed to urgently comply with an order of Civil or Criminal Court; or
- d) The purchase is from a supplier where there is an existing obligation to the Council (e.g. under a warranty to contribute to the cost).
- e) Variations of contracts that do not fall within the exceptions listed in section 24.3

3.3 A record of the Corporate Director's Actions are shown in Appendix 1.

#### **4 EQUALITIES IMPLICATIONS**

4.1 The comments of the Chief Financial Officer have been included on each individual decision. There are no further financial implications arising from this report.

#### **5 OTHER STATUTORY IMPLICATIONS**

5.1 This report sets out individual Corporate Directors' Decisions for noting by Cabinet, as required by the Constitution. Therefore, the nature of this report is to comply with the Constitution.

5.2 Internal guidelines have been published setting out the process by which Records of Corporate Directors' Decisions are completed. These specify that the proposed decision must be in accordance with the Council's Financial Regulations and its Procurement Procedures.

#### **6 COMMENTS OF THE CHIEF FINANCE OFFICER**

6.1 The comments of the Chief Financial Officer have been included on each individual decision. There are no further financial implications arising from this report.

## **7 COMMENTS OF LEGAL SERVICES**

- 7.1 The specific legal implications of each of these decisions has been considered and commented upon at the time each decision was made.

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- None

#### **Appendices**

- Appendix 1 RCDA Q3 & 4 2023 - 2024

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

- None

#### **Officer contact details for documents:**

Andy Grant – Head of Procurement

Abdulrazak Kassim - Director of Finance, Procurement and Audit


Corporate Director	Directorate	Service Area Contact	RCDA Reference	Title	Start date	End date	Value	Supplier(s)	Status Update	Justification for Decision (to waive requirements specified under the Council’s Procurement Procedures)
Julie Lorraine	Resources	Khaled Hussein	R(R)55	Microsoft Unified Support via Insight	31/01/2024	30/01/2025	£129,777.94	Insight Direct (UK) Ltd		The Unified Support will provide the Council access to experts from Microsoft for advising and guiding internal IT staff, to problem solve, and as appropriate, fix major and/or critical issues with regards to Microsoft products and tools. This is a 1-year arrangement to support us through the maturing of our capabilities with Power Platform (Power BI and associated technology underpinning our data store and BI capability) and to rollout teams telephony. We will then review and enable future procurement.
Layla Richards	Children Services	Carol London-Baptiste	CS(R)327	Campbell Road Young Persons Support Service	01/08/2023	30/11/2023	£149,873.00	Look Ahead		This contract was previously extended through Cabinet approval until the end of July 2023 to enable the Strategy & Commissioning Team (previously known as the Children’s Integrated Commissioning Team) to revise and complete the planning of a transformative recommission of the pathway. However due to several changes in resources available, and high staff turnover within the Strategy & Commissioning team, the proposed timetable for new procurement exercise was not met hence this waiver to ensure continuous provision of service. A new tendering exercise was launched on the 18 <sup>th</sup> September 2023 and is due to close on the 17 <sup>th</sup> November 2023.
Layla Richards	Children Services	Carol London-Baptiste	CS(R)328	Mile End Road Young People’s Support Services	01/08/2023	30/11/2023	£154,644.00	Look Ahead		This contract was previously extended through Cabinet approval until the end of July 2023 to enable the Strategy & Commissioning Team (previously known as the Children’s Integrated Commissioning Team) to revise and complete the planning of a transformative recommission of the pathway. However due to several changes in resources available, and high staff turnover within the Strategy & Commissioning team, the proposed timetable for new procurement exercise was not met hence this waiver to ensure continuous provision of service. A new tendering exercise was launched on the 18 <sup>th</sup> September 2023 and is due to close on the 17 <sup>th</sup> November 2023
Lisa Fraser	Children Services	Michael Woollard	CS(R)335	Seven Mills RAAC removal	05/02/2024	30/06/2024	£136,755.00	Breyer Group	<p>Following award, surveys identified asbestos in the roof (RAAC planks), necessitating specialist removal. As a result, the project timeline has been pushed back since combining asbestos removal and full remediation in one package would have had impacts on school life (noting the school is also a polling station in May and requires use of the hall for SATs). To reduce inconvenience, the full remediation works will begin in summer ’24, as agreed upon by the school and contractor.</p> <p>Additionally, the RCDA contract value must be adjusted to cover asbestos-related fees and scaffolding hire costs. We have raised this with legal for advice on the next steps regarding variations. The DfE will reimburse the costs associated with RAAC mitigation and full remediation.</p>	In line with Department for Education (DfE) instruction and guidance concerning the use of Reinforced Autoclaved Aerated Concrete (RAAC) in public buildings, the Council instructed surveys in 2022. At the end of August 2023, the DfE changed its position on how it and other responsible bodies should respond to dealing with RAAC. The DfE placed a high-risk notice on the material and instructed that all settings with the material close areas impacted immediately, and that responsible bodies should consider and implement mitigating works asap; with further work to be programmed for the replacement of the material. In our efforts to fast track this urgent requirement, we have obtained two quotes and sounded the market; our indication is that the lower value quote is a good indication of cost to resolve the matter safely and swiftly. However, the cost of the contract, for replacement of the roof, will be in the region of £136k, just above the threshold for undertaking a full procurement process. Given the urgent H&S requirement to make the space safe, and enable the good functioning of the school, we are seeking approval to proceed with the works on the basis of the quote received, outside normal procurement processes.

Paul Patterson	HAC	Mike Fill	HAC(R)354	Providence Row Food Service	01/04/2023	31/03/2024	£180,444.00	Providence Row Charity	Delivered	Under the circumstances, mainly due to time constraints involved and the need to protect/safeguard vulnerable people within Tower Hamlets, it is recommended that a short term direct award of contract should be made to Providence Row Charity to ensure services continue. However, it should be noted that going forward, it is recommended that this service is tendered and procured as per the Council’s Standing Orders during the term of the direct award to ensure value for money, refresh/review of any similar services/competition within the market. It is also believed (evident from Somen Banerjee’s email) that the Mayor has already approved this initiative, which is now urgent. Therefore, in this instance, considering the advice provided above, the Corporate Director may wish to proceed with the direct award by utilising the Council’s Contracts and Procurement Procedure Rules 50.1 (a).
Paul Patterson	HAR	Nick Spenceley	HAR(R)101	Concierge and Related Services	01/11/2023	28/02/2024	£176,000.00	OCS		<p>This request is to waive the requirements specified under the Council’s Procurement Procedures for a competitive procurement process and make a direct contract award to OCS to provide concierge services to 4 council housing sites totaling 5 blocks, comprising 346 homes. It is to be noted that the procurement to replace the existing contract which expires on 31 October, 2023 started last year however, the Council has to follow followed by formal Section 20 Leasehold consultation.</p> <p>Section 50.1 of the Procurement Procedures states that the procedures may be waived by a Corporate Director in liaison with the Head of Corporate Procurement and the Head of Legal Services, where the total value of the contract does not exceed £177,897 (this is cumulative where there is a series of RCDAs in a period of 12 months) and that the waiver is justified by one of the options a, to e. listed.</p> <p>Base on the above, the Corporate Director may decide to proceed under the provisions of 50.1.b “On balancing the risk and circumstances, it is clearly in the Council’s interest to do so”</p> <p>Procurement has no objection to this proposal.</p>
Paul Patterson	HAR	Darren Cruice	HAR(R)102	Appointment of waking watch fire marshal Team at Johnson House	10/10/2023	10/01/2024	£160,262.00	Parkguard		<p>This request is to waive the requirements specified under the Council’s Procurement Procedures for a competitive procurement process and make a direct contract award to Parkguard who are well known to the Council to provide ‘waking watch’ of fire marshalls at Johnson House. This is required because on 2 August 2023 ,Our fire engineers, BB7, carried out an external wall survey and raised concerns about the potential external spread of fire across the building due to the nature and extent of insulated panels. The period of the contract will be 12 weeks to allow sufficient time for the full survey to be completed.</p> <p>Section 50.1 of the Procurement Procedures states that the procedures may be waived by a Corporate Director in liaison with the Head of Corporate Procurement and the Head of Legal Services, where the total value of the contract does not exceed £177,897 (this is cumulative where there is a series of RCDAs in a period of 12 months) and that the waiver is justified by one of the options a, to e. listed.</p> <p>Base on the justification provided above, the Corporate Director may decide to proceed under the provisions of 50.1.b “On</p>



										balancing the risk and circumstances, it is clearly in the Council’s interest to do so;”
Paul Patterson	HAR	Darren Cruice	HAR(R)105	Continued Appointment of waking watch fire marshal Team at Johnson House	11/01/2024	14/04/2024	£172,771.55	ParkGuard		<p>This request is to waive the requirements specified under the Council’s Procurement Procedures for a competitive procurement process and make a direct contract award to Parkguard who are well known to the Council to provide ‘waking watch’ of fire marshalls at Johnson House. This is required because on 2 August 2023, the Council’s fire engineers, BB7, carried out an external wall survey and raised concerns about the potential external spread of fire across the building due to the nature and extent of insulated panels. An initial waiver was approved, and a contract was entered into with Parguard from 19/10/23 to 10/1/23, however, the work has not been completed thus requiring the continuous provision of waking watch of fire Marshalls services.</p> <p>Section 50.1 of the Procurement Procedures states that the procedures may be waived by a Corporate Director in liaison with the Head of Corporate Procurement and the Head of Legal Services, where the total value of the contract does not exceed £177,897 (this is cumulative where there is a series of RCDAs in a period of 12 months) and that the waiver is justified by one of the options a, to e. listed.</p> <p>The aggregate RCDA value approved for the provision of this service exceeds the limit for RCDA approval. Consequently, LBTH legal team have been consulted and have provided advise which is noted in the legal comments below.</p> <p>Base on the justification provided above and the legal advice (which is reflected in their comments), the Corporate Director may decide to proceed under the Procurement Procedures provisions of Section 50.1.b “On balancing the risk and circumstances, it is clearly in the Council’s interest to do so.” However, for future requirement, a competitive procurement exercise will be required.</p>
Paul Patterson	P	Alex Hatt	P(R)349	Whitechapel Road Improvements Programme Market Stall Project – RIBA 3 Architectural & Associated Services	14/08/2023	31/03/2024	£176,935.00	Greig & Stephenson Architects	Work procured under RCDA in progress, expected completion Q2 2024/24. No further procurement required for this phase of work; future phases will require re-engagement with Procurement Team with regards to approach.	<p>This request is to waive the requirements specified under the Council’s Procurement Procedures for a competitive procurement process and make a direct contract award to Greig &amp; Stephenson Architects (GSA) to gather feedback from the prototype stall and use the learning to deliver a fully developed design for the market stall project.</p> <p>Section 50.1 of the Procurement Procedures states that the procedures may be waived by a Corporate Director in liaison with the Head of Corporate Procurement and the Head of Legal Services, where the total value of the contract does not exceed £177,897 (this is cumulative where there is a series of RCDAs in a period of 12 months) and that the waiver is justified by one of the options a, to e. listed.</p> <p>The Corporate Director may decide to proceed under the provisions of 50.1.c “The contract is for works, supplies or services that are required in circumstances of extreme urgency that could not reasonably have been foreseen – e.g. to protect life or property when no existing contractual arrangement is in place, or if the purchase is needed to urgently comply with an order of Civil or Criminal Court”</p> <p>Procurement has no objection to this proposal.</p>

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<p><b>Cabinet</b></p> <p>10 July 2024</p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Paul Patterson, Corporate Director for Housing and Regeneration</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Tower Hamlets Local Plan 2038 – Regulation 19 Consultation, Proposed Submission Version</b></p>	

<b>Lead Member</b>	<b>Councillor Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development, and Housebuilding</b>
<b>Originating Officer(s)</b>	Marissa Ryan-Hernandez, Strategic Planning Manager Steven Heywood, Principal Planning Officer, Strategic Planning Team
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	Yes
<b>Reason for Key Decision</b>	Significant impact on wards
<b>Forward Plan Notice Published</b>	26/04/2024
<b>Exempt information</b>	N/A
<b>Strategic Plan Priority / Outcome</b>	<ul style="list-style-type: none"> <li>• Homes for the future</li> <li>• Boost culture, business, jobs and leisure</li> <li>• A clean and green future</li> <li>• A council that works for you and listens to you</li> </ul>

## Executive Summary

The Local Plan is the borough’s most important planning document. It sets out a vision, strategic priorities, planning policy framework, and site allocations that guide all development in the borough. Its purpose is to help inform decisions on planning applications and to meet the Council’s national and regional planning policy duties, as well as achieving local objectives as set out in the Mayor’s Strategic Plan, including delivering the housing, and particularly social housing, that the borough needs, and delivering high quality jobs and community infrastructure for our residents.

The preparation of a new local plan has been identified as a priority for the Council, to help manage future population growth and meet the needs of existing and future residents and communities, as well as to respond to major planning policy changes that have taken place at a national and regional level since the current Local Plan

was adopted in 2020. The development of the new Local Plan has involved significant internal and external consultation, and the development of an up-to-date evidence base, to ensure that the proposals within the plan are positively prepared and justified by an understanding of the needs of the borough.

This report seeks approval to undertake a six-week consultation on the proposed submission version of the new Local Plan, with an associated policies map, Integrated Impact Assessment (IIA), consultation statement, and supporting evidence base documents. Following this consultation, and after a further resolution by Cabinet/Full Council, these documents and any representations received as part of the consultation will be submitted to the Secretary of State for Levelling Up, Housing and Communities to begin an independent examination in public, which will determine whether the plan is sound and legally compliant and can be adopted by the Council.

### **Recommendations:**

The Mayor in Cabinet is recommended to:

1. Approve the publication of the proposed submission version of the Tower Hamlets Local Plan 2038, and the accompanying policies map, Integrated Impact Assessment, consultation statement, and evidence base studies for a six-week public consultation;
2. Authorise the Corporate Director for Housing and Regeneration, in consultation with the Mayor, to make any appropriate and necessary minor amendments to the proposed submission version of the Local Plan and any associated documents prior to the commencement of the consultation; and
3. Note that, following consultation, a report will be brought to Cabinet/ Full Council seeking approval to submit the Local Plan and associated documents to the Secretary of State for Levelling Up, Housing and Communities to begin an independent examination in public.

## **1 REASONS FOR THE DECISIONS**

- 1.1 Local plans are a key document within the English planning system, with their role and content laid out under the Town and Country Planning Act 1990 (TCPA) and the Planning and Compulsory Purchase Act 2004 (PCPA), and related regulations. They provide an opportunity for a Local Planning Authority to set out a strategic vision for how development within their area should take place, and to set out detailed policies against which proposals for new development will be assessed. This ensures that decisions about development are taken positively, and that residents, councillors and developers have a clear understanding of the kind of development that will be considered acceptable. If a development proposal conforms with the development plan for an area (which includes the London Plan, the Local Plan, and any relevant neighbourhood plans), there is a

strong presumption in national policy that it should be approved; where a proposal conflicts with the development plan, permission should not usually be granted.

- 1.2 The proposed submission version of the Local Plan submitted with this report has been through significant internal consultation with relevant teams across the Council and reflects the Council's priorities in areas including affordable housing, housing quality, tall buildings, employment policy, community infrastructure, environmental policy, and transport and connectivity. It has also undergone two rounds of public consultation – an early engagement exercise to determine what the plan should include, and a statutory consultation (known as a Regulation 18 consultation) on a previous draft of the plan. The next stage of the plan making process under the legislation is a second round of statutory consultation, known as a Regulation 19 consultation, and then submission of the plan to the Secretary of State to begin the examination process.
- 1.3 The National Planning Policy Framework (NPPF, latest version dated December 2023) is the key document setting out national planning policy. It states that “policies in local plans and spatial development strategies should be reviewed to assess whether they need updating at least once every five years and should then be updated as necessary” (paragraph 33). If local plans are not reviewed and, where necessary, updated every five years there is a risk that the policies the plan contains may be considered out-of-date. If the relevant policies for determining an application are considered out-of-date, the NPPF sets a strong presumption in favour of granting permission even where there is a conflict with those policies. This situation can lead to the Council losing planning appeals, and inappropriate development being granted permission.
- 1.4 The Levelling Up and Regeneration Act (LURA 2023) has introduced a new approach to the plan-making system. This would necessitate a different approach to the production of a local plan. However, under transitional arrangements, plans submitted to the Secretary of State before 30 June 2025 will be examined under the existing plan-making system. The recommendations in this report would ensure that the Local Plan can be submitted before that deadline – if this is not achieved, the process of producing a local plan will need to begin again under the new system introduced by the LURA 2023, adding significant delay to the process.
- 1.5 In addition to the legal and national policy requirements to produce a new local plan, there have been a number of social, environmental, political, economic and local changes that require an up-to-date response, including the impacts of the coronavirus pandemic and Brexit, the cost-of-living crisis, and the election of a new administration in Tower Hamlets
- 1.6 The Council's current Local Plan was adopted in January 2020. The recommendations in this report would ensure that the updated Local Plan can be submitted well before the 30 June 2025 deadline, and the new Local Plan will be adopted in 2025 (subject to Planning Inspectorate timescales)

for the examination), ensuring that the development plan for the borough remains up-to-date and the Council will be able to continue making positive decisions on planning applications in line with the strategic vision and detailed requirements of the Local Plan.

## **2 ALTERNATIVE OPTIONS**

### **OPTION A – RETAIN THE CURRENT LOCAL PLAN**

- 2.1 This option is not recommended, because it would create a heightened risk of policies within the plan being found out-of-date. Under regulation 10A of The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) local planning authorities must review local plans at least once every five years from their adoption date to ensure they remain up-to-date. If a local authority does not have an up-to-date plan, there is a risk that paragraph 11 of the NPPF will be triggered and policies within the adopted plan will be found out-of-date. In these circumstances, applicants could appeal the Council's planning decisions, and if a planning inspector agreed that relevant policies are out-of-date, the NPPF sets out a strong presumption in favour of permission being granted – even where aspects of the proposal may be in conflict with the Council's adopted policy positions.
- 2.2 Without a new local plan, the Council is not able to best respond to updates in planning legislation and national and regional guidance – in particular, the current Local Plan was prepared before the adoption of the current London Plan, and there are some areas where the current Local Plan is not in conformity with the London Plan, creating the opportunity for conflict within the development plan.
- 2.3 Similarly, any changes to local planning policy that are required, either due to changes in local needs for housing and infrastructure or new political priorities, can only be implemented through the delivery of a new local plan.
- 2.4 Furthermore, this option was previously presented to Cabinet on 25 October 2023, as an alternative option on the report recommending approval to begin the first statutory consultation on the new Local Plan. Cabinet declined to take this option.

### **OPTION B – UNDERTAKE PARTIAL REVIEW OF CURRENT LOCAL PLAN**

- 2.5 This option could be taken by Cabinet if they feel that only a review of certain policies in the Local Plan is needed, either to respond to changes in legislation and national policy or to reflect very specific political priorities.
- 2.6 This option is not recommended for three reasons. Firstly, there have been a number of economic, social and political changes since the current Local Plan was adopted, and much of the evidence base that the current plan was based on is now out-of-date and does not reflect changes to the

demographics of the borough, or changes brought about by the impacts of the cost of living crisis, Brexit, or the coronavirus pandemic. A new Strategic Plan has also been prepared since the current Local Plan was adopted, and this clearly sets out a new vision and set of aspirations for the borough. On this basis, the number of necessary changes points to the need for a full review rather than a partial one.

- 2.7 Secondly, policies in a local plan should be read as a whole, and it is difficult to disentangle the effects of one policy from another. Conducting a partial review that attempts to only change a few policies can therefore become complicated and time- and resource-consuming as the knock-on effects of cumulative changes becomes apparent.
- 2.8 Thirdly, Cabinet was presented with this option on 25 October 2023, as an alternative option on the report recommending approval to begin the first statutory consultation on the new Local Plan, and declined to take it. Since that decision, significant time and resources have been expended on preparing a fully updated version of the Local Plan that reflects the priorities of the Strategic Plan, in line with Cabinet's decision to move ahead with a full review. To now revert to a partial review would require further time and resources to be invested in returning to the current Local Plan and preparing a partially updated version, and would, as with Option A, cause a delay that could lead to the current Local Plan policies being considered out-of-date, creating a risk of development being granted permission despite conflicts with the Council's planning policies.

### **OPTION C – UNDERTAKE FURTHER WORK ON THE NEW LOCAL PLAN BEFORE CONSULTATION AND SUBMISSION**

- 2.9 This option could be taken by Cabinet if it feels that significant changes are needed to the draft Local Plan in order to ensure it reflects the Council's priorities. This would involve redrafting and potentially the development of further evidence base documents to justify the Council's position.
- 2.10 This option is not recommended for three reasons. Firstly, as described under Options A and B above, a delay could lead to the current Local Plan policies being considered out-of-date, creating a risk of development being granted permission despite conflicts with the Council's planning policies.
- 2.11 Secondly, a delay could mean that the new Local Plan misses the 30 June 2025 deadline for submission of local plans under the existing plan-making system, as discussed in paragraph 1.4 above. This would mean that a new local plan would need to be prepared under the new plan-making system set out under the LURA 2023, and this would essentially require work on the plan to begin again, adding significant delay and costs to the process.

- 2.12 Thirdly, officers believe that the proposed submission version of the Local Plan closely reflects the priorities of the Council and has been developed in close consultation with the community, with teams from across the Council, and with elected members. The plan has then been prepared by officers to express the Council's priorities in terms that are consistent with national and regional planning policy, which ensures that the plan can be found sound and legally compliant at an independent examination. Further significant changes are therefore considered unnecessary and could potentially conflict with national or regional planning policy, potentially creating a risk of the plan being found unsound at examination. This would also add significant delay and costs to the process.
- 2.13 Cabinet should not take this option if it believes that minor changes are needed to the Local Plan before consultation, as the report recommends that such minor changes can be made under the delegated authority of the Corporate Director for Housing and Regeneration.

### **3 DETAILS OF THE REPORT**

#### **The need for a new local plan at this time**

- 3.1 National planning policy and legislation is clear that local authorities are expected to maintain up-to-date local plans, as set out in paragraph 1.3 above. This means that local plans should be reviewed and, where necessary, updated at least once every five years to ensure they remain up-to-date.
- 3.2 The Council's current Local Plan was adopted in January 2020. It provides a planning policy framework for the borough up to 2031. However, upon conducting a review of the adopted plan in 2022, officers determined that several of the objectives and policies contained in the plan could be considered outdated, due to national, regional, and local changes. In planning policy terms, this includes the adoption of the current London Plan in March 2021, changes to the NPPF, and changes to guidance on issues including fire safety and energy efficiency.
- 3.3 Since 2020 there have also been numerous social, environmental, political and economic shifts, both globally and locally, including the impacts of the coronavirus pandemic, the impacts of Brexit, the cost-of-living crisis, and the election of a new administration in Tower Hamlets. Also, new census information has shown that from 2011 to 2021, the population of Tower Hamlets increased by 22.1% from 254,100 to 310,300. This marks a significant proportional increase and represents the fastest population growth of any local authority in England.
- 3.4 Additionally, the planning powers for the parts of the borough currently in London Legacy Development Corporation (LLDC) boundary, will be passed back to Tower Hamlets by the end of 2024. These areas are Fish Island, Hackney Wick and Bromley-by-Bow. It is important that these areas have an



up-to-date planning framework in place that reflects the Council's priorities for them.

- 3.5 The cumulative impact of these changes led officers to the conclusion that a new local plan would be the best path forward, rather than a partial review, and this was agreed by Cabinet on 25 October 2023.
- 3.6 Alongside the need to ensure plans are updated every five years, there is another timing consideration to take into account. The Levelling Up and Regeneration Act (LURA) passed into law in October 2023. The act sets out a framework for an updated plan-making system. Local plans under the LURA framework will be produced in a very different way from existing local plans, with a strict 30-month timeline for production, an increased focus on digital elements of plan-making, and the introduction of National Development Management Policies set by the national government, which local plans will be expected not to repeat or contradict. However, the LURA framework will not be implemented immediately, and there is a deadline of 30 June 2025 for local authorities to submit local plans for examination under the existing plan-making system. If the Council is to submit the proposed Local Plan under the current plan-making framework, it must meet this deadline, otherwise work will have to begin again under the LURA framework – which would mean the adoption of a plan being delayed until the end of 2027 at the earliest.

### **Preparing the Local Plan**

- 3.7 The preparation of a local plan must follow nationally set legal and procedural requirements that dictate the stages of the plan preparation, who should be consulted and when, and what evidence is required to support a local plan. These requirements are primarily set out in The Town and Country Planning (Local Planning) (England) Regulations 2012 ('the TCPA Regulations'). The Local Plan must be prepared in accordance with the NPPF and must be in conformity with the London Plan.
- 3.8 The NPPF explains that local plans “are examined to assess whether they have been prepared in accordance with legal and procedural requirements, and whether they are sound” (paragraph 35). To be found sound, a local plan must be:
- Positively prepared: it seeks to meet objectively assessed needs for housing and other land uses;
  - Justified: the policies in the plan are supported by evidence;
  - Effective: the policies in the plan can be delivered and have been formulated on the basis of effective joint working with partners; and
  - Consistent with national policy: it has been prepared in accordance with the NPPF and any other national statements of policy.
- 3.9 Officers consider that the proposed Local Plan is sound and has been prepared in accordance with the appropriate legal and procedural requirements, including the requirements of the NPPF and the TCPA Regulations 2012.

3.6 As part of the process of developing the Local Plan, on-going discussions took place with both internal and external stakeholders through individual and group meetings, including:

- **The Mayor's office** – at the regular planning meeting with the Mayor, where key updates on engagement and the content of the plan have been presented. The Mayor and the Cabinet Member for Regeneration, Inclusive Development and Housebuilding, have provided a steer on aspirations and policy direction to ensure alignment with the new Strategic Plan.
- **Internally** – input of colleagues from across the Council was sought at a regular steering group meeting and regular working group meetings were held with officers across each of the plan's policy theme areas. These discussions were followed by presentations to DLT and CLT, and further engagement with relevant officers where necessary.
- **Externally** – external discussions have been held with stakeholders including the Greater London Authority, Transport for London, Historic England, the Environment Agency, Network Rail, the Canal and River Trust, the London Boroughs of Newham, Greenwich and Hackney, the City of London Corporation, the London Legacy Development Corporation, neighbourhood forums, and key landowners and developers.

3.10 The new Local Plan will cover a period from 2023 to 2038. The Local Plan contains a strategic vision for the borough for the next 15 years, and sub-visions for each of four sub-areas (based on the Opportunity Areas set out in the London plan): City Fringe, Isle of Dogs and South Poplar, Leaside, and the Central area. It contains planning policies across the following areas: delivery, housing, environment, design, employment, town centres, community infrastructure, biodiversity and open space, movement and connectivity, and waste. It also contains 32 site allocations, which set out specific sites for the development of housing and other uses across the borough, all of which are expected to provide at least 500 new homes. Once the plan is adopted, all planning applications will be assessed against the relevant policies in the plan, and applications for development on site allocations will also be expected to meet the specific requirements set out in the allocations.

3.11 The policies in the Local Plan have been informed by an evidence base. This consists of a range of documents that focus on areas of planning policy, examine data in relevant areas, and provide recommendations and conclusions about how to most effectively meet the area's needs. By preparing and responding to this evidence base, the Council ensures that the Local Plan is positively prepared and justified, and can therefore be found sound at the examination stage. These evidence base documents must be submitted to the Secretary of State alongside the Local Plan, to be considered as part of the examination of the plan. Please see Appendix 5 for a full list of the evidence base documents that will be published as part of the Regulation 19 consultation and are intended to be submitted to the Secretary of State.

3.12 The proposed submission version of the Local Plan is attached to this report as Appendix 1. It is accompanied by a policies map showing the spatial extent of policies within the borough – this is attached as Appendix 2. The evidence base includes an Integrated Impact Assessment (IIA), which meets the statutory requirement for the Local Plan to be accompanied by a sustainability appraisal and a Habitats Regulations screening and assessment. The IIA also contains the outcomes of the equalities impact screening and assessment, and the non-technical summary is attached as Appendix 3 and the full report will be published as part of the consultation. The remaining evidence base documents have not been attached to this report due to the quantity of documents involved, but will be published alongside the proposed Local Plan during the consultation.

### **Consulting on the Local Plan**

3.13 The draft new Local Plan has been informed by early engagement that was held from January-March 2023, and a statutory consultation in line with the requirements of regulation 18 of the TCPA Regulations that was held between November-December 2023. Both stages of consultation lasted six weeks, and included a range of digital, interactive and accessible events to ensure maximum outreach across the community. Events were held both online and in-person and included promotion through social media, emails, website, newsletters, press notices and posters/leaflets.

3.14 During the early engagement consultation, the Council received over 6,000 online visits across the 'Let's Talk' website and the interactive 'Story Maps' platform. The Local Plan engagement document was downloaded 500 times and there were 392 submissions to the consultation and approximately 115 attendees across the events. During the Regulation 18 consultation, 25 in-person and online events were held, with a total of over 270 attendees, and 390 representations were received. Following both consultations, the responses were carefully considered by officers and used to inform the drafting of the proposed Local Plan. Please see Appendix 4 for a Consultation Statement that sets out more detail on these earlier stages of consultation.

3.15 This report is recommending (recommendation 1) that the Local Plan now be given approval to proceed to the next stage of statutory consultation, which is based on regulation 19 of the TCPA Regulations. At this stage, the Council is required to publish the proposed submission version of the Local Plan for consultation – that is, a version of the plan that the Council thinks is sound and legally compliant. Consultees are then able to submit consultation responses highlighting any areas where they believe the plan may not be sound or legally compliant.

3.16 If the recommendations in this report are approved, the consultation is expected to take place in September-October 2024. Planning officers will work with the Mayor's office and the Communications team to ensure that the consultation reaches as many residents and other stakeholders as possible, and that inclusivity of the consultation is carefully considered. The Strategic

Planning team are also in the process of updating the Council's Statement of Community Involvement, which sets out how the Council will consult on planning matters, including Local Plan consultations.

- 3.17 The consultation will include a mix of in-person and online sessions allowing residents and other stakeholders to ask questions about the plan and understand how to make representations. As with the regulation 18 consultation, an interactive online policies map will be provided alongside an online survey to gather representations on the plan. Paper copies of materials can be made available on request. A consultation and communications strategy will be prepared before the consultation begins, in collaboration with the Communications team and the Mayor.
- 3.18 This report recommends (recommendation 2) that delegated authority be given to the Corporate Director for Housing and Regeneration to make any minor modifications necessary to the Local Plan before the consultation begins, in consultation with the Mayor. This is to allow for the correction of any typographical or grammatical errors, or the addition of small amounts of content not yet prepared, such as forewords or introductions.

#### **Submission of the Local Plan**

- 3.19 Following the consultation, this report notes (recommendation 3) that following the consultation, approval will be sought from Cabinet/Full Council to proceed to the next stage of the plan-making process, which is to submit the Local Plan to the Secretary of State for Levelling Up, Housing and Communities to begin an independent examination of the plan.
- 3.20 Officers will consider the consultation responses and whether there are potentially parts of the plan that may be unsound or legally non-compliant. If there are potential changes that are considered appropriate, officers will then prepare a table of proposed modifications to the submission version of the plan. The Consultation Statement (Appendix 4) will also be updated to contain a summary of responses received at the Regulation 19 consultation. If approval is given by Cabinet/Full Council, the following documents will then be submitted to the Secretary of State:
- Local Plan Submission Version
  - Local Plan Policies Map
  - Integrated Impact Assessment
  - Consultation Statement
  - Consultation responses received during Regulation 19 consultation
  - All relevant evidence base documents (the expected list of which is set out in Appendix 5)
  - Table of proposed modifications (if relevant)
- 3.21 If the recommendations in this report are approved and the Regulation 19 consultation is held in August-September 2024, submission of the Local Plan to the Secretary of State is expected to take place in early 2025.

3.22 Upon submission, the Secretary of State will appoint an inspector from the Planning Inspectorate to commence the examination of the Local Plan. During the examination process, the inspector will determine through a series of public hearings and written responses whether the plan is sound and legally compliant. If necessary, the inspector can propose modifications that are necessary to make the plan sound – if this is done, the Council will be required to undertake a further consultation on these modifications. At the conclusion of the process, the inspector will prepare a report on the Local Plan, and if they find that the plan is sound (with or without modifications) and legally compliant, the Council can proceed to formally adopt the Local Plan.

#### **4 EQUALITIES IMPLICATIONS**

4.1 As part of the process of developing the Local Plan, an Integrated Impact Assessment (IIA) has been prepared. This meets the statutory requirement for the production of a Sustainability Appraisal of the Local Plan, and also includes an equalities impact screening and assessment. The non-technical summary of the IIA is attached to this report as Appendix 3.

4.2 The equalities impact assessment identifies a likely positive impact on the following protected characteristics:

- Age - older people who have reduced mobility, suffer from social isolation and loneliness and require access to health and other services will benefit through improved access to services as well as provision of supported living including care homes. Young people seeking education, training and accessible employment opportunities will also experience positive impacts. Young children are likely to benefit from air quality improvements that numerous policies look to achieve
- Disability - people with a variety of disabilities including mobility issues will benefit from a more accessible public realm, including open spaces, pedestrian routes and key services. The plan includes policies which support inclusive design which will help to improve connectivity and function, benefiting users with mobility limitations. The plan ensures that 10% of all new units are wheelchair accessible, improving access to housing
- Deprivation - policies are likely to benefit people from low-incomes who require improved access to employment, education and housing. Policies geared towards the provision of a wide range of employment opportunities at all levels as well as closing the skills gap through upskilling will be useful to low-income groups who are currently positioned as unable to access higher paid jobs. Additionally, the provision of affordable homes and supported living such as homeless shelters will be beneficial to this group. The ambition of the plan to deliver an affordable housing target would make a positive impact on deprivation, reducing barriers for low-income families to housing and rental markets.
- Gender reassignment, sex and gender, and race - people from a range of different diverse backgrounds will benefit from inclusive design,

creation of safer and inclusive spaces and greater community engagement.

4.3 The assessment identifies potential negative effects on the following protected characteristics:

- Age, disability, and pregnancy and maternity - The inclusion of public realm improvements and subsequent street furniture, addition of EV charging points and reduction in car parking and motorised vehicles could act as an obstacle to these groups
- Deprivation - Low income groups may be disproportionately affected by the development of large-scale purpose-built shared living as it has the potential to compromise the generation of affordable housing throughout the borough. Additionally, there is potential for low levels of engagement from the community in which estate regeneration schemes are proposed.

4.4 The assessment identifies a neutral impact on the remaining protected characteristics – religion or belief, sexual orientation, and marriage and civil partnerships.

## **5 OTHER STATUTORY IMPLICATIONS**

5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

5.2 There are no statutory implications relating to best value, risk management, crime reduction, or safeguarding. Requirements for consultation have been addressed as part of the main report. Statutory requirements relating to environmental and sustainability issues have been assessed as part of the Integrated Impact Assessment, the non-technical summary of which is attached as Appendix 3.

5.3 With regards to data protection, the government's Procedure Guide for Local Plan Examinations notes the following: "To ensure an open and fair examination, it is important that the Inspector and all other participants in the examination process know who has made representations on the plan. The LPA should therefore ensure that they are able to lawfully process personal data held in relation to representations so it can be made available without names being redacted. If names are not made available, it is likely that it will

not be possible for the plan to be examined. However, the Inspector does not need to know the address or other contact details of those who have made representations. Consequently, although these details will usually be provided by those making representations, they do not need to be made available/published on the examination website. However, the Programme Officer will need access to the contact details of those who made representations so they can contact participants and administer the examination. In some cases, in order to run virtual events or 'blended' events (i.e. a mix of in-person and virtual) by means of video or telephone conference, The Planning Inspectorate may need to know the email address and/or telephone number of those making representations. An Agreement for the Supply of Services will be put in place setting out the steps the LPA and the Planning Inspectorate will take to help deliver an efficient examination. A data sharing agreement will also be signed by the Planning Inspectorate and LPA as part of a Service Level Agreement."

- 5.4 Planning officers will work with the Council's data Protection Officer to ensure that data protection requirements can be met while still making available the necessary information as part of the examination of the plan.

## **6 COMMENTS OF THE CHIEF FINANCE OFFICER**

- 6.1 There are no financial implications emanating from this report. The cost of undertaking the consultation will be contained within existing budget provision.

## **7 COMMENTS OF LEGAL SERVICES**

- 7.1 The body of the report fully outlines the rationale behind the recommendations and details accurately the process that is required to be followed. The risks and benefits are fully outlined. The process of publishing the proposed submission version of the Tower Hamlets Local Plan 2038 is a statutory step and a decision is sought from the Mayor in Cabinet to take that step. Once published, the public will have a six -week period in which to comment on the proposals. Once the consultation period has concluded, officers will consider the results of the consultation. Paragraph 4 deals with Equalities and highlights that the statutory requirements have been met. Fuller details may be found in Appendix 3.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- Cabinet Report, 25 October 2023, Tower Hamlets New Local Plan: Regulation 18 Consultation Draft  
(<https://democracy.towerhamlets.gov.uk/documents/s225343/Tower%20Hamlet>)

[ets%20New%20Local%20Plan%20Regulation%2018%20Consultation%20Dr  
aft.pdf\)](#)

### **Appendices**

- Appendix 1: Tower Hamlets Local Plan 2038 – Proposed Submission Version
- Appendix 2: Local Plan Policies Map
- Appendix 3: Integrated Impact Assessment – Non-Technical Summary
- Appendix 4: Consultation Statement
- Appendix 5: List of evidence base documents to be published as part of consultation

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


- NONE

### **Officer contact details for documents:**

Marissa Ryan-Hernandez



# Agenda Item 6.6

<b>Cabinet</b> 10 July 2024	 <b>TOWER HAMLETS</b>
<b>Report of: Julie Lorraine – Corporate Director for Resources</b>	<b>Classification:</b> Unrestricted
<b>Approval of the revised Homelessness Accommodation Placement Policy and the new Homelessness Accommodation Procurement Strategy.</b>	
<b>Approval to commence pilot projects: (1) Cost of living grant scheme and (2) Find your own PRS scheme.</b>	

<b>Lead Member</b>	<b>Councillor Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding</b>
<b>Originating Officer(s)</b>	Karen Swift – Director of Housing Abul Kalam – Service Manager, Housing Management & Procurement
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	Yes
<b>Reason for Key Decision</b>	Significant impact on wards
<b>Forward Plan Notice Published</b>	01/02/2024
<b>Exempt information</b>	N/A
<b>Strategic Plan Priority / Outcome</b>	2. Providing homes for the future

## Executive Summary

This report recommends the approval of the council’s revised Homelessness Accommodation Placement Policy.

The existing policy, which was effective from October 2021, is no longer fit for purpose given the current increase in homelessness, lack of availability of affordable and suitable accommodation in the borough and recent changes in legislation.

This report also seeks the approval of the Homelessness Accommodation Procurement Strategy, which sits side by side with the Homelessness Accommodation Placement Policy. The strategy clearly sets out the council’s approach as to how officers will procure available housing stock to discharge the council’s statutory

homelessness duties and responsibilities. The strategy will ensure that the council follows current legislation and provides clear guidance for staff to ensure affordability and suitability of accommodation which is procured for this purpose.

This report also seeks the approval of two pilot projects, (1) Cost of Living Grant Scheme and (2) Find Your Own PRS Accommodation Grant scheme, both of which will be integral to the council's ability to prevent and relieve homelessness and reduce numbers in temporary accommodation, particularly bed & breakfast and commercial hotels.

In addition, this report seeks approval from the Mayor and Cabinet to delegate authority to officers to administer and issue grants to residents under the Cost of Living and Find Your Own PRS Accommodation Grant schemes and to further, delegate authority to the Director of Housing to extend the pilots or make them permanent prevention initiatives, subject to available finances and in consultation with the Mayor and Lead member.

### **Recommendations:**

The Mayor in Cabinet is recommended to:

1. Approve the council's revised Homelessness Accommodation Placement Policy (Appendix A) and new Homelessness Accommodation Procurement Strategy (Appendix B).
2. Delegate authority to the Corporate Director of Housing and Regeneration should any further amendments be required because of new legislation or case law in consultation with the Mayor and Lead Member.
3. Approve the two pilot schemes, (1) Cost of Living Grant Scheme and (2) Find Your Own PRS Accommodation Scheme, and to register both on the council's grants register.
4. Delegate authority to officers to administer and issue grants to residents under the Cost of Living and Find Your Own PRS Accommodation Grant schemes.
5. Delegate authority to the Director of Housing to extend the pilots or make them permanent prevention initiatives, subject to available finances and in consultation with the Mayor and Lead member.

## **1 REASONS FOR THE DECISIONS**

- 1.1 The council has a statutory homeless duty.
- 1.2 Failure to revise the Homelessness Accommodation Placement policy leaves the council open to legal challenge and judicial review. The availability of suitable accommodation for those requiring temporary accommodation is becoming increasingly challenging. By remaining unable to procure suitable temporary accommodation across a wider geographical area, the council remains reliant on the use of expensive bed and breakfast and commercial hotels in the borough and surrounding areas. This is detrimental to the health and well-being of residents and costly to the council.
- 1.3 Bed and breakfast accommodation and commercial hotels present

significantly higher costs to the council which currently average at £982.10 per week. Suitable and more affordable accommodation can be found outside of the current parameters set out in the current policy. The current policy has rigid fixed travel time of up to 90 minutes away from the borough.

- 1.4 Revising the policy in light of legislative and case law establishes a transparency and openness of the council's approach in how accommodation for homeless households is allocated, including but not limited to, why some residents are placed in the borough, while others are not.
- 1.5 The Homelessness Accommodation Procurement Strategy sets out the council's approach as to how accommodation will be procured to discharge the council's statutory homelessness duties and responsibilities. It will ensure that the council follows current legislation and provides a reference point for staff to make their decisions.
- 1.6 The two new proposed pilot grant programmes - the Cost of Living Grant and the Find your Own Private Rented Accommodation scheme are incentives to encourage host households to allow family members to remain and for those being evicted from private rented a grant to find alternative private rented accommodation.
- 1.7 The cost of living grant should cover the majority of the costs for the main householders of keeping non-dependant household members in the family home.

## **2 ALTERNATIVE OPTIONS**

- 2.1 Failing to amend the Homelessness Accommodation Policy places continued and significant pressure on the council to find suitable temporary accommodation.
- 2.2 By not amending the policy and continuing to procure expensive Temporary Accommodation due to the continuation of a rigid fixed travel time from Tower Hamlets, there will remain a significant housing benefit subsidy loss as the council is only able to secure 90% of rent in temporary accommodation at 2011 LHA levels. This leaves a significant shortfall in the money secured to cover cost of the accommodation.
- 2.3 Landlords in London are now opting for guaranteed rents, so properties will continue to be procured at high rates if the council continues to focus on just procuring accommodation both temporary and in the private rented sector in the borough and greater London alone.
- 2.4 Failure to approve the Homelessness Accommodation Procurement Strategy would mean that clear direction to officers in the procurement of suitable and affordable accommodation would remain a challenge and at times undeliverable.

- 2.5 Not approving the 'Find Your Own' Scheme or the Cost of Living Grant for residents who are homeless or at risk of homelessness will mean that those residents who would be empowered and able to source their own accommodation or families helped with expenses to host a family member would be reliant on the council homeless services for finding them somewhere to live.

### **3 DETAILS OF THE REPORT**

- 3.1 The council has a statutory duty to provide temporary accommodation as emergency housing for homeless households where a homelessness duty may be owed.
- 3.2 Temporary accommodation takes two forms – In the first instance, it is emergency accommodation (called stage 1), for use during the relief stage of homelessness and while a household's homeless application is being assessed.
- 3.3 The second type of temporary accommodation is longer-term, (stage 2). This accommodation is for households where the council has accepted a housing duty to them and is provided until suitable longer term accommodation is available.
- 3.4 Stage 1 accommodation is generally 'nightly booked' as it is only intended to be for short periods of time and is more expensive than longer term Stage 2 accommodation.
- 3.5 The council has arrangements with local landlords for accommodation and uses its own stock and obtains accommodation from partner registered providers (housing associations) to provide Stage 2 accommodation. In addition to these leased forms of accommodation, the council makes Private rented sector offers ("PRSOs") to homeless households where it has accepted a housing duty to them of private rented accommodation on the basis of a fixed term Assured Shorthold Tenancy. The council makes these offers to provide people with sustainable, affordable, and more settled accommodation as an alternative to a long wait in temporary accommodation for social housing.
- 3.6 Rising rates of homelessness not only in the borough but across London post pandemic and resulting from the national cost of living crisis has seen a soaring demand for both temporary and private rented sector accommodation within the borough.
- 3.7 At the same time, the supply of in-borough accommodation has also become unaffordable for low-income households. Keeping homeless households in temporary or private rented sector accommodation in the borough requires significant financial support from the council.

- 3.8 Given the financial constraints that the council finds itself operating in over the last few years, it is not financially sustainable to place all homeless households within the borough. The council will therefore be allocating temporary accommodation in line with its new Homelessness Accommodation Placement Policy. This means that the council may look beyond its own borough and the Greater London area to meet its legal duty to secure suitable accommodation, in order to procure suitable and affordable homes.
- 3.9 If the council was to find itself in the position where a steady supply of affordable temporary accommodation becomes available due to significant government investment, changes to welfare benefits and Local Housing Allowance, then a review of the policy will be undertaken.

### **Homelessness Accommodation Policy**

- 3.10 The revised Homelessness Accommodation Placement Policy clearly sets out the council's approach to using available housing stock to discharge the council's statutory homelessness duties and responsibilities.
- 3.11 The policy will ensure that officers follow current legislation and provides a reference point for staff to make their decisions. The revised policy replaces the existing policy and will be applied to both new and existing clients from the date of implementation.
- 3.12 The material change in the new policy against the existing policy is the removal of the 90 minutes travel time back to the borough from where the placement is made, whether temporary accommodation or private rented sector accommodation.
- 3.13 There are 2880 households in temporary accommodation who are placed in the borough, outside of the borough and outside of London.
- 3.14 With regard to private rented accommodation for discharge of duty, prior to 2022 there was a steady supply of in-borough private rented accommodation available, but this has significantly reduced. The council has increasingly been using out of borough provision and this is set to continue.

<b>New private rented lets</b>	<b>In-borough</b>	<b>Outside of Borough</b>
<b>2020/21</b>	175	271
<b>2021/22</b>	194	306
<b>2022/23</b>	53	225
<b>2023/24</b>	31	211

- 3.15 Being able to procure outside of Greater London, for the purposes of temporary and private rented sector accommodation, will make the accommodation affordable for the resident and the council.
- 3.16 Under the Homelessness Code of Guidance, families should be in bed and

breakfast or hotel accommodation for up to a maximum of 6 weeks. This is significantly hard to achieve given availability of accommodation in the placement areas that the current policy focuses on.

- 3.17 The significant change in the current policy and the proposed new Placement Policy is the removal of the 90 minutes journey time back to the borough from where a placement has been made.
- 3.18 The council will now use 'zones' when procuring and allocating temporary and private rented sector accommodation.
- 3.19 The zones have been set out below. Including these zones will enable the council to have a robust and clear policy and procedure on how properties are allocated. This policy will also serve to reduce the number of judicial reviews brought against the council when being challenged on suitability. Having zones, will give the council greater control on allocating accommodation, while being able to audit placements made for transparency. Areas in zone C are subject to change considering supply in a specific area or county.
- Zone A – located in the borough of Tower Hamlets
  - Zone B – located in Greater London
  - Zone C – located outside Zones A and B but in the neighbouring counties and districts of Essex, Hertfordshire, Kent, Surrey, Berkshire, and Buckinghamshire
  - Zone D – located outside of Zones A, B and C
- 3.20 The policy has significant safeguards in relation to priority for in borough placements, these are set out in paragraphs 3.1 – 3.5.

#### **4 Homelessness Accommodation Procurement Strategy**

- 4.1 Officers endeavour to procure good quality accommodation however, the council recognises that more could be done to ensure that the accommodation remains of good quality during the residents' occupation. Some landlords have recognised the high demand for accommodation by local authorities and have allowed the quality of accommodation to drop. This includes their responsiveness to repairs that need to be carried out to ensure that accommodation supplied is in a good state of repair, including free from mould and damp.
- 4.2 To prevent deterioration of accommodation the council will review the current Temporary Accommodation lease agreements between the council and its accommodation suppliers, to ensure greater emphasis is placed on the landlord's responsibility to get repairs done, with a mechanism in place for the council to carry out repairs when the landlord does not. The landlord will then be recharged for any repairs directly from the monthly payment the council makes to the landlord.
- 4.3 The new strategy sets out that where a new supplier of Temporary Accommodation has been procured, a minimum of 3-5 of the supplier's properties will be inspected to ensure that the properties meet the council's property standards. When a household is moved into the temporary property, the allocated Housing Officer will conduct a settling in visit within 4 weeks of the

placement being made, to ensure that the household has settled into the accommodation and the area.

- 4.4 Two further visits will be made each year to ensure that the household is managing in the property and to ensure that any repairs are carried out where required. This will also assist the council in ensuring that households are using the temporary accommodation as their main and principal home and to prevent subletting and/or fraud.
- 4.5 When procuring settled accommodation in the private sector, all properties will be inspected and/or an online virtual inspection will be conducted to ensure that the property is suitable and meets our needs and to satisfy Article 3 of the Homelessness Suitability of Accommodation (England) order 2012. Other relevant legislation, including but not limited to, the Housing Health & Rating System and the Homes (Fitness for Human Habitation) Act 2018 (HFHHA) will also be considered.
- 4.6 Where a license is required to let a property, the council will ensure that all due diligence has taken place, including but not limited to, assurance that the appropriate licenses are in place and that checks are undertaken with the local authority where the property is located.
- 4.7 When procuring accommodation in areas where the council is likely to make regular placements because there is a sufficient supply of suitable and affordable accommodation, the following checks, assessments, and information will be made, this list is not exhaustive, and this is set out clearly in the Homelessness Accommodation Placement Policy from paragraph 3.1-3.7 and 6.1-6.7.
  - Providing information about local services, amenities, and facilities
  - How to register for a GP
  - How to apply for a school placement
  - Has good transport links back to the borough.
- 4.8 The strategy sets out the end to end processes for officers when they are procuring accommodation for homelessness households, including how to assist with ensuring that a household settles into a new area, where applicable, and that they are able to access the local amenities.
- 4.9 To further support households to move into accommodation outside of the borough, the council can provide assistance with removals and transport and assisting with providing white goods and furnishings, where required.

## 5 **Cost of Living Grant scheme (CoLG)**

- 5.1 The cost of living crisis has seen increases in the cost of essential basic living - food, energy, clothing, and fuel.
- 5.2 Friends and family evictions are the biggest cause of homelessness in the borough, a pattern repeated across London and England generally. Failure to

stem this reason for homelessness is consequently a major contributor to rising numbers of households being accommodated by the council in temporary accommodation.

- 5.3 The council is limited in what it can do to prevent homelessness where residents are asked to leave because friends and family are no longer able to or willing to accommodate them, as those being asked to leave have limited accommodation rights under the law. The main prevention solution is mediation with the householder for the residents to remain in the property, which is generally dependent on persuasion and appealing to the householder's goodwill.
- 5.4 In 2023/24, the government introduced cost of living payments to help low-income households partly or in full receipt of tax credits and welfare benefits of circa £300 per quarter. Additionally, councils are making payments using the Household Support fund from the Department of Work and Pensions. In Tower Hamlets, this fund is used to make grants to residents through the Resident Support Scheme which can help with short-term living costs like credit, food and gas/electric pre-payment meters and can also help in some circumstances with white goods and furniture.
- 5.5 Householders however who provide accommodation for friends or relatives do not receive financial help associated with having long-term guests. The current cost of living payments are not specifically focussed on financial support for hosting a family member(s) in a householder's home for long periods of time.
- 5.6 These expenses can include replacing beds and mattresses or convertible sofas or other forms of bedding through day to day use, replacing kitchen appliances or bathroom and toilet fixtures or living room furniture, or carpeting or redecoration due to extra wear and tear. There are also additional energy costs for heating, hot water, and electricity to charge devices or lighting in rooms; paying for space saving storage solutions; low cost respite holidays either for the guest boarders or the householder as respite from either party. Financial assistance to meet these costs at a time when household budgets are already overstretched could help to sustain hosting arrangements.
- 5.7 The new cost of living payment will be offered to householders who have evicted family members or guests on the premise that the family member or guest can return to the property and will remain in occupation either in the medium-term or the short-term while sourcing a viable medium to long term accommodation option.
- 5.8 The payments will be made for up to 12 months subject to the host continuing the arrangement from one quarter to the next. The amounts will vary in accordance with the bedroom need of the family member/guest who has been asked to leave.
- 5.9 The project will initially run as a pilot for 6 months pending review.

## **6 Find your own PRS scheme (FYO)**



- 6.1 'Find Your Own' (FYO) PRS Accommodation Grant intends to incentivise homeless households to self-source PRS accommodation. FYO's have been long-established in a number of London boroughs such as Haringey and Barnet and have been found to work.
- 6.2 The "Find Your Own" PRS Accommodation Grant is only available to homeless households who find their own PRS accommodation where they have been already placed in Temporary Accommodation by the council or where the council owes a duty under homelessness legislation to provide the household with Temporary Accommodation (s.188, Housing Act 1996). These are households with a priority need for accommodation under homelessness law who are owed either a Prevention, Relief or Main Housing Duty.
- 6.3 The purpose and use of the Tower Hamlets FYO PRS Accommodation Grant is intended to assist eligible residents in meeting the costs associated with moving and resettling into a new PRS home, for example:
- to buy new furniture
  - pay for removal costs.
  - buy new school uniforms if the move means children need to change schools.
  - to help clear any previous debts that could hinder a move, such as outstanding arrears, to ensure keeping up with rent in the new home is not impacted.
  - engage in social / sporting activities in the new location.
  - other costs which would enable the resident to move in promptly and / or result successful tenancy sustainment.
- 6.4 Grant levels will vary based on the size of the property sourced, with larger grants reflecting the higher costs associated with securing and moving into larger-sized accommodation. The Grant recognises the market difficulties confronted by households trying to source affordable family-sized accommodation of which there is a severe shortage.
- 6.5 The use and payment of the Grant will be considered and managed in line with Tower Hamlets Adult Safeguarding procedures to ensure minimal risk of harm or exploitation to vulnerable individuals and families. Any concerns raised or noted regarding a particular individual or family will be considered on a specific case-by-case basis.

## **7 EQUALITIES IMPLICATIONS**

- 7.1 An Equality Impact Assessment has been conducted to support the revisions to the Homelessness Accommodation Placement Policy and the new Homelessness Accommodation Procurement Strategy. While officers have had due regard to the council's Equality Duty in the development of the and strategy, the council has a range of other responsibilities including a duty to set a balanced budget.

- 7.2 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 resources are allocated in accordance with priorities and that best value is achieved. The continued use of expensive temporary accommodation, the pro-longed use of nightly or bed and breakfast or commercial hotel accommodation in the borough is not sustainable on the public purse or to the benefit of residents who are placed in this accommodation due to a lack of affordable private rented sector accommodation in the borough.
- 7.3 It is evident that any risk of a disproportionately negative impact existing to one or more of the groups of people who share a protected characteristic under the Equality Act 2010 will be removed or reduced by implementing the actions detailed within the Impact analysis and by officers conducting of the suitability of accommodation test for all placements.
- 7.4 The necessary checks will be made to ensure that where placements are made outside of the borough and outside of greater London, the Housing Options Service will ensure that there are established communities whereby a diverse community can be catered for.
- 7.5 In assessing the suitability of an offer of accommodation, each case will need to be assessed on its own merits, considering both the nature of the property and the community that surrounds the property, to ensure that residents are not isolated in their new communities.
- 7.6 Where local accommodation is not possible, we will ensure that similar services are available to the resident in a new location and that support with the transition is available. Regular checks will also be made to ensure that there are adequate school placements, GPs available and any other support services required.
- 7.7 An Equality Impact Assessment has been completed to review and establish if there are any negative or disproportionate impacts on any of the protected characteristics that residents may identify with.
- 7.8 Householders currently providing accommodation for friends or relatives do not receive financial help associated with having long-term guests. There is currently no cost of living support available to residents hosting a family in their home for long periods of time. Financial assistance to meet these costs at a time when household budgets are already overstretched could help to sustain hosting arrangements and prevent and reduce the incidence of family and friends no longer willing or able to allow a homeless applicant or household to remain in the property.
- 7.9 The Find Your Own PRS Accommodation Grant Scheme will empower residents to take ownership and control over their housing options with more flexibility and choice in terms of location and type of property they source in the PRS. Those residents who receive a "Find Your Own" Grant payment should see that the payment help to reduce any financial barriers which prevented a resident from securing and settling into a new PRS tenancy. This in turn should

minimise the risk of the tenancy breaking down. The Grant supports long-term tenancy sustainment and fundamentally aims to reduce the risk of repeat homelessness which is costly to the council and disruptive to the resident and their household which will ultimately benefit all residents.

- 7.10 The use and payment of both grants will be considered and managed in line with Tower Hamlets Adult Safeguarding procedures to ensure minimal risk of harm or exploitation to vulnerable individuals and families. Any concerns raised or noted regarding a particular individual or family will be considered on a specific case-by-case basis.

## **8 OTHER STATUTORY IMPLICATIONS**

- 8.1 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.
- 8.2 The legislation and caselaw relevant to accommodation provision to which the new policy has regard to:
- Housing Act (1996) Part 7
  - Homelessness Reduction Act (2017).
  - Homelessness Code of Guidance for local authorities, particularly 'Chapter 17: Suitability of Accommodation'.
  - The Homelessness (Suitability of Accommodation) (England) Order (2012).
  - The Equality Act 2010
  - Localism Act 2011
  - Children Act 2004
  - Domestic Abuse Act 2021
  - Homelessness (Suitability of Accommodation) Order 2012
  - Relevant case law relating to affordability of accommodation in relation to suitability– notably, but not exclusively, the judgement of the Supreme Court in the case of *Samuels v Birmingham City Council* (2019).
  - Travel to school for children of compulsory age 'Department for Education Statutory Guidance for Local Authorities'
  - Tenant and Landlord Act 1985
  - Homes (Fitness for Human Habitation) Act 2018
  - Housing Health & Safety Rating System (HHSRS)

Other statutory implications

- Best Value Implications
- Safeguarding
- Healthy Child Programme

## 9 COMMENTS OF THE CHIEF FINANCE OFFICER

- 9.1 This report is seeking approval of the Council's revised Homelessness Accommodation Placement Policy. On top of this, the report also seeks approval for two pilot schemes, cost of living grant scheme and find your own PRS Accommodation scheme. The revised policy is aimed at reducing the cost of providing temporary accommodation and the pilot schemes at preventing homelessness occurring.
- 9.2 The Council has a statutory duty to provide suitable accommodation where an assessment results in a duty being owed. Demand for homelessness continues to increase, putting budgets under significant pressure and in 2023/24 is projecting to outturn with an adverse variance of £6.6m. The current homelessness accommodation placement policy restricts the locations within which clients can be accommodated. A lack of accommodation in borough and the Greater London area is resulting in significant numbers of placements in unsuitable bed and breakfast accommodation and commercial hotels at very high cost to the Council, with these placements lasting for significantly longer periods.
- 9.3 Where temporary accommodation clients are eligible for housing benefits, the Council will claim back rents that it has paid out from Central Government as part of the housing benefit subsidy system. Rents in borough are all significantly above Local Housing Allowance (LHA) rates and are paid in full. The Housing Benefit subsidy system caps the amounts that the Council can claim back to cover these rental payments at 90% 2011 LHA rates, resulting in the Council making a subsidy loss on each payment. In 2023/24, rental payments totalled £41.9m and the subsidy claimed back was only £29.2m, a subsidy loss of £12.7m (against a £7m budget).
- 9.4 Placing temporary accommodation clients further from Borough will reduce the rents to levels closer to or at LHA levels, reducing the Housing Benefit Subsidy loss. The table below is an illustrative example, comparing the weekly housing benefit subsidy loss of housing in borough with Southend and Luton.

	1 Bed (£)	2 Bed (£)	3 Bed (£)
Tower Hamlets	295.49	365.92	441.86
HB subsidy	216.00	270.00	315.00
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	-40.00	-53.75	-74.00

- 9.5 Since the cost of living crisis, the Council has experienced a significant increase in the number of people presenting as homeless following friends and family evictions. Increasing food and energy costs have made it increasingly difficult to continue hosting friends and family members. In 2023/24, the government introduced cost of living payments to help low-income households partly or in full receipt of tax credits and welfare benefits of circa £300 per quarter. Householders however who provide accommodation for friends or relatives are not eligible for this funding. As a result, it is proposed to pilot grant payments for up to 12 months where hosts have recently evicted friends and family members, the aim being to allow them to continue accommodating friends and family members.
- 9.6 The grant payments will be assessed on a case by case basis and last up to 12 months. The level of payment will be based on bedroom need. The scheme should result in cost savings for the Council, with the grant payments preventing homelessness and the need for the Council to place the evicted person in expensive nightly booked accommodation. The level of saving is difficult to assess as it is dependent on the number of grants made and the size of the grants.
- 9.7 Find Your Own PRS Accommodation Grant intends to incentivise homeless households to self-source PRS accommodation. The grant is only available to homeless households who find their own PRS accommodation where they have been already placed in Temporary Accommodation by the council or where the council owes a duty under homelessness legislation. The grant is intended to assist eligible residents in meeting the costs associated with moving and resettling into a new PRS home.
- 9.8 Grant awards will again vary, depending on the size of the property being procured. This scheme will again result in cost savings for the Council, with the grant allowing the Council to discharge its homelessness duty. The level of cost saving will be dependent on the number of grants given and the size of the grants.
- 9.9 The grant schemes will be funded from the existing budget in the expectation that they will be self-funded by reduced homeless costs and potentially produce an overall saving

## **10 COMMENTS OF LEGAL SERVICES**

- 10.1 The Housing Act 1996 provides the statutory background to the Council's duties with respect to preventing homelessness and providing assistance to people threatened with or actually homeless. The Homelessness Act 2002 amended the primary legislation to ensure a more strategic approach to preventing and

tackling homelessness by requiring housing authorities to formulate and publish a homelessness strategy.

10.2 This report sets out the challenges that the Council is currently facing with the provision of temporary accommodation and the revised Homelessness Accommodation Placement Policy sets out the council's approach to using available housing stock to discharge the council's statutory homelessness duties and responsibilities. The policy has been formulated taking into account legal advice on the potential challenges to the policy that the Council may face with a view to ensuring the policy limits the risk to the Council of successful challenges against decisions made using the guidelines set out in the policy. The revised policy will apply to both new and existing clients from the date of implementation.

10.3 The Homelessness Accommodation Procurement Strategy sets out the further steps that the Council will take to ensure that the accommodation offered to homeless applicants is fit for purpose and allows the Council to take a greater role in ensuring that they meet their statutory obligations and provide good quality accommodation. The grants scheme detailed in this report will support the Council's homelessness strategy.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- None

### **Appendices**

- Homelessness Accommodation Placement Policy
- Homelessness Accommodation Procurement Strategy
- Equality Impact Assessment for the revised Homelessness Accommodation Placement Policy and the new Homelessness Accommodation Procurement Strategy
- Equality Impact Assessment Checklist for piloting 1) the Cost of Living Grant Scheme and 2) the find your own PRS Scheme Accommodation Scheme

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

- NONE

### **Officer contact details for documents:**

Abul Kalam - Service Manager, Housing Management & Procurement

## Appendix A HOMELESSNESS ACCOMMODATION PLACEMENT POLICY

<b>Homelessness Accommodation Placement Policy</b>			
<b>Author:</b>	Abul Kalam, Service Manager, Housing Management & Procurement		
<b>Authorised by:</b>	Karen Swift, Director of Housing		
<b>Owned by (Team/Dept):</b>	Housing Options Service		
<b>Effective from</b>		<b>Next Review date</b>	
<b>Consultation Required?</b>	No	<b>EqlA Required?</b>	Yes

### 1. Purpose

- 1.1. This document sets out how the Council will allocate accommodation to meet its statutory obligations to the homeless under both the Housing Act 1996(as amended), s11 of the Children Act (2004) and the Equality Act 2010 including;
- Interim accommodation (s188)
  - Accommodation in lieu of discharge of s193 main duty
  - Accommodation in lieu of s190 (intentionally homeless)
  - Private rented sector offers in discharge of s195(prevention duty), s189B (relief duty)
- 1.2. Whilst the Borough will have regard to this Policy when allocating temporary accommodation to applicants, it retains its discretion to take into account particular personal circumstances of the applicant or the household when allocating accommodation.
- 1.3. Tower Hamlets Council is committed to securing suitable accommodation for homeless households however, we are only able to do this subject to the supply of suitable and affordable accommodation within the Borough.
- 1.4. There has been a significant increase in the demand for homelessness assistance. Running alongside this increased demand, the Council is experiencing difficulty in acquiring accommodation. There are several reasons as to why demand has increased and why supply is limited, for example,
- **Increase in homelessness** – welfare reforms, benefit cap, properties becoming unaffordable, friends/family evictions, domestic abuse etc

- **Reduction in supply** – significant increases in rent, landlords selling, more stringent mortgage application criteria, general shortage of properties to buy and rent
- 1.5. The Council will always look to secure accommodation within its own borough or neighboring boroughs; however, it needs to manage the costs and resources in doing so and in doing so, needs to ensure that any accommodation procured to use as temporary accommodation is offered to a homeless household at an affordable rent level. The Council is not able to build enough homes to meet demand and therefore, the Council looks to the private sector for affordable homes. Whilst the council will not use the burden of costs in securing accommodation, it needs to be mindful in terms of the costs incurred in procuring temporary accommodation. This policy will have regards to the cases of *EIKundi v Birmingham* and *Imam v Croydon Council*, but will adapt as and when there are legislative changes to ensure that the policy meets the needs of homeless households in the area.
- 1.6. Our policy is to provide accommodation within the Borough of Tower Hamlets wherever reasonably practicable, except in cases where there is a specific reason why the household should not be accommodated within the borough, for example, those at risk of violence in Tower Hamlets.
- 1.7. The Council does not have sufficient units of temporary accommodation within its own stock, and as a result, we rely on a supply of privately owned properties to meet our statutory obligations. Changes to the Local Housing Allowance, the introduction of the “Benefit Cap” and a number of other factors have reduced the number of properties in Tower Hamlets that can be obtained for this purpose due to limited availability. As a result, there will be an increasing need to use accommodation that may be at a distance from the borough. This Policy is intended to ensure that we prioritise those who have the greatest need to be in or close to a particular location. Where a household needs to be moved away from a particular location for safety reasons, this will always be taken into account when deciding on temporary accommodation allocation.

## **2. Background**

- 2.1 The Council currently provides accommodation to meet a range of housing needs:
- Temporary accommodation for homeless households or those waiting for a homelessness decision.
  - Accommodation to prevent or relieve homelessness.
  - Accommodation in the private rented sector to end the Council’s Main Homelessness Duty under the Localism Act 2011.
  - Social housing allocated via the Housing Allocations Policy, with reasonable preference given to homeless households as required by



law.

- Council-commissioned homelessness supported accommodation for rough sleepers and single homeless people with support needs.

2.2 Legislation and caselaw relevant to accommodation provision to which the policy has regard:

- Housing Act 1996, as amended by the Homelessness Reduction Act 2017
- Homelessness Code of Guidance for Local Authorities, particularly 'Chapter 17: Suitability of Accommodation'.
- The Homelessness (Suitability of Accommodation) (England) Order 2012.
- The Equality Act 2010
- Localism Act 2011
- Childrens Act 2004
- Homelessness (Suitability of Accommodation) Order 1996
- Homelessness (Suitability of Accommodation) (England) Order 2003
- Homelessness (Suitability of Accommodation) Order 1996
- Domestic Abuse Act 2021
- Relevant case law relating to affordability of accommodation in relation to suitability– notably, but not exclusively, the judgement of the Supreme Court in the case of *Samuels v Birmingham City Council (2019)* and *Nzolameso v City of Westminster*
- *Also as previously mentioned, the cases of Elkundi v Birmingham and Imam v Croydon.*
- Travel to school for children of compulsory age 'Department for Education Statutory Guidance for Local Authorities'

2.3 In assessing the suitability of any property as temporary accommodation for a homeless household, the Council will consider whether the applicant can afford their housing without being deprived of basic essentials such as food, clothing, heating, transport, and other essentials.,.

### 3. Prioritisation of cases for in-borough placements

3.1 At least one of the following criteria will be generally required to be met for a household to be allocated an in-borough property (unless there is no-one at all that fits any of the criteria awaiting a placement for whom the property would be suitable):

- Other pressing social/welfare/medical need that means the household needs to stay in the borough.
- Where the transfer is in the Council's interest, including but not restricted to deadline for commencement of capital work; to avoid legal action being taken against the Council; risk to the Council's reputation or finances.
- Household with at least 1 child in years 11 or 13 of secondary school education
- Employment within the borough and/or where a placement outside the borough would result in the applicant being unable to

continue in employment

- 3.2 Where a household is given highest priority for accommodation within or close to the borough (or close to their place of employment/medical facilities/place of education as appropriate) in accordance with paragraph 431 above but there is no accommodation immediately available within or close to the borough (or close to their place of employment/medical facilities/place of education as appropriate), a homeless household can be placed on an emergency basis in temporary accommodation at the nearest location, which is otherwise suitable where there is availability on that day. The household will be given priority to be transferred to alternative temporary accommodation as soon as a unit is available that would be more suitable in the longer term
- 3.3 Where the service is notified of changes to the circumstances of household members after they have been placed into temporary accommodation, these circumstances will be considered, and a decision will be taken as to whether or not the household needs to be moved to more suitable temporary accommodation
- 3.4 Households in receipt of welfare benefits may be subject to restrictions on the amount of benefit they can receive, which may affect their ability to pay rent. Placements in Tower Hamlets or nearby boroughs is subject to suitable accommodation being available and the applicant being able to afford accommodation in these areas
- 3.5 Before an offer of temporary accommodation is made, the Council will take into account the support and relocation need of the household, making such inquiries as are reasonably necessary to be satisfied that those needs will be met.

#### **How will we allocate accommodation?**

#### **4. Location of the accommodation provided.**

- 4.1 Section 208(1) of the 1996 Act requires the local authority to provide accommodation in its own area 'so far as reasonably practicable.' The clear intention is that local authorities should not simply decant homeless persons into areas for which other authorities are responsible. In areas of acute affordable housing shortage, a local authority may decide that it is not reasonably practicable to accommodate people in its own area.
- 4.2 Unless the applicant is at risk of violence in a particular part of the borough, or there is an overwhelming social, medical or welfare reason for specifying a particular area, any location within Tower Hamlets is normally to be deemed suitable. The borough covers a small geographical area; all parts of the borough are well served and connected by public transport. Most journeys by public transport to any part of the borough can be concluded within 40 minutes. Individual circumstances will be taken into account when determining the suitability of a particular location, in the context of the foregoing.

- 4.3 In determining whether a property outside of the borough, including outside of London is suitable, the requirements set out in the law and statutory guidance need to be taken into account. It is essential that the question of disruption is specifically addressed-
- 4.4 As a general aim, placements will be made into areas which are accessible by public transport, however, the ongoing and changing supply and availability of properties may mean that there are or will be times when this aim cannot always be met.
- 4.5 For the purposes of making an allocation, all units of temporary accommodation acquired will be categorised into Zones. These Zones are as follows.
- Zone A – located in the borough of Tower Hamlets
  - Zone B – located in Greater London
  - Zone C – located outside Zones A and B but in the neighboring counties and districts of Essex, Hertfordshire, Kent, Surrey, Berkshire, and Buckinghamshire
  - Zone D – located outside of Zones A, B and C
- 4.6 As a general approach, available accommodation is allocated on the day that it becomes available but where appropriate, may be held back in anticipation of particular needs.
- 4.7 While individual circumstances must be taken into account the following should be used as a guide:
- All households will be placed in accommodation in Zone A if suitable accommodation is available. If no suitable accommodation is available in Zone A, then they will be placed into Zone B. If there is no suitable accommodation in Zone B, then they will be placed into suitable accommodation in Zone C. If there is no suitable accommodation in Zones A, B or C, then they will be placed into Zone D
  - Relevant facts regarding a household's circumstances will be gathered by officers in the course of their enquiries, including but not limited to, their accommodation needs and affordability
  - Where it is not reasonably practicable to provide temporary accommodation within the borough for all households requiring it, a series of decisions must be made about how available accommodation will be allocated. These decisions will be made with reference to the circumstances of each household and on the relevant characteristics of the properties available to the service for the use as temporary accommodation.
  - All homeless or potentially homeless households are individually assessed prior to placement to determine the type and location of

temporary accommodation that should be offered. Before any offer of temporary accommodation is made, a matching exercise will be carried out taking into account the requirements of the household and the nature and location of the individual property; the results of this matching exercise will be recorded in full on the applicant's file.

- As a general guide, the maximum journey time for a child of primary school age should be 45 minutes each way, and 75 minutes each way for a child of secondary school age, including any time taken to walk to a pick-up point, but there will be circumstances in which this is not possible, for example, where a child needs to travel a long way to the school named in their Education, Health and Care Plan (EHCP), or when journey times are extended by traffic or public transport delays. Wherever possible, a child should not be expected to make several changes on public transport.
- It is reasonable to assume that children under year 10 could transfer to a local school and that this would not constitute a significant disruption to their education.
- If children are in a special school or have an Education, Health, and Care Plan (EHCP) it would be necessary to assess whether a transfer to a location out of the borough would represent a significant disruption to their education. This may involve making enquiries of the potential host authority to see if those needs could be met in a local school. Ideally out of Borough Placements for families with a child in a special school should be avoided unless there is no suitable in-borough property available or in the pipeline at the point the need arises.
- Generally, the Council will aim to avoid placing households who are still engaged with social services out of the borough. This is subject to the availability of suitable accommodation at the point of need. The duty to notify the receiving borough must be met, as must checks with the Council's Children's Services to ensure any safeguarding concerns are properly considered prior to placement.
- In considering disruption to care & support arrangements – it is necessary to consider the frequency and duration of such support; the extent to which those needs can be met by someone else, or by another method and to consider the likelihood and extent of disruption to the continuity of that care and support. Generally, travel of up to an hour to deliver care or support would be considered reasonable, but individual circumstances will be taken into account.
- If specialist medical care is being provided – the extent of the disruption & the capacity for that support to be transferred to a local hospital/medical facility needs to be assessed, along with an assessment of how disruptive that transfer is likely to be to the continuity of care provided, individual circumstances will need to be taken into account.

- Distance from the borough needs to be noted; the extent to which the distance is likely to be disruptive needs to be assessed in light of the foregoing. The Town Hall, 160 Whitechapel Road E1 1BJ as the reference point for measuring distance to the borough may be used but not limited to this, and the households' individual circumstances will be considered
- Transport, local services, and amenities should generally be within a 30-minute walk (1.5 miles) of the accommodation.
- It should be noted that the above categories and priorities are for guidance only and the individual circumstances of each household, including the time likely to be spent in the accommodation, must always be taken into account when determining the suitability of an offer of temporary accommodation.
- Given the shortage of available properties, it is likely that officers will need to make decisions to prioritise the allocation of particular properties not only between households who fall into one or more of the categories described in 3.1 - 3.5, but also between households who do not fall into any of the categories.

4.8 When prioritising between households, the following circumstances will also be taken into account.

- Level of need relating to the welfare and safeguarding of any children in the household
- Level of educational needs
- Identified risks posed by living in a particular area
- Permanency/flexibility of employment
- Access to transport
- Level of need to be close to services and amenities
- Level of need to be close to health services
- Level of need to be close to support networks
- Impact on caring responsibilities
- Affordability of the accommodation
- Impact of the relocation and of occupying the accommodation on a continuing basis, and based on the wellbeing of household members
- Impact of the relocation and occupying the accommodation on a continuing basis, and on the wellbeing of any children in the household, having regard to the Council's duty under the Children Act 2004 to safeguard and promote their wellbeing

4.9 The impact of these and any other relevant circumstances will be considered both individually and cumulatively. Households that have a relatively low level of need when considering the above circumstances are more likely to

be offered accommodation in zones B, C and D. However, even if a household is considered to have a lower level of need than other applicants to be in or close to the borough, they will be allocated available units in Zone A or Zone B if these units are not required by higher priority households.

4.10 Accommodation placements for households or individuals who make a homeless application within two years of arriving in the UK, hereinafter referred to as 'new arrivals', the following criteria will be used;

- In pursuance of the Homelessness (Suitability of Accommodation) (England) (Amendment) Order 2024, ('2024 order') which has extended the Homelessness (Suitability of Accommodation) (Amendment) (England) Order 2022, ('2022 order') and follows an extension of the '2022 order' by the Homelessness (Suitability of Accommodation) (England) (Amendment) Order 2023, this authority reserves the right to use greater flexibilities when placing 'new arrivals' when placing them into accommodation.
- The operative justification for using greater flexibilities and considering accommodation in Zone D when placing 'new arrivals' reflects the need for pressures to be eased on local authorities, particularly in areas of high housing demand such as London, the South East and other metropolitan areas which was highlighted in the government's explanatory memorandum to the '2024 order' at paragraph 5.7 [The Homelessness \(Suitability of Accommodation\) \(England\) \(Amendment\) Order 2024 \(legislation.gov.uk\)](#) The effect of using these greater flexibilities when placing new arrivals in locations removes the need for us to giving mandatory consideration to disruption to education and employment when making placements and restricts mandatory consideration to the disruption caused by the location of accommodation for those with caring responsibilities of the person or persons household for persons with who there are family associations.

## **5. Affordability**

5.1 The property must be affordable. An affordability assessment will be carried out to identify how much disposable income a household has after assessing all essential expenditure and the amount of rent they will have to pay. The assessment will consider whether the applicant can afford the housing costs without being deprived of basic essentials such as food, clothing, heating, transport, and other essentials specific to their circumstances. The property will not be regarded as affordable if the household would be left with a residual income that is insufficient to meet these essential needs. Universal Credit standard allowances may be used as a guide when assessing the income that an applicant will require to meet essential needs aside from housing costs. Wishes, needs and circumstances of the applicant and their household should also be taken into account.

5.2 When expenditure on essential items is higher than might be expected, the wider context of the applicant's particular circumstances will be considered.

The Code of Guidance gives the example of an applicant with a disabled child having higher travel costs to ensure that the child is able to access additional support or education that they require and so this should be taken into account when assessing their essential needs, and the income that they have available for accommodation costs.

## **6. Other matters affecting suitability**

- 6.1 All households provided with temporary accommodation will be assessed at the point of placement in order to identify any support or resettlement needs arising from the location of the accommodation. These include but are not limited to, identifying those with mental or physical health issues or learning disabilities, those with substance misuse issues, care leavers, and older people
- 6.2 The Temporary Accommodation Team will also provide details of the incoming household to the receiving borough as required. Where a particular area outside the borough is used on a regular basis for the provision of temporary accommodation, an information pack will be provided to households being provided with temporary accommodation covering local services and facilities in that area.
- 6.3 For any household placed in temporary accommodation outside of the borough, information will be provided on how to access local services, amenities, and facilities in the local area. In particular they will be given an information sheet which has a range of useful information which includes:
- Registering for local Council Tax Support
  - Registering with the local GP
  - What to do if they need emergency funds
  - How to apply for a school placement in the borough that they are going to reside in
- 6.4 When determining suitability, we will have regard to the Suitability of Accommodation Order (England) 2012 and including but not limited to, the Housing Health & Safety Rating System (HHSRS), Homes (Fitness for Human Habitation) Act 2018. The council will also ensure that it is managing its costs, although not using costs as a barrier to procure suitable accommodation, so that we are achieving value for money and discharging our duties as per legislation, as we have a fiduciary duty to the taxpayers in the borough
- 6.5 The Temporary Accommodation Team will provide the household with their Housing Officers details at the time of the placement so that there is early dialogue between the household and the Housing Officer. The Housing Officer will be able to provide a range of advice and assist the household with accessing support and/or other need

- 6.6 The Temporary Accommodation Team will endeavor to confirm the availability of school places, and develop links with schools' admissions services, in any areas outside Zones A and B.
- 6.7 This policy takes fully into account the requirements of the Homelessness (Suitability of Accommodation) (England) Order 2012. Applicants accommodated under this policy under section 193 of the Housing Act 1996 can request a statutory review of the suitability of any accommodation offered to them, in accordance with section 202 of the Act.

## **7. The right to view accommodation**

- 7.1. Whilst the Homelessness Code of Guidance recommends that applicants generally are given an opportunity to view accommodation provided on anything other than an interim or emergency basis and it also suggests that applicants be given a reasonable period to consider such offers the **Court of Appeal in R(Khatun) -v- Newham London Borough Council (2004) EWCA Civ 55** held that there is no inherent right afforded to applicants to view accommodation which is temporary before deciding whether to accept or reject it.
- 7.2. For operational reasons that are directly connected to the local authority's ability to procure accommodation which would see many opportunities in procuring accommodation lost, and significant revenues affected, the local authority justifies its position in refusing to allow routine viewings and giving extended periods of consideration before deciding whether to accept or reject temporary accommodation. To do otherwise would so adversely and disproportionately affect homeless households it does or may owe housing duties to because the supply and availability opportunities in procuring would be seriously and adversely affected in a climate where such accommodation is already in extremely short supply
- 7.3. The local authority may consider offering viewings in circumstances where there is an exceptional and compelling need for households or individuals to do so, and in exercising its discretion as to what is a reasonable period to accept or in giving an applicant an opportunity to view, there may occasionally be exceptional and compelling circumstances that warrant the need for a viewing of temporary accommodation related specifically to an applicants designated and specific disability needs connected to particular properties being offered
- 7.4. Viewings for Final Offers of Accommodation and Private Rented Sector Offers (FOA & PRSO will be accommodated for all households).

## **8. Priorities for private rented sector accommodation**

- 8.1 The Council's homelessness prevention approach is aimed at reducing the need to place households in temporary accommodation and to support households into settled and sustainable accommodation to meet their housing



need. This will often be in the private rented sector and, for households who find Tower Hamlets unaffordable, often in other areas outside the borough. This approach means that where possible, households should not face repeated moves of temporary accommodation, or only for the minimum necessary duration if unavoidably required and without needing to face repeated moves and ongoing disruption. This approach also minimises the amount of temporary accommodation the Council has to provide

- 8.2 The Homelessness Code of Guidance states: 'For many applicants, working with the housing authority to prevent or relieve their homelessness will provide an opportunity to explore what realistic options are available to them and consider what compromises they may wish to make in order to achieve the best option for them. The opportunity to consider more than one property can play an important part in this process. '(para 14.29)
- 8.3 To help homeless households to evaluate the pros and cons of often limited options, the Council aims to provide a maximum of 2 offers of private rented sector accommodation for households at the prevention stage of their application. This would go some way to ensuring households are given choice of a new home in the PRS.
- 8.4 The 2 offers at the prevention stage would be subject to supply. Given that the PRS market changes from time to time, it may not always be possible to make 2 offers. The current market is seeing less and less supply of PRS accommodation given that the private sector lets have significantly increased and landlords are achieving higher rents through private lets.
- 8.5 Where possible, the Council will use its best endeavors to make 2 offers to prevent their homelessness, and a further 1 offer to relieve homelessness should prevention fail. Households already at crisis stage are likely to receive 1 offer, reflecting the urgency of their situation. Homeless households in temporary accommodation owed the 'Main Homelessness duty' and whose cases were accepted post- Localism Act are entitled to 1 suitable PRS offer through the Localism Act PRSO power (Private Rented Sector Offer).
- 8.6 The approach does not guarantee an offer. The property needs of some households may be in short supply in the PRS stock – e.g., wheelchair adapted housing – and, for those in crisis, the statutory time frame - 56 days – may have expired without a suitable accommodation offer becoming available.

## **9. How private rented sector accommodation will be allocated**

- 9.1. PRS property is sourced by the Council to meet homelessness duties by the Council's in-house procurement team.
- 9.2. When a property is made available, suitable applicants will be identified. Allocating accommodation procured in the private sector is often time-critical, as landlords want to minimise lost rents due to void periods and the Council

needs to limit the risk of the property being let elsewhere. Due to the short time frames involved in the allocation of private sector properties, potential applicants will be contacted directly by the Council to arrange a viewing. Where an applicant cannot be contacted within a reasonable period so that there is a risk of the property being let elsewhere, another potential applicant will be contacted. The final decision to accept or reject a household will usually rest with the landlord. If the landlord refuses a nominated household, the offer will be withdrawn and a further offer will be made when a suitable property becomes available. If the refusal is due to behaviour of the applicant, this may result in them being withdrawn from further offers whilst we work with them to address any issues raised. Once both the applicant and landlord accept, an assured shorthold tenancy is issued generally for a minimum fixed term of 12 months where a main duty has been discharged or 6 months if the offer is made at the relief stage.

- 9.3. For applicants owed the statutory homelessness prevention or relief duty and who are assessed as being able to sustain a tenancy, a maximum of three reasonable offers (2 at prevention and 1 at relief, as per paragraph 8.4) of affordable private rented housing will be made. Individual circumstances are considered in making these offers, including time scale, affordability, household preferences and needs. If a household is actively engaging with the Council but a choice of suitable offers has not been available but is expected to be, the Council may consider extending the statutory relief casework period. An acceptance of any suitable offer will end the Council's statutory duty. Ultimately a final suitable offer will be made, and the household will be notified in writing and the Council's statutory duty will be formally ended, whether the offer is accepted or refused. Where the Council have not been able to prevent or relieve homelessness, and a household is owed the main homeless duty, the Council will usually bring the duty to an end with one suitable offer of private sector accommodation.
- 9.4. Offers on in-borough accommodation will follow the prioritisation criteria set out above.
- 9.5. Where a household is claiming housing benefit or Universal Credit, properties will be offered that meet a household's bed need that are in areas where the LHA rent is affordable. In the current climate of rising rents and caps on benefits, such properties are likely to be out of borough, and increasingly out of London, particularly for larger properties. The Council will consider a household's income and their ability to meet any shortfall between the housing benefit paid and the rent to ensure that accommodation is affordable and sustainable.
- 9.6. Regard will be had to Homelessness Code of Guidance, Chapter 17 with respect to basic minimum standards, both physical property standards and management standards, and there will be compliance where applicable with Article 3, Homelessness (Suitability of Accommodation) (England) Order 2012.

## **Appendix B Homelessness Accommodation Procurement Strategy**

### **1. Introduction**

- 1.1 Tower Hamlets, along with the rest of London, is facing an unprecedented housing crisis. Homelessness has increased and remains extremely high across London.
- 1.2 The Supreme Court judgment in the case of *Nzolameso v Westminster City Council* required local authorities to have “a policy for procuring sufficient units of temporary accommodation”, and that secondly that, “each local authority should have and keep up to date, a policy for allocating those units to individual homeless households.”
- 1.3 This strategy has been developed to meet the statutory duties and obligations owed by the council to homeless households under both the Housing Act (1996) and the Childrens Act (2004), including the discharge of our duties under the Homelessness Reduction Act (2017)

### **2. Purpose**

- 2.1 The Homelessness Accommodation Procurement Strategy sets out how the council will procure a sufficient supply of temporary and privately rented sector accommodation to meet the demand for homeless households under the relevant legislation.
- 2.2 The strategy provides the council’s principles for meeting demand and cites the procurement activities that will be followed to procure a sufficient supply of accommodation.
- 2.3 It will guide the Housing Options Accommodation Procurement Team to ensure that suitable accommodation is procured for homeless households to prevent and relieve homelessness.
- 2.4 This strategy is to be used in conjunction with the ‘Homelessness Accommodation Placement Policy.’

### **3. Background and Context**

- 3.1 The council has a statutory duty to provide temporary accommodation as emergency housing for homeless households where a homelessness duty may be owed.
- 3.2 Temporary accommodation takes two forms – In the first instance, it is emergency, emergency accommodation (called stage 1), for use during the relief stage of homelessness and while a household’s homeless application is being assessed.
- 3.3 The second type of temporary accommodation is longer-term, (stage 2). This accommodation is for households where the council has accepted a

housing duty to them and is provided until a household is rehoused into a final offer of long-term settled accommodation.

- 3.4 Stage 1 accommodation may be 'nightly booked' as it is only intended to be for short periods and it may be more expensive than longer-term Stage 2 accommodation
- 3.5 The council has arrangements to secure accommodation from landlords, property agencies and developers in addition to its own stock and also obtains accommodation from partner registered providers (housing associations) to provide Stage 2 accommodation. In addition to these leased forms of accommodation, the council makes Private rented sector offers ("PRSOs") to homeless households where it has accepted a housing duty to them to provide private rented accommodation on an Assured Shorthold Tenancy. The Localism Act 2017 allows the council to make these offers to provide households with sustainable, affordable, and more settled accommodation to reduce the burden of lengthy waits in temporary accommodation for social housing which can be a number of years.

#### 4. **Principles of Procurement**

- 4.1 The council will apply the following principles in its approach to the procurement of both temporary and private rent sector offers to meet its statutory duties and obligations owed to homeless households.
  - The council will act to ensure accommodation is compliant with all relevant legal obligations and have regard to all relevant legal guidance.
  - The properties procured need to be affordable and sustainable in the longer term to the households that occupy them, so they are within affordability levels and temporary accommodation subsidy rates. This will give homeless households the lowest likelihood of being unable to pay the rent or of having to move again.
  - The properties offered to households will be suitable, compliant with health and safety specifications and be in reasonable condition.
  - The affordability of properties will be a key factor when procuring properties. Where possible (given market forces) properties should be within allowable subsidy rates or benefit levels to meet budgetary targets and therefore cost neutral to the council.
  - Where the council is procuring properties outside Greater London it will, as far as possible, focus on urban areas whose diversity so far as practicable reflects that of Tower Hamlets and so are likely to have more facilities and support networks for people from Tower Hamlets with protected characteristics.

Evidence of the scope and range of employment opportunities and the quality of local schools will also be considered.

## **5 Checks to be undertaken in the procurement of accommodation.**

5.1 When procuring settled accommodation in the private sector, inspections or virtual inspections will be conducted if possible. This assessment aims to determine the suitability of the property and its alignment with our requirements, ensuring compliance with Article 3 of the Homelessness Suitability of Accommodation (England) Order 2012. Additionally, all relevant legislation, such as the Housing Health & Rating System (HHSRS) and the Homes (Fitness for Human Habitation) Act 2018 (HFHHA), will be taken into account. If an inspection is not undertaken, alternative methods such as assessing the condition of the property using a completed inspection report and photos may be utilised to satisfy requirements.

5.2 Where a license is required to let a property, the council will ensure that all due diligence has taken place, including but not limited to, ensuring that the appropriate licenses are in place and that checks are made with the local authority where the property is located in.

5.3 In areas with suitable ample available accommodation is available, we'll conduct the necessary checks and provide essential information, as outlined in our Homelessness Accommodation Placement Policy (refer to paragraphs 3.1-3.3 and 6). This includes:

- Local amenities information being provided.
- Guidance on GP registration
- How to apply for a school placement
- Ensuring reasonable transportation links to the borough are available

## **6 Legislative Framework**

6.1 The local authority has a statutory duty to provide suitable temporary accommodation for homeless households in accordance Part VII of the Housing Act (1996) and the Homelessness (suitability of accommodation) (England) Order 2012.

6.2 Following the case of *Nzolamesco v Westminster* in 2015, additional guidance has been issued. The Supreme Court held that where local authorities offer accommodation outside of their own district in discharge of their duties under Part VII of the Housing Act 1996, they must explain, ideally by published policies, the choices that have been made and why.

6.3 This strategy, will sit alongside the Homelessness Accommodation Placement Policy 2024 and will have adherence to the following legislation and case law:

Housing Act (1996), Part 7.

Homelessness Reduction Act (2017).

Homelessness Code of Guidance for local authorities, particularly 'Chapter 17: Suitability of Accommodation'.

The Homelessness (Suitability of Accommodation) (England) Order (2012).

The Equality Act 2010

The Localism Act 2011

The Children Act 2004

Domestic Abuse Act 2021

The Homelessness (Suitability of Accommodation) Order 2012

Relevant case law relating to affordability of accommodation in relation to suitability– notably, but not exclusively, the judgement of the Supreme Court in the case of *Samuels v Birmingham City Council* (2019).

Travel to school for children of compulsory age 'Department for Education Statutory Guidance for Local Authorities'.

## **7 Monitoring and review of this strategy**

7.1 This strategy will be subject to review from time to time, for example, when there has been a change in legislation or where the demand for accommodation has substantially changed.

7.2 An Action Plan is set out in Appendix 1 providing specific initiatives which officers will undertake over the course of the next 2 years for procuring temporary and private rented sector in line with the procurement strategy

Action	By when
Set temporary accommodation (private licensed accommodation (PLA) nightly paid (NP) section 106) rents at the 2024/25 local housing allowance to ensure that rents are affordable	February 2024
Hold more landlord forums and open days, to build new partnerships and increase supply. This includes online campaigns	September 2024 January 2025
Submit 'Exit B&B action plan' to DLUCH	July 2024
Review the incentives and rents paid to landlords, keeping up with the market demands.  Implement a competitive rent incentive package. These packages may include various incentives for landlords, including covering the difference between the local housing allowance rate and the private market rent, when feasible to do so.	July 2024 (Quarterly reviews)
Carry out cross-regional work with other Local Authorities including Registered Social Landlords (RSL's) to pool resources to jointly procure accommodation with greater influence and efficiency.	July 2024
Review all current temporary accommodation lease agreements between the council and accommodation suppliers, to place more onus on the landlord to get repairs done, with a mechanism embedded to carry out repairs when the landlord does not and recharge the landlord directly by making a deduction to their monthly payment.	October 2024
Engage with a range of established larger stakeholders who procure volume quantities of accommodation which is then leased to the council to use as private rented sector accommodation, therefore, enabling the council to discharge its homelessness duties.	October 2024
Identify opportunities for existing council or community assets to be repurposed for temporary accommodation	December 2024
Partner with the council's Energy Sustainment Team to offer energy incentives to landlords in return for longer leases, of up to 5 years.	December 2024
Partner with the council's Private Housing Improvement Team to secure funding to carry out adaptations on properties acquired through the council's acquisition scheme to meet the needs of households that would benefit from adapted properties.	December 2024
Develop an in-house property management team (subject to finance's and demand) to act as a central hub for all temporary and private rented sector procurement, acting as an accommodation management service on behalf of landlords and providing full housing management and repairs services, this could include rebranding the current team and working cross directorate with other services, including Children's Social Care (CSC) and Adult Social Care (ASC)	March 2025
Carry out cross-regional work with other Local Authorities who have procured in LBTH, and whereby LBTH have procured in their district to explore stock swaps	April 2025
Acquire/purchase homes for temporary accommodation use via grant funding routes such as CHAPS and LAHF which the council has bid for.	April 2026
Acquire properties under the Council Acquisition Program – this is interdependent with the Housing Supply Team	December 2024






## Appendix C Section 1: Introduction

<b>Name of proposal</b>
For the purpose of this document, 'proposal' refers to a policy, function, strategy, or project
Approval of the councils revised Homelessness Accommodation Placement Policy and new Homelessness Accommodation Procurement Strategy 2024.
<b>Service area and Directorate responsible</b>
Housing Management & Procurement, Housing and Regeneration
<b>Name of completing officer</b>
Una Bedford, Senior Strategy and Policy Officer, Governance and Resources
<b>Approved by (Corporate Director / Divisional Director/ Head of Service)</b>
Karen Swift, Director of Housing
<b>Date of approval</b>
Click or tap to enter a date.

**Where a proposal is being taken to a committee, please append the completed EIA(s) to the cover report.**

**Conclusion – To be completed at the end of the Equality Impact Analysis process.**

Conclusion	Current decision rating (see Appendix A)
<p>This revised policy and the new strategy will ensure that the Housing Options Service in making placements fairly and consistently and to mitigate the risk of inequality for residents who are provided with accommodation, both temporary and in the private rented sector, in accordance with the relevant legislation. Resident's circumstances will be considered on an individual basis; however, categories where special consideration will be given are outlined in the policy.</p> <p>The Housing Options Service is accessible for all, however residents who are affected by this policy and strategy are limited to those that have been assessed as requiring temporary or emergency accommodation, as outlined in the legislation.</p> <p>This policy will inform residents of what is likely to happen should they require accommodation, and this will ensure they are better informed to look at their options, i.e., are they able to privately rent, stay with family etc.</p>	<p><b>Green</b></p>  <p><b>Proceed</b></p>

While officers have had due regard to the council's Equality duty in the development of this policy, the council has a range of other responsibilities including a duty to set a balanced budget.

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 resources are allocated in accordance with priorities and that best value is achieved. The continued use of expensive temporary accommodation, the pro-longed use of nightly or bed and breakfast or commercial hotel accommodation in the borough is not sustainable to the public purse or to the benefit of residents who are placed in this accommodation due to a lack of affordable temporary and private rented sector accommodation in the borough.

It is evident that any risk of a disproportionately negative impact existing to one or more of the groups of people who share a protected characteristic under the Equality Act 2010 will be removed or reduced by implementing the actions detailed within the policy and by officers conducting of the suitability of accommodation test for all placements.

The necessary checks will be made to ensure that where placements are made outside of the borough and outside of Greater London, officers will ensure that there are established communities whereby a diverse community can be catered for.

In assessing the suitability of an offer of accommodation, each case will be considered on its own merits, considering both the nature of the property and the community that surrounds the property, to ensure that residents are not isolated in their new communities.

Where local accommodation is not possible, we will ensure that similar services are available to the residents in a new location and that support with the transition is available. Regular checks will also be made to ensure that there are adequate school placements and GP's available and support networks as required.

**The Equality Act 2010 places a 'General Duty' on all public bodies to have 'due regard' to the need to:**

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advance equality of opportunity between those with 'protected characteristics' and those without them
- Foster good relations between those with 'protected characteristics' and those without them

This Equality Impact Analysis provides evidence for meeting the Council's commitment to equality and the responsibilities outlined above. For more information about the Council's commitment to equality, please visit the Council's [website](#).

## Section 2: General information about the proposal

### **Describe the proposal including the relevance of proposal to the general equality duties and protected characteristics under the Equality Act 2010**

The Homelessness Accommodation Procurement policy is a revision of the council's existing Placement Policy.

The council has a statutory duty to assist households presenting as homeless where they are eligible for assistance and in priority need. This policy relates to the temporary or emergency accommodation that is provided to homelessness households who meet this criterion. The policy is used as a guide to decide what accommodation is allocated to particular customer including the use of out of borough accommodation. The policy includes rehousing homeless households into private rented sector accommodation, to discharge the council's homelessness duties.

It relates to the placement of homeless households into temporary accommodation pursuant to Section 188 of the Housing Act 1996 and longer-term temporary accommodation placements for households accepted as homeless under Section 193 of the Housing Act 1996.

The revised policy considers other relevant statutory legislation, and requirements on Local Authorities in respect of the suitability of accommodation, including The Homelessness (Suitability of Accommodation) (England) Order 2012, and the Homelessness Code of Guidance 2017. It also has reference to Section 208 of the Housing Act 1996.

The notable change between the October 2021 Placement Policy and the new Homelessness Accommodation Placement Policy is the removal of the 90 minutes journey time back to the borough from where a placement has been made.

The council will now use 'zones' when procuring and allocating temporary and private rented sector accommodation.

The zones will enable the council to have a robust and clear policy and procedure on how properties are allocated. This policy will also serve to reduce the number of judicial reviews brought against the council when being challenged on suitability. Having zones, will give the council greater control on allocating accommodation, while being able to audit placements made for transparency. Areas in zone C are subject to change depending on the readiness and availability of supply in a specific area or county. The zones are as follows:

- Zone A – located in the borough of Tower Hamlets
- Zone B – located in Greater London
- Zone C – located outside Zones A and B but in the neighbouring counties and districts of Essex, Hertfordshire, Kent, Surrey, Berkshire, and Buckinghamshire
- Zone D – located outside of Zones A, B and C

This change in policy will affect customers who are approaching the council's Housing Options Service as homeless and are to be provided with accommodation. The policy will also benefit the Emergency Bookings & Allocations Team and the Accommodation Procurement Team, who will be able to make placements in a more structured way. It will also benefit various stakeholders to understand the criteria in which placements are made and accommodation is allocated.

The policy will enable the council to move away from placing families into unsuitable bed and breakfast accommodation, in particular, commercial hotels where costs are significantly higher, currently averaging £982.10 per week (January 2024). Where families need to be accommodated in hotels, the policy will allow the council to move families into self-contained

or settled accommodation within the statutory 6-week period. At present, our ability to move people on sooner is impeded by the lack of suitable affordable accommodation in the borough leading to residents remaining in hotels and bed and breakfast accommodation for longer than is legally permitted, which can be to the detriment of the health and well-being on our residents.

The revised policy will also empower the council to be more proactive when being legally challenged concerning a placement made for a homeless household where a homelessness duty is owed.

The council will also be able to move more households on from bed and breakfast temporary accommodation into settled accommodation in the private rented sector therefore enabling a faster move-on option into self-contained accommodation for those families in unsuitable bed and breakfast accommodation within 6 weeks, as there would be a better churn of available properties arising from the wider scope of supply beyond the borough and its neighbours.

The revised policy will enable the Housing Options Service, at the prevention stage of a homelessness application, to prevent more households from being placed into temporary accommodation, both bed and breakfast and self-contained, by rehousing households into more settled accommodation sooner as the scope of the areas for resettlement would be broadened.

The revision of this policy has been driven by more recent changes in case law, [Katie-Leigh Webb-Harnden v London Borough of Waltham Forest](#) (2023) EWCA Civ 992) but also in the consideration of the current and ongoing scarcity and demand for affordable housing in the borough and this includes within the provision of Temporary Accommodation.

There is not enough supply of social and affordable housing to meet demand in the borough. The Housing Options Service currently has over 2,805 households in temporary accommodation. At present, 48.6% of households are placed in the borough, with 49.8% of households placed in other London boroughs and only 1.5% of households placed in the neighbouring counties and districts.

There are circumstances beyond the council's control which make it increasingly difficult to acquire properties for use as temporary accommodation or indeed for the council to discharge its housing duty through an offer of private rented sector accommodation (PRSO) in the borough and London Boroughs.

Homelessness is increasing nationally due to market conditions and the cost of living. This can be costly and means that it is unlikely that officers will be able to place every household in accommodation within the borough. It also depends on the units which are available on a given day - which can vary. In addition, there are difficulties in procuring accommodation which meets the standards required. Consequently, the council may therefore need to acquire properties in a range of other locations where housing costs are affordable without depriving residents of food, clothing, heating, transport, and other essentials.

The policy sets out to ensure that people are placed in the most suitable form of accommodation as quickly as possible - taking into consideration the applicant's housing needs, and range of circumstances, including health, welfare, social, and financial situation as well - as the costs that the household will incur. In the assessment of the suitability of accommodation offered to residents, officers will also consider the distance from the borough, potential disruption to employment, education, caring responsibilities, access to essential medical services and local amenities.

The policy documents what officers need to take in account when considering whether accommodation is suitable and how households are prioritised for an in-borough placement of temporary accommodation (TA) or the Private Rented Sector (PRS).

The new Homelessness Accommodation Procurement Strategy sets out the council's approach as to how accommodation will be procured to discharge the council's statutory homelessness duties and responsibilities. It will ensure that officers follow current legislation and provides a reference point for Housing Options staff to make their decisions.

The strategy details the end to end processes for officers when they are procuring accommodation for homelessness households, including how we assist with ensuring that a household settles into a new area, where applicable, and that they are able to access the local amenities.

## **Section 3: Evidence (consideration of data and information)**

**What evidence do we have which may help us think about the impacts or likely impacts on residents, service users and wider community?**

The following data has been compiled from data obtained from Tower Hamlets Housing Options Service (through information obtained from most recently collated H-Clic returns to DLUHC (Department for Levelling Up, Housing and Communities) (Department for Levelling Up, Housing and Communities) from Q2. 2023/24, this is limited to only providing data on age, gender, and race of the main applicants. The EIA also uses data from the most recently available Census (2021) to describe some of the key features of the borough's population, and the Housing Options Services' IT system, Northgate.

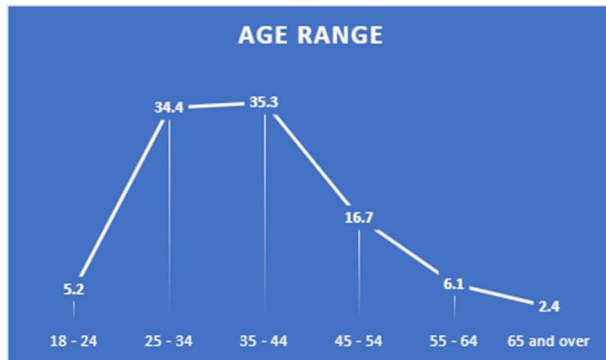
### **Age**

Tower Hamlets is the youngest Local Authority district in England by median age. The median age within Tower Hamlets is 30 while in comparison to the rest of England, the median age of the population is 40 years of age (Census 2021).

The Census 2021 data revealed that the numbers of children, working age adults and older people in Tower Hamlets have all increased since 2011, with the largest proportionate rise in the working age population (25% increase). Tower Hamlets age structure shows the working-age population to be 240,393 which is 77.0% of the population. People under the age of 16 represent 17.4% of the population, and over 65s represent 5.6% of the population. Despite the proportion of older people in Tower Hamlets being the smallest in the country, it is characterised by elevated levels of need, with many older people requiring help with certain tasks or experiencing difficulty getting around.

Children and young people represent a slightly smaller proportion of all residents than in 2011, despite a numerical increase of 10,500. There are around 9,300 fewer children aged 0-14 when compared to the 2020 mid-year estimate.

When looking at the most recent available data on who the Housing Options Service supports, it is evident that working age residents may be disproportionately impacted by the new policy. Residents aged over 65+ are the least represented among residents who are placed in accommodation by the Housing Options Service.



The most prominent age groups among the main applicants are those within the 35-44 years age group (35.3%) and those aged 25-34 years (34.4%). Followed thirdly by those applicants aged 45-54 years (16.7%). The lowest represented age group are those aged 18-24 years (5.2%) which conversely suggest that the interventions involving mediation to prevent 'family and friends no longer willing or able to accommodate' younger residents may be working.

### **Disability**

Data from the Housing Options Service on residents placed in Temporary Accommodation who identify as having a disability is not collated, however where a need for suitable accommodation is identified for the applicant or a member of their household, officers work to place the household in accommodation that meets their needs.

Census 2021 data sets out that 12.9% (40,125) of residents across the borough reported having a disability/. This is slightly lower than in 2011 when 13.5% had a disability.

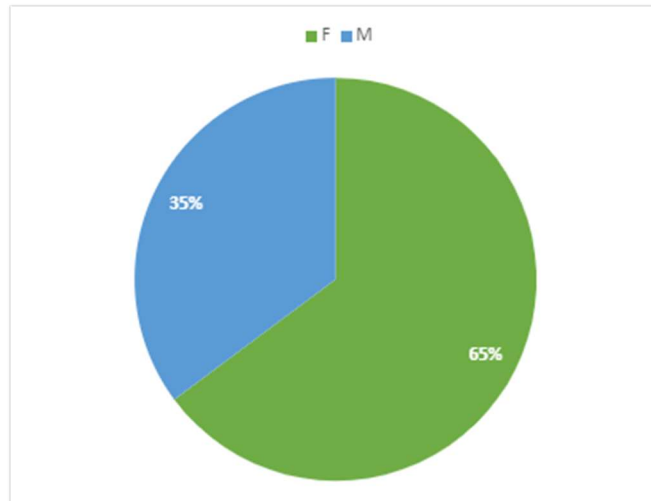
Of these, 5.7% (17,599) reported that their activities were limited a lot and 7.3% (22,526) reported that their activities were limited a little.

A further 4.5% had a long term physical or mental health condition that did not limit their day-to-day activities. However, 25.7% of all households had at least one person with a disability.

### **Sex**

Tower Hamlets is unusual in having slightly more males than females within the population (50.2% of residents are male) and this is related, at least in part, to the age structure and the specific economic opportunities that attract residents to come and live in the borough.

However, among the cohort whom the Housing Options Service support and place in accommodation to relieve their homelessness, women main applicants vastly outnumber men (a ratio of 13:7). This implies that females are more likely to be impacted by the changes in the policy.



### **Gender reassignment**

Official data suggests that transgender people make up a small proportion of people experiencing rough sleeping and homelessness. However, due to multiple factors trans people experiencing homelessness are more likely to be part of the 'hidden' homeless group. Official data from the Census 2021 found that about one per cent of residents have a different gender identity to their sex registered at birth in Tower Hamlets.

However, among the residents who seek assistance from the Housing Options Service in the provision of emergency or temporary accommodation, there is a reluctance to disclose this information.

### **Marriage and civil partnership**

Data on marriage and civil partnerships of homelessness applicants is lacking as it is not collected by DLUHC or internally by the Housing Options Service.

This policy will not adversely affect this group unless they are members of one or more other protected groups. For example, a joint income household could be more likely be able to have more disposable income. Lone parents however maybe more disproportionately affected by homelessness compared to their share of the population so are more likely to be affected.

### **Religion or philosophical belief**

The religion or belief of residents seeking assistance and requiring emergency or temporary accommodation is not recorded. However, the Census 2021 provides extensive data on the religion of the general population of Tower Hamlets. 39.9% of residents in Tower Hamlets identify as Muslim making it the most prevalent religion within the borough. Religious groups in Tower Hamlets identified from Census 2021 data shows:

- **Christian** - 69,223 people or 22.3%
- **Buddhist** - 2,961 people or 1.0%
- **Hindu** - 6,298 people or 2.0%
- **Jewish** - 1,341 people or 0.4%
- **Muslim** - 123,912 people or 39.9%
- **Sikh** - 966 people or 0.3%



- **Other** - 105,605 people or 34.0%

### **Race/Ethnicity**

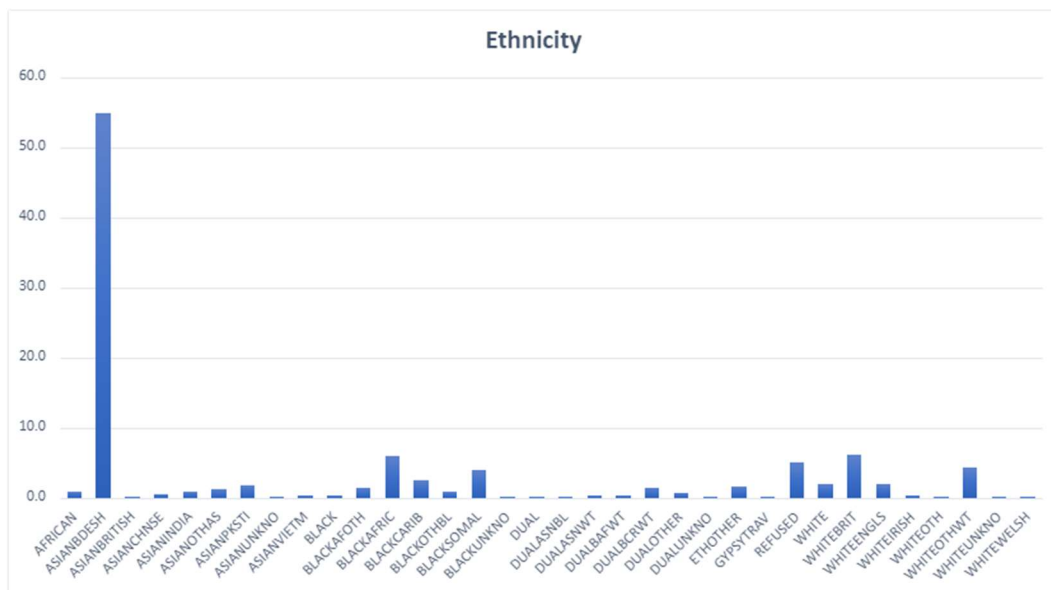
In common with much of London, most residents from Tower Hamlets are not from a White British ethnic background and the 2021 census reveals that almost half (47%) are born outside of the UK. Beyond this, Tower Hamlets has a very distinctive ethnic mix due to its longstanding Bangladeshi population (34.6% in 2021).

Tower Hamlets has by far the largest proportion of Bangladeshi residents in the UK with one in six people of Bangladeshi origin in England and Wales living in the borough. The Census 2021 has revealed that 43,561 Tower Hamlets residents were born in Bangladesh making it by far the largest country of birth of residents behind the UK.

The borough also has significant Black African populations, with a particularly notable Somali population, 5% of the population is now from a Black African background and these populations have grown rapidly in recent years. Among this population, the number of residents from Somali and Somalilander communities totals 6180 residents– 2% of the borough’s population.

White people were the largest minority group in Tower Hamlets accounting for 39.4% of the population.

Mirroring the general demographics of the population in the borough, data from the Housing Options Service reports that the largest group of applicants identified as Bangladeshi (54.9%). In terms of representation, White British/English applicants make a combined 8.1% of applicants, followed those who identify as Black African (5.9%) and Black Somalian (4.0%).



### **Sexual orientation**

The Housing Options Service does not request this data from applicants. According to Census 2021 data, Tower Hamlets has a substantial proportion of residents who identify their sexual orientation as Lesbian Gay, Bisexual or other (7.2%) compared to England and Wales as a whole (3.1%). 83.1% of Tower Hamlets residents aged 16+ identified as straight or heterosexual.



9.8% of residents chose not to answer this voluntary census question. This was a relatively high proportion compared with England and Wales and was slightly higher than London.

### **Pregnancy and maternity**

This data is not recorded for the purposes of reporting back to DLUHC on those residents who the council has assisted through the provision of accommodation.

### **Other**

#### **Socio economic status**

Homelessness impacts on our most financially vulnerable residents - those with higher incomes are very unlikely to ever be threatened with homelessness.

This means that households in temporary accommodation are largely dependent on welfare benefits.

The freeze on Local Housing Allowance has meant that the local private rented sector is unaffordable for most households. The growing gap between benefits and rents is set out below.

	<b>Room only</b>	<b>1 bedroom</b>	<b>2 bedrooms</b>	<b>3 bedrooms</b>	<b>4 bedrooms</b>
<b>LHA (Local Housing Allowance) Rate 2023/24 (per week)</b>	£136.50	£295.49	£365.92	£441.86	£585.70
<b>Average Weekly Rent* 1/10/22 – 30/09/23</b>	£195.00	£380.76	£461.54	£553.85	£761.45
<b>Weekly difference</b>	<b>£58.50</b>	<b>£85.27</b>	<b>£95.62</b>	<b>£111.99</b>	<b>£175.75</b>

**NB: Average Rent\*** taken from Private rental market summary statistics in England: October 2022 to September 2023 – ONS.

The growing gap between benefits and rents disproportionately affects those who are already disadvantaged with an even greater impact on those households who are benefit capped.

The difference between benefit levels and rents, makes it impossible for the council to fully mitigate the impact on low-income households without finding affordable accommodation in areas of the country where rents and benefits are more closely aligned.

60% of the borough falls within 30% of the most deprived areas of England and 29,000 residents earn less than the London Living Wage. DLUHC collects data on the employment status of those owed a duty by the council, the vast majority are registered unemployed with sizable minorities in full time work or unable to work due to long term health issues.

In the borough, unemployment is higher than the national average for residents (4.6% compared to a national average 3.7%) and many lack the skills to succeed. Women in particular are much less likely to be employed (59.7% compared with 72% in Great Britain). While half of adult residents are highly qualified, 16% have no qualifications at all.

Children and older people in particular are far more likely to be living in poverty in Tower Hamlets than those living elsewhere in the country. The Covid-19 pandemic and the cost-of-living crisis have impacted disproportionately on our most vulnerable residents.

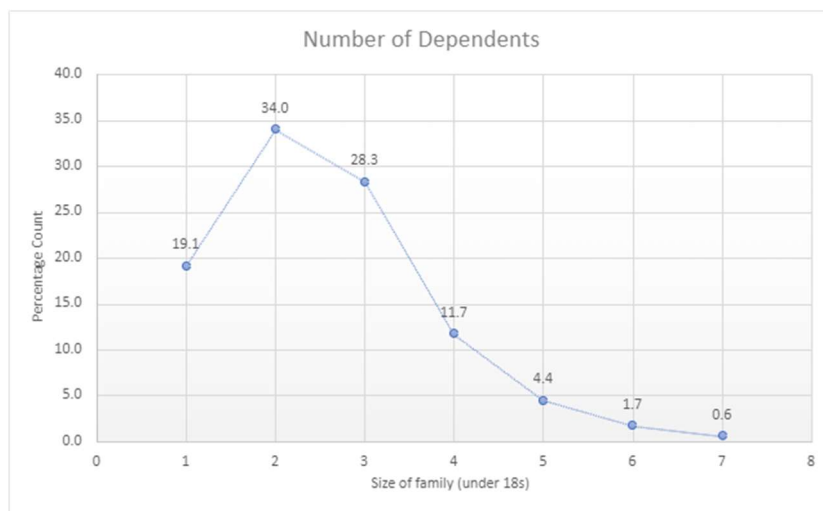
### **Parents/carers**

Census data 2021 provides the following information: 32,666 households had dependent children. This was 27.1% of all households. This was a lower proportion than both England and Wales (28.3%) and London (31.3%)

As 6.6%, Tower Hamlets had a lower proportion of lone parent households than England and Wales (6.9%) or London (7.8%).

This represented a total of 7,961 lone parent households in Tower Hamlets.

In terms of data, information from the Housing Options Services' IT system Northgate reports that currently (January 2024) out of the 2805 households currently placed in TA, 2,239 are households that include children, however despite there being 566 households placed in temporary accommodation without children, this should not discount that these may include a household member who is currently pregnant. The graph below shows the percentages of children (dependents) within those households.



### **People with different Gender Identities e.g., Gender fluid, Non-Binary etc**

The Housing Options Service does not collect this data. Best estimates can be derived from the Census 2021 which found:

90.7% residents identified their gender identity as being the same as their sex registered at birth. 0.6% of residents aged 16+ had a gender identity different from their sex registered at birth with no specific identity given.

0.1% identified as a Trans woman, 0.1% identified as a Trans man, 0.1% identified as Non-binary and 0.06% identified as having another gender identity.

Collectively, 1% (2,643) of Tower Hamlets residents had a gender identity that was different to their sex registered at birth. This was the same proportion as London but twice the proportion in England and Wales (0.5%)

8.3% chose not to answer this voluntary question, which was higher than the proportion in England and Wales and in London

### **People who have Care Experience**

Data is unavailable on residents who identify with this protected characteristic.

Groups	Positive	Negative	Neutral	Considering the above information and evidence, describe the impact this proposal will have on the following groups?
<b>Protected</b>				
<b>Age</b> (All age groups)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Residents of working age may appear to be more disproportionately impacted. Consideration will be given in terms of employment for those residents who work.</p> <p>Many households include children of school age. Accommodation provided outside of the borough and neighbouring localities could impact on children having to change schools, potentially losing any educational support services and networks. However, children taking exams (at Key Stage in their education) will not to be placed where this would affect their ability to attend schools. This also includes those attending specialist schools.</p> <p>When considering placing a family outside of the borough, the council will take children's ages and their educational and support needs into consideration and will make every effort to establish the availability and location of schools and required services in the new area. Medical needs (in terms of regular appointments for specialist treatment) which necessitate that a household member needs to remain in or be placed in a neighbouring borough will also be considered.</p> <p>Households with children at risk, on the Child Protection Register or significantly disadvantaged, will be prioritised for an offer of accommodation in the borough or as close as we can get dependent on the availability and suitability of accommodation. In all cases, a suitability of accommodation assessment will be undertaken for all placements into temporary accommodation or PRS accommodation which will identify any overriding needs of all household members.</p> <p>All household members will benefit where they are placed in accommodation which they are able to financially sustain.</p>
<b>Disability</b> (Physical, learning difficulties, mental health,				<p>The council recognises that less-able residents could be negatively impacted by being placed out of the borough. These impacts could arise from accommodation that is secured further away</p>

and medical conditions)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>from hospitals, clinics, support centres etc, they may also find it harder to travel.</p> <p>Disabled residents who have regular medical appointments in the borough will be prioritised for an offer of accommodation within or as near as possible to Tower Hamlets. The policy recognises this, and the council aims to allocate suitable accommodation where we can, with the assistance of other stakeholders to resolve issues to the best of our ability.</p>
<b>Sex</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Women represent a sizeable percentage of applicants who the Housing Options service place in Temporary Accommodation (65%). There is a significantly higher number of female applicants than males and it is anecdotally known that many these cases are single parents.</p> <p>Potentially applicants moving out of borough could be placed away from their support networks, however the policy assures that officers would look to ensure that this distance is manageable. Similarly, many of these cases are more likely to struggle the most financially and moving to accommodation in cheaper areas will help these applicants reduce the financial burden on the family.</p> <p>The council will continue to endeavour to place women applicants in safe and secure accommodation, in areas with good transport links, and with support and community facilities in place.</p>
<b>Gender reassignment</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Residents are reluctant to disclose this information - this disclosure is entirely at the discretion of residents - consequently there is a gap in the data available on residents who identify with this protected characteristic. However, the council recognises that transgender people who have or may be in the process of changing gender may be more dependent on local support networks or health services.</p> <p>Where it is not possible to offer or place a resident locally, we will ensure that similar services and support are available in the new location, and that they are placed in a safe locality.</p>
<b>Marriage and civil partnership</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>There is unlikely to be an adverse or disproportionate impact on households based on the main applicant's relationship status unless they identify with one or more other protected characteristics which are affected. Increasing the</p>

				<p>reach and scope of where the council can accommodate, and place homeless households has the potential to reduce waiting time spent in interim temporary hostel or emergency accommodation for all households.</p> <p>Moving to a new location may be challenging for single applicants either with or without children who may be more reliant on local support networks. Although the revised Policy will prioritise the more vulnerable households with extenuating circumstances for local accommodation, the policy will ensure that where single parents are moved outside of the borough and further away from London, they have access to local support networks and provided with links to local community groups.</p>
<b>Religion or philosophical belief</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The council recognises that religious households are supported by the communities that they live in, and it is important to ensure that in making out of area placements, the communities that we are placing into are supportive and sufficiently diverse. In assessing the suitability of an offer of accommodation, each case will need to be assessed on its own merits, considering both the nature of the property and the community that surrounds the property, to ensure that residents are not isolated in their new communities. As well as any extenuating circumstances that necessitate that it is critical that the applicant or a member of their household remain in the borough or are placed in an area nearby.</p> <p>Where local accommodation is not possible, we will ensure that similar services are available to the residents in a new location and that support with the transition is available.</p>
<b>Race</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>A considerable proportion of residents placed in temporary accommodation are from the BME community – specifically Bengali. Culturally, residents from some ethnic backgrounds need to be close to their community/ the area where they currently live and there could be a potential inequality arising from them being placed into accommodation in other areas further away - if they were to be placed in areas which are less diverse, this could lead to isolation and potential discrimination.</p> <p>Officers will ensure that if local accommodation is not available, that residents and their households are placed in an area where there is an existing community and support networks available.</p>

<b>Sexual orientation</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Data on the sexual orientation of residents placed in temporary accommodation is insufficient.</p> <p>There may be impacts arising from the relative lack of support and other services designed specifically for LGBTQ+ people in some places outside London, but the needs for these specific services would be considered before an offer is made. Where specific needs are identified, the council will take these into consideration when allocating temporary accommodation.</p>
<b>Pregnancy and maternity</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The number of people living in interim or long-term temporary accommodation who are in the maternity or paternity leave phase is not data which is collated by the council and therefore the impact of the policy on this group cannot be analysed.</p> <p>However, a transition of services during pregnancy could have a potential negative impact, as could a potential loss of support networks. The council will actively seek to link residents into maternity and support services in their new area.</p>
<b>People who have Care Experience</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Data is unavailable on those who have care experience. It is likely though that individuals who have care experience will not be disproportionately or negatively impacted by the revised policy and new strategy and will benefit from the council's approach in the same way as residents with other protected characteristics.</p> <p>When considering placing a person who has experience of care outside of the borough, the council will consider the individual's support needs and the availability and location of these services in the new area where the person will be placed. Where an individual has any medical needs that require them to remain in the borough or be placed in a neighbouring borough, due consideration will be made in the allocation and placement of any temporary accommodation placement or PRS offer made to the person.</p> <p>The suitability of accommodation test will ensure that residents who identify with this or multiple protected characteristics will not be disproportionately affected.</p>
<b>Other</b>				
				<p>Accommodation both in the borough and in neighbouring boroughs can still be expensive and sometimes unaffordable. This policy has</p>

<b>Socio-economic</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	looked to address this by widening the options available to customers who are socio-economically disadvantaged. Unless there are extenuating circumstances as set out in the policy, households will benefit from the procurement and placement of people in accommodation outside of London where rents are cheaper and more affordable.
<b>Parents/Carers</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Parents and carers could be more negatively impacted by being placed outside of the borough.</p> <p>Welfare and support requirements are considered in the suitability assessment of the accommodation for the households needs. This includes consideration of the need for any children to be in close proximity to support services due to health, medical needs, for child protection purposes and care reasons. It will also consider the need for families to remain close to existing schools; however, considerations for in-borough placements will only apply for children at key stages of education.</p>
<b>People with different Gender Identities</b> e.g., Gender fluid, Non-Binary etc	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>People with different gender identities are more likely to choose not to disclose this information. Consequently, obtaining this data can be challenging. The policy ensures people of all backgrounds can access transparent guidance on the placements process that will be beneficial to all gender identities.</p> <p>The council has a statutory legal duty to provide accommodation for people of all protected characteristics including people who have different gender identities who are eligible, homeless and in priority housing need.</p> <p>This policy therefore ensures people across a range of equality backgrounds can access clear guidance on the whole placements process. People with different gender identities will not be discriminated against in the homeless placements process.</p> <p>As part of the duties under the Equality Act 2010, the council will have due regard to the gender identity of an applicant when determining the suitability of a property. For example, a victim of harassment or violence will not be placed in locations close to a perpetrator. Placements will made in a suitable area which is safe.</p>
<b>Any other groups</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No other groups have been identified who might experience an adverse or disproportionate impact arising from this policy.








## Section 6: Monitoring

What monitoring processes have been put in place to check the delivery of the above action plan and impact on equality groups?

N/A .

## Appendix A

### EIA decision rating

Decision	Action	Risk
As a result of performing the EIA, it is evident that a disproportionately negative impact (direct, indirect, unintentional, or otherwise) exists to one or more of the nine groups of people who share a Protected Characteristic under the Equality Act and appropriate mitigations cannot be put in place to mitigate against negative impact. It is recommended that this proposal be suspended until further work is undertaken.	<b>Suspend – Further Work Required</b>	Red 
As a result of performing the EIA, it is evident that there is a risk that a disproportionately negative impact (direct, indirect, unintentional, or otherwise) exists to one or more of the nine groups of people who share a protected characteristic under the Equality Act 2010. However, there is a genuine determining reason that could legitimise or justify the use of this policy.	<b>Further (specialist) advice should be taken</b>	Red Amber 
As a result of performing the EIA, it is evident that there is a risk that a disproportionately negatively impact (as described above) exists to one or more of the nine groups of people who share a protected characteristic under the Equality Act 2010. However, this risk may be removed or reduced by implementing the actions detailed within the <i>Impact analysis and action plan</i> section of this document.	<b>Proceed pending agreement of mitigating action</b>	Amber 

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## Appendix D: Equalities Impact Analysis Screening – The piloting of x2 new schemes 1) Cost of Living Grant and 2) Find your own PRS Accommodation Grant

### Section 1: Background information

Name of completing officer	Date of screening
Una Bedford, Senior Strategy and Policy Officer	7 January 2024
Service area and Directorate responsible	
Housing Management & Procurement, Housing and Regeneration	
Approved by (Director / Head of Service)	Date of approval
Karen Swift, Director of Housing	

The Equality Act 2010 places a ‘General Duty’ on all public bodies to have ‘due regard’ to:

- Eliminating discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advancing equality of opportunity between those with ‘protected characteristics’ and those without them
- Fostering good relations between those with ‘protected characteristics’ and those without them

This Equality Impact Analysis provides evidence for meeting the Council’s commitment to equality and the responsibilities outlined above. For more information about the Council’s commitment to equality, please visit the Council’s [website](#).

## Section 2: Summary of proposal being screened.

For the purpose of this document, 'proposal' refers to a policy, function, strategy or project.

Name of proposal
Approval of two pilot schemes:  <ol style="list-style-type: none"><li>1. Cost of Living Grant Scheme</li><li>2. Find Your Own PRS Accommodation Grant</li></ol>
The aims/objectives of the proposal
<p>The council is proposing to pilot two new schemes, the Cost of Living Grant and the Find Your Own PRS (Private Rented Sector Accommodation) Grant.</p> <p><b>Cost of Living Grant</b> The Cost of Living Grant provides a cash grant to hosts to allow family members (non-dependents who could be adult children or other extended family members) to remain in the host's household – where the host is evicting family members as a consequence of the continued cost of living pressures that householders face.</p> <p>The availability of this grant may help to stem the flow and contribute to the reduction in costs associated with the council placing those to whom it owes a housing duty into expensive statutory temporary accommodation.</p> <p><b>Find Your Own PRS Accommodation Scheme</b> The Find Your Own PRS Accommodation Grant will be delivered by the Housing Options Service, who proactively work with households who are threatened with homelessness, to help them to secure accommodation in the PRS, before they become homeless.</p> <p>The main purpose of the Find Your Own PRS Accommodation Grant scheme, is to prevent homelessness and to achieve a better outcome for households who are threatened with homelessness, by avoiding the need for them to have to access emergency temporary accommodation (bed and breakfast or commercial hotel accommodation) and to empower residents to secure accommodation which is suitable and affordable for them.</p> <p>Through the scheme. households will be enabled to access support and resources to secure a property in the PRS, which they are able to choose for themselves. In the main, this will assist residents at risk of homelessness. In addition, residents currently placed in Temporary Accommodation will also be encouraged to utilise this scheme.</p>

## Section 3: Equality Impact Analysis screening

<p>Is there a risk that the policy, proposal or activity being screened disproportionately adversely impacts (directly or indirectly) on any of the groups of people listed below ?</p> <p>Please consider the impact on overall communities, residents, service users and Council employees.</p> <p>This should include people of different:</p>	Yes	No	Comments
<ul style="list-style-type: none"> <li>▪ Sex</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Applicants irrespective of their gender will benefit from the piloting of both of these grant schemes.</p> <p>Female applicants in particular represent a greater proportion of residents who the Housing Options Service supports in the provision of temporary accommodation and moves into the PRS from Temporary Accommodation.</p> <p>Gender is an issue in relation to economic status with women being adversely affected. National, London-wide and local level research indicates women earn less than their male counterparts and have a higher representation in economically inactive households, largely explained by the take up of care roles. The trends described and the notable 'gender pay-gap' affects women's ability to access affordable housing in the borough and places women at greater risk of homelessness.</p> <p>The FYO PRS Accommodation grant may remove the financial barriers that residents face in finding and maintaining a tenancy in the PRS, particularly where we are unable to find suitable move-on PRS accommodation in the borough. The grant will empower and provide financial relief in the costs related to securing accommodation in the PRS.</p>

<ul style="list-style-type: none"> <li>▪ <b>Age</b></li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Both grant schemes are available to residents over working age.</p> <p>For residents under the age of 35, who are single or couples without children, they may have difficulties if they are in receipt of Local Housing Allowance (LHA) to source PRS accommodation which is affordable within the borough. This is because they can only receive the Single Room Rate of LHA. These residents will benefit from the incentivisation of hosts through the Cost of Living Grant to allow non-dependents to remain in the property.</p> <p>This will negate any financial obstacle which places a resident at risk of homelessness where friends and family who host the resident are no longer willing or able to accommodate them. It should ensure that residents living in host households do not become roofless as a result of the cost of living crisis and negate their need for accommodation to be found by the Housing Options Service, in turn helping to alleviate the financial costs to the council in the delivery of this service.</p> <p>Residents who successfully apply for the Find Your Own Scheme will have additional financial assistance to source their own PRS accommodation giving them an element of choice as to where they chose to move to. As the FYO PRS Accommodation Grant can cover expenses associated with finding and moving into PRS Accommodation, this may provide further financial relief to residents to residents who have no choice but to move out of the borough with the additional associated expenses this may bring.</p>
<ul style="list-style-type: none"> <li>▪ <b>Race</b></li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Data from the Housing Options Service demonstrates that the demographics on race and ethnicity among residents who approach because they are at risk of, or, who become homeless is very much in keeping with the demographic of the wider population in Tower Hamlets. Both of these grant's schemes will be considered on a case by case basis and applicants who are eligible for assistance under either of these schemes will benefit from such an award.</p>
<ul style="list-style-type: none"> <li>▪ <b>Religion or Philosophical belief</b></li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>People with religious or philosophical beliefs will not be negatively impacted by the introduction and piloting of these two new grant schemes.</p>

			<p>The council recognises that religious households are supported by the communities that they live in, and it is important to ensure that wherever an individual or household resides that the communities that we are placing into are supportive and sufficiently diverse. All requests for funding from these two grant schemes will be assessed on their merits.</p> <p>The FYO PRS Accommodation support will assist residents to settle into their new home and will help residents to adjust to their new area.</p>
<ul style="list-style-type: none"> <li>▪ <b>Sexual Orientation</b></li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Like all residents who identify with any one or number of protected characteristic, residents who identify as LBGTQ+ will benefit from the intended outcomes of both of these pilot grant schemes.</p>
<ul style="list-style-type: none"> <li>▪ <b>Gender re-assignment status</b></li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>People who identified as in the process of, or who have undergone gender reassignment will not be negatively impacted by the piloting of these two Grant Schemes and will be able to apply for these funds to support them to remain in their current households or to source alternative PRS accommodation on their terms.</p> <p>All requests for assistance from these grant schemes will be considered on a case by case basis on their own merits.</p>
<ul style="list-style-type: none"> <li>• People who have a <b>Disability</b>(physical, learning difficulties, mental health and medical conditions)</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Residents who have identified as having severe disabilities and or health, mental health conditions are more likely to be directly offered council accommodation and/or meet high priority banding within the council and its partner's Common Housing Register Allocations scheme.</p> <p>The Cost of Living Grant will enable those residents whose disabilities are less severe to remain in the host's home.</p> <p>If a resident at risk of homelessness or needing to move-on from temporary accommodation identifies with this particular characteristic, the additional costs that the FYO PRS Grant scheme will cover may give the resident greater financial choice as they move on from Temporary Accommodation and relieve the worries of the additional financial costs associated with securing PRS accommodation.</p>
<ul style="list-style-type: none"> <li>▪ <b>Marriage and Civil Partnerships</b> status</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Residents irrespective of their marital or civil partnership status will benefit from the piloting of both of these grant schemes. Each request</p>

			for assistance from these two grant schemes will be considered on a case by case basis on their own merits.
<ul style="list-style-type: none"> <li>• People who are <b>Pregnant</b> and on <b>Maternity</b></li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Residents who identify with this protected characteristic will benefit from the Cost of Living Crisis Grant because it will enable the resident to remain in their current home, particularly important where the resident is reliant on the support of household members during and after their pregnancy.</p> <p>This protected group will also benefit from the FYO PRS Accommodation scheme as they will be able to use the funds associated to meet the costs of moving and the associated costs of resettling into a new area.</p>
<p>You should also consider:</p> <ul style="list-style-type: none"> <li>• <b>Parents and Carers</b></li> <li>• <b>Socio-economic</b> status</li> <li>• People with different <b>Gender Identities</b> e.g. Gender fluid, Non-binary etc.</li> <li>• Other</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Single parent or carers who may have only one source of income may struggle with the financial costs of moving home or may need additional financial support to find accommodation that meets their needs.</p> <p>The FYO PRS Accommodation Grant may remove any additional financial costs that might dissuade a resident from sourcing accommodation in the PRS. Where a household is unable to remain in the borough and the household includes children, new school uniforms will be needed if the move means that children need to change schools. The grant can also be used to support families in taking part in social and supporting activities in their new area to make the transition into their new local area smoother.</p> <p>Similarly, those who are hosted by another household may find that the Cost of Living Grant enables them to remain in their current home and they may be able to retain the existing support network that they have in their current home.</p> <p>There is a lack of data concerning residents who identify as having 'other' identities but those who may want to remain in the family home but are threatened with eviction as a result of the cost of living crisis may benefit from remaining in the family home, particularly where the source of tension is derived from the household costs arising from the national cost of living crisis.</p>



			Similarly, if the resident needs to source accommodation in the PRS, they may be able to exert choice into where they move to and will be able to negate the additional financial costs associated with moving and settling into the PRS accommodation that they have secured.
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If you have answered **Yes** to one or more of the groups of people listed above, a **full Equality Impact Analysis is required**. The only exceptions to this is if you can 'justify' the discrimination (Section 4). **If there are equality impacts on Council staff please complete the restructure equality impact analysis on the ['Organisational change process' pages of the intranet](#).**

## Section 4: Justifying discrimination.

Are all risks of inequalities identified capable of being justified because there is a:	
(i) <i>Genuine Reason</i> for implementation	<input type="checkbox"/>
(ii) The activity represents a <i>Proportionate Means</i> of achieving a <i>Legitimate Council Aim</i>	<input type="checkbox"/>
(iii) There is a <i>Genuine Occupational Requirement</i> for the Council to implement this activity	<input type="checkbox"/>

## Section 5: Conclusion

Before answering the next question, please note that there are generally only two reasons a full Equality Impact Analysis is not required. These are:

- The policy, activity or proposal is likely to have **no or minimal impact** on the groups listed in section three of this document.
- Any discrimination or disadvantage identified is **capable of being justified** for one or more of the reasons detailed in the previous section of this document.

### Conclusion details

Based on your screening does a full Equality Impact Analysis need to be performed?

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>

If you have answered **YES** to this question, please complete a full Equality Impact Analysis for the proposal.

If you have answered **NO** to this question, please detail your reasons in the 'Comments' box below.


### Comments

Householders currently providing accommodation for friends or relatives do not receive financial help associated with having long-term guests. Financial assistance to meet these costs at a time when household budgets are already overstretched could help to sustain hosting arrangements and prevent and reduce the incidence of family and friends no longer willing or able to allow a homeless applicant or household to remain in the property.

The Find Your Own PRS Accommodation Schemes empowers residents to take ownership and control over their housing options with more flexibility and choice in terms of the location and type of property they are able source in the PRS. Those residents who receive a "Find Your Own" Grant payment should see the payment help to reduce any financial barriers which prevented a resident from securing and settling into a new PRS tenancy. This in turn should minimise the risk of the tenancy breaking down.

The Grant also encourages households to take pride in their new home and supports long-term tenancy sustainment and fundamentally aims to reduce the risk of repeat homelessness which is costly to the council and disruptive to the resident and their household.

The use and payment of both grants will be considered and managed in line with Tower Hamlets Adult Safeguarding procedures to ensure minimal risk of harm or exploitation to vulnerable individuals and families. Any concerns raised or noted regarding a particular individual or family will be considered on a specific case-by-case basis.

<p><b>Cabinet</b></p> <p><b>10 July 2024</b></p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Steve Reddy, Corporate Director, Children's Services</p>	<p><b>Classification:</b> Open (Unrestricted)</p>
<p><b>Annual Report on School Performance for 2022 - 2023</b></p>	

<b>Lead Member</b>	<b>Councillor Mohammed Maium Talukdar Deputy Mayor and Cabinet Member for Education and Lifelong Learning (Statutory Deputy Mayor)</b>
<b>Originating Officer(s)</b>	Lisa Fraser, Director Education
<b>Wards affected</b>	(All Wards);
<b>Key Decision?</b>	No
<b>Reason for Key Decision</b>	N/A
<b>Forward Plan Notice Published</b>	05/12/2023
<b>Exempt information</b>	N/A
<b>Strategic Plan Priority / Outcome</b>	3: Accelerate Education

## Executive Summary

This report provides an overview of the 2022-23 education results from Early Years to Key Stage 5 at Local Authority level, and a summary of how the results compare to national averages and London regions / statistical neighbours where known.

Tower Hamlets' schools continue to provide excellent education for the children and young people of the borough. Outcomes are strong in the majority of areas and schools are recognised for the extraordinary support which they provide to families and local communities.

In Tower Hamlets, 96% of schools are judged to be 'Good' and 'Outstanding' (December 2023), higher than the national average of 89% and in line with the London average of 95% (Statistics, gov.uk, December 2023). Schools in Tower Hamlets have not only continued to gain excellent judgements from Ofsted inspections but have maintained their position in the light of the more recent framework which is much more rigorous. There are currently 30 schools judged to be "outstanding" and 58 schools are judged to be "good".

Good progress continues between outcomes at early years and the outcomes at Key Stage 2.

Pupils continue to perform well at the end of Key Stage 1 and Key Stage 2, above the national average.

There are good outcomes for pupils at the end of KS4, where both attainment scores and progress measures are above average national outcomes.

Outcomes for disadvantaged children are good across all key stages; Early Years, Phonics, Key Stage 1, Key Stage 2 and Key Stage 4. Outcomes are often higher than national, London and Statistical Neighbour averages. In Key Stage 2, pupil outcomes are within the top quartile of all Local Authorities.

Outcomes in Key Stage 5 are improving; however this remains a key area of focus. There needs to be more consistency in attainment with more students achieving higher outcomes. Ensuring there is a strong offer to those students in the Post-16 phase will support the retention of pupils remaining in Tower Hamlets after Key Stage 4. A further challenge is supporting students in the cost-of-living crisis, ensuring they are able to stay in post-16 education.

### **Recommendations:**

The Mayor in Cabinet is recommended to:

1. Note the performance outcomes for Tower Hamlets schools.

### **1 REASONS FOR DECISIONS**

- 1.1 Not applicable as this is a noting report

### **2 ALTERNATIVE OPTIONS**

- 2.1 Not applicable as this is a noting report

### **3 DETAILS OF THE REPORT**

#### **LA EDUCATION RESULTS FROM EARLY YEARS TO KS5 2023**

##### 3.1 Overview of performance

- Pupils make good progress between early years and Key Stage 2.
- Pupils continue to perform well at the end of Key Stage 1 and Key Stage 2, above the national average.
- There are good outcomes for pupils at the end of KS4, where both attainment scores and progress measures are above average national outcomes.

- Outcomes for disadvantaged children are good across all key stages.
- Outcomes in Key Stage 5 are improving; however this is a key area of focus.

#### 4 **EARLY YEARS FOUNDATION STAGE (EYFS) RESULTS 2022-23**

The following is a summary of the EYFS results at the end of Reception for 2023.

	<b>Tower Hamlets</b>	<b>National</b>
Good Level of Development (GLD)	65.2%	67.2%
Communication	75.3%	79.7%
Personal, Social and Emotional	80.6%	83.2%
Physical	82.1%	85.2%
Literacy	67.6%	69.7%
Maths	74.1%	77.1%

*Table 1 – EYFS Results 2023 (DfE Explore Education Statistics)*

- There continues to be a gap between the attainment of boys and girls in Tower Hamlets, with 57.7% of boys at a good level of development, and 72.8% of girls at a good level of development.
- Outcomes in the Literacy area (Comprehension, Reading and Writing) were low across the LA. In this learning area, the gap between boys and girls has increased to 14.5 percentage points, with 74.9% of girls and 60.4% of boys at the expected level.
- Children eligible for means-tested Free School Meals (FSM) were less likely to be at a good level of development than their peers. 59.1% of FSM-eligible children were at a good level of development compared to 68.5% of non-FSM eligible children in Tower Hamlets. This gap was smaller than nationally, where 51.6% of FSM-eligible children were at a good level of development compared to 68.5% of non-FSM eligible children.
- Within Tower Hamlets schools, 15.2% (493 pupils) of the cohort in Reception were receiving SEND support or an EHCP. 19.9% of these children were at a good level of development; in line with the national average (19.9%). 73.1% of children with no recorded SEN in Tower Hamlets were at a good level of development; also in line with the national average for children with no recorded SEN (73.2%).
- There were only small variations in the likelihood of children from different ethnic backgrounds being at a good level of development. The percentage and number of children at a good level of development is as follows: 65.9% of Bangladeshi children; 63.5% of White British children; 62.3% of Black/African/Caribbean/Black British children; 65.8% of children from mixed heritage backgrounds.

## 5 **KEY STAGE 1 RESULTS 2022-23**

### 5.1 Year 1 Phonics Screening Check

The following is a summary of the Phonics Screening Check results at the end of Year 1.

	<b>Tower Hamlets</b>	<b>National</b>
Year 1 – Percentage of pupils meeting the expected standard in the phonics screening check	80%	78.9%

*Table 2 – KS1 Y1 Phonics Screening 2023 (DfE Explore Education Statistics)*

- The outcomes for pupils at the end of Year 1 for the phonics screening check continue to be above the national average.
- The percentage of girls meeting the expected standard was 83.4% whereas the percentage of boys meeting the expected standard was 76.7%. However, the proportion of boys meeting the expected standard has increased by 5.4 percentage points from 71.3% in 2022.
- 76.4% of pupils in Tower Hamlets who were eligible for means-tested Free School Meals met the expected standard, compared to 66.5% of pupils eligible for means-tested FSM nationally.
- Within Tower Hamlets schools, 18.3% (614) Year 1 pupils had SEN support or an EHCP. 47.7% of these pupils met the expected standard. This is higher than the national average of 42.2% of Year 1 pupils receiving SEND support/EHCP who met the expected standard. 88% of pupils with no recorded SEN in Tower Hamlets met the expected standard, compared to 85.9% nationally.
- There was some variation in the likelihood of Year 1 pupils from different ethnic backgrounds meeting the expected standard. The percentage and number of pupils achieving the expected standard is as follows: 81% of Bangladeshi children; 76% White British children; 80% of children from a Black/Black British Background; 79% of children from a mixed heritage background.

### 5.2 Key Stage 1 – Year 2 Expected Standard and Above

The following is a summary of the Key Stage 1 (expected standard) results at the end of Year 2

<b>Subjects</b>	<b>Tower Hamlets</b>	<b>National</b>
Reading	69.9%	69.2%
Writing	64.8%	60.1%
Mathematics	72.5%	70.4%

*Table 3 – Key Stage 1 2023 (DfE Explore Education Statistics)*

- Outcomes at the expected standard or above in KS1 were above national average in all subjects. There have been increases in the attainment of all subjects at the expected standard or above when comparing 2023 results to 2022. Reading had the lowest increment at 1.2% followed by writing with 2.1% and maths with 2.8%. Nationally, the proportion of KS1 pupils meeting the expected standard increased by 2.3 percentage points (reading), 2.5 percentage points (writing), and 2.7 percentage points (maths).
- Girls outperformed boys in all subjects, with the largest gap in writing where there was an eleven percentage point gap between the percentage of girls and the percentage of boys achieving the expected standard, Girls from Tower Hamlets achieved higher outcomes in all subjects than girls nationally.
- A higher percentage of disadvantaged pupils (those eligible for means-tested Free School Meals) in Tower Hamlets achieved expected standards than their peers nationally in all subjects. The widest gap between Tower Hamlets' disadvantaged pupils and their peers was in maths; 65.4% of disadvantaged pupils achieved the expected standard or above compared to 76.8% of non-disadvantaged pupils.

Within Tower Hamlets schools, 20.7% (702 pupils) of Year 2 pupils had SEN Support or an EHC Plan. They were more likely than their peers nationally to meet the expected standard in all subjects.

- 66.7% of Bangladeshi pupils met the expected standard in writing; 70.2% met the expected standard in reading; and 72% met the expected in maths. 60.5% of White British pupils met the expected standard in writing; 67.9% met the expected standard in reading; and 67.6% met the expected standard in maths.

### 5.3 Key Stage 1 – Year 2 Greater Depth

The following is a summary of the Key Stage 1 (Greater Depth) results at the end of Year 2. This means that children are working at a greater depth within the expectations for their year.

Subject	Tower Hamlets	National
Reading	19.8%	18.2%
Writing	10.3%	8.2%
Mathematics	19.1%	16.3%

*Table 4 – Key Stage 1 2023 (DfE Explore Education Statistics)*

- Outcomes at greater depth in KS1 were above the national average in all subjects. This is in contrast to 2022 where reading outcomes at greater depth were below the national average of 18%. Both reading and maths greater depth outcomes in 2023 have increased by 2.6 percentage points and 2.5 percentage points respectively when looking at results year on year. These are larger than the increases seen nationally between 2022 and 2023 where reading increased by 0.2 percentage points and maths by 1.2 percentage points.

## 6 **KEY STAGE 2 RESULTS 2022-23**

### 6.1 Key Stage 2 - Year 6 Expected Standard or above (including disadvantaged pupils)

	% achieving expected standard in combined		% achieving expected standard in reading		% achieving expected standard in writing		% achieving expected standard in mathematics	
	All	Disadv	All	Disadv	All	Disadv	All	Disadv
Tower Hamlets	68	62	78	74	78	74	81	75
National	60	44	73	61	72	58	73	59
London	67	54	77	68	77	67	79	69
Inner London	68	59	78	71	77	71	80	72
Outer London	66	51	77	66	77	65	79	66

*Table 5 – Key Stage 2 2023 (DfE Explore Education Statistics)*

- Outcomes at the expected standard or above is higher than the national average for all subjects including the combined reading, writing and maths. The outcomes are also above or in line with the Inner and Outer London averages.
- For reading, writing and maths combined (68%), Tower Hamlets has the 16th best outcome from all local authorities (153) in England.
- For the combined outcome, Tower Hamlets is 15th highest from all London boroughs (33).
- 68.1% of pupils in Tower Hamlets met the expected standard in reading, writing and maths combined. This is an increase of 1.1 percentage points from 2022, when 67% of pupils met the combined standard. This is a greater increase than nationally, which saw an increase of 0.9 percentage points from 2022 to 2023.
- Within Tower Hamlets, more girls than boys met the required standard across all subjects. The biggest gap was in writing, where 82.7% of girls and 69.7% of boys met the required standard: a 13 percentage point gap. The smallest gap was in maths, where 81% of girls and 79% of boys met the expected standard: a 2 percentage point gap.
- 61% of disadvantaged pupils (those eligible for means-tested free school meals) in Tower Hamlets met the expected standard in reading, writing and maths combined. This is a higher proportion than disadvantaged pupils nationally (44.2%), London-wide (54.5%), Inner London (58.7%) and Outer London (51.4%). Disadvantaged pupils in Tower Hamlets were more likely than those in other areas to meet the expected standards in every subjects.



- Tower Hamlets disadvantaged pupils outperformed all statistical neighbours apart from Newham (65.8%) and Hackney (62.9%) in the combined for the expected standard or above.
- Within Tower Hamlets schools, 21.3% (736 pupils) in Year 6 had SEND support or an EHC Plan. 30% of these children met the expected standard in reading, writing and maths combined . This is higher than the National average of 20% and the London average of 27.6%.

## 6.2 Key Stage 2 - Year 6 Higher Standard (including disadvantaged pupils)

	% achieving HS in combined		% achieving HS in reading		% achieving HS in writing		% achieving HS in mathematics	
	All	Disadv	All	Disadv	All	Disadv	All	Disadv
Tower Hamlets	12	8	32	27	19	14	33	27
National	8	3	29	18	13	7	24	13
London	12	6	34	22	18	11	33	20
Inner London	12	7	34	24	20	13	31	21
Outer London	12	5	34	30	18	10	33	18

Table 6 – Key Stage 2 2023 (DfE Explore Education Statistics)

- Outcomes at the higher standard continue to be higher than the national average in all subjects.
- 15.1% of girls in Tower Hamlets met the higher standard in reading, writing and maths combined, compared to 10% of boys. This gender gap is greater in Tower Hamlets than nationally, where 9.1% of girls and 7% of boys met the higher combined standard. At the higher standard girls continue to outperform boys in all subjects except grammar, punctuation and spelling (14% against 19%) and maths (32% against 35%).
- 9% of disadvantaged pupils in Tower Hamlets met the higher standard for reading and 14% of disadvantaged pupils met the higher standard for maths. Disadvantage pupils in Tower Hamlets were more likely to meet the higher standard than their peers nationally.

### 6.3 Key Stage 2 - Year 6 Attainment Outcomes by Ethnic Group – Reading, Writing and Maths Combined

	Percentage of pupils meeting the expected standard in reading, writing and maths (combined)			Percentage of pupils meeting the higher standard in reading, writing and maths (combined)		
	% boys	% girls	% all pupils	% boys	% girls	% all pupils
All pupils	64	72	68	10	15	12
Any other ethnic group	50	63	56	5	0	3
Asian - Any other Asian background	53	69	59	16	8	13
Asian - Bangladeshi	67	74	70	10	16	13
Asian - Chinese	100	69	83	20	31	26
Asian - Indian	89	55	70	56	18	35
Asian - Pakistani	69	67	68	19	21	20
Black - Any other Black background	38	83	60	0	17	8
Black - Black African	57	72	65	8	9	9
Black - Black Caribbean	44	60	52	0	7	3
Mixed - Any other Mixed background	69	73	71	10	16	13
Mixed - White and Asian	73	100	82	14	18	15
Mixed - White and Black African	67	75	71	8	8	8
Mixed - White and Black Caribbean	41	71	56	0	11	5
Unclassified	67	50	56	0	10	6
White - Any other White background	73	79	76	10	32	22
White - Irish	100	100	100	100	100	100
White - Traveller of Irish heritage	0		0	0		0
White - White British	51	62	56	11	8	10

Table 7 – Key Stage 2 2023 (DfE Explore Education Statistics)

## 7 **OVERALL PRIMARY PERFORMANCE**

### 7.1 Progress from Key Stage 1 to Key Stage 2

- Progress between KS1 and KS2 is a value-added measure. There is no progress target which an individual pupil is expected to make. Any amount of progress a pupil makes contributes towards the school's progress score.
- The expected progress score for the LA would be 0 points. An average positive score indicates pupils have made better than expected progress. An average negative score indicates pupils have made less than expected progress.

Key Stage 2	Reading	Writing	Maths
Progress	+0.90	+1.42	+1.95

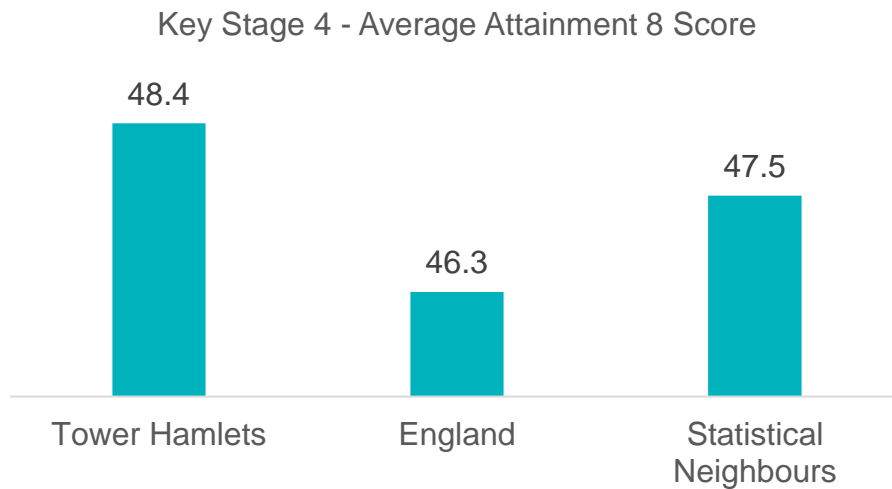
Table 8 – Key Stage 2 2023 (DfE Explore Education Statistics)

## 8 **KEY STAGE 4 OUTCOMES 2022-23**

All Key Stage 4 data is provisional. The Department for Education website indicates the validated data will be available in February 2024.

### 8.1 Attainment 8 Score

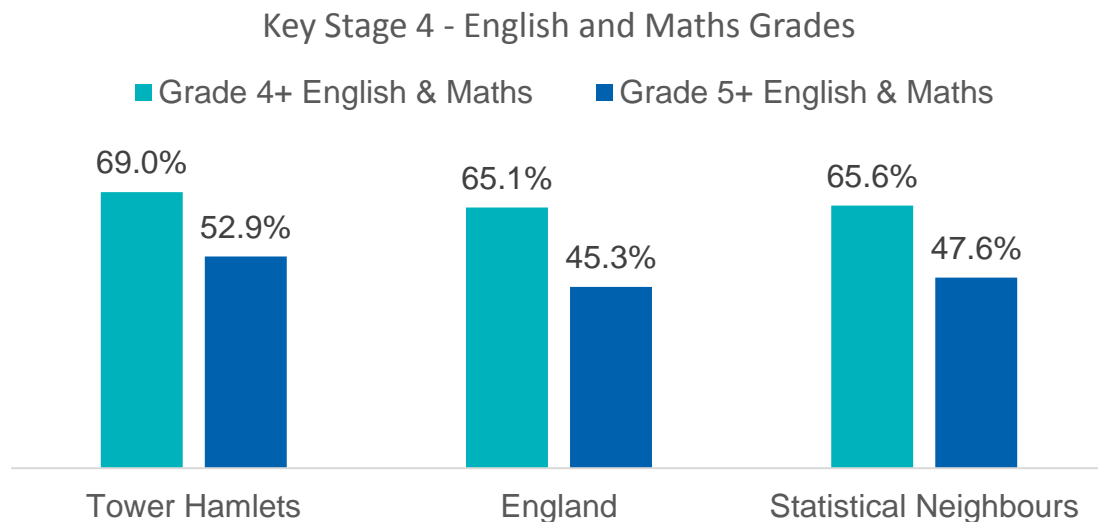
- Attainment 8 measures a student's average grade across eight subjects – the same subjects that count towards Progress 8. This measure is designed to encourage schools to offer a broad, well-balanced curriculum. The eight subjects fit into three groups English and Maths (double weighted), English Baccalaureate (the highest scores from the sciences, computer science, geography, history and languages) and the Open Group (any remaining GCSEs and other approved academic, arts or vocational qualifications).
- A student's Attainment 8 score is calculated by adding up their points for eight subjects (with English and Maths double weighted) and dividing by 10 to get their Attainment 8 score. Students do not have to take eight subjects, but they score 0 for any unfilled slots.
- In 2022-23, the average attainment 8 score in Tower Hamlets was 48.4, this is 2.1 points above the England average and 1.9 points above the Statistical Neighbour average, however 1.2 points below the Inner London average. This means that in Tower Hamlets, pupils' average GCSE grade across 8 subjects on the scale of 9-1 (with English and mathematics counted double), was 4.8, in England it 4.6, and in the LA's statistical neighbours it was 4.7.
- Using the average attainment 8 score, this places Tower Hamlets 38th in England from a total of 152 local authorities.



*Graph 1 – Key Stage 4 2023 (DfE Explore Education Statistics)*

## 8.2 Outcomes by Key Subject Areas

- A key performance measure at the end of Key Stage 4 is the proportion of pupils who achieved a Grade 4 or above and Grade 5 and above in English and Mathematics. For Tower Hamlets, 69% of pupils achieved a Grade of 4 or above in English and Maths, 3.9% higher than the National average (65.1%) and 3.4% higher than the Statistical Neighbour average (65.6%).

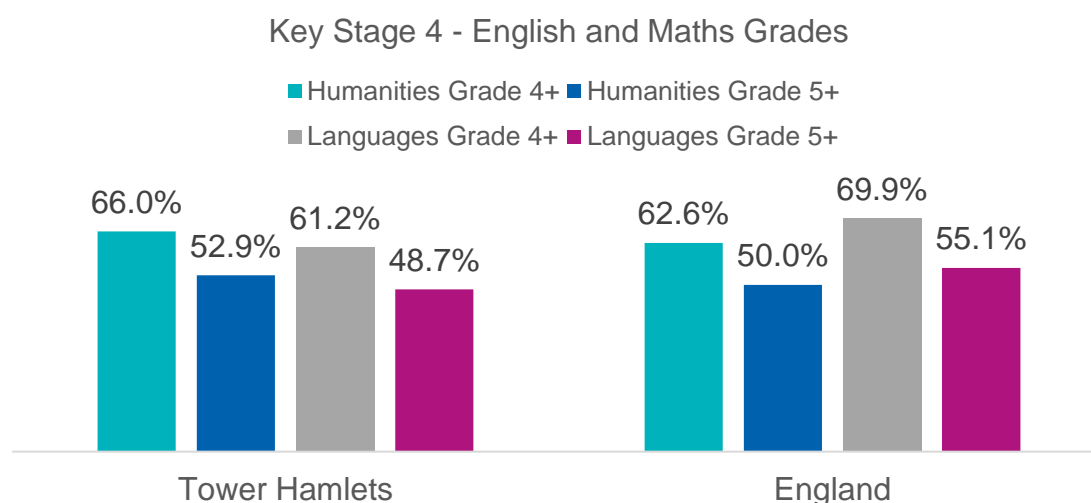


*Graph 2 – Key Stage 4 2023 (DfE Explore Education Statistics)*

- In Science, 68.7% of Tower Hamlets pupils achieved a Grade of 4 and above, 3.1% higher than the National average and 1.3% below the London average. For Grades 5 and above, 52.5% of Tower Hamlets pupils achieved this

outcome in Science, 5% higher than the National average and 3% lower than the London average.

- For Humanities, 66% of Tower Hamlets pupils achieved a Grade 4 or above, 3.4% higher than the National average. This falls to 2.9% for Grade 5 and above with 52.9% of Tower Hamlets pupils achieving this for the Humanities slot and 50% of pupil nationally.
- For Languages, Tower Hamlets pupils achieve lower outcomes than pupils nationally. For the measure Grade 4 and above, 61.2% of pupils achieved this outcome for the Languages component in the Attainment 8 slot, however this is 8.7% lower than pupils nationally.

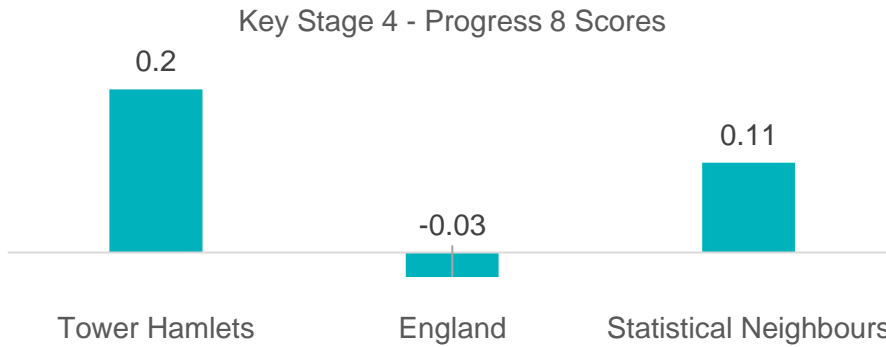


*Graph 3 – Key Stage 4 2023 (DfE Explore Education Statistics)*

### 8.3 Progress 8 Scores

- A Progress 8 score is calculated for each pupil by comparing their Attainment 8 score with the average Attainment 8 scores of all pupils nationally who had a similar starting point, calculated using assessment results from the end of primary school. The greater the Progress 8 score, the greater the progress made by the pupil. Progress 8 score is calculated as the average of its pupils' Progress 8 scores. It gives an indication of whether, as a group, pupils in the school made above or below average progress compared to similar pupils in other schools:
  - a score of 0 means pupils in this school on average do as well at key stage 4 as other pupils across England who got similar results at the end of key stage 2;
  - a score above 0 means pupils made more progress, on average, than pupils across England who got similar results at the end of key stage 2;
  - a score below 0 means pupils made less progress, on average, than pupils across England who got similar results at the end of key stage 2.
- The Progress 8 scores in Graph 4 indicate that, on average, Tower Hamlets pupils made more progress between Key Stage 2 and Key Stage 4 than did their peers both nationally and when compared with statistical neighbours.

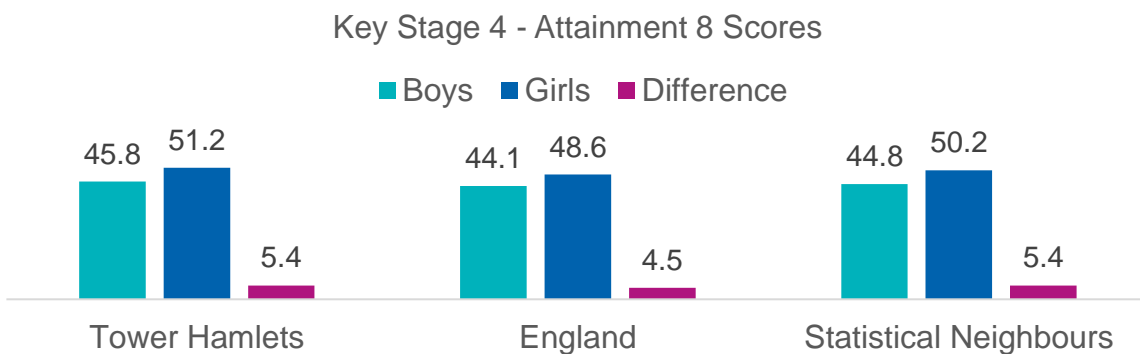
- These progress scores show Tower Hamlets as being middle of the Statistical Neighbours, which shows Westminster with a progress 8 score of 0.48 and both Islington and Camden with a progress score of -0.03. At the National level, Tower Hamlets has a progress score that places it 30th from a total of 152 local authorities.



Graph 4 – Key Stage 4 2023 (DfE Explore Education Statistics)

#### 8.4 Attainment and Progress by Gender

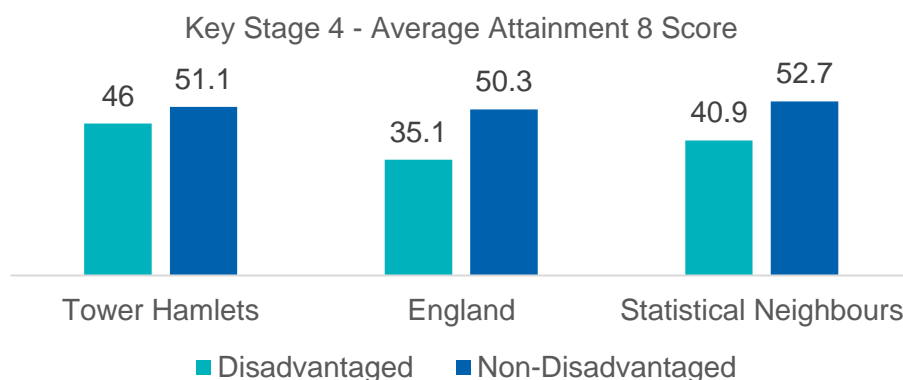
- At the end of Key Stage 4, girls perform better than boys overall when comparing Attainment 8 scores. In Tower Hamlets, girls achieved an Attainment 8 score of 51.2 compared to 45.8 for boys, a gap of 5.3 (rounding). This is in line with the National and Statistical Neighbour picture where girls achieve higher outcomes. There is a smaller gap between girls and boys nationally, however the average attainment 8 score for girls (48.6) and boys (44.1) is lower than those of pupils in Tower Hamlets.



Graph 5 – Key Stage 4 2023 (DfE Explore Education Statistics)

## 8.5 Attainment and Progress - Disadvantaged

- In Tower Hamlets, disadvantaged pupils' attainment was higher compared to statistical neighbours and the national average.
- Tower Hamlets disadvantaged pupils achieved an average Attainment 8 score of 46 in 2023. This was 11 points higher than similar pupils Nationally (35.1) and five points higher than statistical neighbours (40.9). Overall, Tower Hamlets places as the sixth highest LA for the average attainment 8 score from a total of 152 local authorities.
- For progress, Tower Hamlets has an average progress 8 score of 0.05 for disadvantaged pupils. This indicates pupils achieve better progress than their peers with the same starting point (Key Stage 2 outcomes). This average progress 8 score places Tower Hamlets as the ninth best Local Authority in England (from 152). In comparison to statistical neighbours, Tower Hamlets has the second-best progress 8 score after Westminster with a 0.28 progress 8 score for disadvantaged pupils.



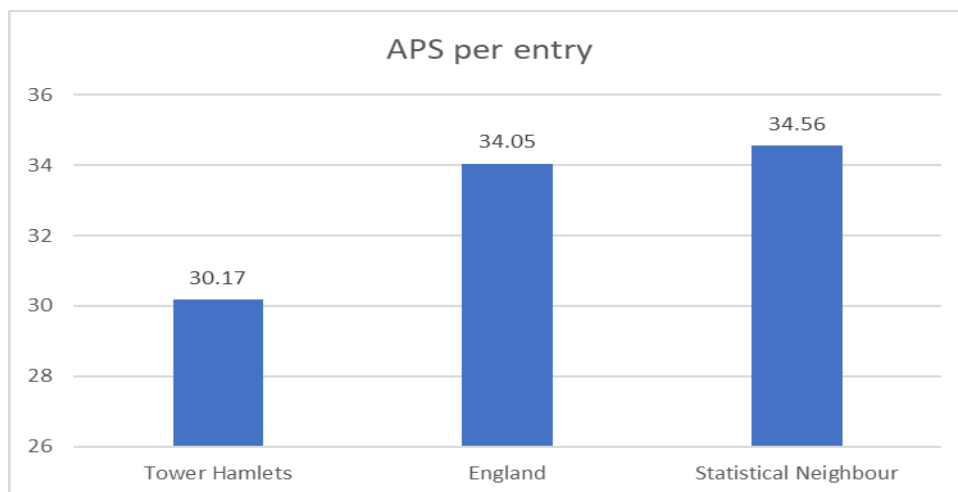
Graph 6 – Key Stage 4 2023 (DfE Explore Education Statistics)

## 9 **KEY STAGE 5 OUTCOMES 2022-23**

- 9.1 Average Point Score (APS) Per Entry – A Level, reflect the scores achieved per A level entry as follows:

Grade	APS
A*	60
A	50
B	40
C	30
D	20
E	10
U	0

- In 2023, the APS per A Level entry for all students attending Tower Hamlets schools and colleges was 30.17, which means that the average grade achieved per entry was a Grade C. Whilst this is the same as the average grade for England and the LA's statistical neighbours, the APS was considerably lower.



Graph 7 – Key Stage 5 2023 (DfE Explore Education Statistics)

- The average A level grade per entry in Tower Hamlets schools was lower than England and London (Table 9). This was across all grades from A\* to E.

	A*	A*-A	A*-B	A*-C	A*-D	A*-E
Tower Hamlets	3.0%	14.6%	38.6%	65.2%	84.0%	94.9%
London	8.3%	26.1%	52.2%	74.7%	89.2%	96.6%
England	8.8%	26.8%	52.9%	75.5%	89.9%	97.1%

Table 9 - Key Stage 5 2023 (DfE Explore Education Statistics)

## 9.2 Outcomes by Gender

- Females achieve slightly better attainment outcomes at A-Levels when compared to male students (30.75 against 29.4 APS). This is in line with National where females achieve slightly better than male pupils (34.7 against 33.3 APS). Although the gender gap is very similar for both Tower Hamlets and England, the outcomes nationally are greater than Tower Hamlets.

## 9.3 Outcomes by Subject Groups (Tower Hamlets School Only)

- Of the major subject areas and at the highest grades, science (all subjects) remains the subject with the lowest attainment (Table 10). Table 10 shows the proportion of A Level entries attaining A\* to B grades by subject.

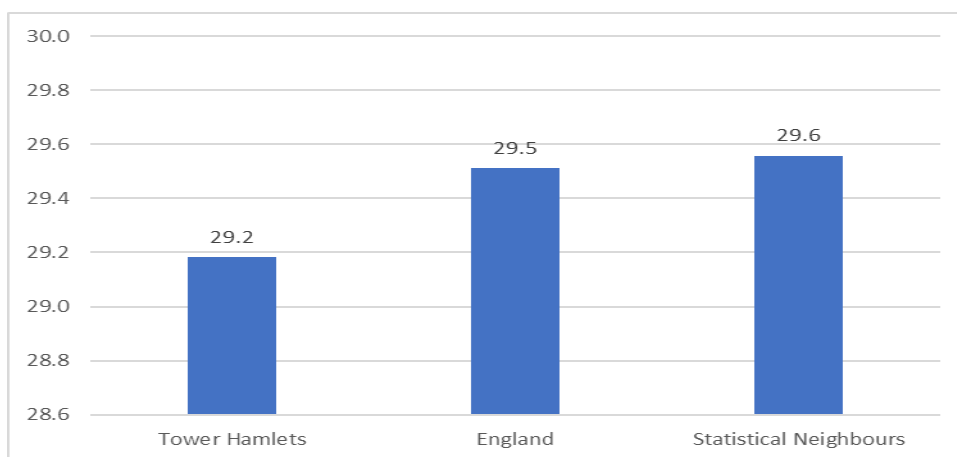


Subject	% A level grade A*-B	% of all A level entries
Science - Chemistry	28.9%	19.3%
Science - Biology	34.1%	21.2%
Maths	45.8%	29.3%
Science - other	14.3%	1.0%
English	41.4%	17.8%
Modern languages	63.9%	4.0%
Science - Physics	29.5%	8.4%
Arts	32.5%	14.0%

Table 10 - Key Stage 5 2023 (DfE Explore Education Statistics)

#### 9.4 Level 3 Applied (Vocational) Qualifications

- Attainment in applied qualifications for Tower Hamlets students was an APS of 29.2. This was just below the National average of 29.5 and the Statistical Neighbour average of 29.6. This places Tower Hamlets 85th from 150 Local Authorities and fifth from all statistical neighbours.
- Similar to A-Levels, females outperform their male peers for APS in Applied General. Female pupils in Tower Hamlets achieved an APS of 30.1 compared to an APS of 28.3 for males. This is similar at the National level where females achieved an APS of 30.7 compared to males with an APS of 28.2. As females achieve a higher outcome nationally than peers in Tower Hamlets, the gap (2.5) is slightly wider at the National level when compared to the gender gap in Tower Hamlets (1.8).
- Average Point Score per Applied in Tower Hamlets:



Graph 8 – Key Stage 5 2023 (DfE Explore Education Statistics)

From observations in schools, feedback from Leadership Consultants and detailed analysis of pupil outcomes, a number of actions and interventions are already underway to support improved performance at Key Stage 5:

- The post 16 Forum has a focus on raising attainment at A\*- A and sharing good practice from schools across the borough
- All schools have nominated 30 high achieving students to work with 'The Elephant Project' an organisation supporting young people to access Russell group universities and Oxbridge, through regional conferences, mentoring and additional online support
- Our second Year 12 Oxbridge conference for 15 students from every school gave students insight, practical advice and guidance
- Links established with Cambridge on the BBPP (Black, Bengali and Pakistani Project). All schools have nominated five students for mentoring, guidance and support from Oxford University
- Pilot A Level Subject networks are underway, led by high quality practitioners

#### 9.6 Key Priorities for academic year 2023-24

On the basis of progress made so far in the Post 16 phase, key priorities for the Post 16 phase are identified below:

- Deliver the Mayor's commitment to improving post-16 outcomes through an Institute of Academic Excellence.
- Raising A\*- A grades across all schools
- Increasing the numbers of students who attend Russell Group universities.
- Supporting Oxbridge candidates with access to extracurricular activities to support applications.

To support these priorities we are developing and will consult on a comprehensive Key Stage 5 improvement plan, to include :

- A council commitment to support local young people to remain in education in Tower Hamlets in outstanding provision.
- Development of the curriculum offer in close coordination with Higher Education providers, and informed by work to understand the interests and aspirations of students currently in Key Stage 4 and below.
- Identification of opportunities to improve the current offer and take-up across Tower Hamlets, drawing on evidence from other local areas with outstanding outcomes.

- Agreement with all local providers on a shared vision for the improvements we want to see at Key Stage 5 and a roadmap to achieve them.
- Focus on particular cohorts who are performing less well.
- A programme of Continuing Professional Development for post sixteen teachers, led by current staff in excellent provision and informed by local higher education providers.

## **10 CONCLUSION**

- The administration is committed to supporting all children and young people in Tower Hamlets to fulfil their academic potential. Key commitments include the delivery of an Institute for Academic Excellence and our Annual Delivery Plan will set out the steps to achieve this in 2024-25.
- Performance in primary schools remains strong and pupils achieve good outcomes at the end of Key Stage 2. This continues as pupils attend secondary schools with good outcomes at the end of Key Stage 4. Performance at the end of Key Stage 5 is an area of focus for improvement, particularly attainment at the higher grades. A key task for Tower Hamlets is to continue to reduce the variation in outcomes between schools as this will contribute to raising the average outcome for the borough at both Key Stages 4 and 5.

## **11 EQUALITIES IMPLICATIONS**

- 11.1 The key equality implications are concerned with the ability of all children and young people to access effective and high-quality education provision to enhance their life chances, ensuring every child has every chance.

## **12 OTHER STATUTORY IMPLICATIONS**

- 12.1 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.

- 12.2 [Report authors should identify any other specific issues relevant to consideration of this report. Including, but not limited to, the issues noted above. This section of the report can also be used to re-emphasise particular issues that Members must have considered before taking the decision (for example issues that may come up if an objection was taken to court). Note – Paragraph 5.1 MUST NOT be deleted.]

### **13 COMMENTS OF THE CHIEF FINANCE OFFICER**

13.1 This report does not contain any financial implications.

### **14 COMMENTS OF LEGAL SERVICES**

14.1 Sections 13 and 13A of the Education Act 1996 impose duties on local authorities to ensure that efficient primary, secondary and further education is available to meet the needs of the population of their area, and that these functions are exercised with a view to promoting high standards, ensuring fair access to opportunity and training, and promoting the fulfilment of learning potential for the pupils.

14.2 The Public Sector Equality Duty, set out in the Equality Act 2010, requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different groups of people when carrying out their activities.

14.3 The matters set out in this report demonstrate the Council's commitment to meeting these duties and comply with the above legislation.

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- None

#### **Appendices**


- NONE

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

- None.

#### **Officer contact details for documents:**

Yasmin Ashley, Executive Support Team Leader, Childrens Services and Health, Adults & Community,  
Lisa Fraser: Director of Education

<p><b>Cabinet</b></p> <p>10 July 2024</p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Matthew Mannion, Head of Democratic Services</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Nominations to Outside Bodies</b></p>	

<b>Lead Member</b>	<b>Mayor Lutfur Rahman</b>
<b>Originating Officer(s)</b>	Joel West, Democratic Services Team Leader (Committees)
<b>Wards affected</b>	All Wards
<b>Key Decision?</b>	No
<b>Exempt information</b>	None
<b>Forward Plan Notice Published</b>	N/A
<b>Reason for Key Decision</b>	N/A

**Executive Summary**

It is the responsibility of the Mayor to nominate representatives to certain Outside Bodies on behalf of Tower Hamlets Council.

This report proposes changes to nominees to outside bodies for the Mayor to consider. Although all appointments are reviewed regularly, they are, unless stated elsewhere in this report, valid until such time as they are amended or renewed by a Mayoral decision.

**Recommendations:**

The Mayor is recommended to agree the following nominations to outside bodies:

1. To replace Councillor Kabir Hussain with Councillor Shafi Ahmed as the Council’s nominee to London Councils’ Transport and Environment Committee (TEC).
2. To replace Councillor Abdul Wahid, with Councillor Musthak Ahmed as the Council’s nominee to London Councils’ Greater London Employment Forum.

**1. REASONS FOR THE DECISIONS**

- 1.1 Having representatives on outside bodies increases the Council’s engagement with the local community and improves its potential to offer leadership and guidance in relation to activities taking place in the borough.

- 1.2 London-wide initiatives can also offer considerable benefits that promote delivery of the Council's key priorities. Conditions of some London-wide partnerships and trusts are that the Council is represented on their boards.

## **2. ALTERNATIVE OPTIONS**

- 2.1 The Mayor could decide not to make appointments to outside bodies at all. However, this is not recommended as it would reduce the Council's opportunity to be involved in and to support good work within the community and it would also reduce the Council's leadership opportunities. There are also a number of bodies where the Council is required or expected to provide a representative.

## **3. DETAILS OF THE REPORT**

- 3.1 Participating in the work of outside bodies is an important part of the role of elected Members and officers, but is different in nature from other aspects such as being a member of a local authority executive or sitting on regulatory committees. In some cases it will involve actively representing and defending the authority's interests on local authority associations. In others it will involve becoming a trustee of a charity or a director of a company limited by guarantee. In this case Members and officers have a duty to act in the best interests of the organisation to which they have been appointed rather than exclusively pursue the authority's interests. There are potential tensions in carrying out this role effectively. To this end guidance will be sent to all those nominated to outside bodies.
- 3.2 A key part of this role is ensuring that information about the activities of outside bodies is communicated to the Council. Much of this may take place through day to day contact with colleagues or with officers responsible for that area of work.
- 3.3 The nominations to be made to Outside Bodies are:

### **London Councils**

- 3.4 London Councils is the collective voice for London local government. It seeks to be an influential advocate for the interests of boroughs, promoting both councils' leadership of their places and of a broad range of public services on behalf of their localities. London Councils fights for the resources, powers and freedoms that boroughs need to play that role.

### **Transport and Environment Committee**

- 3.5 London Councils Transport and Environment Committee (TEC) provides a range of high-quality operational services such as parking and traffic appeals, the London night-time and weekend lorry ban, the Freedom Pass and Taxicard schemes. TEC aims to ensure that London boroughs' concerns

and best practice are taken fully into account in the development and implementation of the whole range of transport and environment policies generated by Government departments, the European Union and the Mayor of London. The Committee deals with a wide array of issues.

- 3.6 It is proposed to replace the current nominee, Councillor Kabir Hussain, with Councillor Shafi Ahmed.

#### Greater London Employment Forum

- 3.7 The Greater London Employment Forum (GLEF) - a joint forum comprising representatives of the London authorities within the scope of the London Agreement and the Corporation of London. The purpose of the GLEF is to provide a forum where London employer and employee representatives can meet to discuss and debate employment matters of concern to the London authorities and their workforces and, where appropriate, recommend areas/opportunities for regional agreement and working.
- 3.8 It is proposed to replace the current nominee, Councillor Abdul Wahid, with Councillor Musthak Ahmed.

#### **4. EQUALITIES IMPLICATIONS**

- 4.1 Nominating representatives to outside bodies increases the Council's engagement with the local community and improves its potential to offer leadership and guidance in relation to activities taking place 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.

#### **Risk Management Implications**

- 5.2 Where appropriate it is important that any training/support needs of new appointees are identified by the bodies concerned and that appropriate training and support is delivered.

5.3 The nomination of representatives to outside bodies enables the Council to strengthen links with the community. The nomination of representatives also contributes to the Council's leadership role in the community.

## **6. COMMENTS OF THE CHIEF FINANCE OFFICER**

6.1 This report requests the Mayor in Cabinet to agree nominations to outside bodies as indicated in section 3 of this report and as such there are no direct financial implications arising from this report.

## **7. COMMENTS OF LEGAL SERVICES**

7.1 The appointments in this report are the responsibility of the executive. The Mayor therefore has responsibility for these appointments under the Constitution and is legally entitled to make these appointments. This is under s.1 Localism Act 2011, the general power of competence.

7.2 Although the power is expressed to be a one off appointment, this is assumed to include the power to remove if it is felt to be necessary (*paras. 19 and 20 Local Authorities (Functions and Responsibilities) (England) Regulations 2000*).

7.3 When considering appointments or the approach to be taken to appointments, 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). It is important to be satisfied that any process followed is supportive of equal opportunity.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

None.

### **Appendices**

None.

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

None.

### **Officer contact details for documents:**

Joel West, Democratic Services Team Leader (Committees) 020 7364 4207