

# OVERVIEW & SCRUTINY COMMITTEE

Monday, 19 January 2015 at 7.15 p.m., Room C1, 1st Floor, Town Hall,  
Mulberry Place, 5 Clove Crescent, London, E14 2BG

This meeting is open to the public to attend.

**Members:**

**Chair:** Councillor Joshua Peck

**Vice Chair:**

Councillor John Pierce	(Scrutiny Lead for Communities, Localities and Culture)
Councillor Asma Begum	(Scrutiny Lead for Adult Health and Wellbeing)
Councillor Denise Jones	(Scrutiny Lead for Children's Services)
Councillor Dave Chesterton	(Scrutiny Lead for Development and Renewal)
Councillor Peter Golds	(Scrutiny Lead for Law Probity and Governance)
Councillor Mahbub Alam	
Councillor Abjol Miah	(Scrutiny Lead for Resources)
Councillor Muhammad Ansar Mustaqim	

**Co-opted Members:**

1 Vacancy	(Parent Governor Representative)
Victoria Ekubia	(Roman Catholic Church Representative)
Dr Phillip Rice	(Church of England Representative)
Nozrul Mustafa	(Parent Governor Representative)
Rev James Olanipekun	(Parent Governor Representative)

**Deputies:**

Councillor Khaled Uddin Ahmed, Councillor Sirajul Islam, Councillor Rachael Saunders, Councillor Craig Aston, Councillor Julia Dockerill, Councillor Andrew Wood, Councillor Suluk Ahmed, Councillor Mohammed Mufti Miah and Maium Miah

[The quorum for this body is 3 voting Members]

**Contact for further enquiries:**

David Knight, Democratic Services  
1st Floor, Town Hall, Town Hall, Mulberry Place, 5 Clove Crescent,  
London, E14 2BG  
Tel: 020 7364 4878

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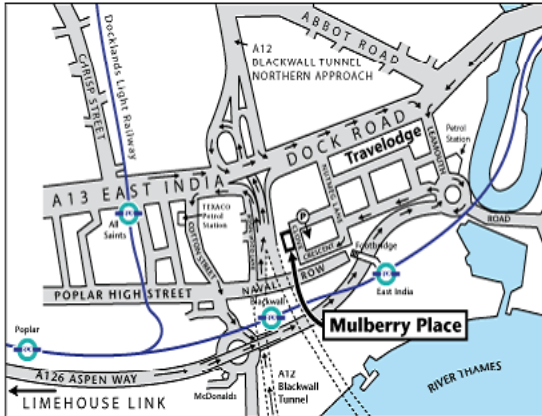
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QR code for smart phone users.

**SECTION ONE**

**WARD**

**PAGE  
NUMBER**

**1. APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

**2. DECLARATIONS OF DISCLOSABLE  
PECUNIARY INTEREST**

**1 - 4**

To note any declarations of interest made by Members, including those restricting Members from voting on the questions detailed in Section 106 of the Local Government Finance Act, 1992. See attached note from the Interim Monitoring Officer.

**3. UNRESTRICTED REPORTS FOR  
CONSIDERATION**

**3 .1 General Fund Capital and Revenue Budgets, Medium  
Term Financial Plan 2015 - 2018**

**5 - 184**

**4. ANY OTHER UNRESTRICTED BUSINESS  
WHICH THE CHAIR CONSIDERS TO BE  
URGENT**

To consider any other unrestricted business that the Chair considers to be urgent.

**5. EXCLUSION OF THE PRESS AND PUBLIC**

In view of the contents of the remaining items on the agenda the Committee is recommended to adopt the following motion:

“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 Papers)**

The exempt 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.

## **SECTION TWO**

**WARD**

**PAGE  
NUMBER**

**6. ANY OTHER EXEMPT/ CONFIDENTIAL  
BUSINESS THAT THE CHAIR CONSIDERS  
URGENT**

To consider any other exempt/ confidential business that the Chair considers to be urgent.

### **Next Meeting of the Overview and Scrutiny Committee**

Tuesday, 3 February 2015 to be held in Room C1, 1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG

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# Agenda Item 2

## **DECLARATIONS OF INTERESTS - NOTE FROM THE INTERIM MONITORING OFFICER**

This note is for guidance only. For further details please consult the Members' Code of Conduct at Part 5.1 of the Council's Constitution.

Please note that the question of whether a Member has an interest in any matter, and whether or not that interest is a Disclosable Pecuniary Interest, is for that Member to decide. Advice is available from officers as listed below but they cannot make the decision for the Member. If in doubt as to the nature of an interest it is advisable to seek advice **prior** to attending a meeting.

### **Interests and Disclosable Pecuniary Interests (DPIs)**

You have an interest in any business of the authority where that business relates to or is likely to affect any of the persons, bodies or matters listed in section 4.1 (a) of the Code of Conduct; and might reasonably be regarded as affecting the well-being or financial position of yourself, a member of your family or a person with whom you have a close association, to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward affected.

You must notify the Interim Monitoring Officer in writing of any such interest, for inclusion in the Register of Members' Interests which is available for public inspection and on the Council's Website.

Once you have recorded an interest in the Register, you are not then required to declare that interest at each meeting where the business is discussed, unless the interest is a Disclosable Pecuniary Interest (DPI).

A DPI is defined in Regulations as a pecuniary interest of any of the descriptions listed at **Appendix A** overleaf. Please note that a Member's DPIs include his/her own relevant interests and also those of his/her spouse or civil partner; or a person with whom the Member is living as husband and wife; or a person with whom the Member is living as if they were civil partners; if the Member is aware that that other person has the interest.

### **Effect of a Disclosable Pecuniary Interest on participation at meetings**

Where you have a DPI in any business of the Council you must, unless you have obtained a dispensation from the authority's Interim Monitoring Officer following consideration by the Dispensations Sub-Committee of the Standards Advisory Committee:-

- not seek to improperly influence a decision about that business; and
- not exercise executive functions in relation to that business.

If you are present at a meeting where that business is discussed, you must:-

- Disclose to the meeting the existence and nature of the interest at the start of the meeting or when the interest becomes apparent, if later; and
- Leave the room (including any public viewing area) for the duration of consideration and decision on the item and not seek to influence the debate or decision

When declaring a DPI, Members should specify the nature of the interest and the agenda item to which the interest relates. This procedure is designed to assist the public's understanding of the meeting and to enable a full record to be made in the minutes of the meeting.

Where you have a DPI in any business of the authority which is not included in the Member's register of interests and you attend a meeting of the authority at which the business is considered, in addition to disclosing the interest to that meeting, you must also within 28 days notify the Interim Monitoring Officer of the interest for inclusion in the Register.

**Further advice**

For further advice please contact:-

Meic Sullivan-Gould, Interim Monitoring Officer, 0207 364 4801

John Williams, Service Head, Democratic Services, 020 7364 4204



## 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	<p>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.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
Contracts	<p>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—</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
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	<p>Any tenancy where (to the Member's knowledge)—</p> <p>(a) the landlord is the relevant authority; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>
Securities	<p>Any beneficial interest in securities of a body where—</p> <p>(a) that body (to the Member's knowledge) has a place of business or land in the area of the relevant authority; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(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.</p>

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# Agenda Item 3.1

<b>Committee:</b> Overview and Scrutiny	<b>Date:</b> 19/01/15	<b>Classification:</b> Unrestricted
<b>Report of:</b>  <b>Democratic Services</b>  <b>Originating Officer(s):</b> David Knight, Democratic Services	<b>Title:</b> General Fund Capital and Revenue Budgets, Medium Term Financial Plan 2015-2018.  <b>Wards: All</b>	

## 1. SUMMARY

- 1.1 The attached document sets out proposals which form part of the draft Medium Term Financial Plan (MTFP) covering the three-year period from 2015-2016 to 2017-2018. It includes a revised assessment in each of the next three years of the General Fund, Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and the Capital Programme.

## 2. RECOMMENDATION

- 2.1 That Overview and Scrutiny Committee consider and comment on the report.

## 3. APPENDICES

Appendix 1 – Cabinet Budget Report


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### Local Government Act 1972, section 100D List of “Background Papers” used in the preparation of this report

Brief description of “background paper”	Name and telephone number of holder and address where open to inspection
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none

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<b>Cabinet</b> 7 <sup>th</sup> January 2015	 <b>TOWER HAMLETS</b>
Report of: <b>Chris Holme, Interim Corporate Director of Resources</b>	Classification: Unrestricted
<b>General Fund Capital and Revenue Budgets, Medium Term Financial Plan 2015-2018 and Strategic Plan 2015-16</b>	

<b>Lead Member</b>	<b>Cllr Alibor Choudhury (Cabinet Member for Resources)</b>
<b>Originating Officer(s)</b>	Chris Holme, Interim Corporate Director of Resources  Louise Russell, Service Head, Corporate Strategy and Equality
<b>Wards affected</b>	All
<b>Community Plan Theme</b>	<b>One Tower Hamlets</b>
<b>Key Decision?</b>	<b>Yes</b>

## REASONS FOR URGENCY

The report was not published with the main agenda and arguably there were not five clear days between publication and the meeting. The item was, however, properly forward-planned for this meeting and the report was available for public inspection from the day it was added to the agenda and made available to members. The report was not published earlier as it was necessary to consider the Government's provisional 2015/16 Local Government Finance Settlement, which was announced by the Secretary of State on 18 December 2014. It is considered necessary for Cabinet to consider this report to ensure that the budget process goes ahead as planned and in time to have a budget in place for 2015/2016.

## 1 SUMMARY

- 1.1 This report sets out proposals which form part of the draft Medium Term Financial Plan (MTFP) covering the three year period from 2015-2016 to 2017-2018. It includes a revised assessment in each of the next three years of the General

Fund, Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and the Capital Programme including

- the financial resources available to the Council;
- the cost of providing existing services; and,
- the overall level of savings that have been and still need to be identified to give a balanced, sustainable budget over the medium term financial planning period.

A summary of the projected General Fund budget for each of the three years is shown in [Appendix 1](#) with a more detailed service analysis in [Appendix 2](#).

- 1.2 The report also contains outline proposals for the 2015-2016 Strategic Plan which will be delivered within the resources identified for the 2015-2016 budget.
- 1.3 The 2015-2016 local government provisional finance settlement was announced on the 18 December 2014 following the Chancellor's Autumn Statement. The outcome of the settlement is reflected in the report.
- 1.4 Despite recent signs of a more positive economic position, the economic climate remains extremely challenging. Since the Spending Review by the Government in 2010, the Government has made it clear that their austerity programme is likely to continue.
- 1.5 The pace at which austerity measures and further cuts to public spending continue will be dictated by the general election in May 2015. All main political parties are planning to reduce the deficit, but the pace of reduction, and the mix of expenditure cuts and taxation levels could be different depending on the result.
- 1.6 The Council forecasts that cuts to its grant, increases due to inflation and demographic pressures, over the next three year period from 2015-2016 to 2017-2018 will result in a budget shortfall of £49.9m.
- 1.7 The savings agreed to date represents the largest reduction in spending ever experienced by this authority, achieved through a series of efficiencies with the aim of minimising impact on service delivery. The Council has continued to deliver on its priorities despite the unprecedented reductions in government funding. The Outline Strategic Plan 2015-2016 appended to this report outlines how the council will continue to deliver on key priorities over the coming year.
- 1.8 The Mayor has set the following principles in this Medium Term Financial Plan, which builds on the priorities set in the previous three budgets:
  - Protecting the vulnerable and the services residents rely on
  - Reducing the cost of living for residents
  - Creating growth and regeneration
  - Be a lean, flexible and citizen centred Council
- 1.9 The MTFP includes a number of key planning assumptions which will need to be

closely tracked as part of the Council's established financial and performance monitoring process. This will ensure that any significant variances are quickly identified together with appropriate mitigating actions.

## **2 RECOMMENDATIONS**

The Mayor in Cabinet is recommended to:

- 2.1 Agree a General Fund Revenue Budget of £290.569m together with the Outline Strategic Plan identifying the key priority activities which will be delivered within this budget and which will be further developed into the Council's Strategic Plan for 2015-2016.
- 2.2 Accept the Council Tax Freeze Grant available from the Department of Communities and Local Government for 2015-2016 and thereby agree to continue to freeze Council Tax (Band D) at £885.52 for the new financial year.
- 2.3 Agree to propose the items listed below for public consultation and consideration by the Overview & Scrutiny Committee in accordance with the Budget and Policy Framework (Section 16). A further report will then be submitted to the next Cabinet meeting in February detailing the results of consultations and inviting the Cabinet to recommend a Budget Requirement and Council Tax for 2015-2016 to Full Council.
- 2.4 Agree to conduct the Budget consultation in line with Section 16 in the body of the report.
- 2.5 Consider and comment on the following matters -

- a. **Budget Consultation**

- The approach to the budget consultation with the community and Overview and Scrutiny Committee.

- b. **Funding**

- The funding available for 2015-2016 and the indications and forecasts for future years set out in Section 8.

- c. **Base Budget 2015-2016**

- The Base Budget for 2015-2016 as £293.933m as detailed in Appendix 1.

- d. **Growth and Inflation**

- The risks identified from potential inflation and committed growth arising in 2015-2016 and future years and as set out in Section 9 and in Appendix 3.

- e. **General Fund Revenue Budget and Medium Term Financial Plan 2015-2016 to 2017-2018**

- The initial budget proposal and Council Tax for 2015-2016 together with the Medium Term Financial Plan set out in Appendix 1 and the budget reductions arising.

- f. **Savings**

- Previously agreed and New savings items to be included in the budget for 2015-2016 and

the strategic approach for future savings to be delivered are set out in Section 10, Appendix 4.1 and 4.2 of the report.

**g. Capital Programme**

The capital programme to 2017-2018; including the proposed revisions to the current programme as set out in section 14 and detailed in Appendices 8.1, 8.2 & 8.3.

**h. Dedicated Schools Grant**

The position with regard to Dedicated Schools Grant as set out in Section 12 and Appendices 6.1 & 6.2.

**i. Housing Revenue Account**

The position with regard to the Housing Revenue Account as set out in Section 13 and Appendix 7.

**j. Financial Risks: Reserves and Contingencies**

Advise on strategic budget risks and opportunities as set out in Section 11 and Appendices 5.1, 5.2 and 5.3.

**k. Reserves and Balances**

The position in relation to reserves as set out in the report and further detailed in Appendices 5.1 and 5.3

**l. Mayor's Priorities**

Initiatives proposed by the Mayor are set out in Section 9.9 to 9.14.

**3 REASONS FOR THE DECISIONS**

- 3.1 The Council is under an obligation to set a balanced budget for the forthcoming year and to set a Council Tax for the next financial year by 6<sup>th</sup> March 2015 at the latest. The setting of the budget is a decision reserved for Full Council. The Council's Budget and Policy Framework requires that a draft budget is issued for consultation with the Overview & Scrutiny Committee following this meeting to allow for due process.
- 3.2 The announcements that have been made about Government funding for the authority require a robust and timely response to enable a balanced budget to be set.
- 3.3 In deciding its budget, the Council needs to have regard to the key priority activities for delivery as set out in the Outline Strategic Plan.

**4 ALTERNATIVE OPTIONS**

- 4.1 The authority is bound to respond to the budget reductions to Government funding of local authorities and to set an affordable Council Tax and a balanced budget, while meeting its duties to provide local services. This limits the options available to Members. Nevertheless, the authority can determine its priorities in terms of the services it seeks to preserve and protect where possible, and to a limited extent the services it aims to improve further, during the period of budget reductions.



## **5 BACKGROUND**

- 5.1 The Council's integrated financial and business planning process is the key mechanism for reviewing plans and strategies to ensure priorities are being met and that resources are allocated effectively to underpin their achievement. The process culminates in changes to the budget and medium term financial strategy that delivers a revised Community Plan and Strategic Plan.
- 5.2 The refresh of the Medium Term Financial Plan (MTFP) presented to Cabinet on 3<sup>rd</sup> December 2014 showed that the economic base of the Council is growing, and identified a package of savings designed to deliver a balanced budget. This report provides updates on the Local Government Finance Settlement, revisions to savings proposals, growth and investment proposals, and any further changes to resource assumptions. The MTFP is also projected forward to the financial year 2017-2018, with analysis on future savings requirements.
- 5.3 The main body of the report is in eleven Sections:
- Strategic Approach (Section 6)
  - Medium Term Financial Plan & Proposed Budget (Section 7)
  - Financial Resources (Section 8)
  - Budget Growth Pressures (Section 9)
  - Budget Process and Savings Proposals (Section 10)
  - Risks and Opportunities (Section 11)
  - Schools Funding (Section 12)
  - Housing Revenue Account (Section 13)
  - Capital Programme (Section 14)
  - Treasury Management Strategy (Section 15)
  - Consultation (Section 16)
- 5.4 The key planning assumptions that support the draft MTFP are set out below and in the attached appendices listed in Section 24. Those planning assumptions have taken account of the Autumn Statement announced by the Chancellor of the Exchequer in early December and the subsequent local government provisional finance settlement that was published on the 18 December 2014.

## **6 STRATEGIC APPROACH**

- 6.1 The Council has a well-embedded approach to strategic and resource planning (SARP). Key priorities are developed with residents and partners through the Community Plan and these are reflected in a set of strategic objectives in the Council's Strategic Plan, which is annually refreshed.
- 6.2 The Strategic Plan sets out the Council's approach to delivering the key Community Plan aims of achieving:

- A Great Place to Live
- A Prosperous Community
- A Safe and Cohesive Community
- A Healthy and Supportive Community; and
- One Tower Hamlets

6.3 Notwithstanding the need to manage within a very challenging financial context, the Council remains focused on delivering these key aims. Specifically the Mayor has made clear those priorities that he wishes to see reflected in the allocation of Council resources, namely:

- Improving the condition of social housing
- Increasing the supply of affordable social housing (particularly family sized housing)
- Maintaining the provision of services for young people
- Delivering programmes of skills development, employment and enterprise activity
- Maintaining support to vulnerable adults
- Minimising negative impacts on residents' household budgets
- Protecting investment in activity that promotes community safety
- Work in partnership to improve our Public Realm

6.4 In addition to this, the Mayor has maintained his commitment to the following Council principles:

- Employ a workforce that fully reflects the community it serves
- Ensure staff are never paid below the London living wage
- Minimise job losses and promote career development
- Fully open supply chains to local suppliers
- Support the work of our community partners in the delivery of services

6.5 This year the Mayor has set the following principles, which builds on the priorities set in the previous four budgets:

- Protecting the vulnerable and the services residents rely on, through:
  - o Keeping our Libraries and Ideas Store open
  - o Ensuring residents can access services through One Stop Shops, on the telephone and online
  - o Creating enough schools places to meet the growing demand
  - o Providing excellent services for children and young people

- o Delivering high quality provision and activities for older and disabled residents
- Reducing the cost of living for residents, through:
  - o The ongoing freeze of Council Tax
  - o Continuing the Mayor's Education Award and University Grant
  - o Delivering free school meals for all primary pupils in the borough
  - o Offering affordable fuel options through the Energy Co-operative
  - o Continuing to provide free homecare
- Creating growth and regeneration, through:
  - o Delivering the Whitechapel Vision
  - o Supporting Regeneration at Blackwall Reach and the Ocean Estate
  - o Increasing the pace of regeneration in Poplar
  - o Supporting local businesses

6.6 Key proposed activities within the Outline Strategic Plan for 2015-2016 include:

- Delivering a programme of new build Council housing
- Increasing the availability of affordable family housing
- Delivering housing, a leisure centre and community facilities at Poplar Baths / Dame Colet House
- Reducing the number of Council homes that fall below a decent standard
- Working in partnership to improve our public realm
- Maintaining investment in youth services and provision for young people
- Embedding a Child Rights approach in all our commissioning
- Increasing the number of young people getting 5 good GCSEs
- Assisting more people into further education and university
- Supporting residents into jobs through employment and skills programmes
- Ensuring integrated local support for the roll out of Universal Credit
- Delivering the 'Violence Against Women and Girls' programme
- Improving the responsiveness and visibility of our ASB services
- Investing in the borough's leisure centres and playing pitches
- Building mental health resilience within the community
- Improving support to carers and implementing the Care Act
- Responding to the Best Value Inspection's findings and working with appointed commissioners

- Improving customer satisfaction when residents contact the Council
- 6.7 The inclusion of such activities demonstrates that the delivery of key priorities continues in the context of reduced resources. The Outline Strategic Plan will be further developed before the Strategic Plan Action Plan is presented to Cabinet for approval in the new municipal year.
- 6.8 Since 2010-2011 the Council has used five key strands to deliver savings which have been developed through the budget process:
- A leaner workforce: with a particular focus on rationalising senior management; stripping out duplication and bureaucracy; and creating a flatter, more generic operational structure designed both to enable the progression of talented employees and to be more acutely focused on serving the needs of our residents.
  - Smarter Working: with a particular focus on reducing the number of administrative buildings; more localised patterns of working; better use of new technology to enable council officers to do their jobs more effectively and at less cost and; opening up opportunities for residents to access our services in ways that reflect the realities of their lives be that in their homes, on-line, over the phone or in our offices and one stop shops.
  - Better utilisation of our assets: with a particular focus on underutilised buildings being put to better use and, where not possible, disposed of to support the council's capital programme and a root and branch review of our treasury management and capital planning arrangements.
  - Income Optimisation: with a particular focus on ensuring that charges are set fairly and in a manner that protects our most vulnerable residents; ensuring money owed to us is collected in a timely and efficient manner; and on a review of our commercial charges.
  - Better Buying: with a particular focus on supporting local businesses to access the council's supply chain, ensuring a continuing role for the third sector in the delivery of services and ensuring that private sector contractors give value for money and deliver efficiency savings where appropriate, whilst working within the values and ethos of the council.
- 6.9 A summary of the savings agreed to date through each of these streams is shown below:

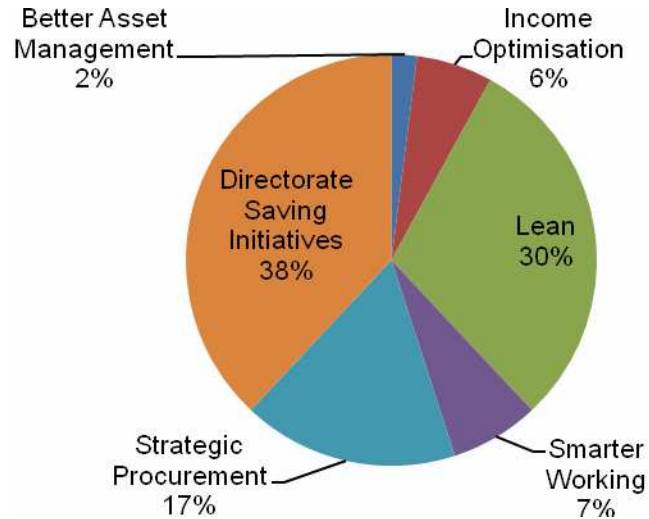


Chart 1 – Savings since 2010-2011 by theme

- 6.10 Given the scale of the financial challenge facing the Council in the coming years it has also been necessary to consider cost reduction and resource prioritisation proposals. This was and will continue to be done having regard to the needs of service users and residents more generally.
- 6.11 Accordingly public engagement and consultation have been undertaken so that views and opinions can be canvassed and debated and used to inform the final decisions of Council as detailed in Section 16 of this report.

## **7 MEDIUM TERM FINANCIAL PLAN & PROPOSED BUDGET**

- 7.1 The revised Medium Term Financial Plan is set out at [Appendix 1](#), and the detail by service area at [Appendix 2](#). The detailed figures and assumptions incorporated in these tables are explained in detail in this report. The figures assume a Council budget requirement of £290.569m for 2015-2016 and a Council Tax at Band D of £885.52.

### **Spending Round – June 2013**

- 7.2 The 2013 Spending Round was announced on 26<sup>th</sup> June 2013 and set out expenditure limits for individual Government departments for 2015-2016.
- 7.3 The draft 2015-2016 settlement figures, issued as part of the 2014-2015 settlement, showed a £36m reduction in Government funding for Tower Hamlets as a result of these announcements.

### **Autumn Statement – December 2014**

- 7.4 The Chancellor of the Exchequer announced his Autumn statement on the 3<sup>rd</sup> December 2014. The forward projections showed that Public expenditure is set to fall at the same rate as between 2010-2011 and 2014-2015 until 2018. However, these projections are based on current government policy, and will undoubtedly change after the general election in May 2015. Early indications are that each main political party will have a different approach to the scale and pace of

spending cuts, and also the use of taxation to raise extra revenue as a proportion of deficit reduction. The main points specifically affecting Local Government were:

- The government will carry out a review on the future structure of business rates, to report in the next parliament. The review is intended to be revenue neutral, and 'consistent with the government's financing of local authorities'.
- The doubling of small business relief will continue, as will the discount to retailers. The 2% on the business rates multiplier will also be repeated in 2015-2016. These should be cost neutral, with any shortfalls in revenue funded through section 31 grant.
- Rules will be changed so that alterations to rateable value can only be backdated to 2010 for appeals made before 1 April 2015, with VOA cases resolved before 1 April 2016.

7.5 Subsequent to this, on the 18 December 2014 the provisional 2015-2016 Local Government Finance Settlement was announced by the Secretary of State. This report incorporates officers' consideration of the provisional settlement implications for the Borough.

#### **Use of Reserves**

7.6 The Council's strategy of using reserves to smooth the delivery of savings provides time to develop and implement savings proposals which will reduce costs while doing as much as possible to preserve services. This strategy needs to be kept under review but remains affordable. The recommended level of general fund reserves that need to be maintained equates to between 5% and 7.5% of gross expenditure excluding schools and housing benefit payments. The MTFP set out in Appendix 1 assumes the use of general reserves over the review period 2015-2016 to 2017-2018 of 24.8m. Further detail on reserves can be found in Appendix 5.1.

## The Updated Council's Medium Term Financial Plan

7.7 The Council's updated MTFP is summarised in the table below:

Summary Draft Medium Term Financial Plan 2014-18				
	2014-15	2015-16	2016-17	2017-18
	£'000	£'000	£'000	£'000
<b>Net Service Costs</b>	295,732	293,933	290,569	296,652
<b>Growth (Incl Public Health)</b>	6,619	7,386	8,678	3,070
<b>Savings</b>				
<b>Approved</b>	(6,692)	(20,391)	(4,000)	0
<b>New</b>	0	(1,430)	0	0
<b>Inflation</b>	4,842	5,500	5,500	5,500
<b>Core Grants (incl Public Health)</b>	(4,266)	3,742	(3,764)	(713)
<b>Earmarked Reserves (Directorates)</b>	(804)	1,829	(331)	0
<b>Contribution to/from Reserves</b>	(1,498)	0	0	0
<b>Total Funding Requirement</b>	293,933	290,569	296,652	304,509
<b>Government Funding</b>	(122,580)	(87,981)	(66,879)	(48,947)
<b>Retained Business Rates</b>	(105,566)	(117,544)	(125,767)	(131,597)
<b>Council Tax</b>	(66,396)	(69,815)	(71,909)	(74,066)
<b>Collection Fund Surplus</b>				
<b>Council Tax</b>	0	(2,524)	0	0
<b>Retained Business Rates</b>	0	(4,922)	0	0
<b>Total Funding</b>	(294,541)	(282,786)	(264,555)	(254,611)
<b>Budget Gap (excl use of Reserves)</b>	(608)	7,783	32,097	49,898
<b>Unallocated Contingencies</b>	0	0	0	0
<b>Budgeted Contributions to Reserves</b>	(1,034)	0	0	0
<b>General Fund Reserves</b>	1,642	(7,783)	(7,097)	(9,899)
<b>Unfunded Gap</b>	0	(0)	25,000	39,999
<b>Savings to be delivered in each year</b>		0	(25,000)	(15,000)
	<b>31/03/2015</b>	<b>31/03/2016</b>	<b>31/03/2017</b>	<b>31/03/2018</b>
Balance on General Fund Reserves (£000s)	66,631	58,848	51,751	41,853

Table 1 – Summarised MTFP for 2015-2016 to 2017-2018

- 7.8 As set out in the table above and in detail in Appendix 2 the Council has a balanced budget in 2015-2016. The MTFP identifies a budget shortfall of £32.1m and £49.9m to be achieved in 2016-2017 and 2017-2018 respectively. After use of reserves, the Council will have to save £25m and £15m in these 2 financial years.
- 7.9 Savings targets for 2016-2017 onwards are subject to more volatility than usual. Spending limits will be set in the next parliament, and spending projections used by the Office of Budget Responsibility in the Autumn Statement 2014 may well change if there is a change in government. These figures represent a prudent approach to defining the budget gap and subsequent savings to be delivered.
- 7.10 There has been a movement in the MTFP presented to Council in March 2014, due to:
- A review of growth and Inflation requirements
  - A recalculation of the Council tax base
  - Increased economic growth resulting in additional Business Rates income
  - The Autumn Statement and Local Government Finance Settlement
  - Adjustments to reserves as a result of the 2013-2014 out-turn position

#### **Budget Reduction Opportunities for 2016-2017 Onwards**

- 7.11 The Mayor is working with the Corporate Management Team to devise a strategy to manage the budget gap from 2016-2017 onwards. CMT has established a programme of work to review and consider future budget reduction opportunities. The focus of these will be through the following principles:
- Working up a set of proposals which build on the Lean, Flexible and Citizen Centred principles of our existing savings programme looking at how we can be more efficient in areas such as rationalisation and alignment of services and functions and further improving and consolidating procurement
  - Service by service challenge to ensure that each service is delivering or contributing to priority outcomes as cost effectively as possible; and
  - Establishment of an approach to focus on longer term transformation opportunities designed to enable the authority to continue to deliver key priorities for local people with a reduced budget.

#### **Strategic approach 2016-2017 onwards**

- 7.12 The work on budget reduction proposals has established a broad framework for thinking about opportunities to maintain our priorities and deliver for local people, maintaining our commitment to One Tower Hamlets and reducing inequality, with reduced funding.
- 7.13 Within this broad framework, a number of work streams are being developed as follows:
- *Understanding and projecting the local population* – Gain a better



understanding of what services our local residents will require from us going forward, how and whether demographic change will impact on need and expectations.

- *Harnessing economic growth* – assessing the contribution that economic growth within the borough might make towards offsetting the savings target, particularly in the light of business rate retention, Council Tax growth, the New Homes Bonus and Community Infrastructure Levy - plus the potential for increased private sector funding or upfront investment to fund social outcomes.
- *Prevention and Meeting Needs* - considering how new targeted investment in key preventative services could reduce the need for intensive, more expensive care and support.
- *Resident-centred Service Re-design* – considering how we re-design and streamline how we serve residents.
- *New Delivery Models* – following on from the above themes, which will help provide greater focus on **what** the Council will deliver, considering in more detail alternative, more cost-effective ways of delivering this, where there are clear savings and they do not undermine the ability to deliver core outcome objectives.
- *Asset Management* – progressing current work on the corporate landlord model, driving out duplication and greater potential for efficiencies including updating the asset management strategy, clarifying the buildings we need and costs and opportunities for more efficient use or disposal.
- *Workforce efficiency* - In addition, underpinning these themes of work, further exploring how we best deploy our valuable workforce resource. This includes the potential to offer staff more flexible working options including the opportunity to take voluntary redundancy, retire early, retire flexibly through working reduced hours in the last years of employment, and work more flexibly in terms of different hours and develop their careers more easily through greater generic working and competency based approaches to recruitment and promotion.

7.14 Officers will undertake the work bearing in mind the priorities and principles established by the Mayor. These will be developed over the coming months with a view of being presented in sufficient time to ensure officers are able to put in place the necessary arrangements to meet the budget shortfall of £32.1m with an associated savings target of £25m for 2016-2017 on the 1<sup>st</sup> April 2016.

## **8 FINANCIAL RESOURCES**

8.1 The Council has five main streams of financial resources:

- Retained Business Rates
- Revenue Support Grant (RSG)

- Core Grants
- Council Tax
- Fees and Charges
- One-off use of Reserves

### Retained Business Rates

- 8.2 The Local Government Finance Act 2012 introduced a system whereby Councils were allowed to retain an element of Business Rate income; previously it had been passed to the Government who then redistributed the national amount as Formula Grant. An initial baseline exercise established that Tower Hamlets Business Rates were not at a sufficient level to cover resource requirement, so the Council is therefore subject to a government top-up. The Business Rates collected in a financial year are split between the government (50%), the GLA (20%) and the Council (30%). Any increases in the business rates total will be retained by the Council, subject to the above ratios. As the Council is a top-up authority, there is no upper limit to the amount of business rates that can be retained.
- 8.3 The strategic approach referred to in section 7 has a key work stream relating to harnessing economic growth. Officers have been actively modelling new business development, and as economic growth has started to develop in the UK over the past 2 years, business rates have also increased.
- 8.4 As part of the 2014-2015 budget, the Council estimated that £102m in Business Rates would be received. During the year, the gross rate total increased by over £30m, which means that the Council achieved an £8m surplus. This was reported at December Cabinet. The December Cabinet report also noted that the exact mix of collection fund and general fund elements of this surplus was to be determined. Revised estimates now show that £3m will be in the General Fund as Section 31 grant in 2014-2015, and a 2014-2015 collection fund surplus relating to Business Rates will be utilised in 2015-2016.
- 8.5 The current MTFP assumes that income over the next three year period through Retained business rates will be as follows:

	2015-16 £m	2016-17 £m	2017-18 £m	Total £m
Retained Business Rates	117.544	125.767	131.597	374.908

*Table 2 – Assumed retained business rates income from 2015-2016 to 2017-2018*

- 8.6 This represents an increase over and above the 2015-2016 levels reported in December Cabinet (£113.637m), based on known business developments that will be coming on stream during the year, for example Crossrail. The saving proposal of £1.3m relating to addition rateable value has also been include in the 2015-2016 figures, therefore the figure has increased by £2.607m since December Cabinet.
- 8.7 During times of restricted economic growth, the Council has taken a prudent

approach to estimating business rates. The UK economy is now growing, and the above analysis reflects a similar growth pattern in 2015-2016 compared to 2014-2015, i.e. circa £30m growth in gross rates. However, this does introduce an additional risk of non-achievement of income targets.

- 8.8 The Autumn Statement announced that any backdated appeals for rate reductions would have to be submitted by March 2015. It also committed to all appeals being heard by March 2016. The figures for 2016-2017 show an increase of circa £3m as a result of reduced provisions for appeals at that time. An allowance for 1% growth has been made from 2016-2017 onwards based on previous performance. This will be continually reviewed by the working group examining the potential for harnessing economic growth.
- 8.9 Some uncertainty has also been introduced by the announcement in the Autumn Statement that the whole business rates system will be reviewed by the Government, although there are assurances that it will be consistent with the current financial regime.
- 8.10 The Department of Communities and Local Government will review and reset the base line funding for the business rates retention scheme in 2020 for all local authorities. At this time the government estimate of retained business rates for the Council will be reviewed and is likely to be more aligned with the actual level of business rates being received.
- 8.11 The Local Government Finance Settlement confirmed that a cap on the national multiplier of 2% would continue into 2015-2016. Previous projections had assumed RPI increases. The Council will receive Section 31 grant as compensation for loss of revenue. This grant will cover loss of income as a result of the cap in both years (2014-2015 and 2015-2016).

#### **Revenue Support Grant**

- 8.12 The December Cabinet report included Revenue Support Grant (RSG) of £82m, in line with the indicative 2015-2016 figures published as part of the 2014-2015 settlement.
- 8.13 The provisional local government finance settlement announced that RSG would be £83.6m. Allowing for elements that have been rolled in to the grant, including 2014-2015 Council Tax Freeze Grant, the total is more or less in line with expectations.
- 8.14 The current government has introduced dramatic changes to Revenue Support grant; it is no longer mainly allocated on the basis of need, which means that Councils with relatively high indices of deprivation, like Tower Hamlets, are disproportionately affected by funding cuts. The 'rolling in' of previously ring-fenced and core grants has also meant that RSG is now split between a fixed element and a variable element. The figures for Tower Hamlets are as follows:

	£m
Council Tax Freeze Grant	3.670
Early Intervention Grant	12.632
Homelessness Prevention Grant	1.707
Learning Disability and Health Reform Grant	1.899
Local Lead Flood Grant	0.144
Revenue Support	63.536
<b>Total</b>	<b>83.588</b>

Table3 - RSG

8.15 Early Intervention Grant and Learning Disability Grant are in DfE and DoH control totals, not DCLG. These figures could be changed or even withdrawn by the sponsoring Government departments. Current modeling shows a reduction of £46m over the lifetime of the MTFP, which equates to a 61% reduction in core RSG provided by DCLG.

### Core Grants

8.16 The Council will be in receipt of a number of specific grants in addition to main funding allocation. These are categorised between those which are ring-fenced and those that can be used to fund any Council Service. For the most part, the Council accounts for service specific grants on the expectation that any movements in this grant funding are either applied or mitigated by the service concerned. Table 4 sets out the Core Grants and the projected level of funding over the next three years.

#### *Residual Core Grants -Non Ringfenced*

The table below sets out the remaining non-ringfenced core grants the Council is expected to receive in 2014-2015, together with forecast figures for later years. Non-ringfenced grants are those that the authority can utilise on any purpose within the General Fund.

	2014-15 £'m	2015-16 £'m	2016-17 £'m	2017-18 £'m
New Homes Bonus	19.819	17.813	22.813	23.526
Local Lead Flood	0.128	0.085	0.085	0.085
Local Welfare Provision	1.724	0	0	0
Education Services Grant	5.131	4.140	4.140	4.140
Housing Benefits Admin	4.210	3.705	3.455	3.205
<b>TOTAL</b>	<b>31.012</b>	<b>25.743</b>	<b>30.493</b>	<b>30.956</b>

Table 4- Non Ringfenced Grants

- 8.17 The Local Welfare Provision grant was unilaterally cut by the government as part of the 2014-2015 settlement. This was enacted without any consultation, and the government has indicated, despite intensive lobbying, that it will no longer provide funding for this service to vulnerable people. The Council will work closely with its partners and the community to manage the impact of this cut, utilising any underspent grant brought forward. The Authority is currently consulting on a proposal to discontinue the council's crisis and support grant scheme as a result of the withdrawal of Government funding.
- 8.18 The Government has also changed the way in which grant for administering benefits is allocated, along with a late announced 10% 'efficiency reduction'. This has meant a cut of £500k to the Council's funding. Future year projections also assume that the level of grant will be reduced as further efficiency savings are demanded.

*Council Tax Freeze Grant*

- 8.19 For the last four financial years the Council has accepted the Government's Council Tax freeze grant which was equivalent to a 1% Council tax increase in each of the years and therefore hasn't increased Council tax during these years. For 2015-2016 the Council will receive £0.907m which is equivalent to a 1% rise in Council tax. The table below summarises the Council tax freeze grant received since 2013-2014 with a forecast for 2015-2016:

	2013-14 Actual £m	2014-15 Actual £m	2015-16 Provisional £'m	Total £'m
Council Tax Freeze Grant	0.846	0.884	0.907	2.637

*Table 5 – Council Tax Freeze Grant received since 2013-2014 and forecast for 2015-2016*

*New Homes Bonus (NHB)*

- 8.20 The principle behind the New Homes Bonus is to reward those authorities who increase the housing stock either through new build or bringing empty properties back into use. Each additional band D equivalent property attracts grant funding equivalent to the national average band D tax rate and the funding lasts for six years.
- 8.21 In December 2013, the Chancellor announced that London boroughs will be required to transfer a proportion of their New Homes Bonus (NHB) to the GLA, for the funding of the London Enterprise Panel (LEP). This topslice of NHB does not apply to any Local Authorities outside of London. This will equate to £70 million in 2015-2016. This means that the Council will lose 23.8% of its allocation from 2015-2016 onwards - a loss of £7.024m of grant per annum. The topslice explains why the NHB figure has reduced for 2015-2016 in Table 4 – had it not been applied, the Council's share of NHB would have been 24.838m. This decrease in NHB has a greater adverse impact on Tower Hamlets than any other local authority in the country given the Borough's continued success in delivery new homes. The 'spending power' calculation published by the Government assumes that the

Council will receive that full amount of NHB, which is patently not the case.

- 8.22 The updated MTFP assumes NHB receivable for 2015-2016 to 2017-2018 of £64.152m. The table below summarised the movement from the former to the current MTFP: The amount represents a small (£335k) increase over the amount estimated for 2015-2016 in the December Cabinet report, mainly due to the affordable homes element which is calculated separately.

	<b>2015-16</b> <b>£'m</b>	<b>2016-17</b> <b>£'m</b>	<b>2017-18</b> <b>£'m</b>	<b>Total</b> <b>£'m</b>
Previous MTFP	15.478	20.478	21.191	57.147
December Cabinet	17.478	22.478	23.191	63.147
Revised MTFP	17.813	22.813	23.526	64.152

*Table 6 – Movement in New Homes Bonus*

*Education Services Grant*

- 8.23 Education Services Grant (ESG) replaced the former Local Authority Central Spend Equivalent Grant (LACSEG) in 2013-2014. The major change was that grant which had formerly been paid to Local Authorities for service provision to schools is now paid direct to academies. Those Councils with high levels or Academy conversions would lose substantial amounts of grant as a result.
- 8.24 Academy conversion levels in Tower Hamlets are relatively low, and the Council has not seen significant grant reductions as a result. However, the 2013 spending round identified that DfE had offered up £200m savings in ESG as part of their public spending reduction targets. The exact way in which this reduction would be allocated was subject to consultation in July 2014, and the result has been exemplified in the provisional settlement for 2015-2016. The Council has received a grant reduction of £991k.

*Residual Core Grants – Ringfenced*

- 8.25 In addition there are a number of ringfenced grants which the Government has retained. These are normally announced one year at a time.

	<b>2014-15</b> <b>£'m</b>	<b>2015-16</b> <b>£'m</b>
Support for Social Care Benefiting Health (from the NHS)	5.500	4.934
Integration Transition Fund Planning	1.200	1.096
Better Care Fund	8.314	9.092
Public Health	32.261	32.261
Dedicated Schools Grant	298.542	295.841
<b>TOTAL RINGFENCED</b>	<b>345.817</b>	<b>343.224</b>

*Table 7 – Ringfenced Grants*

*NHS Better Care Fund (BCF)*

8.26 The Spending Round in June 2013 announced an investment of £3.8bn to provide better integration of funding between health and social care. The funding is an opportunity to improve the lives of some of the most vulnerable people in our society, providing them with control by placing them at the centre of their own care and support, therefore providing them with a better service and better quality of life.

8.27 The BCF will include funding to be transferred to Local Authorities from existing NHS funds and also replace a number of funding streams that are already in existence between health and social care. The investment will be utilising the following existing funding streams which equate to £3.800bn:

- £1,880m – Existing funding already allocated across NHS and Social Care for integration
  - £900m – General Section 256 Funding
  - £200m – Integration Transformation Funding
  - £130m – Carers Breaks
  - £300m – Clinical Commissioning Group Reablement Funding
  - £130m – Social Care Capital
  - £220m – Disabled Facilities Grant Capital
- £1,900m – Additional Funding from NHS Allocations
  - £1,000m – Performance Related
  - £900m – Demographic Pressure and Care Bill Costs

8.28 The existing funding streams include funding to support demographic pressures in adult social care and some of the costs associated with the Care Bill. £1bn of this funding will be performance related to meet local and national targets.

8.29 Of the existing funding streams none are currently funding recurring expenditure and therefore there is limited risk to the MTFP. Due consideration will need to be given to the non-recurrent activities funded through these sources if funding is not invested in these areas in future years.

8.30 In 2015-2016 Tower Hamlets share of the national allocation of £3.8bn is £20.367m. This will be shared between the Council and the CCG and based on previous allocations the Council's share is expected to be approximately £9.092m. Projects requiring funding from this allocation have been agreed with CCG and submitted to central government. Currently a S75 document is being prepared which will be presented to Health and Wellbeing Board in January 2015. The project plan sets out how the funding will be used. The 2014-2015 transitional funding has been used as per the plans approved.

8.31 There may be opportunities to utilise a proportion of the Tower Hamlets allocation to redistribute existing mainstream funding and this will be considered as plans are further developed. The MTFP does not currently make any assumptions regarding this.

#### *Public Health*

8.32 A ring-fenced grant of £32.261m has been provided to fund activities in 2015-2016. In the long term the MTFP has been constructed on the basis that the costs of public health services will be contained within this sum.

8.33 In the long term it is hoped that there will be on-going financial benefits from the transfer of public health.

8.34 In addition, Public Health funding and commissioning responsibility for 0-5 year olds will transfer to Local Government in October 2015. A baseline exercise has been carried out, and is currently subject to consultation. The indicative 2015-2016 Tower Hamlets figure for 6 months (October to March) is £3.540m, which implies a full year figure of just over £7m. The grant and associated expenditure have not been included in the MTFP, as it is still subject to consultation and negotiation. Members will be updated during 2015-2016 when the final details are agreed.

#### *Dedicated Schools Grant*

8.35 The largest single grant received by the authority is Dedicated Schools Grant (DSG), which is ringfenced to fund school budgets and services that directly support schooling. Further detail on the DSG is set out in Section 12.

#### **Council Tax**

8.36 The December Cabinet report estimated that Council Tax receipts would be £68.744m for 2015-2016. A savings target of £335k relating to optimising income collection was also approved. Table 1 shows an estimated £69.815m for Council Tax, including the savings target. This is £721k more than the December figure, mainly due to revised growth estimates based on known developments.

#### **Reserves**

8.37 The Council holds a number of reserves which can be categorised as follows:

- General (Non-earmarked) Reserves - these are held to cover the net impact of risks and opportunities and other unforeseen emergencies



- Earmarked (Specific) Reserves - these are held to cover specific known or predicted financial liabilities.
- Other Reserves - these are reserves which relate to ring-fenced accounts which cannot be used for general fund purposes (e.g. Housing Revenue Account and Schools)

- 8.38 A summary of the Council's reserves and associated risk analysis is attached in appendices 5.1, 5.2 & 5.3. This also shows the projected movement on the reserves for both the current financial year 2015-2016 and then 2016-2017 to 2018-2019.
- 8.39 It is projected that the Council will have non-earmarked General Fund Reserves of £66.631m as at 31<sup>st</sup> March 2015. This is greater than projected in the Medium Term Financial Plan previously reported due to budget contingencies not being required and additional business rates income in 2014-2015 to cover off additional spending. A net overspend on Directorate budgets of £1.841m is being reported in the quarter two monitoring return.
- 8.40 The level of General Fund Reserves over the 2015-2016 to 2017-2018 will reduce to £20m. It is proposed that the strategy established in previous years to utilise general reserves to smooth the impact of savings remains, subject to the level of reserves never falling below the minimum level of £20m. The MTFP has been designed to achieve this but spending and income levels will need to be constantly scrutinised to ensure this strategy remains achievable.
- 8.41 There are no budgeted contributions to reserves from 2015-2016 onwards and therefore all risks and costs arising will need to be met from existing reserves or from approved budgets. This position will need to be kept under review as we move forward and it is possible that officers will recommend further allocations to reserves if budget risks increase. In the event that General Fund Reserves fall below the recommended minimum value, prompt action would be required to increase the level of reserves to a safe level. This will need to be kept under review.

## **9 BUDGET PRESSURES AND INVESTMENT**

### **Service Demand and Unit Cost Pressures**

- 9.1 The Council's budget monitoring reports over the first six months of 2014-2015 have highlighted a net overspend on Directorate budgets of £1.841m. This is predominantly due to the financial pressures on the Adult Social Care packages which have insufficient grants and reserves to cover the forecast spend. This will continue to be reviewed over the financial planning period and the impact will be reflected in the new base budgets.
- 9.2 A schedule detailing the budget pressures in each service area is attached as Appendix 3. Over the three year planning period the growth pressures excluding inflation total some £18.980m. The pressures for 2015-2016 which are in line with those highlighted in the previous budget setting process are as follows:
- Demographic Pressures in Adult Social Care (£1.5m) – a higher demand for

services, including in learning disabilities with children transitioning into adult social care.

- Communities, Localities and Culture (£1.96m) – resulting from the increased cost of waste disposal to landfill sites and the escalating cost of the government’s Freedom Pass Scheme.
- Investment in Street lighting & the New Civic Centre (£1.5m)
- Rising costs of Housing Benefit for homelessness and temporary accommodation (£2.6m)
- A one off provision for planned maintenance (£803k)

9.3 Provision for growth is generally held centrally and only released once it has materialised and is evidenced.

9.4 Additional budget pressures which will need to be reviewed and costed once further detail is available include:

- The Care Act 2014 will come into force in phases, including the introduction of assessments and services for carers from April 2015 and a new cap on contributions toward care costs from April 2016. In respect of the cost of the changes to the care caps, the Government initially announced £1bn of funding nationally to meet the cost of this from 2016/17 onwards, but there is no clarity on how this will be identified or allocated as it is in the next parliament and spending round.
- The Children and Families Act became law in 2014 and extended the Local Authority’s responsibility to ensure access to education for young people with special education needs (SEN), from the current age limit of 19, up to the age of 25.
- The introduction Single Tier State Pension in 2016-2017 will mean that the Council will have to pay increased employers national insurance contributions, estimated to cost £3m.

### **Inflation**

9.5 In addition to the specific service demand pressures the other single most significant financial risk facing the Council is the impact of inflation.

9.6 The Government’s projections for Consumer Price Index (CPI) inflation which are reflected in the MTFP is 2.0% throughout the review period. Most of the Council’s contracts for goods and services which span more than one year contain inflation clauses and although service directorates have been successful in negotiating annual increases which are below inflation this will be a difficult position to maintain, especially if inflation remains at its current level for a long period.

9.7 The inflation budget for 2014-2015 was set at £4.842m, which was split 35% for pay inflation and 65% for non-pay inflation.

#### *Pay Inflation*

9.8 The Council remains part of the National Joint Council for Local Government

Services for negotiating pay award arrangements. For 2014-2015, a 2.2% pay award was agreed with effect from 1<sup>st</sup> January 2015, this was not agreed for senior officers on chief officer pay scales. The MTFP anticipates that staffing costs will increase by 1% in each year of the three year plan. Provision has been made for the payment of the London Living Wage to Council staff.

### **Budget growth to deliver priorities**

- 9.9 To deliver the Mayor's manifesto commitment and in accordance with the principles set out in paragraph 6.5, the Mayor is proposing to allocate additional funding to the following priority initiatives in 2015-2016:
- 9.10 The Mayor's Higher Education Bursary and the Mayor's Education Allowance, which provides much needed support to children in the Borough who are moving into higher education. £1m has been allocated in the MTFP to support these initiatives.
- 9.11 The Mayor continues to support the provision of free school meals over and above current government policy, to ensure that all children in primary schools receive free school meals. £2.675m has been included in the growth proposals to deliver this priority.
- 9.12 Community Safety is a high priority for the Mayor, and £615k has been allocated as an ongoing resource to employ Tower Hamlets Enforcement Officers (THEO's) to continue excellent community safety support.
- 9.13 The Stairway to Heaven project at Bethnal Green commemorates those who died in the Tube Station tragedy during the Second World War. The Mayor is committed to supporting this project, and £25k has been set aside as match funding in the MTFP.
- 9.14 Welfare Reform Measures to protect vulnerable residents will support the continued provision of suitable, in-borough accommodation for residents impacted by Welfare Reform. .

## **10 SAVINGS**

- 10.1 As part of the 2014-2015 financial and business planning process, December Cabinet approved a number of savings opportunities which will have an impact on the draft MTFP. These savings totalling £20.391m are due to be delivered in 2015-2016. The schedule of savings is detailed in Appendix 4.1 of the report and also accompanied by relevant equality analysis in appendix 4.3.
- 10.2 The figure includes a £4m provision for slippage, as consultation means that some savings will be delivered part year in 2015-2016 rather than full year. The savings have been included as full year figures from 2015-2016 onwards. Non delivery of savings is a key risk to the Council and will be monitored during the year.
- 10.3 New savings totalling £1.430m are tabled in Appendix 4.2 of the report

## **11 RISKS AND OPPORTUNITIES**

- 11.1 When setting the draft MTFP, Service Directors have provided their best estimate of their service costs and income based on the information currently available. However there will always be factors outside of the Council's direct control which will vary the key planning assumptions that underpin those estimates.
- 11.2 There are a number of significant risks that could affect either the level of service demand (and therefore service delivery costs) or its main sources of funding. In addition there are general economic factors, such as the level of inflation and interest rates that can impact on the net cost of services.
- 11.3 Similarly there are opportunities either to reduce costs or increase income which will not, as yet, have been fully factored into the planning assumptions. The main risks and opportunities are summarised below.

## **Risks**

### **General Economic Factors**

- Low level of inflation and/or deflation
- Economic growth slows down or disappears
- A general reduction in debt recovery levels
- Further reductions in Third Party Funding
- Further reductions in grant income
- Reductions in the level of income generated through fees and charges
- Increase in fraud
- Pace and severity of austerity is increased after the general election

### **Increases in Service Demand**

- Children's Service including an increase in the number of looked after children
- Housing (and homelessness in particular)
- General demographic trends
- Impact of changes to Welfare Benefits
- Support to people trying to get back into employment

### **Efficiencies and Savings Programme**

- Impact of the governments' Local Government Resource Review
- Slippage in the savings programme (see paragraph 10.2)
- Non-delivery of some proposals

### **Opportunities**

- New freedoms and flexibilities
- Public Health (see Section 8.)

- NHS Better Care Fund (see Section 8.)
- Growth in local Taxbase for both housing and businesses
- Potential for multi-year settlements after the general election

11.4 In addition to the above there is a risk that the combined impact of some of these factors will adversely impact on service standards and performance.

11.5 An assessment of the possible impact of these risks and opportunities is shown in the risk analysis in appendix 5.2. This will form the basis of an on-going review of Reserves and Contingencies and indicates a net financial impact between £20m and £39.5m over the planning period. This has therefore been reflected in the recommended level of General Fund Reserves that need to be maintained and equates to between 5% and 7.5% of gross expenditure (excluding schools and housing benefit payments).

## **12 SCHOOLS FUNDING**

12.1 Schools funding is principally provided via Dedicated Schools Grant, Education Funding Agency (EFA) grant to post 16 and Pupil Premium. Funding is ringfenced to schools and its allocation is largely based on the decisions of the Schools Forum. Appendices 6.1 & 6.2 set out the details of the predicted schools settlement for 2015-2016

## **13 HOUSING REVENUE ACCOUNT**

13.1 HRA Self-Financing has been in force since April 2012, when £236.200m of our housing debt was redeemed. Under Self-Financing, we retain all rental income, but must finance all revenue and capital costs relating to our council house stock.

13.2 Indicative modelling of the HRA over 30 years indicates that the Authority will be able to finance the projected capital programme - including Decent Homes - but will need to borrow up to its debt cap of £192m, and use the revenue surpluses forecast to be generated in the early years of Self-Financing.

13.3 Prior to the start of HRA Self-Financing, the government assumed that authorities would continue with rent restructuring and aim to achieve rent convergence in 2015-2016, and it was also assumed that after 2015-2016, authorities would increase rents by RPI + 0.5% each year. The government has recently issued its updated 'Guidance on Rents for Social Housing' which outlines a number of changes to rent policy, the main change is that the guidance states that from 2015-2016 rents should increase by CPI + 1%, so in effect rent convergence has ended a year early. Further details are provided in the HRA report elsewhere on this agenda.

13.4 There are a number of risks to the HRA in the short to medium term; since the Right to Buy (RTB) scheme was reinvigorated in April 2012 over 2,000 applications have been made and there have been 262 sales. Although the Authority retains part of each RTB receipt to be spent on replacement social housing, this is insufficient to replace the number of properties sold. In addition, there are a number of restrictions on the use of these receipts, such as having to

spend them within three years, not being allowed to use them in conjunction with HCA/ GLA funding, and the fact that the receipts cannot constitute more than 30% of the cost of replacement social housing, so that the Council must fund the remaining 70% from other resources. In addition, there is a risk to rental income from the various forthcoming Welfare Reforms, although some of the implementation dates have slipped so the effect may be later than previously anticipated. The HRA report elsewhere on this agenda provides more details on these risks.

- 13.5 Appendix 7 shows an indicative summary of the HRA medium-term financial plan for 2015-2016 to 2017-2018. A report outlining the 2015-2016 rent increase is being considered elsewhere on this agenda and the 2015-2016 HRA budget will be considered by Cabinet in February.

## **14 CAPITAL PROGRAMME**

### **Civic Centre**

- 14.1 The current capital programme is set out at Appendix 8. The programme has been amended during the year to take account of decisions taken by the Council, Mayor and officers, including the application of additional grant resources that have become available. Appendix 8.2 includes a list of indicative schemes which will be subject to further approval through a directorate specific report.
- 14.2 During the coming financial year, the Council through its Asset Management Board will review the asset and capital strategy in the context of significant demographic, service and financial changes that are likely between now and 2020. The capital strategy was last updated in February 2011 and sets out priorities and objectives for using capital resources in the context of rapid population growth but in an environment of reducing resources. Increasingly all capital investment decisions are reliant on local funding, be that through generation of capital receipts, prudential borrowing (funded through local taxes and rents) or development agreements, as government grants reduce.
- 14.3 A key driver of any revised asset strategy is a requirement to consider the long term location of the Town Hall. The current Town Hall is not owned by the Council and costs around £6m a year in rent and service charges. The current lease will expire in March 2020 and officers have for some time been reviewing possible options for the Council at termination with regard to remaining in place or moving to a new Civic Centre. Furthermore the landlord has been consulting on outline plans for redevelopment of the East India Dock Estate. This could mean that the Council will have no choice other than to relocate come September 2019.
- 14.4 In December Cabinet 2013 the Council adopted the Whitechapel Vision Supplementary Planning Document, which identified the following key benefits to be delivered through the Masterplan: 3,500 new homes by 2025, including substantial numbers of local family and affordable homes; 5,000 new jobs; the transformation of Whitechapel Road; 7 new public squares and open spaces.
- 14.5 The Vision document also identified the old Royal London Hospital Site as ideally suited for the development of a new Civic Centre for Tower Hamlets. It could

enable the Council to capitalise on the arrival of Crossrail in 2018, bring the new Civic Centre into the heart of the borough and create a catalyst for the regeneration of the Whitechapel area.

- 14.6 This proposed new Civic Centre is an Invest to Save opportunity for the Council which will create an asset owned by the Council and residents of Tower Hamlets, able to serve the borough for many years to come. The terms of the purchase has now been agreed with NHS Barts.
- 14.7 The Council will exchange contracts to purchase the site in January 2015. In order to progress these negotiations it is proposed that capital programme provision, using unallocated prudential borrowing, agreed in 2012 be allocated for the purchase of this site. Any further costs would be dependent on disposal of surplus assets.
- 14.8 Business planning and feasibility work demonstrate that once acquired, a new Civic Centre would be more affordable to the Council and result in an overall reduction in ongoing costs. Officers have prepared a separate report to be presented to this Cabinet meeting.

#### **Other**

- 14.9 The Watts Grove site has been identified as a key affordable housing priority. This has meant existing depot facilities will be decanted during the year, and the revised programme includes a provision for refurbishment of depot sites in order to allow the transfer of the Watts Grove operations.

## **15 TREASURY MANAGEMENT STRATEGY**

- 15.1 The Treasury Management Strategy Statement will be revised and presented to Full Council in February 2015 in accordance with the CIPFA Treasury Management Code of Practice. The Statement will set out the proposed strategy with regard to borrowing, the investment of cash balances and the associated monitoring arrangements.
- 15.2 The proposed prudential indicators set out in the Treasury Management Strategy will be based on the capital programme as detailed in Section 14 above and Appendix 8. Prudential indicators may need to be revisited subject to Government capital funding announcements and decisions relating to the capital programme and if necessary revised. Any revisions to the indicators will need to be approved by Full Council.

## **16 CONSULTATION**

- 16.1 Over a six week period from 10th September the Council sought local residents' views on specific savings proposals which identified a particular impact on service delivery or users. As part of the Your Borough Your Voice engagement campaign, seeking feedback from residents about local priorities and budget decisions, we sought views on 25 specific proposals.

16.2 The consultation was carried out using a wide range of methods to ensure as many opportunities as possible for people to take part. These included a web-based survey publicised online, in East End Life and at local events and stalls. In addition, there were also a range of awareness raising events in the community, face to face discussions with specific service user groups and consultation with groups with specific needs. Consultation activity included:

- Publication of each of the 25 proposals on a dedicated web page. This was advertised on the Council's website, through weekly updates in East End Life and through leaflets and materials distributed at the events below. If people had difficulty accessing these online, help was offered to support them to respond;
- Raising awareness of the consultation through local events and stalls at market locations throughout the Borough;
- Discussion with Local Ward Forums and Community Champion Co-ordinators: and
- Consultation meetings with service user groups and representative forums, as well as with voluntary and community sector organisations. These included, for example, the Local Voices steering group of disabled residents, the Learning Disabilities Partnership Board and the Carers Forum.

16.3 451 surveys were completed as part of the consultation by 166 individual respondents. In addition around 800 more people attended local groups and service user events. Many proposals received both positive comments as well as identifying concerns about particular impacts. The feedback provided has been used to assist in understanding and responding to the impact of the proposals and is reflected in the equality analyses presented in Appendix 4.3 to ensure that Cabinet is able to give due regard to the possible impact on groups with protected characteristics in taking final decisions.

16.4 Cabinet agreed in October to extend the deadline by two weeks to ensure the consultation process was fair and rigorous. At November Cabinet, the Mayor announced a number of changes to proposals made in response to feedback, and to protect particular groups. Other proposals have also been subject to review. The changes include:

- The proposal to mainstream social work support for the Children and Adolescent Mental Health Service has been withdrawn;
- The proposal to close 4 local authority nurseries has been withdrawn;
- The proposal to extend controlled parking zone has been withdrawn to enable further consultation;
- Proposals regarding the Muslim and African Families service have been reviewed and amended;
- Proposals for the reconfiguration of Children's centres have been



amended;

- The proposal to review day services for older people has been deferred; and
- The proposal relating to Public Health Drug Service Commissioning has been reviewed and amended.

16.5 In addition, where feedback indicated that there would be an adverse impact on any particular equality group as a result of the proposal, the accompanying Equality Analysis indicates the mitigating action which is proposed to address this.

16.6 A full response to all consultation issues raised have been published on the Council's website

16.7 The consultation on budget and savings proposals will continue to engage local people as the 2015-2016 budget is finalized at a time when difficult choices need to be made. Further resident engagement is already underway including an independent face to face survey, which is also available online, and a series of more in depth workshops with sample groups of residents. Further opportunities for residents to feedback on all aspects of the budget proposals and equality analyses set out in this report are planned before the budget is presented to Full Council in February. There will also be the opportunity to explore and feedback on budget priorities more generally through an online budget simulator.

## **17 COMMENTS OF THE CHIEF FINANCIAL OFFICER**

17.1 The comments of the Chief Financial Officer have been incorporated into this report of which he is the author.

## **18 LEGAL COMMENTS**

18.1 The Council is required each year to set an amount of council tax. The obligation arises under section 30 of the Local Government Finance Act 1992 ("the 1992 Act") and must be done by 11 March each year for the following year. In order to set council tax, the Council must calculate the budget requirement in accordance with section 32 of the 1992 Act. This requires consideration of estimated revenue expenditure in carrying out Council functions, estimated payments into the general fund, allowances for contingencies and required financial reserves, amongst other things.

18.2 Both the setting of council tax for a financial year and calculation of the budget requirement are matters that may only be discharged by the full council. This is specified in section 67 of the 1992 Act. The Council's Constitution reflects the statutory requirement. Article 4 of the Council's Constitution specifies that approving or adopting the budget is a matter for Full Council. The Budget and Policy Framework Procedure Rules in Part 4 of the Constitution specify the procedure to be followed in developing the budget.

18.3 Before calculating the budget requirement, the Council is required by section 65 of the 1992 Act to consult with persons or bodies who the Council considers representative of persons who are required to pay non-domestic rates under the

Local Government Finance Act 1988. The procedure in the Budget and Policy Framework Procedure Rules requires the Executive to publish its timetable for making proposals for adoption of the budget and its arrangements for consultation. There must be consultation with the Overview and Scrutiny Committee. The report sets out proposals for the budget consultation for consideration by the Mayor in Cabinet.

- 18.4 In circumstances where the Council is calculating the budget requirement, the chief finance officer (the Corporate Director of Resources) is required by section 25 of the Local Government Act 2003 to report on the following matters: the robustness of the estimates made for the purposes of the calculations; and the adequacy of the proposed financial reserves. The Council is required to have regard to the chief finance officer's report before calculating the budget requirement. This report provides information from the chief finance officer about these matters.
- 18.5 The Council is obliged by section 151 of the Local Government Act 1972 to make proper arrangements for the management of its financial affairs. It is consistent with sound financial management and the Council's obligation under section 151 of the Local Government Act 1972 for the Council to adopt and monitor a medium term financial plan. The medium term financial plan informs the budget process and may be viewed as a related function.
- 18.6 The report provides information about risks associated with the medium term financial plan and the budget. This is consistent with the Council's obligation to make proper arrangements for the management of its financial affairs. It is also consistent with the Council's obligation under the Accounts and Audit (England) Regulations 2011 to have a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk. The maintenance and consideration of information about risk, such as is provided in the report, is part of the way in which the Council fulfils this duty.
- 18.7 The report provides details of the revised capital programme. The capital program does not form part of the determination of the budget requirement for the purposes of section 32 of the Local Government Finance Act 1992, but is nevertheless a closely related matter and it is appropriate for information to be provided about it at this time. Before the capital programme is agreed, there will be a need to ensure that projects are capable of being carried out within the Council's statutory functions and that any required capital finance will meet the requirements of Part 1 of the Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.
- 18.8 The report deals with the application of the dedicated schools grant (DSG). The financing of maintained schools is dealt with in Chapter IV of Part II of the School Standards and Framework Act 1998. The Council is required to allocate a budget share to every maintained school and this is progressively calculated by a prescribed process that requires determination of the LEA budget, the Council's schools budget, the individual schools budget and the maintained schools' budget

share. For the financial year commencing 1 April 2014, detailed provision is to be made in new Regulations dealing with School and Early Years Finance (“the 2014 Regulations”). At the date of preparing this report, the 2014 Regulations had been the subject of consultation, but had not yet been made. Officers will need to ensure that the proposed application of the DSG complies with the 2014 Regulations when made.

- 18.9 The report proposes that the Mayor in Cabinet adopts an outline strategic plan, which is set out in Appendix 9. It is understood that the outline plan would be the subject of later development to create the Council’s Strategic Plan, which would be brought forward for adoption by Cabinet in the new municipal year. The Council’s Strategic Plan is closely aligned with the Community Plan, which sets out the Council’s sustainable community strategy within the meaning of section 4 of the Local Government Act 2000. The Strategic Plan will specify how the Council will prioritise delivery of its functions and thus ranges across the council’s statutory powers and duties. The development of the Strategic Plan, delivery of the Plan and monitoring should help the Council to discharge its best value duty under section 3 of the Local Government Act 1999 to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”.
- 18.10 The Care Act 2014 (coming into effect on 1 April 2015) creates a general duty on the council to promote an individual’s well-being when exercising a function under that Act. Well-being is defined as including protection from abuse, participation in work and suitability of accommodation. The well-being principle should inform the delivery of universal services which are provided to all people in the local population as well as being considered when assessing those with individual eligible needs.
- 18.11 The Equality Act 2010 requires the council in the exercise of its functions to have due regard to the need to avoid discrimination and other unlawful conduct under the Act, the need to promote equality of opportunity and the need to foster good relations between people who share a protected characteristic and those who do not. The report proposes that the council’s Single Equality Framework will be incorporated into the Strategic Plan which the medium term financial plan and budget will help to deliver. It is also relevant to consider that the Community Plan was the subject of equality analysis during its preparation. Further equality analysis will likely be required in the preparation of the final Strategic Plan and for delivery of actions under the Strategic Plan to ensure the council complies with its equality duty. The budget has been the subject of consultation which is to be reported in an addendum and should address whether any further equality analysis is required prior to presentation to Full Council.

## **19 ONE TOWER HAMLETS CONSIDERATIONS**

- 19.1 The Mayor’s priorities to support vulnerable people; delayer management; develop a workforce that more closely reflects our community and; tackle the issues which drive inequality in the Borough, including poor housing, employment and community safety, have shaped the approach officers have taken to identifying the

saving principles. Throughout the process of developing saving principles, officers have and will continue to assess the potential for these proposals to affect equality between people, both residents and staff, through:

- Completing an initial screening assessment of all savings proposals to identify those which are likely to have a direct impact on services received by residents or on the number or grade of staff in a specific service
- Undertaking an equality analysis of those savings proposals which the screening suggested could have an impact on residents or staff to identify the effect of the proposed changes on equality between people from different backgrounds.

19.2 The steps outlined above have been adopted to ensure that the Council's commitment to tackling inequality informs decision making throughout the budget review process and to support transparency.

19.3 The Outline Strategic Plan indicates how the Council's Single Equality Framework will be incorporated into the final Strategic Plan. It demonstrates how equality objectives consistent with the Council's public sector equality duty will be built into the day to day work of the Council. This may be the subject of further development and analysis prior to adoption of the Strategic Plan in the new municipal year.

## **20 SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

20.1 The sustainable action for a greener environment implications of individual proposals in the budget are set out in the papers relating to those proposals.

## **21 RISK MANAGEMENT IMPLICATIONS**

21.1 Managing financial risk is of critical importance to the Council and maintaining financial health is essential for sustaining and improving service performance. Setting a balanced and realistic budget is a key element in this process. Specific budget risks are set out in Section 10 of this report.

## **22 CRIME AND DISORDER REDUCTION IMPLICATIONS**

22.1 The crime and disorder implications of individual proposals in the budget are set out in the papers relating to those proposals.

## **23 EFFICIENCY STATEMENT**

23.1 The Council is required to consider the value for money implications of its decisions and to secure best value in the provision of all its services. It is important that, in considering the budget, Members satisfy themselves that resources are allocated in accordance with priorities and that full value is achieved. The information provided by officers on committed growth and budget options assists Members in these judgments.

## **24 APPENDICES**

Appendix 1      Summary of the Medium Term Financial Plan

Appendix 2	Detailed analysis of the Medium Term Financial Plan by Service Area
Appendix 3	Detailed analysis of projected budget revenue growth resulting from increased service demand and higher unit costs
Appendix 4.1	Approved savings schedule 2015-16
Appendix 4.2	New Savings 2015-16
Appendix 4.3	Cumulative Equalities Analysis Budget 2015
Appendix 5.1	Reserves and Balances
Appendix 5.2	Risk Evaluation
Appendix 5.3	Projected Movement in Reserves
Appendix 6.1	Schools Funding Report
Appendix 6.2	Schools Budget Allocation (2015-16)
Appendix 7	The Housing Revenue Account Medium Term Strategy
Appendix 8.1	Current Capital Programme (2014-15 to 2016-17)
Appendix 8.2	Indicative schemes to be funded from external sources 2015-16 to 2017-18
Appendix 8.3	Summary of Proposed Capital Programme 2014-15 to 2017-18
Appendix 9	Outline Strategic Priorities 2015-16

Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

LIST OF "BACKGROUND PAPERS" USED IN THE PREPARATION OF THIS REPORT

Brief description of "Background Paper"

None Chris Holme, London E14 2BG. 0207 7364 4262

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# **Appendix 1 - Summary of MTFP**

Summary Draft Medium Term Financial Plan 2014-18				
	2014-15	2015-16	2016-17	2017-18
	£'000	£'000	£'000	£'000
<b>Net Service Costs</b>	295,732	293,933	290,569	296,652
<b>Growth (Incl Public Health)</b>	6,619	7,386	8,678	3,070
<b>Savings</b>				
<b>Approved</b>	(6,692)	(20,391)	(4,000)	0
<b>New</b>	0	(1,430)	0	0
<b>Inflation</b>	4,842	5,500	5,500	5,500
<b>Core Grants (incl Public Health)</b>	(4,266)	3,742	(3,764)	(713)
<b>Earmarked Reserves (Directorates)</b>	(804)	1,829	(331)	0
<b>Contribution to/from Reserves</b>	(1,498)	0	0	0
<b>Total Funding Requirement</b>	293,933	290,569	296,652	304,509
<b>Government Funding</b>	(122,580)	(87,981)	(66,879)	(48,947)
<b>Retained Business Rates</b>	(105,566)	(117,544)	(125,767)	(131,597)
<b>Council Tax</b>	(66,396)	(69,815)	(71,909)	(74,066)
<b>Collection Fund Surplus</b>				
<b>Council Tax</b>	0	(2,524)	0	0
<b>Retained Business Rates</b>	0	(4,922)	0	0
<b>Total Funding</b>	(294,541)	(282,786)	(264,555)	(254,611)
<b>Budget Gap (excl use of Reserves)</b>	(608)	7,783	32,097	49,898
<b>Unallocated Contingencies</b>	0	0	0	0
<b>Budgeted Contributions to Reserves</b>	(1,034)	0	0	0
<b>General Fund Reserves</b>	1,642	(7,783)	(7,097)	(9,899)
<b>Unfunded Gap</b>	0	(0)	25,000	39,999
Savings to be delivered in each year		0	(25,000)	(15,000)
	<b>31/03/2015</b>	<b>31/03/2016</b>	<b>31/03/2017</b>	<b>31/03/2018</b>
Balance on General Fund Reserves (£000s)	66,631	58,848	51,751	41,853



# **Appendix2 - Details Analysis MTFP**

## Detailed analysis of the Medium Term Financial Plan by service area 2014/15 to 2017/18

Service	Total	Savings		Growth	Adjustments	Total	Savings		Growth	Adjustments	Total	Savings		Growth	Adjustments	Total
	2014-15 £'000	Approved £'000	New £'000				2015-16 £'000	Approved £'000				New £'000	2016-17 £'000			
Education, Social Care and Wellbeing	187,532	(10,810)	0	1,312	(614)	177,420	0	0	2,886	0	180,306	0	0	212		180,518
Public Health	32,100	(2,612)	(500)	(25)	0	28,963	0	0	(891)	0	28,072	0	0	(892)		27,180
Communities, Localities and Culture	79,107	(573)	(180)	2,137	(470)	80,021	0	0	2,013	(199)	81,835	0	0	1,361		83,196
Development & Renewal	15,914	(1,027)	0	1,474	339	16,700	0	0	(714)	(510)	15,476	0	0	0		15,476
Resources	7,187	(2,383)	0	3,100	0	7,904	0	0	250	0	8,154	0	0	250		8,404
Law, Probity & Governance	9,292	(284)	0	504	(154)	9,358	0	0	0	154	9,512	0	0	0		9,512
<b>Net Service Costs</b>	<b>331,131</b>	<b>(17,689)</b>	<b>(680)</b>	<b>8,502</b>	<b>(899)</b>	<b>320,365</b>	<b>0</b>	<b>0</b>	<b>3,544</b>	<b>(555)</b>	<b>323,354</b>	<b>0</b>	<b>0</b>	<b>931</b>	<b>0</b>	<b>324,285</b>
<b>Other Net Costs</b>																
Capital Charges	11,712	0	(750)	(30)	(451)	10,481	0	0	397	0	10,878	0	0	(419)		10,459
Levies	1,672	0	0	0	0	1,672	0	0	0	0	1,672	0	0	0		1,672
Pensions	16,622	0	0	2,000	0	18,622	0	0	1,500	0	20,122	0	0	1,500		21,622
Other Corporate Costs	(10,394)	(2,702)	0	(3,086)	0	(16,182)	(4,000)	0	3,237	0	(16,945)	0	0	1,058		(15,887)
<b>Total Other Net costs</b>	<b>19,611</b>	<b>(2,702)</b>	<b>(750)</b>	<b>(1,116)</b>	<b>(451)</b>	<b>14,592</b>	<b>(4,000)</b>	<b>0</b>	<b>5,134</b>		<b>15,726</b>	<b>0</b>	<b>0</b>	<b>2,139</b>		<b>17,865</b>
<b>Public Health Grant</b>	<b>(32,261)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(32,261)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(32,261)</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>(32,261)</b>
<b>Core Grants</b>	<b>(27,017)</b>	<b>(3,000)</b>	<b>(2,157)</b>	<b>8,899</b>	<b>0</b>	<b>(23,275)</b>	<b>0</b>	<b>(5,000)</b>	<b>1,236</b>	<b>0</b>	<b>(27,039)</b>	<b>0</b>	<b>(5,000)</b>	<b>4,287</b>		<b>(27,752)</b>
<b>Reserves</b>																
General Fund (Corporate)	(1,498)	0	0	0	1,745	247	0	0	0	25	272	0	0	0		272
Earmarked (Directorate)	(875)	0	0	0	1,434	559	0	0	0	199	758	0	0	0		758
General Fund (Smoothing)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0
<b>Inflation</b>	<b>4,842</b>	<b>0</b>	<b>(1,500)</b>	<b>7,000</b>	<b>0</b>	<b>10,342</b>	<b>0</b>	<b>(1,500)</b>	<b>7,000</b>	<b>0</b>	<b>15,842</b>	<b>0</b>	<b>(1,500)</b>	<b>7,000</b>		<b>21,342</b>
<b>Total Financing Requirement</b>	<b>293,933</b>	<b>(23,391)</b>	<b>(5,087)</b>	<b>23,285</b>	<b>1,829</b>	<b>290,569</b>	<b>(4,000)</b>	<b>(6,500)</b>	<b>16,914</b>	<b>(331)</b>	<b>296,652</b>	<b>0</b>	<b>(6,500)</b>	<b>14,357</b>		<b>304,509</b>
<b>Government Funding</b>	<b>(122,580)</b>	<b>0</b>	<b>(83)</b>	<b>34,682</b>	<b>0</b>	<b>(87,981)</b>	<b>0</b>	<b>(145)</b>	<b>21,247</b>	<b>0</b>	<b>(66,879)</b>	<b>0</b>	<b>(163)</b>	<b>18,095</b>		<b>(48,947)</b>
<b>Retained Business Rates</b>	<b>(102,429)</b>	<b>0</b>	<b>(11,707)</b>	<b>0</b>	<b>0</b>	<b>(114,135)</b>	<b>0</b>	<b>(11,632)</b>	<b>0</b>	<b>0</b>	<b>(125,767)</b>	<b>0</b>	<b>(5,830)</b>	<b>0</b>		<b>(131,597)</b>
<b>Section 31 Grant (BR)</b>	<b>(3,137)</b>	<b>0</b>	<b>(272)</b>	<b>0</b>	<b>0</b>	<b>(3,409)</b>	<b>0</b>	<b>0</b>	<b>3,409</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>
<b>Council Tax</b>	<b>(66,396)</b>	<b>0</b>	<b>(3,419)</b>	<b>0</b>	<b>0</b>	<b>(69,815)</b>	<b>0</b>	<b>(2,094)</b>	<b>0</b>	<b>0</b>	<b>(71,909)</b>	<b>0</b>	<b>(2,157)</b>	<b>0</b>		<b>(74,066)</b>
<b>Collection Fund Surplus</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>
Council Tax	0	0	(2,524)	0	0	(2,524)	0	2,524	0	0	0	0	0	0		0
Retained Business Rates	0	0	(4,922)	0	0	(4,922)	0	4,922	0	0	0	0	0	0		0
<b>Total Financing</b>	<b>(294,541)</b>	<b>0</b>	<b>(22,927)</b>	<b>34,682</b>	<b>0</b>	<b>(282,786)</b>	<b>0</b>	<b>(6,425)</b>	<b>24,656</b>		<b>(264,555)</b>	<b>0</b>	<b>(8,150)</b>	<b>18,095</b>		<b>(254,611)</b>

# **Appendix 3 - Growth**

## Summary of Growth Bids - 2015/16 - 2017/18

## Appendix 3

Reference No.	Growth Bids Description	2015/16 £000	2016/17 £000	2017/18 £000	TOTAL £000
<b>Education, Social Care and Wellbeing</b>					
GRO ESW 1-14	Demographic Pressures in Adult Social Care	1,492	1,536	1,582	4,610
GRO ESW 2-14	Home – School Transport	(180)	(390)	-	(570)
GRO ESW 3-14	Discretionary Awards Post-16	(272)	-	-	(272)
	Earmarked Reserves	272	-	-	272
	Care Bill	-	2,000	(1,000)	1,000
ACC ESW 1-15	Mayor's Higher Education Award	630	(260)	(370)	-
ACC ESW 2-15	Free School Meals for Year 3 to Year 6 Pupils	1,783	(891)	(892)	-
	Corporate growth contingency	(1,783)	891	892	-
		<b>1,942</b>	<b>2,886</b>	<b>212</b>	<b>5,040</b>
<b>Communities, Localities and Culture</b>					
GRO CLC 1-15	Freedom Pass	570	573	587	1,730
GRO CLC 2-15	Waste Collection and Treatment	1,425	337	355	2,117
GRO CLC 3-15	Depot Strategy – Leven Road	187	-	-	187
GRO CLC 4-15	Kobi Nazrul Centre	100	-	-	100
ACC CLC 1-15	Additional Policing - THEO's	615	-	-	615
		<b>2,897</b>	<b>910</b>	<b>942</b>	<b>4,749</b>
<b>Development and Renewal</b>					
GRO D&R 1-14	Carbon Reduction Commitment	261	339	-	600
	Corporate Cost	(261)	(339)	-	(600)
GRO D&R 1-15	Funding for Permanent FTE posts in the Capital Delivery Service (non-education projects)	160	-	-	160
GRO D&R 2-15	Planned Maintenance Corporate Property	803	(803)	-	-
GRO D&R 3-15	Town Hall - Service Charges	250	(250)	-	-
		<b>1,213</b>	<b>(1,053)</b>	<b>-</b>	<b>160</b>
<b>Law, Probity and Governance</b>					
GRO LPG 1-15	Mayor's Advisors	350	-	-	350
GRO LPG 2-15	Review of Electoral Services	154	-	-	154
		<b>504</b>	<b>-</b>	<b>-</b>	<b>504</b>
<b>Resources</b>					
GRO RES 1-15	Welfare Reform – Measures to Protect Vulnerable Residents	2,600	-	-	2,600
GRO RES 2-15	Loss of Benefit Subsidy	500	250	250	1,000
	Corporate Growth Contingency	(1,500)	(250)	-	(1,750)
		<b>1,600</b>	<b>-</b>	<b>250</b>	<b>1,850</b>
<b>Corporate Costs</b>					
	Capital Charges	(30)	1,500	-	1,470
	Pension Costs	2,000	1,500	1,500	5,000
	Civic Centre	(1,000)	-	-	(1,000)
	Single Tier State Pension	-	3,000	-	3,000
	Stairway to Heaven	25	(25)	-	-
	Earmarked Reserves	(25)	25	-	-
	Celebration Events	100	-	-	100
	DCLG Commissioners	100	(40)	(60)	-
	Inflation	5,500	5,500	5,500	16,500
		<b>6,670</b>	<b>11,460</b>	<b>6,940</b>	<b>25,070</b>
<b>Total Growth Bids (All Directorates)</b>		<b>14,826</b>	<b>14,203</b>	<b>8,344</b>	<b>37,373</b>

**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2015/16- 2017/18**

Item Ref. No:  
**GRO/ESW/01/14**

**TITLE OF ITEM:** Demographic Pressures in Adult Social Care

**DIRECTORATE:** Education, Social Care & Wellbeing

**SERVICE AREA:** Adult Social Care

**LEAD OFFICER:** Bozena Allen

**FINANCIAL INFORMATION:**

	Contingency / Budget allocation	Bid (Base is 2014/15 Budget)			
		2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Employees (FTE)					
Employee Costs					
Other Costs	55,012	1,492	1,536	1,582	
Income					
To Reserves					
<b>TOTAL</b>	55,012	1,492	1,536	1,582	

\*Committed growth agreed on an annual basis, therefore future years are included as indicative figures to aid medium term financial planning

**DESCRIPTION & JUSTIFICATION**

**Growth Calculation:** [ Use this box to illustrate the empirical assumptions built into this bid and how they relate to historic/ developing trends]

The growth calculation assumes that increases in population, combined with other demographic factors detailed below will lead to more clients needing social care support for longer. The estimated average rate of growth per client group is different and is influenced by a number of factors such as age, ethnicity, deprivation and other such demographic factors. It is also assumed that this will lead to additional cost pressures in within homecare, day care, meals service, direct payments and residential and nursing care.

**Budget 2014-15 (£'000)**

Client Group	Homecare	Day care	Meals	Direct Payments	Residential/Nursing care	Total Budget	Estimated Growth Rate	Growth Requirement
OP	11,453	229	666	2,423	11,160	25,931	2.00%	462
PD	2,341	52	0	2,876	1,714	6,982	2.40%	129
LD	2,618	3,679	0	1,346	9,627	17,271	3.80%	708
MH	270	79	0	292	4,187	4,828	3.00%	193
<b>Total</b>	<b>16,682</b>	<b>4,039</b>	<b>666</b>	<b>6,937</b>	<b>26,687</b>	<b>55,012</b>		<b>1,492</b>

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Predicted population growth in Tower Hamlets will inevitably bring an increase in the number of people who need adult social care services. Tower Hamlets has high levels of deprivation, which in turn is associated with poor mental and physical health. Deprivation levels may be further exacerbated by welfare reform. An increase in the number of people living for longer with poor health is also a factor driving an increase in demand for adult social care across all client groups.

There is likely to be an increased demand for adult social care from all sections of the population as it continues to expand. Based on the latest GLA projections, the borough's population is expected to grow by 10% over the next five years (2013 to 2018), equating to an average annual population growth rate of 2%. A 20% increase is expected by 2023, equating to 320,200 residents. The projected growth is mainly in the lower working age range (people aged 30 to 44) who account for 53 per cent of the growth in the next five years and 46 per cent of the growth in the next 10 years. A proportion of this group will require support and services from adult social care.

High levels of deprivation are strongly linked to poor mental and physical health. Tower Hamlet is the 7<sup>th</sup> most deprived local authority in England out of the 326 local authorities. There is also a link between some learning disabilities and poverty. Possible explanations include poor nutrition and low uptake of screening programmes and antenatal care, which increase the prevalence of learning disabilities. Levels of deprivation may be further worsened by welfare reform changes which are starting to come into effect. It is likely that this may have an impact on demand, due to the evidence that high levels of deprivation are a driver for increased need for social care services. Further, Demos analysis suggests that the welfare reform changes will have particularly negative economic consequences for disabled people, with significant knock-on effects.

Trends show that increases in healthy life expectancy have not kept pace with improvements in total life expectancy. If the extra years from increased longevity are mostly spent in disability and poor health, there will be an increase in demand for social care across all client groups.

Older people in Tower Hamlets have worse health in many areas compared to England averages. In addition, a higher than average proportion of older people in the borough live alone. Older people who live alone are significantly more likely to have a social care need than those who do not live alone.

Survival rates of young people with profound and multiple learning disabilities are improving and this cohort is now coming through to adult hood. Tower Hamlets is a young borough and there is considered to be a higher rate of learning disabilities in the school-age population. Due to a complex set of reasons, there are higher prevalence rates of profound and multiple learning disabilities in children of a Bangladeshi ethnic background. Tower Hamlets has a significant Bangladeshi community.

The Tower Hamlets Mental Health Strategy Needs Assessment lists a number of "risk factors" and "protective factors" in relation to mental health. On some of these, Tower Hamlets has been shown to face a greater challenge than the rest of London (carers, older people, drug and alcohol misuse) but all need attention because of the specific risks they pose to mental health or because all are linked to the high levels of deprivation which exist in the borough. One of the most significant drivers of demand in mental health is the high population turnover in Tower Hamlets.

The introduction of the Care Bill and the predicted rise in the number of adults requiring adult social care is likely to result in an increased demand for carer assessments and carer services.

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

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**1. RISKS AND IMPLICATIONS:**

**Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.**

**Older People**

There has been a progressive increase in services provided to older people since 2009/10. Spend on commissioned older people's services has increased by 19.1% over the past five years. Due to the health and demographic factors, demand for adult social care services from older people is predicted to continue to increase between now and 2020. Assuming an annual average growth rate of 2.0%, **growth requirement in 2014/15 for Older People Services is estimated at £462k.**

Home care, which is particularly heavily used by older people in Tower Hamlets, is expected to continue to be under growing pressure over the next 8 years.

**Clients with Learning Disabilities**

A great deal of national and local research indicates that we can expect a significant increase in demand for support from adult social care for adults with a learning disability over the next five years. However, local evidence suggests that this may be at a slow and steady rate, rather than the relatively high increase rates predicted in 2011. One area of significant increase has been the transition cases with an extra 1,000 cases predicted to come through in the next five years.

The Tower Hamlets JSNA used Emerson and Hatton's prevalence estimates for 2011 and 2021 to estimate existing and future numbers of people with severe and moderate learning disabilities in Tower Hamlets.

The forecasted rate is 38% increase overall, and an average increase of 3.8% for each year, which indicates an **estimated annual growth requirement of £708k for LD client services. A strong influencing factor is the number of transition LD cases which are predicted to see a significant increase.**

Projecting Adult Needs and Services Information (PANSI) uses the same Emerson and Hatton prevalence estimates and Office of National Statistics figures to come up with predictions for adults aged 18 to 64 with a moderate or severe learning disability. It is noticeable that demand is expected to be proportionately higher in Tower Hamlets compared to our neighbours.

**Mental Health Clients**

Evidence suggests there has been a steady increase in the number of adults who have a mental health problem and who are eligible to receive support from adult social care.

The number of community referrals made to mental health services has decreased; demand has increased in other areas. This includes the number of Mental Health Act assessments, the use of mental health voluntary sector services, and the number of adults aged 18 to 64 years old with mental health as their "primary client group" receiving mental health services from adult social care.

The number of adults aged 18 to 64 years old with mental health as their "primary client group" receiving mental health services from adult social care has increased by 19% between 2010-11 and 2011-12 and then 6% between 2011-13 and 2013-14, a total of 27% in the last three years, equating to an average annual increase of 9%.

However, Projecting Adult Needs and Services Information (PANSI) has a number of future predictions for mental health prevalence rates amongst working-age adults in Tower Hamlets. This information is categorised according to mental health condition, and does not give an indication as to who might be eligible for adult social care.

This shows a 6% increase between 2012 and 2014, and a 5% increase between 2014 and 2016. There is an average annual increase of 3%.

Thus the real growth requirement within MH services is likely to be between 3%-9%. On the basis that the 9%

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based on LBTH average is likely to be skewed by the 19% in 2011-12, it has been assumed that the PANSI rate of 3% may represent a more realistic, steady state estimate. A 3% increase in demand for MH services is likely to lead to **growth requirement of £193k per annum.**

**2 | VALUE FOR MONEY/EFFICIENCY**

**Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/inspection judgements**

The amounts required for growth is intended to pay for homecare, day care, meals, direct payments and residential and nursing care services.

At the moment a major piece of work is under way to review and implement a comprehensive TOP UP policy. This will ensure that Commissioning arrangements are reviewed in detail to ensure rates paid by Tower Hamlets are competitive and represent value for money. However, as most contracts now contain a requirement to pay the London living wage to staff directly providing services, this is likely to impact on the competitiveness of rates paid by Tower Hamlets compared to other local authorities.

The budget has seen an increased unit cost especially in the Home Care area which combined with an increase in the number of adults receiving home care, day care and direct payments could increase the budget pressures.

Compared to other London authorities, we are a low user of institutional care as we seek to offer choice to our service users and focus on them maximising their independence in their community.

The development of extra care sheltered housing (ECSH) as an alternative to institutional care, at an average annual cost of £9,676 per service user against £28,600 per institutional placement, is another efficiency driver.

Currently the directorate has set up client package challenge panels which have started to generate savings by scrutinising the level of needs and the value for money provision.



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BUDGET 2013/14- 2016/17**

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**GRO/ESW/02/14**

<b>TITLE OF ITEM:</b>	Home – School Travel		
<b>DIRECTORATE:</b>	Education Social Care and Wellbeing		
<b>SERVICE AREA:</b>	G78 Pupil Support	<b>LEAD OFFICER:</b>	Terry Bryan

<b>FINANCIAL INFORMATION:</b>				
	Contingency / Budget allocation	Bid (Base is 2013/14 Budget of £0.910m)		
	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Employees (FTE)		0	0	0
Employee Costs		0	0	0
Other Costs	+98	-31	-180	-390
Income		0	0	0
To Reserves				
<b>TOTAL</b>	<b>+98</b>	<b>-31</b>	<b>-180</b>	<b>-390</b>

\*Committed growth agreed on an annual basis, therefore future years are included as indicative figures to aid medium term financial planning

<b>DESCRIPTION &amp; JUSTIFICATION</b>
<p><b>Growth Calculation:</b> The current budget for home-school travel is £0.910m for direct transport only. The pro-forma for 2013/14 had a higher figure of £0.993m, including associated costs of bus passes and reimbursement of parent's travel costs. The spending 2013/14 is running higher than the budget of £0.910m for this reason.</p> <p>The figures have been reassessed for the next three year period on the basis of the snapshot of provision in November 2013 and the expected change in numbers at current rates.</p> <p>The initial rise in spending is based on the existing demand for school places, given that available places do not correlate to the areas where demand is greatest. The LA's commitment to continue the existing transport arrangements for current recipients is being honoured; although under review as per the LA's revised Travel Assistance policy and families are increasingly being offered other forms of travel assistance where possible. Demand for places remains high, but new admissions policies will assist in getting more pupils in local schools. This is a complex situation and uncertainties remain about whether strategies for managing the expected demand will be entirely successful (i.e. whether new school places will be built; whether the new admissions arrangements will promote a better correlation between pupils and places). Therefore it is likely that there may be further demand on local school places and this will impact on the need for travel assistance beyond those identified in this report.</p> <p>The current number of families being provided with travel assistance is 318 (248 children receiving school bus transport and 70 families receiving other forms of assistance such as a Travelcard or bus pass issued to the parent/child) with current annual cost of £0.945m. When considering the different forms of assistance it is important to note that school transport is the only provision where we are able to provide a cost per child. With the other forms of assistance such as a bus pass, whilst the average cost of is £714.75 per year, this is issued to the parent but in effect means that the LA is providing travel assistance for all the eligible children in that family.</p> <p>Therefore, the addendum to Table 4 provides a further breakdown to indicate the <b>numbers</b> of children who are receiving each form of travel assistance.</p>

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It is projected that by the spring of 2014 the number of children that will require school bus transport will increase by an additional 8 Reception aged children (see table 1), which would increase the total spend to £1.008m for 2013/14. The number of reception children requiring travel assistance will not rise as significantly compared to previous years due to the introduction of the priority catchment areas which has enabled families to access local school places.

Table 1 shows further breakdown of children requiring school places by area and the projected increase is due to the shortage of places in the Isle of Dogs and Poplar area. Evidently, if the Authority is unable to successfully continue its strategy of providing places in the areas where this is most needed; these projections will need be revised and the cost is likely to increase.

**Table 1 – Projected number of reception aged children that will require school bus transport by spring 2014**

Area	No of Children out of School	Vacancies	Variance
Bethnal Green		24	24
Bow North	1	4	3
Bow South	2	1	-1
Isle of Dogs	5	0	-5
Poplar	4	2	-2
Stepney		6	6
Wapping		6	6
<b>Grand Total</b>	<b>12</b>	<b>43</b>	<b>31</b>

**Table 2** summarises the current and revised MTFP position arising from this refreshed analysis.

**Table 3:** Provides a snapshot of the current unit cost of school bus transport at £17.66 per child per school day. This cost has been determined by applying a formula based on number of children; schools; size and cost of the transport vehicles. (See **Table 3** at the end of this pro forma)

**Table 4:** Provides a snapshot of the current unit cost per day for the following forms of assistance

- School bus transport
- Travelcard
- Bus pass
- Private Escort
- Refund of Travel Costs
- Direct payment (Petrol)
- Post 16 Bursary

It also provides a breakdown of the other associated cost consisting of reimbursements and salary (See **Table 3** at the end of this pro forma)

**Table 5:** Estimated number of pupils likely to require Travel Assistance from 2013/14 through to 2016/17 School Year (See **Table 5** at the end of this pro forma)

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**Table 2:** Projected cost for the next four (financial) years. The total annual cost projection is based on a current average of cost £3461.61 per pupil in receipt of school bus transport, plus £865.85 per pupil/parent in receipt of a school travel card and £714.75 per pupil/parent in receipt of a school bus pass.

**Table 2: Four Year Cost Projections**

Financial Year	MTFP Profile 2012	Revised Forecast Cost (2013)	Difference from 2012 MTFP Profile	Difference from 2013-14 Budget
2013-14*	£0.910m	£1.008m	£0.098m	£0.098m
2014-15**	£0.890m	£0.879m	-£0.011m	-£0.031m
2015-16**	£0.800 m	£0.730m	-£0.070m	-£0.180m
2016-17**	£0.699m	£0.520m	-£0.179m	-£0.390m

Due to the differences between the financial year and the school year, a yearly forecast will consist of the Summer term of the current school year and the Autumn and Spring term of the following school year, for example:

*\*Projection for 2013-14 is based on the actual spends for Summer term of the 2012/13 school year (April to August at £359,583) and the projected costs for the Autumn & Spring term of 2013/14 school year.*

*\*\*Projection for 2014-17 is based on one thirds of academic year and two third of the next.*

**1. RISKS AND IMPLICATIONS:**

**Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.**

Projections can be revised, based on the impact of the Council's revised travel assistance policy and the increase in school place provision in areas where there has been a higher demand such as the north east of the borough for example Bonner (Mile End), CET, Woolmore, Canary Wharf College and (possibly) Seven Mills. This expansion will lead to a reduction in the numbers of families having to travel to a school place over 2miles and hence, requiring travel assistance. Furthermore, as a result of the revised policy, the LA is also carrying out a review of all those receiving travel assistance, so it is expected that there will be a further reduction in the overall cost of travel assistance. Although, there may be a subsequent increase in the numbers of families receiving other forms of assistance.

The actual spending for this year has exceeded the projected figures forecasted in 2012 (by 98k) and it is expected that this trend will continue in the next financial year as a result of the Reception aged children requiring assistance as well as the large numbers of children who are arriving in the borough and require school places, which may not be available locally. It is therefore difficult to produce accurate medium term projections.

However, the overall spending is expected to then decrease from 2014/15 as the LA's admission policies continue to improve access to local school places, further school expansion continues in areas with a high demand for school places and the on-going review will also have an impact.

The LA has a **statutory duty** to provide travel assistance (Education Act 1996, Sections 508A, 508B and 508C) and if funding is not approved, then it will mean that families are unable to access school provision and education, especially those that are vulnerable or hard to place and it will mean that the LA is not fulfilling its statutory duty.

As mentioned earlier in table 3, the revised per pupil cost of £3461.61 on school bus is 15% higher than the rate of £2950.18 per pupil determined for 2012/13. The average cost of travel pass is £865.85 per pupil and

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£714.75 per pupil for school bus pass.

**2 VALUE FOR MONEY/EFFICIENCY**

**Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements**

It would ideally be better value for money if school places were available in the right parts of the borough and such journeys were not required at all.

The introduction of the priority catchment areas is expected to reduce the need for this support, but this will only happen over time.

Furthermore, the revised travel assistance policy has meant that a growing proportion of the families receiving travel assistance are now being provided with forms of assistance other than school transport which are much more cost effective. In all instances of applications for travel assistance, the LA seeks to provide the most appropriate and cost effective form of assistance.

The travel assistance review will also ensure that value for money principles are taken into consideration when continuing with any forms of travel assistance.

Spending money on school transport continues to be the largest expense of the Transport budget and whilst this may be considered a generous arrangement, this is under review and needs to be managed and balanced in association with the adverse impact on children, families and schools. Furthermore, the withdrawal/cancellation of school transport for any family is subject to an appeal process during which provision must continue so any change in the costs will not be immediate.

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**Table 3** – Snapshot of school bus transport recipients (November 2013)

School	Number Children	Number of Vehicles	Cost per Day	Estimated Annual Cost (196 school days)	Average cost per child per day
Bangabandhu	2	1	£ 64.00	£ 12,544.00	£ 32.00
Bangabandhu	5	1	£ 88.00	£ 17,248.00	£ 17.60
Ben Johnson	4	1	£ 88.00	£ 17,248.00	£ 22.00
Canon Barnett	6	1	£ 152.00	£ 29,792.00	£ 25.33
Canon Barnett	24	2	£ 172.00	£ 67,424.00	£ 14.33
Cayley School	2	1	£ 64.00	£ 12,544.00	£ 32.00
Christ Church	5	1	£ 88.00	£ 17,248.00	£ 17.60
Christ Church	7	1	£ 152.00	£ 29,792.00	£ 21.71
Christ Church	24	2	£ 172.00	£ 67,424.00	£ 14.33
Columbia	2	1	£ 64.00	£ 12,544.00	£ 32.00
Elizabeth Selby / Lawdale	12	1	£ 172.00	£ 33,712.00	£ 14.33
Globe	3	1	£ 64.00	£ 12,544.00	£ 21.33
Hague	1	1	£ 64.00	£ 12,544.00	£ 64.00
Harry Gosling	11	1	£ 172.00	£ 33,712.00	£ 15.64
Hermitage	6	1	£ 152.00	£ 29,792.00	£ 25.33
Hermitage	12	1	£ 172.00	£ 33,712.00	£ 14.33
John Scurr	4	1	£ 88.00	£ 17,248.00	£ 22.00
Manorfield / Lansbury Lawrence	4	1	£ 88.00	£ 17,248.00	£ 22.00
Malmesbury/ Bonner	3	1	£ 64.00	£ 12,544.00	£ 21.33
Mowlem	1	1	£ 64.00	£ 12,544.00	£ 64.00
Osmani	13	1	£ 172.00	£ 33,712.00	£ 13.23
Shapla	2	1	£ 64.00	£ 12,544.00	£ 32.00
Smithy School	3	1	£ 64.00	£ 12,544.00	£ 21.33
Smithy School	4	1	£ 88.00	£ 17,248.00	£ 22.00
St Anne's / St John's	3	1	£ 64.00	£ 12,544.00	£ 21.33
Globe / St John's	3	1	£ 64.00	£ 12,544.00	£ 21.33
St Matthias	3	1	£ 64.00	£ 12,544.00	£ 21.33
St Matthias	10	1	£ 172.00	£ 33,712.00	£ 17.20
St Pauls Whitechapel	5	1	£ 88.00	£ 17,248.00	£ 17.60
St Peter's	1	1	£ 64.00	£ 12,544.00	£ 64.00
Stewart Headlam	5	1	£ 88.00	£ 17,248.00	£ 17.60
Stewart Headlam	12	1	£ 172.00	£ 33,712.00	£ 14.33
Thomas Buxton	7	1	£ 152.00	£ 29,792.00	£ 21.71
Thomas Buxton	26	2	£ 172.00	£ 67,424.00	£ 13.23
William Davis	13	1	£ 172.00	£ 33,712.00	£ 13.23
<b>Total</b>	<b>248</b>	<b>38</b>	<b>£ 3,864.00</b>	<b>£ 858,480.00</b>	<b>£ 17.66</b>

\*\* Schools may be listed more than once, due to the different costs associated to the size of the vehicle.

Average Cost per Pupil - £3461.61

**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2013/14- 2016/17**

**Item Ref. No:  
GRO/ESW/02/14**

**Table 4 – Snapshot of Travel Assistance Recipients (November 2013)**

Form of assistance	Number*	Cost per Day (Adult/Child)	Cost per Term (Adult/Child)	Estimated Annual Cost per Adult/Child (196 school days)	Projected Total Spend on Provision
School transport	248	£ 17.66	£ 1,324.60	£ 3,461.61	£ 858,480.00
Bus Pass *	45	£ 3.65	£ 273.50	£ 714.75	£ 32,163.60
Travel card (Child & Adult) *	16	£ 4.42	£ 331.32	£ 865.85	£ 13,853.59
Private Escort *	2	£ 35.00	£ 2,625.00	£ 5,250.00	£ 5,250.00
Refund of Travel Costs *	4	£ 2.20	£ 165.00	£ 431.20	£ 1,724.80
Direct payment (Petrol) *	1	£ 1.50	£ 112.50	£ 294.00	£ 294.00
Post 16 Bursary	2	£ 1.33	£ 100.00	£ 300.00	£ 300.00
<b>Total</b>	<b>318</b>	<b>£ 64.43</b>	<b>£ 4,931.92</b>	<b>£ 11,017.41</b>	<b>£ 912,065.99</b>
Other Costs (Reimbursement)	n/a	n/a	n/a	£ 500.00	£ 500.00
Salary	1	£ 165.51	£ 12,413.08	£ 32,439.52	£ 32,439.52
<b>Total</b>	<b>1</b>	<b>£ 165.51</b>	<b>£ 12,413.08</b>	<b>£ 32,939.52</b>	<b>£ 32,939.52</b>
<b>Total Cost of LA's Travel Assistance Policy</b>					<b>£ 945,005.51</b>

\*Please note that these figures represent the number of families receiving this form of assistance and not the number of children. See table below for a further breakdown

Form of Assistance	Number of Families	Number of Children	As % of total No of children receiving travel assistance
School transport	248	248	71.47%
Bus Pass	45	67	19.31%
Travel card (Child & Adult)	16	20	5.76%
Private Escort	2	3	0.86%
Refund of Travel Costs	4	6	1.73%
Direct payment (Petrol)	1	1	0.29%
Post 16 Bursary	2	2	0.58%
<b>Total Travel Assistance</b>	<b>318</b>	<b>347</b>	<b>100%</b>

**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2013/14- 2016/17**

Item Ref. No:  
**GRO/ESW/02/14**

**Table 5:** Estimated number of pupils likely to require Travel Assistance from 2013/14 through to 2016/17 School Year

Year Group	Snapshot - November 2013				2013/14 (1st Apr - 31st Mar)				2014/15 (1st Apr - 31st Mar)				2015/16 (1st Apr - 31st Mar)				2016/17 (1st Apr - 31st Mar)			
	Bus Transport	Travel Card	Bus Pass	Total Receiving Transport	Bus Transport	Travel Card	Bus Pass	Total Receiving Transport	Bus Transport	Travel Card	Bus Pass	Total Receiving Transport	Bus Transport	Travel Card	Bus Pass	Total Receiving Transport	Bus Transport	Travel Card	Bus Pass	Total Receiving Transport
Year 6 Pupils - 1 term from previous academic year					10	1		11	13	1	1	15	14	2	2	18	22	1	2	25
Reception	6	1	3	10	14	1	3	18	0	0	0	0	0	0	0	0	0	0	0	0
Year 1	16	3	14	33	16	3	14	33	14	1	3	18	0	0	0	0	0	0	0	0
Year 2	25	2	3	30	25	2	3	30	16	3	14	33	14	1	3	18	0	0	0	0
Year 3	52	2	13	67	52	2	13	67	25	2	3	30	16	3	14	33	14	1	3	18
Year 4	67	2	5	74	67	2	5	74	52	2	13	67	25	2	3	30	16	3	14	33
Year 5	43	2	4	49	43	2	4	49	67	2	5	74	52	2	13	67	25	2	3	30
Year 6	39	2	3	44	39	2	3	44	43	2	4	49	67	2	5	74	52	2	13	67
Year 10		1		1		1		1												
Year 11		1		1		1		1		1		1								
<b>Total</b>	<b>248</b>	<b>16</b>	<b>45</b>	<b>309</b>	<b>266</b>	<b>17</b>	<b>45</b>	<b>328</b>	<b>230</b>	<b>14</b>	<b>43</b>	<b>287</b>	<b>188</b>	<b>12</b>	<b>40</b>	<b>240</b>	<b>129</b>	<b>9</b>	<b>35</b>	<b>173</b>
Total Cost	£ 858,480.00	£ 13,853.59	£ 32,163.60	£ 904,497.19	£ 920,789.03	£ 14,719.44	£ 32,163.60	£ 967,672.08	£ 796,170.97	£ 12,121.89	£ 30,734.11	£ 839,026.97	£ 650,783.23	£ 10,390.20	£ 28,589.87	£ 689,763.29	£ 447,701.94	£ 7,504.03	£ 24,777.88	£ 479,983.85
Other Form of Assistance	£ 2,522.93	£ 2,522.93	£ 2,522.93	£ 7,568.80	£ 2,522.93	£ 2,522.93	£ 2,522.93	£ 7,568.80	£ 2,522.93	£ 2,522.93	£ 2,522.93	£ 7,568.80	£ 2,522.93	£ 2,522.93	£ 2,522.93	£ 7,568.80	£ 2,522.93	£ 2,522.93	£ 2,522.93	£ 7,568.80
Other Costs (Reimbursement & Salary)	£ 10,979.84	£ 10,979.84	£ 10,979.84	£ 32,939.52	£ 10,979.84	£ 10,979.84	£ 10,979.84	£ 32,939.52	£ 10,979.84	£ 10,979.84	£ 10,979.84	£ 32,939.52	£ 10,979.84	£ 10,979.84	£ 10,979.84	£ 32,939.52	£ 10,979.84	£ 10,979.84	£ 10,979.84	£ 32,939.52
<b>Total Projection</b>				<b>£ 945,005.51</b>				<b>£ 1,008,180.40</b>				<b>£ 879,535.29</b>				<b>£ 730,271.61</b>				<b>£ 520,492.17</b>
Cost per term (Three terms)	£ 290,660.92	£ 9,118.79	£ 15,222.12	£ 315,001.84	£ 311,430.60	£ 9,407.41	£ 15,222.12	£ 336,060.13	£ 269,891.25	£ 8,541.56	£ 14,745.63	£ 293,178.43	£ 221,428.67	£ 7,964.32	£ 14,030.88	£ 243,423.87	£ 153,734.90	£ 7,002.27	£ 12,760.22	£ 173,497.39

**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2014/15- 2016/17**

Item Ref. No:  
**GRO/ESW/03/14**

<b>TITLE OF ITEM:</b>	Discretionary Awards Post 16		
<b>DIRECTORATE:</b>	Children, Schools and Families		
<b>SERVICE AREA:</b>	G26 School Improvement Secondary	<b>LEAD OFFICER:</b>	Di Warne

	Contingency / Budget allocation	Bid (Base is 2013/14 Budget)		
	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Employees (FTE)				
Employee Costs				
Other Costs	410	-138	-272	
Income				
To Reserves	-410	+138	+272	
<b>TOTAL</b>	0	0	0	

\*Committed growth agreed on an annual basis, therefore future years are included as indicative figures to aid medium term financial planning

**DESCRIPTION & JUSTIFICATION**

**Growth Calculation:** In May 2013, Cabinet agreed to extend the Mayor's Educational Allowance from its original planned two academic year duration for a third year. This takes the initiative through to the summer term of 2014 and into 2014/15 financial year.

The costs are on the basis of the estimated take-up for 2 payments of £200 per academic year, plus £40k admin per year as set out below.

Financial year	2011/12	2012/13		2013/14		2014/15		Total
	Jan-12 Actual 11/12 ay	Apr-12 Actual 11/12 ay	Jan-13 Provisional 12/13 ay	Apr-13 Estimated 12/13 ay	Jan-14 Estimated 13/14 ay	Apr-14 Estimated 13/14 ay	Jan-15 Estimated	
Total eligible	650	889	1,050	1,050	1,750	1,750		
Admin cost	£0.020m	£0.020m	£0.020m	£0.020m	£0.020m	£0.020m		
Total cost (ie eligible x £200 per instalment)	£0.150m	£0.198m	£0.230m	£0.230m	£0.350m	£0.350m		
Revised Financial Year cost	£0.150m	£0.428m		£0.502m		£0.272m		£1.352m



**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2014/15- 2016/17**

**Item Ref. No:  
GRO/ESW/03/14**

<b>1.</b>	<b>RISKS AND IMPLICATIONS:</b>
<p><b>Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.</b></p>	
<p>Educational attainment has risen to above national averages at GCSE. Improvements at post 16 have reached national norms. The reduction in the government's funding support post-16 will have a further detrimental effect on the ability of young people to remain in education. Without Discretionary Funding students from low income families struggle to support their needs for basic subsistence, travel, and ability to purchase learning materials and specialist equipment.</p> <p>Educational improvement at all levels and the ability to secure employment in the future is a Strategic Priority</p> <p>The decision of central government to end the EMA scheme and replace it with a targeted support scheme will have a serious financial impact on students in school sixth forms and FE colleges who could have expected an EMA of £30 per week in the 2011/12 academic year.</p> <p>Transitional arrangements have been put into place by the Young Peoples Learning Agency (YPLA) to compensate students who received an EMA in 2009/10 of any value or an EMA of £30 in the 2010/11 academic. These students will continue to receive a weekly payment in lieu of their EMA, but this ceases from the start of academic year 2012/13.</p> <p>On the financial risks, the costs are driven by the numbers of eligible students. Overall numbers of eligible students cannot be guaranteed from year to year. Original estimates of eligible students have proven to be too generous in the first year. Improvements or changes to the attendance criteria (95%) would mean that many more individuals would be eligible for payment.</p>	
<b>2</b>	<b>VALUE FOR MONEY/EFFICIENCY</b>
<p><b>Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements</b></p>	
<p>The 16-19 FE Award would be a grant scheme aimed at long term residents of Tower Hamlets who would have received a £30 EMA if the scheme had continued and who are not eligible for a weekly payment under the YPLA's transitional arrangements for continuing students.</p> <p>Students would be required to be settled in the UK/EEA and to have lived in Tower Hamlets for three years before the start of the course.</p> <p>The 16-19 FE Award will only be considered where a student's household income is less than £20,871 in the 2010/11 financial year.</p> <p>The award will consist of two payments of £200 paid to the student in the Spring and Summer terms. The supposition is that students will receive any YPLA support they are entitled to in the Autumn term.</p> <p>The release of payments will be triggered by a positive indication from a school or college that a student has reached accepted levels of attendance, and progress towards their targets.</p>	

**ACCELERATING DELIVERY – CABINET KEY PRIORITIES  
ONE OFF SPENDING PROPOSALS**

**Item Ref. No:  
ACC/ESW/01/15**

<b>PART 1:</b>		
<b>TITLE OF ACCELERATED DELIVERY INITIATIVE:</b>	Mayor's Higher Education Award	
<b>COMMUNITY PLAN THEME:</b>		
<b>PRIORITY: (identify which)</b>	Education	
<b>DIRECTORATE:</b>	Education, Social Care and Wellbeing	
<b>SERVICE AREA:</b>	School Improvement Secondary (G26)	
<b>LEAD OFFICER:</b>	Di Warne	
<b>SHORT DESCRIPTION OF ACTIVITY PROPOSED:</b>		
<p>It is proposed to award bursaries of £1,500 each to 400 young people to assist with the cost of attending colleges and universities providing designated course of higher education.</p> <p>It is estimated that the administrative costs associated with this initiative will cost around 5% of the award itself (i.e. beyond the £1,500).</p>		
<b>FINANCIAL INFORMATION:</b>		
Please give an indication of financial requirements to deliver the proposed acceleration. If this will be delivered within existing budgets, please indicate 'nil'.		
	<b>Resource requirements</b>	
	<b>2015/16 £000</b>	<b>2016/2017 £000</b>
	<b>Revenue</b>	
	- General Fund	370
	- HRA	-
<b>Capital</b>		
	630	370

**ACCELERATING DELIVERY – CABINET KEY PRIORITIES  
ONE OFF SPENDING PROPOSALS**

**Item Ref. No:  
ACC/ESW/01/15**

<b>KEY DECISIONS ON MOBILISATION : Please indicate proposed approach to decision making on mobilisation of new initiative</b>	
<b>Cabinet Decision</b> (Only required for 2015/16 expenditure proposals and those requiring early decision in order to be implemented in 2014/15).	Y Cabinet for decision 4 <sup>th</sup> February 2015.
<b>Add-on to existing service or contract</b>	Y Date effective from/to: September 2015 to July 2016
<b>Participatory Budgeting exercise</b>	N Indicative date:
<b>Other</b>	

<b>OUTLINE TIMESCALE FOR DELIVERY</b>	
<b>Decision and/or resource allocation by:</b>	February/March 2015
<b>Mobilisation – initiative underway by:</b>	September 2015
<b>Key delivery milestones</b>	
By March 2015	Funding identified
By May 2015	Operational policy agreed by Cabinet
By September 2015	Initial bursary awards made
By August 2016	Scheme complete.

<b>DELIVERY RISKS Please indicate any risks which may delay or prevent delivery and mitigating measures to be taken</b>	
<b>Risk identified</b>	<b>Mitigating action</b>
There is a risk that not enough young people will apply and meet the qualifying criteria	The scheme will be designed with criteria that enable enough young people to apply  A publicity campaign will ensure applications are encouraged

**ACCELERATING DELIVERY – CABINET KEY PRIORITIES  
ONE OFF SPENDING PROPOSALS**

**Item Ref. No:  
ACC/ESW/01/15**

**PART 2: Only required if additional resources required**

**NB FOR CAPITAL EXPENDITURE SCHEMES, A CAPITAL TEMPLATE SHOULD ALSO BE PROVIDED**

**ADDITIONAL OUTPUTS TO BE DELIVERED – these must be additional to those already planned for delivery with existing budgets**

Description of Output (New homes, Security Cameras, Youth Workers)	Additional by end March 2015	Additional by Sept 2015	Additional by March 2016
Young people supported in taking designated courses of higher education.	400		

**OUTCOMES IN PRIORITY AREAS Describe what outcomes this expenditure would achieve in relation to the priority area and set out the uplift which can be expected in key targets**

**Description of outcomes proposed:**

The bursary will encourage more young people to enter higher education.

Strategic Indicator (Council Strategic Indicator)	Current target 2015/16	Target with 15/16 additional spend	Current target 2016/17	Target 16/17 with additional spend

**VALUE FOR MONEY/EFFICIENCY**

Provide evidence that the proposed expenditure will offer value for money, e.g.

- unit cost comparisons of proposed provision

Where existing provision is being extended

- cost/performance benchmarking of existing provision which is to be extended
- internal/external evaluation of existing provision to be extended

Where proposed provision is new /innovative

- evidence/rationale for effectiveness and value for money of approach proposed

There is evidence that changes in the funding regime for higher education (HE), including the increase in tuition fees, are resulting in a reduction in entrants to universities and colleges providing higher education courses. Providing additional support will increase the number of entrants to HE and therefore improve employability prospects for young people. This in turn will reduce reliance on the welfare state and have economic benefits.

The final scheme will take account of value for money considerations, by targeting funding appropriately, managing the scheme efficiently and ensuring that the criteria used support the Authority's policy aspirations.

**ACCELERATING DELIVERY – CABINET KEY PRIORITIES  
ONE OFF SPENDING PROPOSALS**

**Item Ref. No:  
ACC/ESW/02/15**

<b>PART 1:</b>			
<b>TITLE OF ACCELERATED DELIVERY INITIATIVE:</b>	Free School Meals for Year 3 to Year 6 Pupils		
<b>COMMUNITY PLAN THEME:</b>	A healthy and supportive community		
<b>PRIORITY: (identify which)</b>	Education		
<b>DIRECTORATE:</b>	Education Social Care and Wellbeing		
<b>SERVICE AREA:</b>	ESCW Resources	<b>LEAD OFFICER:</b>	Kate Bingham
<b>SHORT DESCRIPTION OF ACTIVITY PROPOSED:</b>			
<p>43% of the Tower Hamlets primary school population is eligible for statutory free school meals. Since September 2014 the Department for Education (DfE) Universal Infant Free School Meals (UIFSM) scheme funded from specific grant has provided a free school meal for Reception to Year 2 pupils who were not otherwise eligible. A local initiative had provided a free school meal for Reception and Year 1 pupils who are not otherwise eligible prior to the DfE scheme.</p> <p>In March 2014 a Mayoral decision was taken to introduce a new local scheme from September 2014 – July 2015 (one academic year) to provide free school meals for all Year 3 – Year 6 pupils who are not otherwise eligible. The budgeted cost of this proposal is <b>£2.675m</b> for one academic year. This proposal looks to extend this for a further academic year from September 2015 – July 2016.</p>			
<b>FINANCIAL INFORMATION:</b>			
Please give an indication of financial requirements to deliver the proposed acceleration. If this will be delivered within existing budgets, please indicate 'nil'.			
	<b>Resource requirements</b>		
	<b>2015/2016 £000</b>	<b>2016/2017 £000</b>	<b>2017/2018 £000</b>
	Revenue		
	- General Fund	1,783	892
- HRA			
Capital	1,783	892	

**ACCELERATING DELIVERY – CABINET KEY PRIORITIES  
ONE OFF SPENDING PROPOSALS**

**Item Ref. No:  
ACC/ESW/02/15**

<b>KEY DECISIONS ON MOBILISATION : Please indicate proposed approach to decision making on mobilisation of new initiative</b>	
<b>Cabinet Decision</b> (Only required for 2015/16 expenditure proposals and those requiring early decision in order to be implemented in 2014/15).	Y Cabinet for decision 4 <sup>th</sup> February 2015.
<b>Add-on to existing service or contract</b>	Y Date effective from/to: September 2015 to July 2016
<b>Participatory Budgeting exercise</b>	No
<b>Other</b>	No

<b>OUTLINE TIMESCALE FOR DELIVERY</b>	
<b>Decision and/or resource allocation by:</b>	February/March 2015
<b>Mobilisation – initiative underway by:</b>	September 2015
<b>Key delivery milestones</b>	
By July 2015	Scope, eligibility and associated processes communicated to all stakeholders (families, schools and meals providers).
By September 2015	Discretionary FSM arrangements (3 to 6 year olds continue)
By July 2016	Initiative ends

<b>DELIVERY RISKS Please indicate any risks which may delay or prevent delivery and mitigating measures to be taken</b>	
<b>Risk identified</b>	<b>Mitigating action</b>
Actual take up will vary, depending on overall pupil numbers in these year-groups and parental preference.	Budget provision has been set on the basis of 87% of those pupils in Reception and Year 1 who are not currently eligible for a free school meal taking up the offer. Variations in actual take-up will be monitored and adjustments to funding will be managed across the Education Social Care and Wellbeing budget.
Claims for variations to the scheme may come from Tower Hamlets residents going to school in other boroughs, or from parents who want the cash for packed lunches, or from independent schools in the borough, or from full-time nursery pupils in other settings. Any of these changes increases the administration and cost of the initiative.	The scope of the exercise is unambiguous. It only applies to: <ul style="list-style-type: none"> <li>• all LBTH maintained schools, or</li> <li>• academies and free schools physically located in Tower Hamlets;</li> </ul> where registered pupils in Year 3 to 6, who are not eligible for free school meals under the mandatory scheme, are provided with a free school meal at a rate of £2.30 per meal. All communications on the issue will work to these principles.

**ACCELERATING DELIVERY – CABINET KEY PRIORITIES  
ONE OFF SPENDING PROPOSALS**

**Item Ref. No:  
ACC/ESW/02/15**

**PART 2: Only required if additional resources required**

**NB FOR CAPITAL EXPENDITURE SCHEMES, A CAPITAL TEMPLATE SHOULD ALSO BE PROVIDED**

**ADDITIONAL OUTPUTS TO BE DELIVERED – these must be additional to those already planned for delivery with existing budgets**

Description of Output (New homes, Security Cameras, Youth Workers)	Additional by end March 2015	Additional by Sept 2015	Additional by March 2016
Additional Free school meals		2,345	2,345

**OUTCOMES IN PRIORITY AREAS Describe what outcomes this expenditure would achieve in relation to the priority area and set out the uplift which can be expected in key targets**

**Description of outcomes proposed:**

22% of children in Tower Hamlets do not have a school meal, opting instead for packed lunches of varying nutritional standard. The high levels of poverty in Tower Hamlets, and likely impact of welfare reform, increase the risk of poor nutrition. This proposal will contribute to addressing this issue by increasing the uptake of school meals delivered to school food nutrient- based standards.

Increasing the uptake of meals will contribute to our strategy to address high levels of childhood obesity as recommended by the Foresight Report and NICE guidance. Research shows that provision of a hot meal delivered to school food nutrient-based standards at lunchtime has a significant positive impact on attainment with pupils in areas where this has been piloted making between four and eight weeks' more progress than similar pupils in comparison areas. This translates into 1.9% improvement in the proportion of pupils achieving level 2 in reading at the end of Key Stage 1. The improvements were strongest amongst those pupils from less affluent families.

It is not possible to link this improvement to strategic indicators over the next two years although there is a possible impact over the longer term on the proportion of children achieving Level 4 or above at Key Stage 2. Based on experience in pilot areas this should be in the region of 4 percentage points in English and 5.5 percentage points in maths during financial year 2019-20.

**VALUE FOR MONEY/EFFICIENCY**

Provide evidence that the proposed expenditure will offer value for money, e.g.

- unit cost comparisons of proposed provision

Where existing provision is being extended

- cost/performance benchmarking of existing provision which is to be extended
- internal/external evaluation of existing provision to be extended

Where proposed provision is new /innovative

- evidence/rationale for effectiveness and value for money of approach proposed

Authorities that have piloted this approach found that compared to some other interventions the universal provision of a free school meal to primary pupils was a more cost effective way of improving attainment. The estimated cost per 1 percentage point increase in attainment at Key Stage 1 was £120 per pupil per year, and at Key Stage 2 £40-60 per pupil per year. The Department for Education's evaluation of free school meal pilots (2010) found that this is cheaper for the same level of improvement than some other interventions, for example 'Every Child a Reader.' It was however found to be more expensive than some other interventions, although the potential health benefits may compensate for this.

**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2015/16- 2017/18**

Item Ref. No:  
**GRO/CLC/01/15**

**TITLE OF ITEM:** Freedom Pass

**DIRECTORATE:** Communities, Localities and Culture

**SERVICE AREA:** Public Realm

**LEAD OFFICER:** Jamie Blake

**FINANCIAL INFORMATION:**

	Contingency / Budget allocation	Bid (Base is 2014/15 Budget)		
	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Employees (FTE)				
Employee Costs				
Other Costs		570	573	587
Income				
To Reserves				
<b>TOTAL</b>		570	573	587

\*Committed growth agreed on an annual basis, therefore future years are included as indicative figures to aid medium term financial planning

**DESCRIPTION & JUSTIFICATION**

The Freedom Pass scheme provides free travel on public transport for pass holders over 60 and registered as disabled throughout London. The scheme is administered by London Councils and decisions on apportioning the costs of the scheme between boroughs are made by Members of London Councils' Transport & Environment Committee.

London Councils manage the negotiation of the Freedom Pass settlement with TfL and the allocation process between all the London Boroughs of their respective budget contributions to TfL. The methodology for this is as follows :-

1. TfL state the overall Freedom Pass cost for London
2. London Councils receive a DfT grant towards Freedom Passes (about 11% of total cost)
3. The DfT grant is then deducted from the total cost to calculate the deficit remaining

London Councils has in the past apportioned the deficit to boroughs based on usage data (bus and underground) in proportion to Relative Needs Formula.

In December 2013 London Councils' Transport & Environment Committee revised the method of apportionment to move away from the 'Relative Needs Formula' to one based wholly on usage.

The schedule produced by London Councils will be re-based to show the contribution required by LBTH in 2015/16 which is estimated at £9.574m, an increase of £0.570m on the 2014/15 figure. London Councils will be circulating updated schedules between December/January which will provide the details of the impact on this authority.



**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2015/16- 2017/18**

**Item Ref. No:  
GRO/CLC/01/15**

**Growth Calculation:** [ Use this box to illustrate the empirical assumptions built into this bid and how they relate to historic/ developing trends]  
Calculations are based on the schedule of contributions provided by London Councils which reflect the factors highlighted in the section above. In addition future years growth bids incorporate inflation at a rate of 2.5%.

**1. RISKS AND IMPLICATIONS:**

**Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demanded provide details of the increase in client numbers and the basis of any projections.**

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

An indicative settlement is expected in December 2014 indicating what the Authority's 2015/16 contribution will be. The figures requested in this bid is as per the current regime will be subject to change once further information is available from London Councils

Other work currently being undertaken on demographic and social changes within the Borough indicate that the Authority has an increasing population which may mean an increased demand for freedom passes. It should be noted therefore that further re-basing exercises undertaken by London Councils moving away from RNF to usage could mean that the Authority's contributions will again rise (comparative to other local authorities) in future years.

Inflation is not incorporated into the London Councils' base figures. For the purpose of the current growth bid LBTH's own inflation figure of 2.5% has been used – especially given that London Councils are stating RPI at 3.1%. Should actual inflation be higher or lower than the 2.5% figure then the requirement will change.

**2 VALUE FOR MONEY/EFFICIENCY**

**Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements**

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

**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2015/16- 2017/18**

Item Ref. No:  
**GRO/CLC/02/15**

**TITLE OF ITEM:** Waste Collection and Treatment

**DIRECTORATE:** Communities, Localities and Culture

**SERVICE AREA:** Public Realm **LEAD OFFICER:** Jamie Blake

**FINANCIAL INFORMATION:**

	Contingency / Budget allocation	Bid (Base is 2014/15 Budget)		
	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Employees (FTE)				
Employee Costs				
Other Costs		1,425	337	355
Income				
To Reserves				
<b>TOTAL</b>		1,425	337	355

\*Committed growth agreed on an annual basis, therefore future years are included as indicative figures to aid medium term financial planning

**DESCRIPTION & JUSTIFICATION**

In the 3 year period 2015/16 to 2017/18 waste collection and treatments costs will increase due to growth in the quantity of Municipal Waste brought about by the economic recovery gaining momentum along with the anticipated growth in the housing stock within the borough (and associated growth in the population).

**NB A sample check of the waste tonnages in November 2014 will be undertaken to enable the growth assumptions for 2015/16 onwards to be verified.**

The details are set out below:

**Growth in Waste Treatment and Disposal Costs**

The Council currently has contracts in place for the treatment and disposal of waste and recyclable materials that utilise spare operating capacity at existing waste facilities within and around London. The Council's residual Municipal Waste and Other wastes (organic and healthcare waste) are managed through a contract with Veolia, which will run until 2017.

The sorting of the Council's dry recyclable material will be managed by a new contractor from February 2015. The current contract with Viridor will be expired at the end of January 2015.

These services are charged on a unit rate basis per tonne of waste treated or disposed of.

The budget provision for 2015/16 will be calculated on the basis of the quantity of waste that is to be treated and disposed of during 2014/15.

There are two main factors that influence the quantity of Municipal Waste generation, economic prosperity and growth in the housing stock within an area. The economic recovery has already started to influence increases in waste generation in Tower Hamlets and will continue to do so as the economy recovers further and GDP rises over the coming years.

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BUDGET 2015/16- 2017/18**

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In relation to housing stock growth, the 2011 Census data and Tower Hamlets Planning for Population Growth Model indicate that in the 10 year period from 2011 to 2021, the number of housing units within the borough will increase by 32%. This increase, and associated population growth, will add to the waste growth brought about by the economic recovery. As a result, additional budget provision will be required to manage the increasing tonnages of Municipal Waste produced.

Set out below is a breakdown of the cost elements for these 3 main fractions of the Municipal Waste:  
Municipal Residual Waste:

The estimated tonnage of residual waste in 2014/15 is 92,383 tonnes

Year	Estimated Residual Waste Growth (Tonnes)	Cost per Tonne (£)	Cost of Growth (£)
2015/16	2956	£104	£307,424
2016/17	3050	£106	£323,300
2017/18	3148	£108	£340,035

Dry Recycling:

In 2011/12 the Council was paying £19 per tonne for the dry recycling to be processed. A new contract commenced in Feb 2012 through which the Council has received an income for the dry recycling. The contract will expire on 31<sup>st</sup> January 2015 at which time it is expected that the Council will again be required to pay for the processing of the recycling.

Year	Tonnage	Cost per Tonne (£)	Cost of Growth (£)
2015/16 (includes 3.2% waste growth)	10382	£83	£861,706
2016/17 (growth on previous year only)	396	£19	£7,528
2017/18 (includes 3.2% waste growth)	404	£19	£7,679

Other Wastes (Organic wastes and healthcare waste):

Year	Tonnage (combined, difference)		Cost of Growth (£)
2015/16	67.6		£6478
2016/17	69		£6737
2017/18	71.3		£7092

**Additional Cost of Waste Collection**

From 2015/16 the increase in the quantity of municipal waste requiring collection will be greater than the capacity provided by the existing collection arrangements. In order for the Council to continue to discharge its statutory obligations as a waste collection authority it will be necessary to implement an additional collection round (vehicle and labour).

1 x additional collection round £250,000

**COMMITTED / UNAVOIDABLE GROWTH BID  
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GRO/CLC/02/15**

**Growth Calculation:** [ Use this box to illustrate the empirical assumptions built into this bid and how they relate to historic/ developing trends]

A number of assumptions have been made in calculating the funding required:

- that the Council's expectation of having zero waste direct to landfill from 2014/15, incurring no additional costs for the increase in Landfill Tax, will be realised
- the additional residual waste will be managed through Veolia waste treatment facilities
- that the growth in the number of housing units and the economic recovery will be linear and thus the growth in Municipal Waste will also be linear (the anticipated 3.2% growth is consistent with the level of waste growth that is being experienced in 2013/14).
- it is known that the markets for recyclable materials have dropped significantly since the Council current MRF contract was put in place and that Local Authorities are once again being charged a processing fee for dry recyclable materials.
- that the gate fee price for processing the Council's dry recycling upon the expiry of the current contract will be at a no higher price than was previously being paid (£19 per tonne)

**1. RISKS AND IMPLICATIONS:**

**Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demanded provide details of the increase in client numbers and the basis of any projections.**

The Council has a statutory obligation to treat and dispose of the Municipal Waste that is generated within the borough and the quantity of Municipal Waste will increase year on year with the growth in the number of housing units and associated population increase. Because the services for waste treatment and disposal are charged for on a per tonne basis the cost associated with the growth in the quantity of Municipal Waste is inescapable.

There are a number of variables that could have an impact on the waste treatment and disposal budget:

- the scale of the economic recovery increases the average amount of waste produced per property beyond the level that has been anticipated for the calculations
- that Veolia owned waste treatment facilities do not have sufficient spare capacity to accommodate the additional waste and Veolia need to seek alternative 3rd party facilities at a higher gate fee price.
- the gate fee for processing the Council's dry recycling may be high than the £19 per tonne used in the growth estimate. Processing costs will be influenced by increases in labour, fuel and utility costs.
- the Council continuing to use landfill from 2014/15 incurring additional costs for landfill tax.

The bid for 2017/18 is indicative as it is based on the current contracts. The retendered waste contracts will commence during 2017/18 at which time the impacts on growth and budgets will be reassessed and confirmed.

**2 VALUE FOR MONEY/EFFICIENCY**

**Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements**

The Council has made significant strides in mitigating the costs of waste treatment and disposal by diverting waste from landfill disposal to other forms of waste treatment and reducing exposure to the increases in Landfill Tax with the cost per tonne for alternative treatment in 2014/15 being £102 per tonne. The current equivalent per tonne cost for residual waste to landfill (including Landfill Tax) within the Veolia contract is £161.50 in 2014/15.

In addition, the Council's contracts for waste treatment and disposal services have been procured through open competition under OJEU and through partnership working with the Council's contractors competitive gate fee prices have been secured at a range of existing waste treatment facilities within and around London.

The predicted growth in the number of housing units within the borough and the associated growth in population will however lead to a growth in the amount of Municipal Waste that will be generated within the borough, the additional cost of which will be inescapable.

**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2015/16- 2017/18**

Item Ref. No:  
**GRO/CLC/03/15**

**TITLE OF ITEM:** Depot Strategy – Leven Road

**DIRECTORATE:** Communities, Localities and Culture

**SERVICE AREA:** Public Realm

**LEAD OFFICER:** Jamie Blake

**FINANCIAL INFORMATION:**

	Contingency / Budget allocation	Bid (Base is 2014/15 Budget)		
	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Employees (FTE)				
Employee Costs				
Other Costs		187		
Income				
To Reserves				
<b>TOTAL</b>		187		

\*Committed growth agreed on an annual basis, therefore future years are included as indicative figures to aid medium term financial planning

**DESCRIPTION & JUSTIFICATION**

Mayoral Executive decision taken in September 2014, to proceed with the option to lease Leven Road to support the interim depot strategy. Leven Road is a non LBTH site and will be let on a short term lease basis until 2017 when a permanent depot strategy is expected to be implemented. The rent for Leven Road is a new cost which will need to be met. It is anticipated that running costs will be met by the current Watts Grove budget

The current premises budget for Watts Grove circa £119k held within FM is expected to transfer to Leven Road to meet the running costs of the site. Although running costs are yet to be finalised for the new depot.

**Growth Calculation:** [ Use this box to illustrate the empirical assumptions built into this bid and how they relate to historic/ developing trends]

Based on the current rental value of Leven Road.

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BUDGET 2015/16- 2017/18**

**Item Ref. No:  
GRO/CLC/03/15**

**1. RISKS AND IMPLICATIONS:**

**Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.**

The short term nature of the lease is seen as a high risk in the context of delivering the front line environmental services and enabling the decant of Watts Grove which is a linked to the council housing site, for which funding has been secured from the GLA as well as from the HRA budget. The condition of funding from the GLA is that the contract has to be let and works commenced on site by March 2015. This therefore requires a vacant site by the end of February 2015, in order not to compromise the funding.

Should we be in a position where we cannot operate from Leven Road, and not secured alternative depot provision, this would pose a serious threat to our ability to maintain essential services.

**2 VALUE FOR MONEY/EFFICIENCY**

**Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/inspection judgements**

The leasing of the site for the next 2-3 years, the revenue growth required may still be considered value for money when weighed against the following:

- the significant community benefit of the new housing to be delivered on the Watts Grove site;
- the £6.7m of external funding for social housing;
- the new housing units set against local need for social housing within the borough; and
- the need to continue to deliver the services currently associated with the site's use as a depot.

**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2015/16- 2017/18**

Item Ref. No:  
**GRO/CLC/04/15**

<b>TITLE OF ITEM:</b>	Kobi Nazrul Centre		
<b>DIRECTORATE:</b>	CLC		
<b>SERVICE AREA:</b>	Arts Parks and Events	<b>LEAD OFFICER:</b>	Stephen Murray

	Contingency / Budget allocation	Bid (Base is 2014/15 Budget)		
	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Employees (FTE)		2	2	2
Employee Costs		75		
Other Costs		25		
Income				
To Reserves				
<b>TOTAL</b>		100		

\*Committed growth agreed on an annual basis, therefore future years are included as indicative figures to aid medium term financial planning

**DESCRIPTION & JUSTIFICATION**

The proposal is to enable the development of the Kobi Nazrul centre as a cultural resource by creating two new posts along with programming and marketing budgets.

The Kobi is currently booked and managed via a joint arrangement with the Brady Centre. There is occasional project based work taking place there, such as the rehearsals for Bengali Drama Season, supported by our Arts development officer but this is fairly limited in scope. Whilst it has no dedicated resource of its own the Kobi Nazrul Centre will struggle to reach its full potential in providing an arts and cultural programme to residents and support individuals and groups attempting to enter the professional creative market. The centre currently receives no external funding but by increasing the level of activity and number of partnerships with local arts organisations it would make grant funding a more viable proposition.

The associated increase in levels of activity and usage of the building will result in additional running costs for heating, lighting and cleaning etc. However this will be covered off by an increase in income generated through hire of spaces made possible by staff resource created.

**Growth Calculation:** [ Use this box to illustrate the empirical assumptions built into this bid and how they relate to historic/ developing trends]

Two key aspects of growth in cultural provision impacting on the local economy are:

- Visitor spend
- Job creation

The Arts and Cultural sector in London is a major part of the city's economy. GLA report Creating Artists Work Spaces 2014 estimates creative sector is worth £21 billion per annum and that one in six new jobs created in London is within the creative sector.



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BUDGET 2015/16- 2017/18**

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GRO/CLC/04/15**

City of London commissioned economic research in Jan 2013 estimated a net contribution of £225 million per annum and 6,700 jobs relating to the creative sector. Average spend from overseas visitors to cultural institutes £50.42 per head. Visitors from other parts of Britain £27.18 per head.

Tower Hamlets cannot compare with the City of London in terms of its institutions but there are still clear economic benefits from its cultural sector and even a small centre such as the Kobi Nazrul can make an impact if developed. As a centre for Bengali Arts and Culture it has the potential to attract a niche audience that other London attractions don't cater for and over time has the potential for becoming a centre of excellence that would bring an audience from across Britain and further afield. An example of this is the growing programme around the Bengalis Drama season which now attracts entries from outside London and brings an audience from a wider catchment area as a result.

**1. RISKS AND IMPLICATIONS:**

**Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demanded provide details of the increase in client numbers and the basis of any projections.**

The Kobi Nazrul Centre is located on Hanbury Street in Spitalfields. It is evident to local people that as a council resource it is not fully operational and closed for periods of time that a functioning community resource might be expected to be open. This situation cannot change without the input of additional resource requested here and the risk is of reputational damage to the Council should this under usage continue.

Whilst the borough retains a healthy arts and creative sector there is a shortage of affordable space for groups to carry out their activities and provide services to the public. At a time when the commercial market is squeezing out new start up cultural enterprises the development of this resource will help fill the gap and stimulate growth and opportunities for local people. This would be done through provision of rehearsal, workshop, performance and display spaces.

**2 VALUE FOR MONEY/EFFICIENCY**

**Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements**

The Kobi Nazrul Centre for Bengali Arts and Culture is currently operating under its potential in relation to outputs which will benefit the borough's residents. This is primarily because:

- It has no dedicated staff delivering from there
- It has very limited budgets for programming, outreach and marketing

It does currently generate some earned income to cover its running costs but this could be improved with a dedicated staff resource and this additional income would in turn cover the increased running costs incurred through higher levels of activity and service provision.

- **Current provision** - 15 Events in 2013 -14. plus some rehearsals for Bengali drama season.
- **Projected provision with growth** - First full 12 months of new operation. 20 events plus 24 workshops or classes/ 2<sup>nd</sup> 12 months 24 events plus 30 workshops or classes / 3<sup>rd</sup> 12 month period 30 events plus 36 workshops or classes.
- Income target from hires in 2013 -14 £10,400
- Projected income 1<sup>st</sup> 12 months new operation.£15,000
- Projected income 2<sup>nd</sup> 12 months new operation £17,250
- Projected income from 3<sup>rd</sup> 12 months of operation £20,000

Note. The additional income would offset increased costs of running the building at higher rates of occupancy and inflation.



**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2015/16- 2017/18**

Item Ref. No:  
**ACC/CLC/01/15**

<b>TITLE OF ITEM:</b>	Additional Policing - Tower Hamlets Enforcement Officers (THEOs)		
<b>DIRECTORATE:</b>	Communities, Localities and Culture		
<b>SERVICE AREA:</b>	Safer Communities	<b>LEAD OFFICER:</b>	Andy Bamber

<b>FINANCIAL INFORMATION:</b>				
	<b>Contingency / Budget allocation</b>	<b>Bid (Base is 2014/15 Budget)</b>		
	<b>2014/15 £'000</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>
<b>Employees (FTE)</b>		615		
<b>Employee Costs</b>				
<b>Other Costs</b>				
<b>Income</b>				
<b>To Reserves</b>				
<b>TOTAL</b>		615		

\*Committed growth agreed on an annual basis, therefore future years are included as indicative figures to aid medium term financial planning

**DESCRIPTION & JUSTIFICATION**

Tower Hamlets Enforcement Officers (THEOs) were introduced as a direct response to deal with community concerns regarding anti-social behaviour and environmental issues. They are a uniformed service which is organised to ensure they are visible and responsive to the public concerns. The service has been successful in developing an excellent partnership with the Police and other agencies which is beginning to achieve results.

The additional 10 THEOs were funded as part of the accelerated delivery which ends March 2015. Whilst the service will continue to operate, the success to date has resulted in greater expectation of the council to respond to and effectively deal with community concerns regarding crime, anti-social behaviour and street scene management issues. The service will be unable to respond effectively to the increasing demand. Consideration would have to be given to the impact on the service requirements to respond to statutory responsibility i.e noise.

It is proposed to continue with the additional 10 THEOs and CCTV support that were approved and funded from the Accelerated Delivery pot, to ensure that the service can maintain and build upon the current level of service provision and respond appropriately in dealing with local community concerns related to crime and anti-social behaviour.

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**Item Ref. No:  
ACC/CLC/01/15**

**Growth Calculation:** [ Use this box to illustrate the empirical assumptions built into this bid and how they relate to historic/ developing trends]

Schedule of spending	£615,000
10 x Non-accredited officers	£560,000
Back Office support	£ 40,000
Equipment, Uniform & logistics	£ 15,000
	£615,000

**1. RISKS AND IMPLICATIONS:**

**Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demanded provide details of the increase in client numbers and the basis of any projections.**

These proposals directly relate to the Mayor's priority in respect of community safety and the continuation of the expanded THEO service to support this priority. If not supported, there is a risk of being unable to make the necessary impact regarding crime/ASB agenda.

**2 VALUE FOR MONEY/EFFICIENCY**

**Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements**

The additional funding provided enables the service to continue with the additional staff and provision of effective operational support. The investment will enable the service to continue with the new call handling arrangements for improved service response provided to the public regarding noise and anti-social behaviour reports.

**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2014/15- 2016/17**

Item Ref. No:  
**GRO/D&R/01/14**

<b>TITLE OF ITEM:</b>	Carbon Reduction Commitment Energy Efficiency Scheme		
<b>DIRECTORATE:</b>	Development and Renewal		
<b>SERVICE AREA:</b>	Energy Services	<b>LEAD OFFICER:</b>	Sian Pipe

**FINANCIAL INFORMATION:**

	Contingency / Budget allocation	Bid (Base is 2013/14 Budget)		
	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
<b>LBTH Buildings</b>	Nil (See note below)	121	157	204
<b>Street Lighting</b>	n/a	80	104	135
<b>TOTAL</b>	Nil	201	261	339

\*Committed growth agreed on an annual basis, therefore future years are included as indicative figures to aid medium term financial planning

**Note:** The current year costs are being met from Corporate Reserves but there is no on-going budgetary provision.

**DESCRIPTION & JUSTIFICATION**

**Growth Calculation:**

The CRC Energy Efficiency Scheme (formerly known as the Carbon Reduction Commitment) is a mandatory carbon emissions reporting and pricing scheme to cover all organisations in the UK using more than 6,000MWh per year of electricity.

The scheme requires participants to buy allowances for every tonne of carbon they emit (relating to electricity and gas), as reported under the scheme.

Participants are required to buy allowances from Government each year to cover their reported emissions. This means that organisations that decrease their emissions can lower their costs under the CRC.

Carbon tax for the Carbon Reduction Commitment is set by the Treasury. It was capped at £12 per tonne in phase 1 of the scheme, with the Government now raising the tax to £15.60 per tonne for the second phase from 2014/15. There has been no announcement of future costs for 2015/16 onwards but it has been assumed that the annual increase may be 30% in line with the European carbon market.

The Council's total liability for 2013-14 is £358,000, however this includes state funded schools. These will

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BUDGET 2014/15- 2016/17**

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no longer be included within the scheme from April 2014, so this growth bid solely relates to the anticipated liability falling on the Council.

Liability for the Council buildings is estimated at £121,000 in 2014-15, however there is a possibility that both dynamic and passive electricity supplies will be included in phase 2 of the scheme. If so, this will include the borough's street lighting. An initial provision of £80,000 has therefore been included in 2014/15 for the street lighting element.

**1. RISKS AND IMPLICATIONS:**

**Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.**

The tax is mandatory; failure to pay will result in major penalties both civil and criminal.

It is impossible to determine the exact amount of tax as the consumption of sites varies during the compliance year. The amount of tax can only be calculated once the annual consumption figures have been received (end of May each year).

Site numbers and occupation will affect the amount of tax paid, reduction or the increase of registered sites needs to be considered along with carbon reduction measures and ongoing energy efficiency.

**2 VALUE FOR MONEY/EFFICIENCY**

**Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/inspection judgements**

There is no alternative to the CRC.

Savings can be made by introducing effective energy efficiency and carbon reduction measures.

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BUDGET 2015/16- 2017/18**

Item Ref. No:  
GRO/D&R/01/15

<b>TITLE OF ITEM:</b>	Funding for permanent full time posts in the Capital Delivery Service (non-education projects)		
<b>DIRECTORATE:</b>	Development and Renewal		
<b>SERVICE AREA:</b>	Capital Delivery	<b>LEAD OFFICER:</b>	Dale Walker

<b>FINANCIAL INFORMATION:</b>				
	<b>Contingency / Budget allocation</b>	<b>Bid (Base is 2014/15 Budget)</b>		
	<b>2014/15 £'000</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>
<b>Employees</b>	87	160	0	0
<b>TOTAL</b>	87	160	0	0

\*Committed growth agreed on an annual basis, therefore future years are included as indicative figures to aid medium term financial planning

**Note:** The current year costs covers the Head of Service

**DESCRIPTION & JUSTIFICATION**

**Growth Calculation:**

From 2015/16 the Council will not have budgeted FTE Staff to deliver Capital projects or the work required in developing and producing feasibility studies and business cases in the lead up to the creation of a capital project. Up until 2013-14 the Council has utilised staff that have been part of the BSF service which was funded through the Education grant to deliver new schools and schools expansions. This funding comes to an end in March 2015 and therefore the team will no longer be funded.

This growth bid seeks additional funding of £160,000 to part support the permanent funding of the Capital Delivery service. The existing net budget of £87,000 only supports the Head of Service role.

The Building Schools for the Future (BSF) projects will have reached a conclusion with regard to construction by the end of this financial year, there will be the need to achieve final contract closes, alongside the need to support the significant Capital projects that are being delivered across all departments. The following major Capital Projects have commenced or will commence in 2014/15:-

- The development of a Civic complex in Whitechapel
- Watts Grove re-development
- Poplar Baths & Dame Colet House

This growth bid seeks Full Time Equivalent (FTE) funding for the following posts to support the Council's major Capital projects from 2015-16 onwards:-

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- 1x PO7 Major Projects Team Leader (£62,000)
- 1x PO6 Statutory Compliance Manager (£56,000)
- 2x PO5 Client Project Manager (£108,000)
- 1x PO3 Client Project Manager (£47,000)
- 1x SO2 Project Support Officer (£39,000)

The total gross salary costs for the above posts is £312,000.

It is proposed that a re-organisation of the Corporate Property and Capital Delivery service area will create available funding within the service area. This will leave a residual balance of £160,000 required to fully fund the cost of the above posts.

This growth bid of £160k is to fund the creation of new FTE posts to work in the Capital Delivery team. The posts will be created to carry out the following functions:-

- Develop business cases for the development of sites that become surplus through the Asset Strategy
- Carry out and / or manage feasibility studies for sites where it is believed a development scheme would support the Mayors pledge for Housing
- Manage the delivery of small to medium size projects as part of the Councils planned maintenance programme
- Create a link between FM, Asset Management and Capital Delivery to deliver a 'one stop service' in D&R for the management of Council Assets

It is believed the creation of these is critical to the delivery of the Councils long term objectives in developing Housing for the Councils residents and making better use of our assets. The creation of these posts also provides staff with realistic career progression, a retention of knowledge within the Council and an opportunity to employ local people that want to contribute to wider objectives of the borough.

The alternative option to this growth bid would be to create funds on a scheme by scheme basis and employ a national property development company such as Mace, Pick Everard or EC Harris. If this alternative approach was followed the Council would need to develop a specification on each occasion, procure a consultant and then manage the outputs. It is strongly believed that this option would both be more expensive in the longer term and the Council would ultimately be caught in a cycle of having to use this option as the knowledge would never be built in-house or retained.

Where Capital schemes are approved and commence either FTE resource or additional support will be recruited and allocated specifically to the project for delivery. In these circumstances the cost will "capitalised" and added as a cost to the project.

Where further support may be required, or specialisms for the delivery of complex projects is needed, where appropriate these costs will be chargeable to the capital project itself and therefore an additional General Fund pressure will not occur. In order to do this it is essential that the costing of all capital projects includes full provision for fees.

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BUDGET 2015/16- 2017/18**

Item Ref. No:  
GRO/D&R/01/15

**1. RISKS AND IMPLICATIONS:**

**Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.**

Without this additional funding the Council will not have adequate resources to deliver major Capital projects or Housing growth within the borough. The Civic Centre project alone will take over 5 years to complete and cost in excess of £60 million to deliver. This team will also be responsible for the delivery of other complex associated projects such as the closure of Jack Dash House and decant from Mulberry Place as well.

**2 VALUE FOR MONEY/EFFICIENCY**

**Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements**

The alternative option would be to outsource the project management to an external company such as Capita or Mace however there would still need to be an in-house resource for procuring and clienting. The costs would also be likely to be far greater to the Council and there would need to be client side presence to manage the company, make decisions and interact with Members. Therefore, this would only add an expensive layer to a project that would still be unfunded.

Another alternative option would be to employ a team of contract staff to deliver each project, however organizationally this would still require a team leader / management presence and taking into account the size and time these projects would take to deliver this would not be a more cost effective option. In the future, and on delivering smaller projects, contract / interim staff will be used to provide additional capacity and / or expertise and this cost will be charged to capital projects as appropriate.

**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2015/16- 2017/18**

Item Ref. No:  
GRO/D&R/02/15

**TITLE OF ITEM:** Planned Maintenance Corporate Property

**DIRECTORATE:** D&R

**SERVICE AREA:** Capital Delivery **LEAD OFFICER:** D Walker

**FINANCIAL INFORMATION:**

	Contingency / Budget allocation	Bid (Base is 2014/15 Budget)		
		2014/15 £'000	2015/16 £'000	2016/17 £'000
Corporate Buildings	0	803		
Other Costs				
<b>TOTAL</b>	0	803		

\*Committed growth agreed on an annual basis, therefore future years are included as indicative figures to aid medium term financial planning

**DESCRIPTION & JUSTIFICATION**

**Growth Calculation:**

A recent stock condition survey has been carried out on the wider council portfolio of buildings and an analysis of the survey output has been carried out to support a planned maintenance programme. To date works of an urgent nature or for essential health & safety compliance have been financed through responsive maintenance expenditure supported by capital where necessary. This approach is reactive and unplanned, impacting adversely on budgets, service delivery, working conditions and reputation. A planned maintenance programme will protect the Council's assets and ensure investment is prioritised on assets with the greatest service value and will be compatible with the objectives of the revised Asset Management Strategy.

The figures presented only allow for a programme on the 30 corporate buildings. The figures have been smoothed over the initial five years of a thirty year programme, with the first three years to 2018 shown. The following points should be noted:-

- The figures above are revenue only with the programme calculated as requiring an 80:20 revenue/capital support.
- The figures do not allow for building cost inflation
- Procurement / Legal/ Staffing or other direct costs are not included
- Programme scope allows for redecoration, repairs and REM life component replacements
- Improvement/Conversion and upgrade costs are not included

The bid incorporates an element to cover on-going costs associated with securing assets held for disposal. Further details in the nature and value of works will be provided to MAB SARP before this growth is drawn down.



**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2015/16- 2017/18**

**Item Ref. No:  
GRO/D&R/02/15**

**1. RISKS AND IMPLICATIONS:**

**Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.**

The expenditure protects the council built assets and ensures that components are replaced at the correct time in the maintenance cycle, ensuring statutory compliance and further expenditure should elements be allowed to deteriorate further.

Over the next three years, some buildings will require maintenance in order to continue in use and comply with statutory requirements. The bid only includes the Council Corporate buildings comprising 30 buildings. (General Fund)

**2 VALUE FOR MONEY/EFFICIENCY**

**Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements**

Alongside the stock condition surveys, the work being undertaken around procurement of long term maintenance contracts, together with the upgrade of the Asset Management Database to TF Cloud will support the implementation of a planned maintenance approach, allowing work to be targeted where most needed, at the right time.

This will allow the most efficient use of council assets by allowing works to be let on an annual basis driving efficiencies in pricing and making the most economic use of contract on-costs and officer time in managing the programme and procuring works packages. This will reduce exposure to emergency works, out-of-sequence working, service disruption and statutory non-compliance.

Scoping surveys will be used to prepare packages, allowing works to be specified using pre-prepared schedules, providing accuracy and consistency in pricing. The programme will be established on a five year cycle over a thirty year planning period, meaning that detailed surveys will be carried out at least every five years allowing the asset management system to be updated and accuracy in recording building alterations and mapping changing usage and capacity.

Savings can be achieved against the growth bid if decisions can be made on the disposal of some council assets.

**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2015/16- 2017/18**

**Item Ref. No:  
GRO/DIR/FM/01/15**

<b>TITLE OF ITEM:</b>	Town Hall - Service Charges (Revenue Budget J32)		
<b>DIRECTORATE:</b>	D&R		
<b>SERVICE AREA:</b>	Facilities Management	<b>LEAD OFFICER:</b>	A Baird

<b>FINANCIAL INFORMATION:</b>				
	<b>Contingency / Budget allocation</b>	<b>Bid (Base is 2014/15 Budget)</b>		
	<b>2014/15 £'000</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>
<b>Service Charges</b>	968	250		
<b>Rent</b>				
<b>TOTAL</b>	968	250		

\*Committed growth agreed on an annual basis, therefore future years are included as indicative figures to aid medium term financial planning

**DESCRIPTION & JUSTIFICATION**

**Growth Calculation** The service charges are a set budget but are a variable revenue spend governed by the landlord's managing agent, whereby balancing should occur at the end of each year. A capital programme of works is in place for the East India Dock (EID) complex, however this has not been achieved within the given time frames and does not allow projection of spend to be calculated efficiently. The historical delay in the landlord distributing the balanced accounts has also led to the budget not reflecting the actual spend within the relevant year – accruals have been estimated with little or no guidance from the landlord.

Trends over the last 3 years indicate the budget for service charges is insufficient and has not covered the unplanned reactive costs for works to the plant and other areas of services – this has amounted to an approximately 25% increase.

The additional spend of £250,000 is required to install a bus bar throughout the building and to replace defective electrical distribution boards in order to install effective air handling units with the required statutory rate of change, as well as to install heater batteries in areas of the building that are cold and where reasonable temperatures cannot be achieved.

Temperatures in the workplace are covered by the Workplace (Health, Safety and Welfare) Regulations 1992, which place a legal obligation on employers to provide a “reasonable” temperature in the workplace. The Approved Code of Practice suggests a minimum temperature in workrooms should normally be at least 16 degrees Celsius – or 13 degrees Celsius if much of the work indoors involves severe physical effort. Whilst these temperatures are not absolute legal requirements; the employer's essential duty is to determine what reasonable comfort will be in the particular circumstances.

**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2015/16- 2017/18**

**Item Ref. No:  
GRO/DIR/FM/01/15**

Whilst there is no upper limit for temperatures, the conditions in the offices at Mulberry Place in the summer months has at times been extremely uncomfortable for staff and visitors and has resulted in complaints to both HR and the HSE.

In addition to the Workplace Regulations, the Management of Health and Safety at Work Regulations 1999 require employers to make a suitable assessment of the risks to the health and safety of their workers, and take action where necessary and where reasonably practicable.

**1. RISKS AND IMPLICATIONS: -**

**Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demanded provide details of the increase in client numbers and the basis of any projections.**

Corporate & Local Risks:

- Risk of breaching Workplace (Health, Safety and Welfare) Regulations 1992 is considered High
- Risk of Workplace Regulations, the Management of Health and Safety at Work Regulations 1999 is considered High
- Failure to maintain financial viability/financial balance in 2015/16 and future years through to 2020
- There is a risk that the 'Corporate Health and Safety' requirements may not be followed as stipulated.
- Other FM services reduced to accommodate spend

Implications:

- Staff Moral may decrease due to the working environment not having reasonable or comfortable conditions for staff to work in
- Staff sickness
- Lack of efficiency and productivity
- Increased complaints and risk of exposure to press
- Reputational damage (staff have complained to the HSE regarding the environment and atmosphere in the town hall)

**2 VALUE FOR MONEY/EFFICIENCY**

**Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/inspection judgements**

The Council is charge for repairs and maintenance through a service charge regime. The terms of the service charge regime are set out in the lease and the Landlord has a legal obligation to ensure that charges are fair and reasonable and that any costs have been fairly procured and represent value for money. If the Council wishes too it can insist that copies of quotes for works and sent to the Council for review or challenge.

Foot Anstey LLP was commisioned to challenge the last finacial year's service charges sent to the authority.

Benchmarking occurs to ensure the marketable value of the office space is relevant and is then challenged at the rent review. The next rent review takes place in June 2015 and services will be commissioned to represent the authority again.

This is an one off expenditure to address an outstanding H&S and operational issue. The works will be subject to a tender process with feedback to be provided to the council on these costs. The works are currently being tendered with external companies via the Landlords agent as per the Lease requirements.

**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2015/16- 2017/18**

Item Ref. No:  
**GRO/LPG/01/15**

<b>TITLE OF ITEM:</b>	Mayor's Advisors		
<b>DIRECTORATE:</b>	Law, Probity & Governance		
<b>SERVICE AREA:</b>	Democratic Services	<b>LEAD OFFICER:</b>	Murziline Parchment

	Contingency / Budget allocation	Bid (Base is 2014/15 Budget)		
	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Employees (FTE)				
Employee Costs				
Other Costs	297 (one off)	350		
Income				
To Reserves				
<b>TOTAL</b>	297 (one off)	350		

\*Committed growth agreed on an annual basis, therefore future years are included as indicative figures to aid medium term financial planning

**DESCRIPTION & JUSTIFICATION**

Engagement with residents on the Council's spend and services is integral to the accountability of the directly elected Mayor to the electorate. In addition to Officer advice, the Mayor and Cabinet members require expert and flexible advice in the areas of equalities, community engagement and media. The work of the advisors will contribute to the Mayor's manifesto commitments throughout his term and the delivery of the strategic priorities in the Strategic Plan for 14/15 including:

- 1.8 Develop stronger communities;
- 2.2 Support more people into work;
- 2.3 Manage the impact of welfare reform on local residents;
- 2.4 Fostering enterprise and entrepreneurship
- 3.3 Fostering greater community cohesion
- 4.1 Reduce health inequalities;
- 4.2 Enable people to live independently
- 5.1 Reduce inequalities

Advisors will assist in the refresh of diversity and inclusion strategies and will improve engagement with residents, community groups and organisations.

**1. RISKS AND IMPLICATIONS:**

**Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.**

The quality of engagement with residents will be compromised without the specialist and flexible advice provided by the Mayor's advisors.

**2. VALUE FOR MONEY/EFFICIENCY**

**Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements**

The advisors will be procured through the Councils procurement process which will ensure appropriate value for money considerations are taken into account.

**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2015/16- 2017/18**

Item Ref. No:  
**GRO/LPG/2/15**

<b>TITLE OF ITEM:</b>	Review of Electoral Services		
<b>DIRECTORATE:</b>	Law, Probity & Governance		
<b>SERVICE AREA:</b>	Electoral Services	<b>LEAD OFFICER:</b>	Louise Stamp

	Contingency / Budget allocation	Bid (Base is 2014/15 Budget)		
	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Employees (FTE)	6	4		
Employee Costs	317	154		
Other Costs				
Income				
To Reserves				
<b>TOTAL</b>	<b>317</b>	<b>154</b>		

\*Committed growth agreed on an annual basis, therefore future years are included as indicative figures to aid medium term financial planning

DESCRIPTION & JUSTIFICATION
<p>Due to the introduction of Individual Electoral Registration (IER) in June 2014, the level and complexity of registration work within the electoral registration service has increased 5-fold. The change means individuals can now register online and each member of the household has to be given an individual form to supply personal identifiers. This then has to be sent off to DWP to be verified. If they match, the resident is added to the register, if they do not match, the service now has to write to the resident asking for further evidence to support their application. Previously a single form would capture all applicants and the verification process was much simpler.</p> <p>Throughout the year, this process continues and we have a statutory function to write out to the resident, send a reminder and second reminder, then conduct a personal visit. None of this was necessary before the introduction of IER.</p> <p>In addition, there is added pressure on the service at the time of an election and experienced permanent staff are required to ensure the service meets all the statutory deadlines. Currently the service operates with a large number of temporary staff which makes forward planning difficult and this growth bid will allow the service to implement a revised structure that will enable it to cope with both the additional workload and plan better for the increased demand during elections. The temporary staff are currently funded through transition grants through central government and there is uncertainty around whether the grant will continue beyond 2015/16. This growth bid will ensure appropriate permanent funding is in place should the grant cease.</p> <p>The current team comprises 6 FTE and this growth bid will enable the permanent structure to be increased to 10 FTE's.</p>

**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2015/16- 2017/18**

Item Ref. No:  
**GRO/LPG/2/15**

**1. RISKS AND IMPLICATIONS:**

**Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.**

Should the grant cease the service will not be sufficiently resourced. Without permanent funding, the service is not able to implement a permanent structure that reflects service need and is thus not able to meet the increase in demand.

Other risks include:

Annual canvass - deadlines are not met and a revised Register of Electors is not published on time.

Elections – lack of managerial staff to allow the manager to assign core projects throughout the election period. Experienced permanent staff will ensure elections are conducted within the statutory timetable.

Reputation risk for the Council

**2 VALUE FOR MONEY/EFFICIENCY**

**Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements**

Adequate experienced and professional staff will ensure the core team are not working unreasonable additional hours during the annual canvass and election periods and will ensure core projects are planned and executed on time.

All other authorities and especially London authorities are seeking to or have already restructured their services to meet the additional demands and pressures on the service.

We will meet the Electoral Commission's performance standards and recommendations following the elections held in May 2014.

The additional permanent staff will mean temporary staff will not be required throughout the year. A smaller number will be appointed to assist during peak periods.

**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2015/16- 2017/18**

**Item Ref. No:  
GRO/RES/1-15**

<b>TITLE OF ITEM:</b>	Welfare Reform – Measures to Protect Vulnerable Residents in Temporary Accommodation	
<b>DIRECTORATE:</b>	Resources	
<b>SERVICE AREA:</b>	Housing Benefits	<b>LEAD OFFICER:</b> Steve Hill

	Contingency / Budget allocation	Bid (Base is 2014/15 Budget)		
	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Employees (FTE)				
Employee Costs				
Other Costs	1,000	1,600		
Income				
To Reserves				
<b>TOTAL</b>	1,000	1,600		

\*Committed growth agreed on an annual basis, therefore future years are included as indicative figures to aid medium term financial planning

**DESCRIPTION & JUSTIFICATION**

The Welfare Reform Act 2012 introduced a wide range of changes to welfare benefits which will have significant impact for local residents. The implication of welfare benefits reform on Council services is being regularly assessed and monitored, but there is limited financial provision within the budget for the impact.

The reforms have included changes to Housing Benefits, local administration of Council Tax Benefit and the Social Fund and replacement of Disability Living Allowance with Personal Independence Payments. The Government intends to introduce Universal Credit in the future, though delivery and roll out of this reform has been challenging and delivery is delayed.

The impact of the reforms, coupled with the rise in rents has meant that there has been and continues to be a shortage of affordable accommodation for families. In turn, this has had an impact upon the Council's homeless households in temporary accommodation.

The Government's Benefits Subsidy rules for homeless households are such that the Council is not reimbursed in full for the cost of Temporary Accommodation. The Subsidy rules are complex but the shortfall in Benefits Subsidy payable to the Council is compounded by the rising costs of temporary accommodation and the shortage of suitable available properties for homeless households.

The growth bid arises in the main, as a result of the following factors;

The high levels of rent being charged for Temporary Accommodation.

The scarcity of available Temporary Accommodation which in turn is driving up rent being charged.

The Government's Benefits Subsidy rules for Temporary Accommodation which penalises the use of Bed and Breakfast Accommodation and in instances where Bed and Breakfast is not used the Council only receives the following in Benefits Subsidy from the Government;

**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2015/16- 2017/18**

**Item Ref. No:  
GRO/RES/1-15**

90% of the Local Housing Allowance\* plus £40.00

\*the LHA used is the LHA for the area where the property is placed and then the 2010 Local Housing Allowance figure is applied

As a consequence, a growth bid is proposed to meet the forecasted shortfall between homeless expenditure (the cost of temporary accommodation) and Benefits Subsidy income the Council expects to receive from the Government.

In order for current activity to be brought in line with assumptions integral to the most recent statutory subsidy claim, addition funding of £1.6m will be required to ensure that current expenditure matches the most recent assumed subsidy position.

**1. RISKS AND IMPLICATIONS:**

**Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demanded provide details of the increase in client numbers and the basis of any projections.**

The growth bid will enable those that find themselves homeless to be placed in suitable temporary accommodation within the borough or neighbouring boroughs. Should the growth not be awarded the service will overspend or will need to reduce expenditure on temporary accommodation. Any reduction in expenditure could lead to some of our most vulnerable people not being placed in suitable accommodation.

**2 VALUE FOR MONEY/EFFICIENCY**

**Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements**

As private sector and non HRA rents within Tower Hamlets and other neighboring boroughs continue to increase the service is limited in terms of options for cheaper temporary accommodation. However, the service continues to explore cheaper or more cost effective options where possible.



**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2015/16- 2017/18**

Item Ref. No:  
**GRO/RES/03/15**

**TITLE OF ITEM:** Loss of Benefit Subsidy

**DIRECTORATE:** Resources

**SERVICE AREA:** Customer Access and ICT      **LEAD OFFICER:** Steve Hill

**FINANCIAL INFORMATION:**

	Contingency / Budget allocation	Bid (Base is 2014/15 Budget)		
	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Employees (FTE)				
Employee Costs				
Other Costs				
Income		500	250	250
To Reserves				
<b>TOTAL</b>				

\*Committed growth agreed on an annual basis, therefore future years are included as indicative figures to aid medium term financial planning

**DESCRIPTION & JUSTIFICATION**

**Growth Calculation:** The Government has announced that it has changed that way in which grant for administering Housing Benefit is allocated, and has also introduced a 10% 'efficiency' reduction. This reduction applies to the grant the Council received for administering Housing Benefit and Local Council Tax Support (LCTS).

The council has no control over this funding – it has been notified that it will reduce by £500k in 2015/16. Further reductions have been included for the following 2 years, as it is likely that further 'efficiency' reductions are introduced as public expenditure is cut over the life of the next parliament.

**1. RISKS AND IMPLICATIONS:**

**Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demanded provide details of the increase in client numbers and the basis of any projections.**

The growth is not optional – it has been notified by the Government. If not approved, further cuts from other Council services would be required to balance the budget.

**2 VALUE FOR MONEY/EFFICIENCY**

**Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/inspection judgements**

Administrative savings from both the Benefits and Council Tax services have been included in the 2015/16 proposals, along with additional income generation proposals of over £16m.

**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2015/16- 2017/18**

Item Ref. No:  
**TBC**

**TITLE OF ITEM:** Stairway to Heaven Memorial Trust

**DIRECTORATE:** Law, Probity & Governance

**SERVICE AREA:** Democratic Services **LEAD OFFICER:**  
TBC

**FINANCIAL INFORMATION:**

	Contingency / Budget allocation	Bid (Base is 2014/15 Budget)		
		2014/15 £'000	2015/16 £'000	2016/17 £'000
Employees (FTE)				
Employee Costs				
Other Costs		25 (one off)		
Income				
To Reserves				
<b>TOTAL</b>		25 (one off)		

\*Committed growth agreed on an annual basis, therefore future years are included as indicative figures to aid medium term financial planning

**DESCRIPTION & JUSTIFICATION**

The Stairway to Heaven Memorial Trust was set up to raise funds to build a memorial to the worst civilian disaster of World War 2 – the Bethnal Green tube shelter disaster.

Two thirds of the memorial (now known as Bethnal Green Memorial) has now been built and it is based in Bethnal Green Gardens, right next to the station entrance where 173 people died and over 90 were injured. The project has been funded through charitable donations and in its final leg the charity needs to urgently find £30k to complete the project before the small numbers of remaining survivors pass away.

The charity has started a campaign to seek sponsors from local businesses and individuals to raise these funds but has asked the Council's to make up any shortfall should they arise. This bid seeks Council approval to set aside £25k as a one off contribution should the charity be unsuccessful in raising funds within the timeframe. The plan is for the fund raising activity to be completed by February 2015 so that works can be completed in time for the official unveiling planned for late summer 2015.

**1. RISKS AND IMPLICATIONS:**

**Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demanded provide details of the increase in client numbers and the basis of any projections.**

This expenditure is a goodwill gesture from the council and is an investment into a valuable community asset. There is the risk of reputational damage should the council choose not to contribute.

**2 VALUE FOR MONEY/EFFICIENCY**

**Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements**

N/A

**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2015/16- 2017/18**

Item Ref. No:  
**GRO/**

**TITLE OF ITEM:** Celebration Events

**DIRECTORATE:** Corporate

**SERVICE AREA:** Corporate

**LEAD OFFICER:**  
TBC

**FINANCIAL INFORMATION:**

	Contingency / Budget allocation	Bid (Base is 2014/15 Budget)		
		2014/15 £'000	2015/16 £'000	2016/17 £'000
Employees (FTE)				
Employee Costs				
Other Costs		100		
Income				
To Reserves				
<b>TOTAL</b>		100		

\*Committed growth agreed on an annual basis, therefore future years are included as indicative figures to aid medium term financial planning

**DESCRIPTION & JUSTIFICATION**

In line with delivering the Mayor's Manifesto, this one off growth bid is to enable celebration events to take place in the borough which commemorate the contributions of residents to Tower Hamlets.

The events will include:

Events which celebrate the achievements and contributions made by disabled residents in Tower Hamlets. The events will promote disabled residents' dignity and wellbeing and will be a celebration of disabled residents as well as provide information about support services and welfare advice.

Events which celebrate the achievements and contributions made by older residents in Tower Hamlets. They will also celebrate the contributions older residents have made and continue to make in the borough as well as an opportunity to provide information about support services, activity and leisure opportunities.

A Mayor's Award Event to commemorate living local heroes. This will celebrate living local heroes and their contribution to the community.

Whilst £100,000 of funding is being set aside for the funding of these events, sponsorship will also be sought, and if delivered, less council funding will be used.

**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2015/16- 2017/18**

Item Ref. No:  
**GRO/**

**1. RISKS AND IMPLICATIONS:**

**Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.**

This proposal supports our community leadership role in tackling the perceptions of local people where this may lead to discrimination, harassment or hate crime.

**2 VALUE FOR MONEY/EFFICIENCY**

**Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/inspection judgements**

Procurement of services to host these events will subject to the councils procurement rules and will ensure value for money considerations are taken into account.

**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2015/16- 2017/18**

Item Ref. No:  
**GRO/CORP/01/15**

<b>TITLE OF ITEM:</b>	DCLG Commissioners		
<b>DIRECTORATE:</b>	Corporate		
<b>SERVICE AREA:</b>	Corporate	<b>LEAD OFFICER:</b>	Stephen Halsey

<b>FINANCIAL INFORMATION:</b>				
	<b>Contingency / Budget allocation</b>	<b>Bid (Base is 2014/15 Budget)</b>		
	<b>2014/15 £'000</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>
Employees (FTE)	NIL	100	(40)	(60)
Employee Costs				
Other Costs				
Income				
To Reserves				
<b>TOTAL</b>		100	(40)	(60)

\*Committed growth agreed on an annual basis, therefore future years are included as indicative figures to aid medium term financial planning

**DESCRIPTION & JUSTIFICATION**

**Growth Calculation**  
 In April 2014, the secretary of state for Communities and Local Government announced an independent inspection of the London Borough of Tower Hamlets. The findings were published by PWC on the 4<sup>th</sup> November 2014; The secretary of state issued directions and commissioners have been placed within Tower hamlets until March 2017. This growth bid is to fund the additional costs of 1 Lead Commissioner at £600 per day for the other Commissioners a fee of £500 per day for 50 days in 2015/16 and 30 days per Commissioner in 2016/17, with additional costs for expenses and contingencies.

**1. RISKS AND IMPLICATIONS:**

Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demanded provide details of the increase in client numbers and the basis of any projections.

If the funding is not approved the cost would have to be met from reserves or contingencies – legally, the Council is obliged to meet this cost.

**2. VALUE FOR MONEY/EFFICIENCY**

Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements

There has been no value for money assessment of this proposal.

# **Appendix4 - Savings**

Ref.	Description of Savings Opportunity	2015/16 (December)	2015/16 (Revised)
		£000	£000
<b>Development and Renewal</b>			
D&R002/15-16	Optimising External Funding	150	150
D&R003/15-16	Lettings Restructure	134	134
D&R010/15-16	European Social Fund Match Funding Payments	109	109
D&R011/14-15	Barkantine Heat and Power Company	180	180
	Various savings each of less than £100k	454	454
		<b>1,027</b>	<b>1,027</b>
<b>Communities, Localities and Culture</b>			
CLC009/15-16	Mainstreaming Recycling Education	103	103
CLC010/15-16	Deliver More Street Care Monitoring Through Champions and Volunteers	140	140
CLC012/15-16	Introduce Residual Waste Limits for Multi Occupancy Premises	100	100
CLC026/15-16	DMT Restructure	100	100
	Various savings each of less than £100k	130	130
		<b>573</b>	<b>573</b>
<b>Education, Social Care and Wellbeing</b>			
ESCW002/15-16	Management Streamlining (Adult Social Care)	263	263
ESCW004/15-16	Efficiency review of Community Mental Health Services	293	293
ESCW006/15-16	Reconfiguration of Homecare Services	2,021	2,021
ESCW008/15-16	Streamline Support for Safeguarding Adults Board	195	195
ESCW009/15-16	Management Streamlining Children's Social Care	380	380
ESCW012/15-16	Reconfiguring Children's Homes	600	600
ESCW013/15-16	Review of Non-Statutory Independent Reviewing Functions	289	289
ESCW016/15-16	Streamline Management in YOT	188	188
ESCW024/15-16	Reconfigure Mental Health Day Opportunities	167	167
ESCW026/15-16	Review of Adults using Tower Hamlets Transport Service	169	169
ESCW028/15-16	Procurement Savings - Supporting People	750	750
ESCW030/15-16	Remodel Strategic Support Services	370	370
ESCW032/15-16	Change Project Funding Model	120	120
ESCW034/15-16	Directorate Administration Review	500	500
ESCW036/15-16	Joint use of Careers Centre	133	133
ESCW041/15-16	Income Generation and Efficiencies in Early Years Service	148	148
ESCW044/15-16	Reconfigure Children's Centre Service	1,000	1,000
ESCW046/15-16	Surplus Learning and Development Budget	200	200
ESCW052/15-16	Integration of First Response and Local Health Services	250	250
ESCW054/15-16	Consolidation of Learning Disability Service	225	225
ESCW055/15-16	Better Targeting and Integration of Reablement Services	200	200
ESCW057/15-16	Reduce Duplication in Leaving Care Service	427	427
ESCW059/15-16	Integration of Accommodation Based Floating Support Service	109	109
ESCW061/15-16	Transport Efficiency Review	675	675
CD/PH02/15-16	Public Health - Reconfiguration of Sexual Health Services	800	800
CD/PH05/15-16	Public Health - Smoking cessation	360	360
CD/PH08/15-16	Public Health - Procurement and Non contract	419	419
CD/PH09/15-16	Public Health - Staffing	324	324
CD/PH10/15-16	Public Health - Mainstreaming 'Healthy Communities' Projects	388	388
	Various savings each of less than £100k	1,568	1,459
		<b>13,531</b>	<b>13,422</b>
<b>Resources</b>			
RES004/15-16	Second Phase of Planned Finance Re-Organisation	350	350
RES008/15-16	Reduction of Controllable Costs – Supplies and Services	150	150
RES009/15-16	Recovery of Court Costs	100	100
RES011/15-16	Delivering NVQ Support Through Local Providers	205	205
RES012/15-16	Rationalise Structure of Consultancy Service	130	130
RES0024/15-17	Vacancy Management Customer Access	125	125
RES025/15-16	Temporary & Agency Staff Contract	800	800
	Various savings each of less than £100k	893	523
		<b>2,753</b>	<b>2,383</b>
<b>Law, Probity and Governance</b>			
	Various savings each of less than £100k	284	284
		<b>284</b>	<b>284</b>
<b>Cross Directorate</b>			
CD002/15-16	Corporate Reserves Contingency Review	3,000	3,000
RES022/15-16	Council Tax Efficiencies	335	335
RES023/15-16	Employment Options Programme	3,900	3,561
RES024/15-16	Business Rates Efficiencies	1,360	1,360
	Various savings each of less than £100k	141	141
		<b>8,736</b>	<b>8,397</b>
<b>Total Approved Savings (All Directorates)</b>		<b>26,904</b>	<b>26,086</b>

Ref.	Description of Savings Opportunity	2015/16
		<b>£000</b>
<b>Education, Social Care and Wellbeing</b>		
CD/PH11/15-16	Public Health - Drug Service Commissioning	500
		<b>500</b>
<b>Communities, Localities &amp; Culture</b>		
CLC023/15-16	Youth & Community Service Efficiencies	100
	Various savings each of less than £100k	80
		<b>180</b>
<b>Corporate</b>		
RES027/15-16	Investment Income	750
		<b>750</b>
<b>Total New Savings (All Directorates)</b>		<b>1,430</b>



<b>TITLE:</b>	<b>Public Health - Drug Service Commissioning</b>						
<b>DIR:</b>	ESCW						
<b>SERVICE:</b>	PUBLIC HEALTH - DRUG SERVICE COMMISSIONING					REF:CD/PH/0011/15-16	
<b>TEAM:</b>	PUBLIC HEALTH					LEAD OFFICER:	
<b>SAVINGS OPPORTUNITY</b>	<b>BASE BUDGET £000</b>	<b>Net Savings 15/16 £000</b>	<b>Net Savings 16/17 £000</b>	<b>Net Savings 17/18 £000</b>	<b>Total Saving</b>	<b>THEMES:</b>	<b>Is an EA Req?</b>
Administrative Efficiencies	7,400	500			500	Lean: Service Re-Design and Consolidation	Yes
FTE Reductions							
<b>DETAILS OF SAVINGS OPPORTUNITY</b>							
<p>The level of savings proposed are achievable via the re-procurement exercise with minimal impact on frontline services at current levels of demand. The new treatment system has been designed to generate increased engagement in treatment whilst at the same time improving service quality and staff/client ratios. The majority of this saving will be generated from non-frontline expenditure but there will be some loss of frontline capacity and hence a pressure within services as demand grows. This will need to be monitored on an annual basis.</p> <p>£357k of the £500k can be achieved without reducing funding to frontline services. This significantly minimises the impact of a funding reduction and is considered to be manageable within the re-procurement process which will generate some cost efficiencies via reduced management costs and overheads.</p>							
<b>IMPLICATIONS TO CONSIDER</b> (Summarise impact on services provided, service users and health outcomes. Outline any risks to achievement of the saving. )							
<p>The level of savings proposed are achievable via the re-procurement exercise with minimal impact on frontline services at current levels of demand. The new treatment system has been designed to generate increased engagement in treatment whilst at the same time improving service quality and staff/client ratios. The majority of this saving will be generated from non-frontline expenditure but there will be some loss of frontline capacity and hence a pressure within services as demand grows. This will need to be monitored on an annual basis.</p>							
<b>EQUALITIES SCREENING</b>							
<b>TRIGGER QUESTIONS</b>	<b>YES/NO</b>	<b>IF YES - please provide further details on how this impacts on each equalities groups</b>					
Does the change reduce resources available to address inequality?	Yes	The treatment system currently consists of a variety of contracts with specialist services for the homeless, women, BME communities, pregnant women.					
Does the change reduce resources available to support vulnerable residents?	Yes	Drug / alcohol users and their families are a vulnerable group often suffering from ill health, poor accommodation arrangements, financial difficulties, poor educational attainment and employment prospects.					
<b>CHANGES TO A SERVICE</b>							
Does the change alter who is eligible for the service?	No						
Does the change alter access to the service?	Yes	The number of access routes across the system will reduce though this is seen to be beneficial for appropriate oversight of individual treatment journeys.					
Does the change involve revenue raising?	No						
Does the change involve a reduction or removal of income transfers to service users?	No						
Does the change affect who provides the service, i.e. outside organisations?	Yes	There is currently a wide range of providers across the treatment system from 3rd sector and statutory agencies. The number of agencies involved will reduce upon re-procurement.					
<b>CHANGES TO STAFFING</b>							
Does the change involve a reduction in staff?	Yes	Within commissioned agencies					
Does the change involve a redesign of the roles of staff?	Yes	Within commissioned agencies					

## **Budget Savings Proposals Full Equality Analysis:**

### **Section 1: General Information**

This proposal will reduce funding to drug and alcohol treatment by £500k in order that it may be utilised elsewhere as part of the Public Health Savings Programme. This reduction would be achieved via reprocurement of the treatment system modelled to achieve better treatment outcomes for residents in the treatment system, improve overall performance of drug and alcohol services in the borough, attain better value for money and respond better to local needs.

### **Section 2: Information about changes to services**

#### **2a) Description of savings proposals and the reasons for this change**

The DAAT completed a Substance Misuse Needs Assessment in February 2014, which involved a variety of consultation exercises with stakeholders and service users. The needs assessment concluded that the re-procurement of drug and alcohol services in Tower Hamlets would be the appropriate way to improve future performance and achieve better value for money.

A funding reduction of £500k has now been proposed and this Equality Assessment seeks to address the impact of this budget reduction.

£357k of the £500k can be achieved without reducing funding to frontline services. This significantly minimises the impact of a funding reduction and is considered to be manageable within the re-procurement process which will generate some cost efficiencies via reduced management costs and overheads.

£143k, will potentially negatively impact service users – such impacts are considered in this Equality Assessment.

The reduction of £143k across treatment services will be managed via the procurement process. Essentially this will mean that the

budgets available for treatment will be reduced by £143k and providers bidding for these services will need to deliver within the reduced budget. Details of how this will be achieved will only be fully available once providers submit their bids. However, as the number of discrete services reduce, there are efficiencies to be made in premises / management costs etc and we anticipate there being more frontline capacity than currently available.

The borough has complex need opiate drug users and a complex treatment structure. In recent months service users successfully completing treatment have decreased, re- presentations back into drug services have increased and new entries into treatment decreased. This trend means that performance compared to other boroughs in the same complexity cluster has worsened.

The DAAT has access to good data and research about Tower Hamlets on the Borough Profile web pages. This information is setting the scene and provides an understanding of the different communities in the borough. However, we have only limited information about the local problematic drug using population who do not engage in services and drug use in general. The majority of data comes from treatment sources, based on information about clients in the treatment system.

In this EA we discuss primarily the impact on service users . The information is taken from local monitoring reports provided directly from service providers and NDTMS data directly accessible via Public Health England.

Consultation meetings with the community reviewing the plans for re-procurement have played a crucial role to inform this EA, widening our understanding of potential risks and impacts on service delivery and service users. Results of the consultation meetings with service users, service providers and GPs are discussed in this document.

Both quantitative and qualitative information contributed to our analysis and are represented in our conclusions and recommended actions.

### **2b) What are the equality implications of your proposal?**

We anticipate that proposed changes to the service at full budget will ensure that more frontline staff are available to deliver drug and alcohol services in the borough. At the same time we are committed to maintain specific focus on key working, counselling and psychosocial interventions. New developments in service specifications for the new treatment system model include; Increased psychosocial interventions, robust care planning review processes, dedicated referral / outreach capacity for targeted populations,

longer opening hours, home visits where appropriate, embedded family interventions, improved recovery support interventions integral to every service user's care plan.

Tier 4 residential detoxification and rehabilitation are not included in the re-procurement process. However this service would be impacted with this level of budget reduction. The provision is set to give clients access to residential detoxification and rehabilitation either in borough or in appropriate localities. These decisions are reached by the Tier 4 Panel who are formed through a multiagency partnership including clinicians, treatment providers and commissioners. In many cases clients work through their structured treatment to move onto residential detoxification and rehabilitation. Indeed for many this is seen as the panacea of their treatment. Nonetheless in a recovery orientated service residential detox and rehabilitation is an important instrument to secure recovery outcomes.

### **Section 3: Equality Impact Assessment**

#### **Consultation**

##### *Quantitative data available for EA*

- Statistics from NDTMS (National Drug Treatment Monitoring System) contains information about who is in treatment and for what. Data about drug & alcohol use and treatment has been analysed extensively in the Substance Misuse Needs Assessment 2013/14. This data set is critical to assessing both service need and performance. It also supports an understanding of treatment demand to inform substance misuse intervention priorities for local partnerships.
- Data about the Tower Hamlets population – Access via Tower Hamlets Borough Profile web pages for statistics about the boroughs population including information from the National Census 2011.
- Results from service user questionnaire with 200 responses delivered as part of Substance Misuse Needs Assessment 2013/14 informing its recommendations
- Service user data from monitoring returns (latest data June / July 2014)

- Staff monitoring data provided by service providers (Q4 2013/14 and July 2014)

#### *Qualitative information available for EA*

- Substance Misuse Needs Assessment interviews with 29 stakeholders from service providers and DAAT staff. Interviews undertaken in Nov and Dec 2013.
- Four qualitative research focus groups in Dec 2013 with 36 clients with experience of a range of Tower Hamlet drug and alcohol services, including ISIS, THCAT, CDT and NAFAS.
- Consultation workshop with service managers 17th July 2014
- Consultation workshop with GPs, three session 22nd, 23rd and 25th July 2014
- Consultation workshop with Drug & Alcohol Network 23rd July 2014
- Consultation workshop with service user 24th July 2014

#### **Consultation Findings**

• Extensive consultation including focus groups and survey based research with relevant interest groups, service users, service providers and stakeholders were carried out as part of the Substance Misuse Needs Assessment 2013/14. The results informed directly the recommendations of the needs assessment which were used to inform the proposed re-procurement of local services.

• Various consultation sessions were delivered to consult on the preferred service commissioning model in the borough including three sessions with GPs, a consultation workshop with service managers of local drug and alcohol services, a workshop with the Drug & Alcohol Network and a session with the service user group.

As part of the consultation workshops, participants agreed with the general direction of the plans and supported the proposals including:

- the streamlined structure, easier to understand and navigate;
- the clear journey from admission to recovery;
- the overall recovery focus, and
- increase of front line staff and level of outreach / in-reach.

Workshop participants raised concerns about the re-procurement plans. The main concerns included:

- location of services;
- the flexibility of service delivery, out of hours availability including home visiting
- the workability of a consortia approach;
- maintaining the delivery of specific services including Blood Borne Viruses (BBV) or liver disease treatment;
- risk of losing specialist workers and specialist services, trained staff with negative impact on client relationships;
- are contract specifications robust enough to deliver results, and
- TUPE arrangements and service disruption.

These concerns have been integrated into the service specifications by the DAAT as part of the re procurement exercise and will be further addressed in contract negotiations. The future service providers will be responsible to deliver drug and alcohol treatment that will mitigate those concerns.

<b>Target Groups</b>	<b>Impact – Positive or Adverse</b>	<b>Reason(s)</b>
What impact will the proposal have on specific groups of service users and staff?		Please add a narrative to justify your claims around impacts and,  Please describe the analysis and interpretation of evidence to support your conclusion as this will inform members decision making

Race	Possibly Adverse	<p>The majority of clients in treatment were White British (39 per cent), higher than the total population aged 18 plus of 35.7 per cent. Around 29 per cent percent of those in treatment were Bangladeshi which was again above the proportion of British Bangladeshi in the 18 plus population in the borough (25 per cent). In comparison, the Other White population was slightly under-represented in the treatment population. See table below. (Source: NDTMS 2013/14 All in treatment YTD / Census 2011)</p>																																																									
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		<p>With a £500K reduction this could limit the range of new entrants coming into services and services could focus on opiate and extreme levels of alcohol dependency. This could mean that many presenting with non-opiates (including KHAT, cannabis and legal highs) do not access treatment. This would suggest that the service would return to a strong dominance of White British and Bangladeshi presentation and a reduction in virtually all other ethnic groups.</p>
Disability	Neutral	<p>Census 2011, respondents were asked whether their activities are limited by long-term health problems or disability. They were able to choose between 'limited a lot', 'limited a little' and 'no'. Of over 254,000 respondents in the borough, 7 per cent stated that their day-to-day activities were limited a lot, and another 7 per cent stated they were limited a little.</p> <p>Service providers in Tower Hamlets monitor the take up of treatment by disability. Recent quarter 4 monitoring returns indicate that around 12.2 per cent of clients in treatment had a disability. This would be close to the borough average of 14 per cent taken from the Census2011.</p> <p>Current service users are overall representative of residents with a disability in Tower Hamlets. We anticipate developing strong links with mental health services improving services for those clients.</p> <p>The re-procured service will be tasked to work with high need groups in the borough. The consortia approach should ensure that the expertise of existing service provision in the borough will be retained. Even with a reduction in funding the proportion of disabled people entering services would remain broadly constant.</p>
Gender	Possibly adverse	<p>The overall gender split of the 18 plus population in the borough was 51.7per cent males and 48.3per cent females. (Source: Census 2011). In 2013/14 there were 1,685 adults in drug treatment, around 324 (19 per cent) were female clients and 1,361 (80per cent) male clients. The female population is under-represented in treatment and lower than the London average (24per cent) and national average (26per cent) in treatment. (Source: NDTMS 2013/14 All in</p>



		<p>treatment YTD).</p> <p>The proposed model for re-procurement would mean that there would no longer be a separate contracted female only service and therefore there will be a significant change in service for female drug users. However, the existing female only provision has not engaged a higher proportion of females in treatment than boroughs without female only provision. Service specifications of the main treatment provider will be developed to ensure there is female only provision available.</p>												
Gender Reassignment	Neutral	The council does not hold information on gender reassignment in the borough. Service providers are monitoring the category to ensure that client data will be available in the future.												
Sexual Orientation	Neutral	<p>The council does not hold robust information about sexual orientation in Tower Hamlets. However, service providers monitor sexual orientation of those in treatment. Data indicates that 94.3per cent were heterosexual, 1.5per cent homosexual and 1.1per cent Bi-sexual.</p> <table border="1"> <thead> <tr> <th>Sexual orientation</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td><b>Heterosexual</b></td> <td>94.3%</td> </tr> <tr> <td><b>Homosexual</b></td> <td>1.5%</td> </tr> <tr> <td><b>Bi-Sexual</b></td> <td>1.1%</td> </tr> <tr> <td><b>Other</b></td> <td>0.6%</td> </tr> <tr> <td><b>Not Recorded</b></td> <td>2.5%</td> </tr> </tbody> </table> <p>Anecdotal evidence shows that drug use by MSM is high but does not show in the treatment data. With a £500K reduction this could limit the range of new entrants coming into services and services could focus on opiate and extreme levels of alcohol dependency. This could mean that many presenting with non-opiates (including KHAT, cannabis and legal highs) do not access treatment.</p>	Sexual orientation	Percentage	<b>Heterosexual</b>	94.3%	<b>Homosexual</b>	1.5%	<b>Bi-Sexual</b>	1.1%	<b>Other</b>	0.6%	<b>Not Recorded</b>	2.5%
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<b>Other</b>	0.6%													
<b>Not Recorded</b>	2.5%													
Religion or Belief	Neutral	<p><i>Religion or Belief</i></p> <p>Tower Hamlets has the highest percentage of Muslim residents in England – 35 per cent compared with a national average of 5 per cent. Conversely, the borough has the</p>												

		<p>lowest proportion of Christian residents in England: 27 per cent compared with a national average of 59 per cent. The third largest group was the group with no religion with 19 per cent.</p> <p>Recent quarter 4 monitoring data from drug and alcohol service providers indicates that Christian residents (41.6 per cent) were slightly over-represented in treatment while Muslim residents (26.4 per cent) were under-represented. The proportion of residents with no religion including Atheists of 17.6 per cent was close to the Census 2011 figure. See table below.</p> <table border="1" data-bbox="748 611 1603 1011"> <thead> <tr> <th>Religion</th> <th>Religious belief of those in treatment</th> </tr> </thead> <tbody> <tr> <td><b>Atheist</b></td> <td>0.3%</td> </tr> <tr> <td><b>Buddhist</b></td> <td>0.2%</td> </tr> <tr> <td><b>Christian</b></td> <td>41.6%</td> </tr> <tr> <td><b>Hindu</b></td> <td>0.3%</td> </tr> <tr> <td><b>Sikh</b></td> <td>0.3%</td> </tr> <tr> <td><b>Jewish</b></td> <td>0.1%</td> </tr> <tr> <td><b>Muslim</b></td> <td>26.4%</td> </tr> <tr> <td><b>No Religion</b></td> <td>17.3%</td> </tr> <tr> <td><b>Other</b></td> <td>13.6%</td> </tr> </tbody> </table> <p>(Source: Tower Hamlets Quarter 4 monitoring returns 2013/14)</p>	Religion	Religious belief of those in treatment	<b>Atheist</b>	0.3%	<b>Buddhist</b>	0.2%	<b>Christian</b>	41.6%	<b>Hindu</b>	0.3%	<b>Sikh</b>	0.3%	<b>Jewish</b>	0.1%	<b>Muslim</b>	26.4%	<b>No Religion</b>	17.3%	<b>Other</b>	13.6%
Religion	Religious belief of those in treatment																					
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<b>Muslim</b>	26.4%																					
<b>No Religion</b>	17.3%																					
<b>Other</b>	13.6%																					
Age	Possibly Adverse	<p>Around 60per cent of clients in treatment during 2013/14 were aged 30-44, a strong overrepresentation compared to the proportion of residents in that age group according to the Census. Remarkably, more clients in Tower Hamlets aged 30 to 44 were in treatment compared to London (49per cent) and England (58per cent).</p> <p>In Tower Hamlets, those aged 18 to 24 (6 per cent) were under-represented compared to London (9 per cent) and England (9 per cent).</p>																				

The group of clients in treatment aged 45 and older in Tower Hamlets resembles closely the proportion of clients in England aged 45 and older. In comparison to London, the proportion of Tower Hamlets residents was actually lower. See table below.

Age group	Tower Hamlets	Tower Hamlets	Londo	England	Tower Hamlets
	All in Treatment - Total	All in treatment %	All in treatment (%)	All in treatment (%)	Census 2011 population 18 plus (%)
<b>18 – 24</b>	105	6%	9%	9%	19%
<b>25 – 29</b>	184	11%	12%	13%	20%
<b>30 – 34</b>	398	24%	17%	21%	17%
<b>35 – 39</b>	340	20%	16%	20%	11%
<b>40 – 44</b>	264	16%	16%	17%	8%
<b>45 – 49</b>	209	12%	14%	11%	6%
<b>50 – 54</b>	111	7%	9%	6%	5%
<b>55 – 59</b>	47	3%	4%	2%	4%
<b>60 – 64</b>	19	1%	2%	1%	3%
<b>65 plus</b>	8	0%	1%	0%	8%

(Source: NDTMS 2013/14 All in treatment YTD)

Service users tend to come into structured treatment when their lives have become chaotic, their health has worsened and where they have to present because of their engagement in the criminal justice system. Additionally the borough's drug presentations are predominantly opiate based and this is generally a reflection of an older cohort of drugs users. It is clear however that the borough has younger drug and alcohol misusing populations. The treatment system is keen to ensure that this group

		<p>has equal access to services and to ensure that their problematic substance misuse does not proliferate and / or begin to create greater harm both to them and the communities in which they live.</p> <p>We know that age matters when accessing treatment. We understand the relationship between problematic drug use, age and treatment need. The aim of the new drugs and alcohol services will be to offer and provide successful treatment as early as possible in the life of a problematic drug and alcohol user. With a reduction in funding the capacity to support young adults through the treatment system could be limited, though this impact will be minimized by the minimal frontline savings required.</p>
Socio – economic	N/A	
Marriage and civil Partnership	Neutral	Service providers monitor the take up of treatment by marriage & civil partnership. However the data is currently very limited. We believe that future improvement in monitoring will enhance our understanding of needs in this group
Pregnancy and Maternity	Neutral	Service providers monitor the take up of treatment by pregnancy and maternity. However the data is currently very limited. We believe that future improvement in monitoring will enhance our understanding of needs in this group.
Other	N/A	

#### Section 4: Equality Impact Assessment Action Plan

Please list in the table below any adverse impact identified and, where appropriate, steps that could be taken to mitigate this impact.

If you consider it likely that your proposal will have an adverse impact on a particular group (s) and you cannot identify steps which would mitigate or reduce this impact, you will need to demonstrate that you have considered at least one alternative way of delivering the change which has less of an adverse impact.

Adverse Impact	Please describe the actions that will be taken to mitigate this impact
Race	Strong requirements within the specifications to ensure agencies proactively target populations of different ethnicities and provide services that are appropriate, accessible and flexible enough to accommodate different needs
Gender	Strong requirements within the specifications to ensure agencies proactively target female drug / alcohol users and provide services that are appropriate, accessible and flexible enough to accommodate different needs
Age	Strong requirements within the specifications to ensure agencies proactively target young adults misusing drugs / alcohol and provide services that are appropriate, accessible and flexible enough to accommodate different needs

<b>OPP TITLE:</b>		<b>Youth &amp; Community Service Efficiencies</b>					
<b>DIR:</b>		CLC					
<b>SERVICE:</b>		Youth & Community Service				REF: CLC023/15-6	
<b>TEAM:</b>		LEAD OFFICER: Andy Bamber					
<b>SAVINGS OPPORTUNITY</b>	<b>BASE BUDGET £000</b>	<b>Net Savings 15/16 £000</b>	<b>Net Savings 16/17 £000</b>	<b>Net Savings 17/18 £000</b>	<b>Total Saving</b>	<b>THEMES:</b>	<b>Is an EA Req?</b>
		100			100	Lean: Service Re-Design & Consolidation	No
FTE Reductions							
<b>DETAILS OF SAVINGS OPPORTUNITY</b>							
<p>The new management controls established within the Youth Service will deliver service efficiencies of up to £100k on the current budget provision. It is anticipated that this saving can be realised in subsequent years and can therefore be removed from the baseline budget going forward. This proposal has a number of elements that will deliver the savings. Since the council made the decision to bring the service in house, there is now the opportunity to consolidate and rationalise the budgets for the delivery of the programmes. This enables the service to deliver efficiencies under the new arrangements which has been successfully bedded in to the way the service is managed. Also, this has enabled a proactive approach to the use of resources which will enable further efficiencies to support the service. The review and streamlining of the use of purchase cards spend within the service will also ensure that resources are allocated effectively and efficiently whilst delivering economies.</p> <p>This proposal will not impact on the service provision to users and will not affect the capacity or capability of staff delivering services.</p>							
<b>EQUALITIES SCREENING</b>							
<b>IMPLICATIONS TO CONSIDER</b>							
including Risks, Audit, Financial, Communications, Legal, HR, Strategy, Procurement, ICT							
The savings proposal is designed to improve the efficiency of the service without any impact on the capacity and capability of staff delivering frontline services							
<b>EQUALITIES SCREENING</b>							
<b>TRIGGER QUESTIONS</b>	<b>YES/NO</b>	<b>IF YES - please provide further details on how this impacts on each equalities groups</b>					
Does the change reduce resources available to address inequality?	no						
Does the change reduce resources available to support vulnerable residents?	no						
Does the change involve direct Impact on front line services?	no						
<b>CHANGES TO A SERVICE</b>							
Does the change alter who is eligible for the service?	no						
Does the change alter access to the service?	no						
Does the change involve revenue raising?	no						
Does the change involve a reduction or removal of income transfers to service users?	no						
Does the change affect who provides the service, i.e. outside organisations?	no						
Does the Change involve Local Suppliers being affected ?	no						
Does the change affect the Third Sector?	no						
Does the change affect Assets?	no						
<b>CHANGES TO STAFFING</b>							
Does the change involve a reduction in staff?	no						
Does the change involve a redesign of the roles of staff?	no						

<b>TITLE:</b>	<b>Investment Income</b>						
<b>DIR:</b>	RES						
<b>SERVICE:</b>	CORPORATE FINANCE					REF: RES027/15-16	
<b>TEAM:</b>	FINANCE					LEAD OFFICER: CHRIS HOLME	
<b>SAVINGS OPPORTUNITY</b>	<b>BASE BUDGET £000</b>	<b>Net Savings 15/16 £000</b>	<b>Net Savings 16/17 £000</b>	<b>Net Savings 17/18 £000</b>	<b>Total Saving</b>	<b>THEMES:</b>	<b>Is an EA Req?</b>
Income	1,700	750			750		No
FTE Reductions							
<b>DETAILS OF SAVINGS OPPORTUNITY</b>							
<p>The above budget and savings figures are based on average cash balance estimated at £350m with average rate of return of 0.70% for 2015/16.</p> <p>Investment Strategy for 2015/16 is proposing extending the range of products in which the Council can invest in, in order to effectively manage the Council's investment cash balances.</p> <p>Interest rates are currently historically low, driven by a bank base rate of 0.5%, and the creditworthiness of banks has been under intense scrutiny resulting in a large number of banks being downgraded. This has gradually reduced the number of banks and other institutions which are compliant with the Council's investment policy criteria.</p> <p>This restriction has limited the number of counterparties that the Council can place investment with, this in itself creates a concentration risk, because it does not allow the Council to spread its investments over a considerable amount of counterparties and has also forced the Council to keep large sums of cash in overnight money market investments which deliver very little return.</p> <p>In an attempt to alleviate the counterparty concentration risk and to also have high quality institutions on the Council's counterparty list, more investment products such as treasury bills and certificates of deposit are being proposed to the Council's investment strategy and policy.</p> <p>The strategy propose using a product such as certificates of deposit to attract institution such as Standard Chartered which is a high quality institution but not active in the fixed interest cash deposits market.</p> <p>The Council's cash flow model has been recently re-examined in order to predict more accurately when funds will be required. This will be achievable, provided the treasury team are kept updated on any revision to capital expenditure plans on a regular basis. In view of the current capital expenditure plans for 2015/16, which is low spent horizon, the treasury team can therefore invest for longer periods.</p> <p>The level of investment income that the Council can generate for 2015/16 is set based on the availability of funds for the year with regard to the Council's monthly liquidity requirements, with no target set to borrow temporarily (as this is very expensive).</p>							
<b>IMPLICATIONS TO CONSIDER</b>							
<b>(Summarise impact on services provided, service users and health outcomes. Outline any risks to achievement of the saving)</b>							
<p>There are no service implications. The treasury team will continue to manage investments on a day to day basis in accordance with current practice. Financial investment always carries a measure of risk. Good treasury management practice identifies and measures these risks and undertakes investments on the basis of balancing risk and return. When public money is involved, it is also important to ensure that assets are relatively secure. The Council's investment is designed to ensure investments are undertaken without unnecessary risk. The ability to invest funds with a wider range of counterparties itself provides risk cover by ensuring that large sums are not deposited with one borrower.</p>							

## Budget Savings Proposals 2015/16: Full Equality Analysis

### Section 1: General Information

This Equality Analyses reviews the cumulative impact of the Savings Programme for the 2015/16 Budget. It only covers the impact on residents and services and does not relate to any impacts on staff.

This Equality Analyses refers to the 18 Savings Proposals which have undergone public consultation and are being considered by Cabinet on 7 January 2015. There are a number of proposals that are currently being amended or are currently being consulted on. As such, this Equality Analyses has omitted these proposals but they may be considered in future iterations.

### Section 2: Information about changes to services

#### **2a) Description of savings proposals and the reasons for this change**

Tower Hamlets Council is under a duty to set a balanced and sustainable budget and needs to plan the use of resources in such a way that it can deliver its statutory responsibilities and priorities as well as meeting local people's aspirations. As a result of this a number of Budget Savings proposals have been developed.

#### **2b) What are the equality implications of your proposal?**

##### **Does the change reduce resources available to address inequality?**

Yes – further detail provided in section 3.

##### **Does the change reduce resources available to support vulnerable residents?**

Yes – further detail provided in section 3.

##### **Does the change alter who is eligible for the service?**

No



**Does the change alter access to the service?**

Yes – further detail provided in section 3.

**Does the change involve revenue raising?**

Yes – further detail provided in section 3.

**Does the Change involve a reduction or removal of income transfers to service users?**

Yes – further detail provided in section 3.

**Approach to Consultation**

To ensure that our assessment of the potential impact on equality of savings proposals is accurate and to meet our legal duty to have ‘due regard’ to equality, we have sought the views of those affected by these savings.

As part of showing ‘due regard’ we consulted to a degree on all of the proposals that have been identified as requiring an EA and had been identified as possibly having an impact on services and/or service users. A flexible approach was adopted towards consultation to ensure the approach was effective and workable.

The final outcome of the consultation process was a completed EA for each saving proposal that has been identified as requiring an EA through the equality screening process and had gone to consultation. These EAs have been, and will continue to be, published as part of Cabinet and Full Council papers, as well as being published online. You can view these here [www.towerhamlets.gov.uk/yourborough](http://www.towerhamlets.gov.uk/yourborough)

Each savings proposal was placed in one of three levels of required consultation. These different levels of consultation are:

**Level 1**

The public will have an opportunity to comment on the proposal as part of the Council’s wider consultation exercise/publicity being managed by the Communications team. There was also a generic budget consultation events held throughout August and September which informed the development of these proposals.

Level 2

Level 2 consultation was for proposals that have an impact on a particular section of the community or group. Consultation was proportionate and targeted the particular group in question. Generally, the approach for the consultation of the level 2s was part of the planned consultation for the Community Plan.

Level 3

Where there is a proposal to make a substantial and significant change to a service, formal consultation was undertaken with the service user group.

**Section 3: Equality Impact Assessment**

<b>Equality Group</b>	<b>Impact of Budget Saving Proposals</b>	<b>Mitigation</b>
Race	<p>There is one savings proposal that through the Equality Analyses process has been identified as possibly having a negative impact on 'Race'. This is:</p> <p><u>ESCW018/15-16: Muslim and African Families Service</u></p> <p>There is a risk that the quality of interactions between professionals (e.g. Social Workers and teachers) and the Bangladeshi and African families would decrease if less expertise on working with Muslim and African families is available. People in the community may stop engaging with mainstream children's social care due to negative perceptions of staff in the service and sometimes high levels of mistrust.</p> <p>There is a risk that the effectiveness of functions like safeguarding and criminal investigations for Muslim and African families may be negatively affected in the short-term, as staff in the current team are able to get information quickly and facilitate communication. Staff in the Muslim and African Families service have built</p>	<p><u>ESCW018/15-16: Muslim and African Families Service</u></p> <p>This can be mitigated against by utilising the skills and knowledge of the mainstream social work teams, some of whom who have worked closely alongside the Muslim and African Families service and have received the training and developing the expertise to continue this work. This can be reinforced through further training. Staff in these teams include those from an African and Bangladeshi ethnic background, in line with having a workforce to reflect the community.</p> <p>The Children's Social Care team can take on this role, but it will take time to build these relationships back up with new staff. This also presents an opportunity for new relationships to be developed.</p>

	<p>up strong relationships with African and Bangladeshi religious and community leaders and families that have built up over time.</p> <p>There is a risk that the number of safeguarding/child protection incidents and alerts in the Muslim and African community for children would rise if the strategic and outreach functions of the service are offered out to outside agencies, as there will be a less dedicated resource for Tower Hamlets. Professionals, community leaders and families are at risk of having less awareness and understanding of safeguarding/child protection if this service is deleted and may therefore be a higher risk of incidents (e.g. physical chastisement) occurring and a risk that incidents will not be dealt with as quickly and effectively.</p>	<p>In the current proposal, two out of the three roles will be retained, further mitigating against this risk.</p> <p>This risk can be mitigated against when redesigning the service: A full analysis can be carried out to ensure that the core needs of Tower Hamlets can be met. For example, if there is a need for a focus on a particular topic in Tower Hamlets, this can be carried out whilst also being offered to outside agencies.</p> <p>In the current proposal, two out of the three roles will be retained, further mitigating against this risk.</p>
Disability	<p>There is one savings proposal that through the Equality Analyses process has been identified as possibly having a negative impact on 'Disability'. This is:</p> <p><u>ESCW026/15-16 : Review of Adults using Tower Hamlets Transport Services</u></p> <p>There is a risk that adults with a learning disability using public transport will be more likely to experience anti-social behavior and discrimination on public transport. We know from service users and carers that people can have safety concerns when travelling on public transport</p>	<p><u>ESCW026/15-16 : Review of Adults using Tower Hamlets Transport Services</u></p> <p>Travel Trainers will work with people for as long as they need to ensure that people feel confident about using new forms of transport.</p> <p>Travel Training works to increase people's confidence on public transport and enables people to be able to cope with safety risks. Service users have suggested Travel Training as a way of addressing safety concerns on public transport. Carers concerns will be discussed</p>

	<p>The Muslim and African Families Service carries out a series of work designed to address safeguarding Children with a disability and individuals with Mental Health issues.</p>	<p>and addressed at a group level by offering information workshops. Carer concerns will be addressed on an individual level by involving carers in the assessment decision as to whether each individual will benefit from Travel Training.</p> <p>Some of the mainstream Children Social Care team have worked closely alongside the Muslim and African Families service, receiving the training and developing the expertise to continue this work. This can be reinforced through further training.</p> <p>In the current proposal, two out of the three roles will be retained, further mitigating against this risk.</p>
Gender	<p>There is one savings proposal that through the Equality Analyses process has been identified as possibly having a negative impact on 'Gender'. This is:</p> <p><u>ESCW018/15-16: Muslim and African Families Service</u></p> <p>Women may be affected if the Bangladeshi "Caring Dads" programme is cannot be offered to Tower Hamlets residents at current levels. The 18-week rolling programme is for fathers who have committed domestic violence. Women may be at risk of domestic abuse as a result of fewer men attending this programme.</p>	<p><u>ESCW018/15-16: Muslim and African Families Service</u></p> <p>This can be mitigated against by reviewing whether the Children's Social Care team or other statutory bodies have the capacity to help support this programme. The plan is that this service continues and is in fact strengthened by the income generation opportunities that are provided by this proposal. This is a unique service, with an existing track record of work with organisations across Europe, and there is likely to be a strong demand from other LA's for such a service.</p>
Gender Reassignment	<p>At this stage we have not identified any proposals which would affect 'Gender Reassignment' equality. We will however be developing our capacity to monitor impact throughout the year to ensure that on reporting</p>	<p>At this stage we have not identified any proposals which would affect 'Gender Reassignment' equality. We will however be developing our capacity to monitor impact throughout the year to ensure that on reporting</p>

	on the implementation of these savings we are able to assess impact in terms of 'Gender Reassignment' equality.	on the implementation of these savings we are able to assess impact in terms of 'Gender Reassignment' equality.
Sexual Orientation	At this stage we have not identified any proposals which would affect sexual orientation equality. We will however be developing our capacity to monitor impact throughout the year to ensure that on reporting on the implementation of these savings we are able to assess impact in terms of sexual orientation equality.	At this stage we have not identified any proposals which would affect sexual orientation equality. We will however be developing our capacity to monitor impact throughout the year to ensure that on reporting on the implementation of these savings we are able to assess impact in terms of sexual orientation equality.
Religion or Belief	<p>There is one savings proposal that through the Equality Analyses process has been identified as possibly having a negative impact on 'Religion or Belief'. This is:</p> <p><u>ESCW018/15-16: Muslim and African Families Service</u></p> <p>There is a risk that the quality of interactions between professionals (e.g. Social Workers and teachers) and the Bangladeshi and African families would decrease if less expertise on working with Muslim and African families is available. People in the community may stop engaging with mainstream children's social care due to negative perceptions of staff in the service and sometimes high levels of mistrust.</p> <p>There is a risk that the effectiveness of functions like safeguarding and criminal investigations for Muslim and African families may be negatively affected in the short-term, as staff in the current team are able to get information quickly and facilitate communication. Staff in the Muslim and African Families service have built up strong relationships with African and Bangladeshi religious and community leaders and families that have built up over time.</p> <p>There is a risk that the number of safeguarding/child</p>	<p><u>ESCW018/15-16: Muslim and African Families Service</u></p> <p>This can be mitigated against by utilising the skills and knowledge of the mainstream social work teams, some of whom who have worked closely alongside the Muslim and African Families service and have received the training and developing the expertise to continue this work. This can be reinforced through further training. Staff in these teams include those from an African and Bangladeshi ethnic background, in line with having a workforce to reflect the community.</p> <p>The Children's Social Care team can take on this role, but it will take time to build these relationships back up with new staff. This also presents an opportunity for new relationships to be developed.</p> <p>In the current proposal, two out of the three roles will be retained, further mitigating against this risk.</p>

	<p>protection incidents and alerts in the Muslim and African community for children would rise if the strategic and outreach functions of the service are offered out to outside agencies, as there will be a less dedicated resource for Tower Hamlets. Professionals, community leaders and families are at risk of having less awareness and understanding of safeguarding/child protection if this service is deleted and may therefore be a higher risk of incidents (e.g. physical chastisement) occurring and a risk that incidents will not be dealt with as quickly and effectively.</p>	<p>This risk can be mitigated against when redesigning the service: A full analysis can be carried out to ensure that the core needs of Tower Hamlets can be met. For example, if there is a need for a focus on a particular topic in Tower Hamlets, this can be carried out whilst also being offered to outside agencies.</p> <p>In the current proposal, two out of the three roles will be retained, further mitigating against this risk.</p>
Age	<p>There are two savings proposals that through the Equality Analyses process have identified a negative impact on 'Age'. These are:</p> <p><u>ESCW026/15-16 : Review of Adults using Tower Hamlets Transport Services</u></p> <p>Older people within the three groups (adults with a learning disability, adults with a physical disability, older people) are more likely to have been using Council-funded transport services to day opportunities for a longer period of time. There is a risk that people may have more difficulty changing from existing transport arrangements to public transport if they have been using existing services for some time. This can be mitigated against as travel trainers can work with people for as long as they need.</p> <p>Older people are more likely to have been using Council-funded transport services to day opportunities for a longer period of time. There is a risk that people may have more difficulty changing from existing transport arrangements to public transport if they have</p>	<p><u>ESCW026/15-16 : Review of Adults using Tower Hamlets Transport Services</u></p> <p>Travel Trainers will work with people for as long as they need to ensure that people feel confident about using new forms of transport.</p> <p>Travel Training works to increase people's confidence on public transport and enables people to be able to cope with safety risks. Service users have suggested Travel Training as a way of addressing safety concerns on public transport. Carers concerns will be discussed and addressed at a group level by offering information</p>

	<p>been using existing services for some time.</p> <p><u>ESCW006/15-16: Reconfiguration of Homecare Services</u></p> <p>Vulnerable service users particularly older service users may be distressed by the changes to their care arrangements, and may not welcome a change in carer. It is important to recognise that high levels of trust build up over time in the professional caring relationship, as is necessary for the delivery of a service that administers intimate care</p>	<p>workshops. Carer concerns will be addressed on an individual level by involving carers in the assessment decision as to whether each individual will benefit from Travel Training.</p> <p><u>ESCW006/15-16: Reconfiguration of Homecare Services</u></p> <p>It is recommended that service users are consulted in the process and once providers are identified, a handover period is managed for the transition, taking into account the sensitive nature of both the role and the transfer, and the associated risks involved.</p> <p>It will be important to involve the long term social care teams within this process, to ensure that service users are aware of their care options. It may be that changes are needed to support plans if users decide that they would prefer to take a personal budget and recruit a personal assistant. This process may be managed independently, or may require brokerage or advocacy to ensure that the rights of vulnerable individuals are explored, and they are fully involved in the decision making process.</p>
Marriage and Civil Partnerships	At this stage we have not identified any proposals which would affect 'Marriage and Civil Partnerships' equality. We will however be developing our capacity to monitor impact throughout the year to ensure that on reporting on the implementation of these savings we are able to assess impact in terms of 'Marriage and Civil Partnerships' equality.	At this stage we have not identified any proposals which would affect 'Marriage and Civil Partnerships' equality. We will however be developing our capacity to monitor impact throughout the year to ensure that on reporting on the implementation of these savings we are able to assess impact in terms of 'Marriage and Civil Partnerships' equality.
Pregnancy and Maternity	At this stage we have not identified any proposals which would affect 'Pregnancy and Maternity' equality. We will however be developing our capacity to monitor impact throughout the year to ensure that on reporting	At this stage we have not identified any proposals which would affect 'Pregnancy and Maternity' equality. We will however be developing our capacity to monitor impact throughout the year to ensure that on reporting

	on the implementation of these savings we are able to assess impact in terms of 'Pregnancy and Maternity' equality.	on the implementation of these savings we are able to assess impact in terms of 'Pregnancy and Maternity' equality.
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#### Section 4: Cumulative Equality Impact Assessment

There is only one Protected Characteristic that has more than one proposal that has identified a possible negative impact on it – 'Age'. As such this is the only Protected Characteristic that has a compounded impact as a result of the budget savings for 2015/16. The two savings that have an impact on 'Age' are:

- ESCW026/15-16:Review of Adults using Tower Hamlets Transport Services
- ESCW006/15-16:Reconfiguration of Homecare Services

From reviewing the details of the proposal and Equality Analyses for these two proposals there is no direct link between the two impacts. As such it is not considered that there is a compounded impact on this group.

#### Section 5: Equality Impact Assessment Action Plan

Please list in the table below any adverse impact identified and, where appropriate, steps that could be taken to mitigate this impact.

If you consider it likely that your proposal will have an adverse impact on a particular group (s) and you cannot identify steps which would mitigate or reduce this impact, you will need to demonstrate that you have considered at least one alternative way of delivering the change which has less of an adverse impact.

Adverse Impact	Please describe the actions that will be taken to mitigate this impact
NONE	NONE



**Section 6: Future Review and Monitoring**

Please explain how and when the actual equality impact of these changes will be reviewed and monitored.

There will be an ongoing Reviewing and Monitoring process for all of the Equality Analyses that have been produced for the budget savings for the 2015/16 budget. This is part of 'Business as Usual' across council directorates. To view these Equality Analyses visit [www.towerhamlets.go.uk/yourborough](http://www.towerhamlets.go.uk/yourborough)

The findings of this Full Equality Analyses will be used to inform future budget development and the findings will be taken in to account to ensure that future budget proposals do not compound identified impacts.

A similar exercise of developing a cumulative Equality Analyses will be undertaken for the 2016/17 budget. This Equality Assessment will inform future assessments to ensure that the ongoing impact is identified, analyses and mitigated.

# **Appendix 5 - Reserve and Balances**

## RESERVES AND BALANCES

### General Reserves

- 1.1 Local authorities are legally required to set a balanced budget and the chief finance officer has responsibility to report should serious problems arise (including in relation to the adequacy of reserves).
- 1.2 Under provisions introduced by the Local Government Act 2003, the level and use of reserves must be formally determined by the Council, informed by the judgement and advice of the chief finance officer. When calculating the budget requirement, the chief finance officer must report to Members on the adequacy of reserves. There are also now reserve powers for the Secretary of State to set a minimum level of reserves. External auditors are responsible for reviewing and reporting on financial standing but are not responsible for recommending a minimum level of reserves.
- 1.3 The Council needs to consider the establishment and maintenance of reserves as an integral part of its medium term financial planning. Reserves are held for three main purposes:
  - As a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of a general reserve.
  - As a contingency to cushion the impact of unexpected events or emergencies, including budget overspends – this also forms part of a general reserve.
  - To hold funds for specific purposes or to meet known or predicted liabilities – these are generally known as earmarked reserves. Schools' balances and insurance reserves are examples of these.
- 1.4 In order to assess the adequacy of general reserves, account needs to be taken of the strategic, operational and financial risks facing the authority. The level of general reserves is also just one of several related decisions in the formation of a medium term financial strategy and the budget for a particular year. Factors affecting judgements about reserves include the key financial assumptions underpinning the budget and an assessment of the Council's financial health, including:-
  - Overall financial standing (level of borrowing, Council Tax collection rates, auditors' judgements, etc.)
  - The track record in budget management.
  - Capacity to manage in-year budget pressures and savings.
  - The strength of financial information and reporting arrangements.
  - The external financial outlook.
- 1.5 There is, therefore, no 'correct' level of reserves. Furthermore, a particular level of reserves is not a reliable guide to the Council's financial health. It is quite possible for reserves to increase but for financial health to deteriorate, if for example, the authority's risk profile has changed. As a general rule of thumb, however, reserves need to be higher as financial risk increases, and may be allowed to become lower if risk reduces.

**RESERVES AND BALANCES**

- 1.6 Financial reserves also have an important part to play in the overall management of risk. Councils with adequate reserves and sound financial health can embark on more innovative programmes or approaches to service delivery, knowing that if the associated risks do materialise the Council has sufficient financial capacity to manage the impact. Conversely, Councils with inadequate reserves can either find it more difficult to introduce change, or in extreme cases can be forced to develop very high-risk service strategies simply in order to restore their financial health.
- 1.7 Despite a challenging savings programme in the current financial year, the authority is currently projecting to keep net expenditure within budget without the use of general fund reserves. As a consequence general reserves are projected to stand at £66.6m as at 31<sup>st</sup> March 2015. This represents a significant endorsement of the organisation's financial management arrangements.
- 1.8 This is further demonstrated through the on-going evaluation of the financial risks facing the Council and which is summarised in the attached Appendix 5.2. This shows that the medium to high risk financial pressures over and above those already built into the MTFP by way of specific budget provisions, require the Council to maintain general reserves at between £20m and £39.5m, with a recommended minimum level (representing a medium risk profile) of £20m.
- 1.9 As shown in Appendix 5.3, in order to smooth the impact of government grant reductions reserves are being built up in 2014/15 and will be utilised over the 3 year period 2015/16 to 2017/18. Over this period reserves will not fall below the range between 5% and 7.5% of the Council's gross expenditure (excluding schools and housing benefits) but will be higher than this at times. However the implication of planning to reduce general reserves to the minimum recommended level by April 2017 is that 2017/18 and subsequent years' budgets will need to be balanced by identifying any necessary savings year on year.
- 1.10 Appendix 5.2 shows that there have been some changes to the profile of risks since this time last year. More risk is now attributed to service pressures and the delivery of the authority's savings programme and less risk attributed to economic conditions. However, following the Government's Autumn Statement announcements in relation to 2015/16 and future years, the authority's savings targets continue to be stretching with each passing year. Although the assessment of high risk has reduced since last year, the risk that the authority may be placed in a position of having to find higher levels of savings at relatively short notice has increased in the last twelve months. There is no immediate imperative to build this worst case scenario into the Medium Term Financial Plan, but the risks will continue to be monitored closely as the MTFP is implemented.
- 1.11 This position will need to be kept under constant review. The Council is continuing to undertake a substantial change programme to deliver the savings required over the next three years and beyond. This will involve major remodelling of services, which will have up-front costs that the Council

## RESERVES AND BALANCES

will need to control, and improvement projects will need to be delivered on time to avoid cost overruns and a shortfall in savings required to balance the budgets. These factors point to the need for a solid financial position and earmarked resources set aside to underpin the risks involved.

- 1.12 The chancellor's Autumn Statement showed the continuing difficulties facing the UK economy. The recent confirmation of the 2015/16 grant settlement shows that the authority remains at the grant floor. However the population of the authority is expected to grow substantially and any additional costs arising will need to be met from savings.
- 1.13 Grant figures have yet to be announced beyond 2015/16 but the Autumn Statement announced that austerity would continue until at least 2018. The scale and pace of further funding cuts is dependent on the result on the General election in May 2015. As a rough estimate, the authority will need to deliver a further £40m worth of savings would be required by the end of that period.
- 1.14 Economic risk continues, manifesting itself primarily in low interest rates (which restrict the Council income from investments) and the possibility of low inflation. Indeed the UK economy is still recovering from recession and the public finances remain severely in deficit as a consequence of the cost of extra public borrowing to stimulate the banking sector and the impact on tax revenues of the recession. This has a number of potential effects for the Council;
- Lower than projected levels of inflation
  - Lower than expected business rates
  - A general reduction in debt recovery levels
  - Lower than planned investment income
  - Further reductions in Third Party Funding
  - Further reductions in grant income
  - Reductions in the level of income generated through fees and charges
  - Increase in fraud

All of these factors have been taken into account in setting the level of reserves for 2015/16 and the medium term.

### **Opportunity Costs**

- 1.15 When a decision is made to set resources aside against risks, it is important to consider the opportunities that are foregone and to balance this against the risk. The allocation of resources to reserves temporarily denies the authority the opportunity to spend this money. It is therefore important that reserves are held at a level that takes account of risks and that the reserves strategy is neither reckless nor risk averse. However, the ability to set money aside in reserves allows the authority to plan with more certainty and thus to take more short term risks than it would do if, for example, it had no balances or reserves to fall back on. There is also a risk that if insufficient reserves are carried to ride out unforeseen circumstances, the Council may be forced into urgent action to deliver savings which is more likely to have an impact on front-line services and incur additional costs.

## RESERVES AND BALANCES

### Insurance Reserve

- 1.16 The Financial Outlook and Review identified continuing pressure on insurance costs to meet both higher numbers of claims payments and higher external insurance premiums. The Council self-insures a substantial proportion of its insurable risks and an external actuarial review of the level of internal insurance reserves is commissioned at regular intervals.
- 1.17 Contributions to the insurance reserve are made by all Directorates from their budgets based on their relative size, risk profile, and level of claims, representing the equivalent of a 'premium'.
- 1.18 The value of the Council's insurance reserve is projected to be £20.9m as at 31<sup>st</sup> March 2015. Following a review of the level of claims and existing potential liabilities, no further contributions of to the reserve are planned for 2015/16. The reserve will be reviewed again in 2016/17.

### Improvement and Efficiency Reserves

- 1.19 The costs of implementing the Council's programme of efficiencies and improvements to deliver the substantial level of savings required will in itself be considerable. The Council has planned well and has established reserves to fund the necessary changes. Although the total cost, at this stage, cannot be determined with any certainty it is not anticipated that it will be more than £6m over the next three years.
- 1.20 Costs may include, for example;
- investment in new technologies; and
  - cost of buying the Council out of existing contracts with suppliers.
- 1.21 The level of the reserve will be kept under review but, at this stage, it is not anticipated that further contributions will be required over the remainder of the planning period.
- 1.22 In addition to the Improvement & Efficiency Reserve the Council retains a **Severance Reserve** projected to have a balance of £11m as at 31<sup>st</sup> March 2015.

### Parking Control Account

- 1.23 The Parking Control Account (PCA) is ringfenced. The surplus can only be used for reinvestment within the service and for highways and transport initiatives. Tower Hamlets uses the surplus for a variety of measures relating to street works and transportation including to part fund the cost of the concessionary fares scheme which forms part of the Communities, Localities and Culture Directorate budget.

## RESERVES AND BALANCES

### Schools' Reserves

1.24 Schools' reserves represent unapplied revenue resources accumulated by schools with delegated spending authority. These totalled £34.7m at 31<sup>st</sup> March 2014. Schools' reserves are technically earmarked reserves of the Council but are controlled by schools and are not available to the Council for other purposes.

### Capital Programme

1.25. The Council receives monies under agreements entered into under Section 106 of the Town and Country Planning Act 1990. These agreements specify the purposes to which the monies can be applied. Unapplied sums are held in reserve until such time as they are applied.

### Other Corporate and Service Specific Earmarked Reserves

1.27 A number of earmarked reserves are held to meet specific service objectives or fund potential liabilities which do not qualify as provisions for accounting purposes. These are shown in the summary attached as Appendix 5.3. The principal ones provide for:-

- Balances of government grants which have been allocated for particular purposes but are being spent over more than one year.
- The carry-over of budgetary underspends from one financial year to the next.

Use of these reserves is subject to specific Cabinet approval. The nature of these reserves means they are not generally available to support the Council's medium term financial strategy.

### Sensitivity Analysis

The assumptions built into the 2015/16 Budget and Medium Term Financial Plan all contain a measure of estimation, and where events differ from assumption, the risk falls to the Council's budget.

The following table shows how assumptions made in this budget process would affect the budget if they proved to be incorrect. This gives a guide to the financial implications of the risks shown in Appendix 5.2.

## RESERVES AND BALANCES

Scenario	Estimated annual financial impact £'000
Committed growth in 2015/16 is 10% higher than forecast	1,100
10% of projected savings not delivered in 2015/16	2,800
Budget requirement overspent by 1%	3,000
For each £1m that the cost of implementation of improvement and efficiency programme exceeds expectation.	1,000
Care act funding	2,000
Better Care Fund non performance	1,000
Economic growth slows and/or business rates do not grow	5,000



Risks	Budget Exposure	2015/16 Onwards	
		Medium Risk	High Risk
	£m	£m	£m
<b>General Economic Climate</b>			
Inflation	300		
Debt recovery	250		
Tax base	170		
Interest rates	5		
Fees and charges	35		
Grant funding (exc. ring fenced grants)	120		
Fraud	n/a		
		7.5	17.6
<b>Service Demand (inc. ring fenced grants)</b>			
Children's Services	150		
Adult Services	100		
Demographics	100		
Welfare Reform	n/a		
Public Health transfer	30		
		8.7	16.7
<b>Savings programme</b>			
Slippage and non-achievement of savings	28		
Cost of implementation	50		
		3.8	6.2
<b>Unidentified risks</b>	n/a	3.0	5.0
<b>Opportunities</b>			
Public Health transfer	30		
		0.0	-1.0
Risk and contingency provisions		-3.0	-5.0
<b>TOTAL RISK EVALUATION</b>		<b>20.0</b>	<b>39.5</b>

	31/03/2014	31/03/2015	31/03/2016	31/03/2017	31/03/2018
	£m	£m	£m	£m	£m
<b>General Fund Reserve</b>	65.0	66.6	58.8	51.8	41.9
<b>Earmarked Reserves</b>					
<b>Corporate</b>					
Improvement & Efficiency	12.4	10.5	5.7	5.4	5.1
Severance	11.0	11.0	4.0	0.0	0.0
Finance Systems	2.6	2.2	1.6	1.0	0.3
ICT Refresh	1.9	0.8	0.0	0.0	0.0
Olympics	0.7	0.0	0.0	0.0	0.0
Education Grant Reduction	2.1	2.1	2.1	2.1	2.1
Employment and other Corporate Initiatives	14.5	10.2	5.4	4.6	4.2
Other	3.5	0.4	0.1	0.0	0.0
<b>Service Specific</b>					
Homelessness	2.6	2.2	1.7	1.1	0.4
Parking Control	0.9	0.0	0.0	0.0	0.0
Development & Renewal other	3.2	2.7	2.1	1.7	1.6
Communities, Localities and Culture	1.2	0.9	0.3	0.2	0.2
Education, Social Care & Well Being (Childrens')	1.2	0.1	0.1	0.1	0.1
Education, Social Care & Well Being (Adults')	0.8	0.0	0.0	0.0	0.0
Chief Executive's and Resources	0.6	0.6	0.4	0.3	0.1
<b>Revenue Reserves, Other</b>					
Insurance	20.9	20.9	20.9	20.9	20.9
Schools	34.7	34.7	34.7	34.7	34.7
Early Intervention	2.3	2.3	2.3	2.3	2.3
Housing Revenue Account	18.1	18.1	18.1	18.1	18.1
<b>Capital</b>	24.8	18.4	6.7	6.0	5.7
Earmarked Reserves surplus to requirements	-	-	-	-	-
	<b>225.0</b>	<b>204.7</b>	<b>165.0</b>	<b>150.3</b>	<b>137.7</b>

# **Appendix6 - Schools**

## SCHOOLS BUDGET 2014/15 and 2015/16

### INTRODUCTION

The text from this appendix is drawn from two reports which went to Schools Forum on 10<sup>th</sup> December 2014, amended to take account of their decisions.

Schools Forum decided that:

- a) It supported the 2015/16 budget setting process and principles.
- b) It supported the Local Authority (LA) plans for the deployment of any additional “headroom” available within the final dedicated schools grant (DSG) settlement for 2015/16.
- c) It supported the option proposed relating to the capping of gains within the local funding formula.
- d) It agreed to discuss with their wider sector stakeholders (primary and secondary only) the issue of de-delegation in 2015/16. (Appendix 6.2).
- e) It agreed the LA approach to Central Statutory services provided by the LA.
- f) It re-confirmed the current arrangements with Schools Forum members relating to centrally retained funds for any planned basic need growth in mainstream and academies. (Appendix 6.2).

Further decisions on the Schools Budget for 2015/16 will be taken at their next meeting on 21<sup>st</sup> January 2015.

### Text from Schools Budget 2014/15 Budget Update Report to Schools Forum

#### 1. SCHOOLS BUDGET 2014/15

1.1 Schools Forum at the previous meeting in November 2014 considered the latest position on the Schools Budget for 2014/15. The position has not moved since the last update.

1.2 **Table 1** sets out the current available funding for 2014/15.

Table 1: DfE 2014/15 DSG (October 2014)

Component (all figures £'000s)	Current Funding for Schools Budget 2014/15
1.0 ISB	245,190
1.0 ISB EFA	18,087
1.1 De-delegated items	2,174
1.2 High Needs	38,508
1.3 Early Years	32,242

1.4 Central Provision	6,403
<b>Total Schools Budget</b>	<b>342,605</b>
1.7.1 DSG	-298,542
1.7.2 DSG b/f	-7,392
1.7.3 EFA Grants	-18,087
1.7.4 Local Authority Contribution	-3,818
1.7.5 Academy Recoupment	-14,766
<b>Total funding for Schools Budget</b>	<b>-342,605</b>
Unallocated DSG	<b>-2,549</b>

**Table 2** includes the budget monitoring position for 2014/15, this identifies that there is expected to be an underspend of £2.081m arising mainly from projected underspends in early years and high needs pupils budgets. The forecast underspend has decreased by £66k from the projected underspend of £2.147m reported to the forum in November, some more detail on the overall variance is provided below.

**Table 2: 2014/5 Budget monitoring position**

<b>Component</b>	<b>Updated Schools Budget 2014/15 £'000</b>	<b>Forecast spend 2014/15 £'000</b>	<b>Forecast variance £'000</b>
Individual Schools Budgets	263,277	263,277	
De-delegated items	2,174	2,174	
High Needs Budget	38,508	38,433	-75
Early Years Budget	32,242	30,236	-2,006
Central Provision	6,403	6,403	
<b>Total</b>	<b>342,604</b>	<b>340,523</b>	<b>-2,081</b>
<b>Funded from</b>			
DSG 2014/15	-298,542	-298,542	
DSG b/f 2013/14	-7,392	-7,392	
EFA Post 16 Grant	-18,087	-18,087	
Local Authority Contribution	-3,818	-3,818	
EFA Recoupment (for Academies)	-14,765	-14,765	
<b>Total funding</b>	<b>-342,604</b>	<b>-342,604</b>	
<b>Net Forecast Position</b>		<b>-2,081</b>	<b>-2,081</b>
<b>Unallocated DSG 2014/15</b>	<b>2,549</b>		
<b>Potential c/f</b>	<b>4,630</b>		

## **2. INDIVIDUAL SCHOOLS BUDGETS**

- 2.1 The only changes here are the amalgamation of Holy Family and Our Lady's Schools to a new school known now as Our Lady and St Joseph from 1<sup>st</sup> September 2014. For 2014/15 this has no material impact overall as the Schools will combine their overall resources.

## **3. HIGH NEEDS**

- 3.1 There is currently a forecast underspend of £0.75m within High Needs mainly due to Alternative Provision (AP). AP is demand led and the current demand and length of stay is lower than anticipated. It should be noted that the forecast underspend has been adjusted downwards from £0.191m in November, in previous years High Needs has proved to be a volatile area however current commitments still point towards a forecast underspend overall.

## **4. EARLY YEARS**

- 4.1 The DSG block for Early Years will fluctuate during 2014/15, based on actual numbers of pupils on roll at termly censuses. Allocations for 2, 3 and 4 year olds will be made to individual settings (nursery schools, primary schools and private, voluntary and independent settings) on the basis of the numbers on roll in each termly census, too.
- 4.2 The forecast underspend in this area of £2.006m relates to the authority not yet being able to deliver its targets for 2 year old participation, the plans in 2014/15 reflect proposals to increase capacity, a target of 2,800 places was set initially and progress towards this will take some time. At present it is envisaged that full take-up will not be achieved by the end of the financial year, this underspend will help to provide a buffer for setting a balanced budget for 2015/16.

## **5. CENTRAL PROVISION**

- 5.1 Central Provision includes those services that have been agreed by Schools Forum should be funded through DSG as Combined Services, as well as Admissions and Premature Retirement among others. It also includes the Pupil Growth fund which applies to all academies and maintained schools where planned / emergency expansions of admission numbers have been necessary. Most of this is usually committed after the October 2014 pupil census. The present forecast is that financial performance is on budget.

## 6. 2015/16 POSITION

- 6.1 The previous report to Schools Forum in November 2014 advised that the emerging Schools Budget for 2015/16 was balanced, with an estimated unallocated amount of £2.272m which provided a cushion against any adverse movements in the assumptions used. Some variable areas were discussed, in particular the unclear impact on the pupil growth fund caused by movements in pupil numbers leading to new classes and expansion. The impact on centrally held DSG budgets from converting non-recoupment academies to recoupment academies in 2015/16 was also highlighted as a figure to be quantified.
- 6.2 The emerging 2014/15 position stated earlier in this report predicts an underspend of £2.081m in the allocated DSG budget, taking into account the unallocated brought forward sum of £2.549m reported to Schools Forum in June this means potential carry forward of £4.630m at the end of this financial year. This has decreased the underlying income position for the Schools Budget in 2015/16 by £66k to that reported last month.
- 6.3 An estimated amount based on current analysis of £400k has also been incorporated within the expenditure budgets to represent pressures on the pupil growth fund from non recoupment academies and free schools. The illustration in **Table 3** is very basic, in that it ignores any changes in pupil numbers which might benefit or worsen the position but it takes account of the key components.

**Table 3: Illustrative forecast of potential 2015/16 Schools Budget position**

Future income	£'000	Future expenditure	£'000
1. Gross Schools Budget allocation 2014/15	342,122	1. Gross Schools Budget allocation 2014/15	342,122
1. less b/f from 2014/15 (ie DSG and EFA)	-7,515	2. less retained b/f allocations 2014/15	0
2. Add c/f forecast 2014/15	+4,630	3. less Year 3 impact of full-time 3YO changes	-372
3. less move to participatory funding for 2 year olds	-3,650	4. Reduce EY for one-off activities in 2014/15	-3,066
4. Reduction in General Fund subsidy for Early Years? (illustrative figure, matches reduction on expenditure side)	-1,000	5. Reduce EY in line with reduction in GF subsidy (ie illustrative figure)	-1,000
5. Position if termly Early Years adjustment continues to be at the 2013/14 level	+1,035	6. less reduction in devolved budgets if all mainstream schools limited to the Minimum Funding Guarantee	-3,318
		7. Reduce non stated placements in line	-400

<b>Future income</b>	<b>£'000</b>	<b>Future expenditure</b>	<b>£'000</b>
		with spend	
		8. Estimated pressures in pupil growth fund from non recoupment academies and free schools	400
		9. Reduce BSF funding	-550
<b>Basic forecast of 2015/16 Schools Budget income</b>	<b>335,622</b>	<b>Basic forecast of 2015/16 Schools Budget expenditure</b>	<b>333,816</b>
		<b>Difference (ie estimated unallocated amount)</b>	<b>1,806</b>

- 6.4 While Table 4 shows a revised unallocated amount of £1.806m (which has moved from a figure of £2.272m in November), it requires the figures to work in the ways indicated, which may or may not be possible. However the position for 2015/16 is still fairly sound, at present the figure of £1.806m still represents a buffer against some of the assumptions above being adversely impacted.
- 6.5 The sorts of circumstances that could make this position worse would be if:
- The interaction of changing pupil numbers meant that the sum of individual schools' MFG reductions amounted to less than the figure illustrated.
  - Pressures in the pupil growth fund will need to be reassessed for 2015/16, The expenditure is dependent on how many new classes will need to be provided for in September 2016 along with other aspects of expansion (eg facilities management / ICT costs) in growing schools. This will need to be reviewed nearer the time.
  - There is a significant upward shift in the take up of 2 year old places during the second half of 2014/15 which reduces the potential carry forward into 2015/16.
  - Non recoupment academies and Free Schools will be entitled to access centrally held DSG budgets such as the Growth Fund – the DfE will not increase DSG to reflect this extension of entitlement. The current assumption of £400k accommodates growth of 150 places, if numbers were higher this would impact on the unallocated amount.
- 6.6 The sorts of circumstances that could improve this forecast position would be if:
- A national spending review or a technical tweak to the DSG mechanics resulted in additional DSG
  - The Council's General Fund budget is set to reduce significantly over the next financial year, initiatives to deliver savings could impact favourably by generating efficiencies that apply equally to the Schools Budget.



- 6.7 Clearly, this position is limited to the next financial year and the longer term position may require some reconsideration, but the immediate position for 2015/16 looks less of a problem than it did before the summer.

## **Text taken from Schools Budget Outline 2015/16 Report**

### **1. Purpose of the Report**

- 1.1. To provide Schools Forum members with details of the 2015/16 budget setting process and principles.
- 1.2. To outline the Local Authority (LA) plans for the deployment of any additional “headroom” available within the final dedicated schools grant (DSG) settlement for 2015/16.
- 1.3. To outline the construction of the 2015/16 Schools Budget.
- 1.4. To discuss and determine with Schools Forum members the options available relating to the capping of gains within the local funding formula.
- 1.5. To request that Schools Forum members (primary and secondary only) discuss with their wider sector stakeholders the issue of de-delegation in 2015/16.
- 1.6. To provide Schools Forum members with detail of the Central Statutory services provided by the LA.
- 1.7. To re-confirm the current arrangements with Schools Forum members relating to centrally retained funds for any planned basic need growth in mainstream and academies.

### **2. Background**

- 2.1. The DSG funding allocation to all local authorities will be released in December 2014, utilising in the main the October 2014 pupil/school census data, it will continue to be allocated in three notional blocks (i.e. Schools, Early Years and High Needs)
- 2.2. The funding relating to the two year old offer will also be provided within the DSG funding framework. From April 2015 all two year old funding will be allocated to local authorities based on actual participation levels (initially based on January 2015 pupil count data and updated if appropriate via a further pupil count provided in autumn 2015). Such funding is not ring-fenced and the LA has discretionary powers to move such funding within the three blocks outlined above.
- 2.3. All DSG Funding (including the two year old offer) must be deployed on schools and/or pupils in accordance with the Schools Finance Regulations, 2014.

### 3. 2015/16 BUDGET

- 3.1. The DSG funding allocated by central government will continue to be provided on a 0% cash settlement basis, therefore requiring all local authorities to meet any local cost pressures (i.e. inflationary costs, incremental salary drift, local needs, etc.) by identifying equal cashable savings or efficiency within local systems/processes.
- 3.2. All school budgets will continue to be allocated via the agreed local funding formula (currently subject to consultation on proposed amendments for 2015/16) and the LA is required by statute to ensure no school receives a reduction greater than -1.5% per pupil as governed by the minimum funding guarantee (MFG) system. To ensure the overall cost of applying the MFG is affordable within the final DSG settlement, the LA is permitted to apply a “capping” to any school gaining through the local funding model (see section 6 below for further details).
- 3.3. The LA will set and determine the final 2015/16 Schools Budget financed by the DSG provided by central government (supported by any appropriate post-16 EFA funding) in accordance with the LA’s corporate timeframe and budget setting principles, including:
  - 2014/15 resource budget allocation rolled forward as the base position.
  - Staffing establishment updated as per current listing/known future movement and based on current pay grade with allowance for known incremental salary drift and any national pay award;
  - Non-staffing costs based on current 2014/15 baseline position (i.e. 0% inflation);
  - Identified and approved cost pressures to be prioritised accordingly and financed by equal identifiable cost savings and/or service efficiencies where possible.
- 3.4. The LA reserves the right to transfer any funding between the three notional blocks where identified, for example where approved cost pressures cannot be met by savings and/or efficiencies or transfer of funds from reserves / unallocated amounts.

### 4. HEADROOM

- 4.1. The process of allocating the DSG funding to local authorities via the notional three blocks provides a system, that is in the main most reflective of pupil population change, (i.e. guaranteed unit value of funding (GUF) multiplied by the pupil count figure taken from the appropriate school census data).
- 4.2. The LA currently adopts a key budget principle (see above) of rolling forward the previous year baseline position and adjusting according to identified cost pressures and/or savings (rather than implementing a zero based approach each year).

- 4.3. Upon receipt of the final 2015/16 DSG settlement, the LA will continue to assess priorities, review resource levels and construct the 2015/16 Schools Budget based on the latest information and requirements.
- 4.4. Any remaining funds available after the completion of the above exercise are referred to as “Headroom”. The LA is currently proposing to allocating any available headroom monies to the following areas, in order of priority:
- Remove/Reduce the requirement to deploy DSG reserves to set a balanced budget;
  - Meet any re-occurring or emerging cost pressures within the HN block;
  - To consider Joint partnership arrangements and sharing the costs of HN services currently paid for by the council;
  - Increase the level of funding allocated via the schools local funding formula.

Schools Forum members are requested to offer any comments in relation to the above plans for deployment of available headroom monies.

NB: It should be noted that if the final DSG settlement figures compared to baseline 2015/16 budget requirements provides for a budget shortfall, the LA will have to consider all or any of the following:

- Increase use of DSG reserves (if available);
- Re-configure, re-design and/or cease support services; and
- Reduce local formula funding factor values.

## **5. BUDGET CONSTRUCTION**

- 5.1. The DSG funding as outlined above at section 2.1 will be allocated to the LA in three notional blocks, the basis of the final 2015/16 Schools Budget will also be constructed based upon these same three blocks.
- 5.2. The three blocks can be broken down into further detail / analysis as below:
- Schools Block
    - o The local funding formula (5-16 year olds)
    - o De-Delegated Funds
    - o LA Statutory Services (including specific centrally retained funds)
  - Early Years Block
    - o Early Years Single Funding Formula (EYSFF) for two, three and four year olds
  - High Needs Block
    - o High Needs top-up funding (including free schools and academies)
    - o Central SEN and Inclusion services; and
    - o High Needs support

5.3 An outline of the process, structure, principles and/or the initial plans to construct the above is detailed below for information and context:

A) Schools block:

i) The local funding formula as previously agreed and in accordance with central government regulations determines the delegated budget share allocated to all maintained schools and academies. The LA is required to submit an initial return detailing the funding factors and values to be used in 2015/16 to the Department for Education (DfE) by 31 October 2014. The final return is required by 22 January 2015 and is currently subject to consultation on proposed amendments.

ii) Primary and Secondary schools only have the option to de-delegate the financial resources allocated to certain areas/service budgets back to the LA to manage and deploy if they so wish (see section 7 below).

iii) Statutory services (including specific centrally retained funds) will be reviewed and updated accordingly for 2015/16 and must be agreed by Schools Forum members (see sections 8 & 9 below).

B) Early Years block:

i) The EYSFF model will be updated based on the latest dataset of pupil/setting information collected and collated by the LA from the respective pupil census count data. All providers in both the maintained and the private, voluntary and independent (PVI) sector will be allocated an indicative 2015/16 budget based on the final model.

The model consists of a base rate (differential by sector/size) and a supplement linked to deprivation.

C) High Needs block:

i) Top-up funding levels will reduce no more than -1.5% per pupil as permitted by regulations. The total resource level deployed will be based on current 2014/15 baseline and updated where appropriate for any known increase relating to demographic growth/pressure.

ii) All central high needs (HN) support service budget areas will be constructed in accordance with the detail outlined at section 3.3 above.

## **6. SCHOOL BUDGETS – CAPPING**

6.1. The DSG budget as outlined above (section 3.1) will continue to be allocated on a 0% cash settlement basis. Given all LA's are required to ensure no mainstream schools/academies delegated budget share reduces by more than -1.5% per pupil (as per the MFG control mechanism), this potentially creates a cost pressure on the overall Schools Budget.

6.2. To support the LA in setting a well informed and balanced budget, the Regulations permit the LA to apply a level of capping or scaling back to schools on the total level of gain to be received in the final delegated budget share allocated.

- 6.3. The cumulative total level “clawed-back” via the application of capping and/or scaling must not exceed the total cost of the MFG protection provided to the appropriate schools.
- 6.4. The LA has two options available when determining if gaining schools should have their total level of gain reduced:
- Capping – set a prescribed level (e.g. 3% level) at which all gains over and above such a threshold level will be clawed-back; or
  - Scaling – simply scale back all gaining schools at a fixed % level in order to claw-back the total desired level required to meet the costs of the MFG protection afforded to other schools.
- 6.5. In 2014/15 the LA applied a cap of +3% and scaling mechanism at 100% of all gains.
- 6.6. Schools Forum members are asked for a view in relation to the LA proposal outlined above at section 6.4

## **7. DE-DELEGATION**

- 7.1. The national schools funding reforms implemented in April 2013 prescribed that as many services as possible (and all the associated funding) must be delegated to schools in the first instance via the agreed local schools funding formula, so that all local decision making was made by schools directly.
- 7.2. The system did however recognise that a number of service areas and contingency type budgets that are now delegated to schools (primary and secondary only), would provide for greater economies of scale and mitigate risk to schools if they were to be managed and deployed by the LA on behalf of schools (i.e. De-Delegated).
- 7.3. The decision making responsibility in such matters falls upon the Schools Forum members representing each sector on the Schools Forum. The decision making is required to be made annually and is for each service separately and for each sector. (i.e. primary schools can still de-delegate for a service area, even if the secondary sector do not and vice versa).
- 7.4. The table below provides summary detail of the service areas captured under the de-delegation option, the current 2014/15 total resource level deployed and the respective de-delegation per pupil rates:

Overall funding for the 6 candidate services for de-delegation 2015/16				
De-delegation services		Primary	Secondary	Total
Pupil Numbers (excluding academies)		20,727	11,972	32,699
Values	Unit value	£'000	£'000	£'000
Contingencies (other than pupil number growth)	£14.93	309	179	488
Free School Meals Eligibility	£3.86	80	46	126
Licences/ subscriptions	£1.47	30	18	48
Staff costs supply cover	£9.70	201	116	317
Support to underperforming ethnic minority groups	£15.82	328	189	517
Behaviour support services	£8.70	180	104	284
	<b>£54.48</b>	<b>1,129</b>	<b>652</b>	<b>1,781</b>

NB: The above budget levels will be subject to re-refresh as part of the 2015/16 budget setting process and may affect the final per pupil de-delegation levels.

- 7.5. Schools Forum members are requested to ensure the above service areas and the de-delegation option are discussed with their wider sector stakeholders – see Appendix 1 attached.
- 7.6. The De-delegation option is not available to academies; the LA will write to all academies prior to 1 April 2015 outlining the services available to maintained schools via the de-delegation option and offer all such services to academies at the same cost.

## 8. CENTRAL STATUTORY SERVICES

- 8.1. The LA continues to have a number of statutory functions (i.e. Admissions, Schools Forum, IS fees etc.) that they must administer/fulfil on behalf of all schools/academies and pupils.
- 8.2. The schools funding arrangements and Regulations allow the LA to agree with Schools Forum the central funding level to be assigned to each permissible area, funded from within the Schools block and prior to allocating any funding to the local formula.
- 8.3. A number of the service areas within this framework are subject to a limitation of no new commitments and/or no increase in expenditure from the 2014/15 level.
- 8.4. The table below provides illustration of the service areas captured in this section:

CENTRAL PROVISION WITHIN SCHOOLS BUDGET -Draft		
1.4.1	Contribution to combined budgets	1,638,822
1.4.2	School admissions	785,800
1.4.3	Servicing of schools forums	30,000
1.4.4	Termination of employment costs -PRC	1,117,000
1.4.8	Fees to independent schools without SEN	509,600
1.4.10	Pupil growth/ Infant class sizes	2,000,000
1.4.12	Exceptions agreed by Secretary of State (Licences)	138,900
		6,220,122

- 8.5. Schools Forum members are requested to note the above “Indicative” budget levels for 2015/16 and offer any comments

NB: formal voting/approval will be sought at a later meeting when the final 2015/16 budget figures can be finalised.

## 9. CENTRAL FUNDS

- 9.1. The LA, as previously agreed with Schools Forum, makes provision for a central fund (£2.0m) to support pupil growth relating to LA planned basic need growth in any mainstream school or academy and free schools.
- 9.2. Funding is allocated from the central reserve fund in line with the criteria as agreed with Schools Forum – See Appendix 2 attached.
- 9.3. The LA has deployed funding in line with the prescribed criteria in 2014/15 and an estimate for 2015/16 is provided in the table below for information:

<b>Primary Total</b>		1,273,548
<b>Secondary Total</b>		1,161,328
<b>Academy/ Free Schools</b>		397,775
<b>Growth Fund est-15-16</b>		2,832,650

## 10. SUMMARY

- 10.1. The 2015/16 DSG will continue to be allocated on a 0% cash settlement basis as per section 3.1 above, the MFG protection system will still continue to operate at -1.5% per pupil and provide stability to individual school funding levels. The LA will construct the 2015/16 Schools Budget based on the principles outlined at section 3.3.
- 10.2. Any available headroom monies within the final DSG settlement will be deployed in accordance with the priority listing at section 4.4.
- 10.3. The components/elements to be included in the final 2015/16 Schools Budget are detailed at section 5.
- 10.4. The LA is proposing to continue to apply a standard 3% cap and 100% scaling system to all schools gaining through the application of the local funding formula model in 2015/16, as detailed at sections 6.6.
- 10.5. The service areas included in the De-Delegation option for primary and secondary schools only are detailed at Section 7.
- 10.6. The LA central statutory services required are detailed at Section 8.

10.7. Details of the current central reserve fund provided to meet costs relating to any LA planned basic need places in maintained schools or academies is outlined at Section 9.

**Background Papers:**

<https://www.gov.uk/government/publications/fairer-schools-funding-arrangements-for-2015-to-2016>



**APPENDIX 1****De-delegation- business cases for schools forum**

At budget setting time each year, Schools Forum will be asked to approve the de-delegation of funding for centrally provided support in the following areas.

1. School Specific Contingency
2. Free School Meal Eligibility Assessment
3. Licences and Subscriptions
4. Staff Supply Costs
5. Ethnic Minority Attainment
6. Behaviour Support

De-delegation will be based on a per pupil formula which is considered to be a fair way of accounting for the size of the school and its budget. On this basis, for each item we have provided figures on the overall expenditure and the per pupil rate.

These figures are **PROVISIONAL**, based on the number of maintained schools currently and the prevailing rates for 2014/15. **Final figures will be presented to Schools Forum in January 2015 for a final decision** on each of the six services by primary school representatives and secondary school representatives on whether de-delegation should apply for 2015/16.

## 1. Schools Specific Contingency

£2.143m in total of which:

- Amount requested: £487k expected to be sought as de-delegation and
- £1.644m provisionally expected to be automatically retained by the Local Authority for in-year pupil growth, but officers are reassessing this for Schools Forum in January 2014.
- These figures need to be assessed nearer the start of 2014/15 financial year to take account of the particular circumstances envisaged for that year.

Per pupil amount: **£14.93**

The table below shows what is funded by this money

Item	Amount (£k)
<p><b>Schools Block Contingencies' Include:</b></p> <p>i. Exceptional unforeseen costs which it would be unreasonable to expect governing bodies to meet;</p> <p>ii. Schools in financial difficulty; and,</p> <p>iii. Additional costs relating to new, reorganised or closing schools.</p>	487

### ***What is provided?***

The contingency fund provides for unforeseen expenses in schools during the year. This can include, for example, significant unforeseen and urgent maintenance expenditure (eg asbestos removal; roof repair) and litigation including compensation claims. The contingency also allows funding for significant pupil growth with in the year, but that element will be automatically retained, without de-delegation.

### ***Why de-delegate***

There are a range of possible scenarios that can give rise to unforeseen costs in schools. Without a central fund, individual schools facing an unforeseen significant cost may find themselves unable to operate within their delegated budgets. Individual schools may not by themselves be able to build up sufficient contingency to cover this.

## 2. Free school meals eligibility assessment

Amount requested: £126k

Per pupil rate: **£3.86**

The table below shows what is funded by this money:

Item	Amount (£k)
SLA with the Council's Housing Benefit Service	£126

***What does the service provide?***

The service assesses pupils' eligibility for free school meals, either as part of the Housing and Council Tax Benefit claim process or on referral from schools/ other agencies. The service notifies individual schools on a regular basis of their pupils' eligibility. The service also conducts take up campaigns on behalf of schools.

***Why de-delegate?***

Providing this service centrally, as part of a service that specialises in assessing benefit entitlement, means that efficiencies can be gained by direct access to DWP information about claimants' entitlement. In addition, the process is integrated with housing and council tax benefit claims, reducing the burden for claimants. Administration at individual school level would be burdensome as entitlement checking would have to be done manually (by paper copies of claimants' entitlement.) Resources can also be used to run effective campaigns resulting in increased take up.

### 3. Licences and Subscriptions

Amount requested: £48k  
Per pupil rate: **£1.47**

The table below shows how this funding is used:

Item	Amount (£k)
ALPS (data analysis tool for secondary attainment) PRS -(Performing Right Society) – gives schools the performance right on behalf of music composers, songwriters and publishers. CLEAPS – To cover schools from nursery to sixth form – Health & Safety and curriculum support. British Pathé – provides schools with access to archive material which the British Pathé owns including footage of major 20th century events.	48

#### ***What does the service provide?***

A number of licenses/ subscriptions are purchased centrally on behalf of schools as set out in the table above.

The DfE have negotiated a national agreement for the following Licences:

- CLA (Copyright Licensing Agency) – allows schools to use extracts of text and pictures from millions of print and digital books, journals and magazines, including websites.
- ERA (The Education Recording Agency) – allows schools to record radio and television broadcasts received in the UK. This also allows teaching staff to access and download material on a number of on demand catch-up services, and copy such recordings for educational purposes.
- NLA (The Newspaper Licensing Agency Schools Licence) – allows the copying of content from national, regional and local newspapers and certain news websites.
- MPLC (Motion Picture Licensing Company) – allows for the non-educational screening of films on the school premises, provided it is not advertised outside the school, and provided there is no charge applied to such screenings.
- PVSL (The Public Video Screening Licence) – allows school to screen films on DVDs that have been purchased or borrowed for legitimate UK outlets during the term of the licence. This does not allow schools to charge (either directly or indirectly) for such screenings, i.e. not for commercial or fundraising purposes.
- SPML (The School Printed Music Licence) – covers the copying and distribution of a school's sheet music to school members for curricular uses and for those extracurricular activities that are not collective worship

This means that the authority will be able to hold funding for all maintained schools and academies and pay the DfE for that service. So, schools will no longer be required to maintain individual licenses and, £138.9k has been deducted from the overall total to arrive at the figures above.

#### ***Why de-delegate***

Purchasing and managing licenses and subscriptions centrally offers significant efficiency benefits from the Council administering the licenses centrally and discounts if buying on behalf of all schools. This also ensures that schools meet all legal requirements, particularly in relation to the use of recorded media as part of their curriculum.

#### 4. Staff Supply cover

Amount requested: £317k

Per pupil rate: **£9.70**

The table below shows what is funded by this money:

Item	Amount (£k)
Backfill cover for Trade Union (TU) facilities time	187
Cost of non-teaching trades union facilities time	81
Salary protections	8
Supply cover for staff suspended due to police investigations	41
<b>Total</b>	<b>317</b>

#### ***What does the service provide?***

The TU Facilities Agreement ensures that representatives are available to enable Schools to participate in collective bargaining and consultation processes. TU Reps also accompany staff to formal meetings in accordance with an employee's statutory right which enables Schools to progress formal actions under HR Procedures.

The salary protections budget is a small budget to cover the costs of historic agreements to protect the salaries of some staff.

The rest of the budget is to cover schools for the cost of supply cover in the event that a member of staff is suspended pending police investigations.

#### ***Why de-delegate?***

Holding these budgets centrally enables schools to share the costs of supply cover to support the Tu facilities time agreement, and ensures that individual schools who employ shop stewards are not disadvantaged. Maintaining budgets for supply cover and salary protections for other circumstances ensures that individual schools are protected against the risk of unforeseen costs in these areas that may arise during the year.

## 5. Ethnic Minority Attainment

Amount requested: £517k

Per pupil rate: **£15.82**

The table below shows how this funding is used.

Item	Amount (£k)
Staffing (school improvement team) 1.2 staffing specialist support yr 7-11 ; transition work yr 5-7 ; 3 staff post 16 1 administrator , NQTs and Home education	241
Provision of specific interventions (eg one to one tuition, WUK projects, post 16 interventions , international links- see below)	159
Overheads (office premises, support services etc)	117
<b>Total</b>	<b>517</b>

### ***What does the service provide?***

The school improvement team provides support for schools across phases in providing effective learning for pupils from ethnic minorities and/ or with English as an additional language. This includes specialist expertise in relation to meeting the needs of specific ethnic groups (eg traveller communities, White British, Bangladeshi, Somali.) The support provided includes diagnosing the individual learning needs of pupils from under achieving groups and working with teachers in schools to put in place effective intervention strategies. The service also provides a specialist advice service to schools for working with particular ethnic minorities. Direct interventions are also supported for some pupils with particularly high need, for example, one to one literacy tuition, Academic English. Support for literacy in the context of the examinations reforms 2015-19.

### ***Why de-delegate?***

De-delegation of funding to support a central service gives all schools access to this support and helps them to manage fluctuations and demands of cohorts from year to year. It would be challenging for individual schools to themselves provide this specialist expertise given the changing cohorts of pupils, and without central support schools would need to commission more expensive external consultancy. Such support also brings together expertise from across the schools to share expertise and experience in the field. This support has proven effective as there has been considerable uplift in English and mathematics outcomes, particularly in the last three years (now above national averages). Without the focus on raising attainment particularly in English and mathematics there is detrimental effect to other subjects. The subsequent rise in English and mathematics results has also increased the gold standard 5A\*-C with English and mathematics measure which is also above the national average. Tower Hamlets has the highest proportion of ethnic minority students in the country combined with the highest demand for FSM. It is a volatile, ever changing community where literacy and numeracy requires constant attention. There is always fragility in inner city schools with staff change-over and changing cohorts. Sustained, evolving support can only benefit the whole education community.

## 6. Behaviour Support

Amount requested: £284k

Per pupil rate: **£8.70**

The table below shows what is funded by this money:

Item	Amount (£k)
Staffing (behaviour support team)	189
2.5 FTE for specialist teaching staff, 0.5 FTE anti-bullying officer, 0.5 FTE bilingual community development worker, share of administrative officer	
SIP commissioned Intensive High Risk Family Interventions to promote engagement in education (and prevent escalation to Tier 3) - SLA with Family Intervention Programme	54
Resources to support interventions	14
Overheads (office premises, support services)	27
<b>Total</b>	<b>284</b>

### *What does the service provide?*

Although this comes under the broad heading of de-delegated “Behaviour Support”, in Tower Hamlets this largely relates to the Vulnerable Pupils Fund and the running of the Social Inclusion Panel (SIP), including the eCAF system.

The SIP supports schools with multi-agency interventions, advice and resources for the most vulnerable children and families at top of Tier 2 to prevent the need for statutory interventions at Tier 3. It tackles a range of multi-agency concerns: cases at risk of chronic non-attendance (including those requiring court action) bullying, crime, exclusion, DV, drugs, intergenerational unemployment, poor parenting, teenage pregnancy, and mental health problems. It also provides support and access to alternative education for disaffected young people and children unable to attend school for health reasons, including those referred by CAMHS.

Most recently the SIP is now the panel for individual case work with Preventing Violent Extremism cases up to the age of 18. It provides the statutory forum for discussing how such cases should be managed and oversees individual programmes of support to reduce risk of radicalisation.

The Vulnerable Pupils Fund covers this work through:

- The posts of Systems Manager for Vulnerable Children and administrator who oversee the operation and administration of the Social Inclusion Panel (SIP) and the CAF, maintaining the eCAF system and providing training programmes and advice for CAF users.
- An SLA with the Family Intervention Programme (FIP) for two posts to work intensively with high risk families to break intergenerational cycles of poor behaviour and disaffection, promote engagement in education and prevent escalation to Tier 3.

- Budget Holding Lead Professional resources to fund innovative solutions to intractable problems where no other budget exists. This includes emergency transport or guiding support for those otherwise unable to get to school.
- Resources to promote anti-bullying including a fee paid on behalf of schools for Stonewall membership which provides materials and resources to tackle homophobic bullying.
- A part time post and resources to work with Teenage Parents
- Funding for small projects or resources to fund innovative work with non-statutory SEN e.g. transition support DVDs for children with disability.
- Strengthening Families, Strengthening Communities funding for centrally run parenting programmes focussing on the most hard to reach parents, including those where there are Prevent concerns.
- A share of the administrative and overheads costs incurred in service delivery.

The part of the Behaviour Support Team funded through 81601 which works with children with statements of SEN (BESD) is retained centrally through the high needs SEN budget. However the resources for that part of the service working with non-statemented BESD require schools' agreement to de-delegate.

This includes half of the post of Head of BST, two fte BST teachers (one primary and one secondary), a 0.5fte Anti-Bullying Advisor and 0.5fte bilingual community development worker.

The work includes:

- 0.5fte post for advice, guidance and interventions to prevent bullying, including cyber bullying, in and around schools and direct case-work with children and families where mediation between school and home is required.
- Systemic work with schools where local data or national inspections have identified behaviour may be a cause for concern. This might include policy work, auditing and review (data and operational practice) school based professional development through training and coaching support, targeted class/ year group/ department work to improve Behaviour for Learning and work to improve Safeguarding, including that related to Preventing Violent Extremism (PVE).
- Preparation and support for Ofsted for schools with behaviour as an identified concern, including safeguarding issues related to PVE.
- Targeted advice for children at immediate risk of permanent exclusion or to prevent escalation to Tier 3 interventions, as well as support for Prevent cases: this targeted work is directed by the Social Inclusion Panel (SIP).



- BST management support and supervision, and advice to Headteachers as part of the borough's Behaviour and Attendance Partnership work, Fair Access Protocol and Prevent, including the preparation of secondary school exclusion reports.
- 0.5fte bilingual community development post to provide specialist parenting groups for very high risk groups: parents of children with extremely challenging behaviour, SEN and BESD, parents of young offenders and parents on parenting orders for non-attendance. This includes outreach work in homes for hard to engage families / extreme cases and those where there are PVE concerns.
- A share of the administrative and overhead costs incurred in service delivery.

### ***Why de-delegate?***

Most funds for behaviour support work have already been delegated to schools so they can buy in behaviour expertise externally, as and when required. However, the funds above are targeted at the most critical cases referred to SIP, on the cusp of permanent exclusion or other Tier 3 interventions such as YOT or Social Care. SIP also oversees cases referred under Prevent. Such cases can be unpredictable and costly and providing this support centrally means that the most critical behaviour issues can be managed swiftly as they arise.

It also enables prompt deployment of support where Ofsted and/or schools themselves identify a cause for concern regarding behaviour or safeguarding (including Prevent) which requires systemic advice and in-depth training and guidance. Consolidating this support in a central resource means that expertise is developed and retained in an expert team and can provide strategic support to the Behaviour and Attendance Partnership, the Fair Access Protocol, the Social Inclusion Prevent Panel.

### **Note re: Academies and Free Schools**

Academies and Free Schools cannot participate in the de-delegation of Behaviour Support as outlined above because their funds do not come via the LA. However, a specific SLA has been established to enable them to continue to access these services and participate in these arrangements and all the Academies have chosen to buy back into this provision.

The criteria that will be used and applied to allocate funding to schools under Tower Hamlets Council, Education, Social Care & Wellbeing Growth Policy.

In particular funding will be allocated on four criteria.

a) Where there are planned permanent expansions (i.e. the school's admission and the building capacity has been permanently increased specifically to meet additional pupil number growth) the contingency fund will meet the cost of any additional pupils on the October or January census date, compared to the previous admission number for that year group. For instance, a school that already started to move from 2 forms of entry (60 places) to 3 forms of entry (90 places), may have actual pupil numbers in Year 2 of 85, in the first year that the expansion affects Year 2. If there were 85 pupils on the October census, the school would get  $((85-60) \times \text{AWPU} \times 7/12)$  or  $3/12$  for a January start. A minimum 20 pupils per class (or 10 for  $\frac{1}{2}$  a form entry) is calculated to ensure both staffing and teaching resources are covered for this provision i.e. a class of 30 pupils that has only 19 pupils at the October or January census date would be entitled to  $20 \times 7/12 \text{ths} \times \text{AWPU}$  rate. These arrangements apply for only the first year that any new admission places for a year-group are offered.

b) Where there is only a temporary one-off expansion in a single year group (bulge class), the maintained school or Academy will receive an extra £200 per pupil towards the cost of additional resources over and above the AWPU. These arrangements apply for only the year of opening of the class.

c) Where planned expansion of the maintained school or Academy is by at least 2 forms of entry, the Local Authority will provide additional Leadership and Management funding worth £40,000 per year over the first three financial years in recognition of the increase in management costs associated with significant expansion. (Year 1 of this funding is the school year before opening if that is agreed by the school and LA – i.e. to reflect the planning ahead requirement for the change).

d) Permanent expansions are generally implemented over time by admitting the additional pupils at Reception or Year 7 only until the additional capacity fills. Where a school has specific facilities management or ICT contract arrangements which provide services as though an expanding school were full, the contingency fund will provide proportionate support for individual schools on the basis of the year groups which are operating below full capacity. For instance, a four form of entry school offering 5 year groups is expanding to a five form of entry school. Before the expansion, there were 600 places available in total and, after the expansion there will be 750 places in total. In the first year after the expansion, however, there will be  $(150 \times 4 + 30) = 630$  places with 120 unfilled places. The contingency fund would pay for  $120/750 \text{ths}$  of the annual cost of those contracts.

# Appendix 7 - HRA

	2015/16 Draft Budget	2016/17 Draft Budget	2017/18 Draft Budget
	£000	£000	£000
<b>Gross Income</b>	(91,743)	(95,869)	(101,341)
<b>Gross Expenditure</b>	88,707	93,191	96,791
<b>NET COST OF HRA SERVICES</b>	<b>(3,036)</b>	<b>(2,678)</b>	<b>(4,550)</b>
<b>HRA Balances</b>			
Opening Balance	(20,045)	(20,045)	(20,046)
Net Cost of HRA Services	(3,035)	(2,678)	(4,549)
<b>Closing Balance prior to Appropriations</b>	<b>(23,080)</b>	<b>(22,723)</b>	<b>(24,595)</b>
<b>Appropriations</b>			
Revenue Contribution to Capital	3,035	2,678	4,549
<b>CLOSING HRA BALANCE</b>	<b>(20,045)</b>	<b>(20,045)</b>	<b>(20,046)</b>

# **Appendix8 - Capital**

Scheme Description	Programme	2014/15 Budget	2015/16 Budget	2016/17 Budget	2014/15 to 2016/17 Total Budget
		£m	£m	£m	£m
<b>Education, Social Care and Wellbeing</b>					
Pritchards Road - Heating Pipework Replacement	Mental health services	0.045	-	-	0.045
Antil Road Day Centre - Heating Works	Mental health services	0.060	-	-	0.060
e-Marketplace purchase and delivery	Mental health services	0.074	-	-	0.074
ICT Suite - Pritchard's Road	Mental health services	0.180	-	-	0.180
Improvement Works to 35 Ronald Street	Learning Disability Hubs	0.508	-	-	0.508
Telecare/Telehealth Equipment	Tele Care/Telehealth Equipment	0.212	-	-	0.212
Arnhem Wharf - Expansion	Basic Need/Expansion	0.069	-	-	0.069
Cayley School - Expansion Scheme	Basic Need/Expansion	0.417	-	-	0.417
Marner School Expansion	Basic Need/Expansion	0.020	-	-	0.020
Stebon Expansion Scheme	Basic Need/Expansion	4.152	-	-	4.152
PDC - Conversion	Basic Need/Expansion	0.774	-	-	0.774
Woolmore Primary School Expansion	Basic Need/Expansion	6.313	0.500	-	6.813
Refurbishment of Bethnal Green Centre	Basic Need/Expansion	0.174	-	-	0.174
Olga Primary School Expansion	Basic Need/Expansion	1.200	5.100	4.000	10.300
St Paul's Way Trust School Expansion	Basic Need/Expansion	1.500	4.900	3.330	9.730
Provision of Bulge Classes - Expansion	Basic Need/Expansion	0.200	-	-	0.200
Various - Scheme Development	Basic Need/Expansion	0.602	-	-	0.602
Stephen Hawking Special School - Feasibility	Basic Need/Expansion	0.010	-	-	0.010
Seven Mills Primary School - Feasibility	Basic Need/Expansion	0.042	-	-	0.042
Bromley Hall Feasibility	Basic Need/Expansion	0.011	-	-	0.011
Halley School - Feasibility	Basic Need/Expansion	0.010	-	-	0.010
Swanlea School - Feasibility	Basic Need/Expansion	0.025	-	-	0.025
Neptune Wharf - Feasibility	Basic Need/Expansion	0.010	-	-	0.010
London Dock - Feasibility	Basic Need/Expansion	0.010	-	-	0.010
Various - Primary Sites Review	Basic Need/Expansion	0.030	-	-	0.030
Provisions - Satutory Duty	Basic Need/Expansion	0.840	-	-	0.840
Provision for 2 year olds - Grant to Nursery at St Paul's Church	Basic Need/Expansion	0.103	-	-	0.103
Provision for 2 year olds - Grant to Lincoln Hall	Basic Need/Expansion	0.170	-	-	0.170
Stepney - 6th Form Expansion	Basic Need/Expansion	0.800	3.700	-	4.500
Phoenix - Satellite Classrooms	Basic Need/Expansion	0.290	-	-	0.290
Bromley Hall - Expansion	Basic Need/Expansion	0.750	5.000	2.750	8.500

Scheme Description	Programme	2014/15	2015/16	2016/17	2014/15 to
		Budget	Budget	Budget	2016/17 Total Budget
		£m	£m	£m	£m
Bishop Challoner - Community Facilities	Bishop Challoner	0.600	-	-	0.600
Blue Gate Fields - Boiler Replacement	Conditions and Improvement	0.017	-	-	0.017
Cubitt Town Juniors - Fire Escape Staircase	Conditions and Improvement	0.035	-	-	0.035
Statutory Requirements	Conditions and Improvement	0.189	-	-	0.189
Harry Gosling - Lightning Protection	Conditions and Improvement	0.021	-	-	0.021
John Scurr School - Replace Concrete Boundary Wall	Conditions and Improvement	0.010	-	-	0.010
Tredegar Centre - Window Replacement	Conditions and Improvement	0.010	-	-	0.010
Blue Gate Fields - Update Electrical Supply	Conditions and Improvement	0.034	-	-	0.034
Eva Armsby FC - Replace Roof Covering	Conditions and Improvement	0.018	-	-	0.018
Non Schools - Statutory Requirements	Conditions and Improvement	0.082	-	-	0.082
Gorsefield Residential Centre - Security Improvements	Conditions and Improvement	0.058	-	-	0.058
Gorsefield Refurbishment	Conditions and Improvement	0.010	-	-	0.010
Swanlea School - Fire Protection Works Phase 1	Conditions and Improvement	0.200	-	-	0.200
John Scurr - Heating Pipework Replacement	Conditions and Improvement	0.150	-	-	0.150
Bonner Primary School - Roofing Works	Conditions and Improvement	0.011	-	-	0.011
George Green School - Recover Pool Roof	Conditions and Improvement	0.075	-	-	0.075
Hermitage Primary School - Improvement Works to Early Years Classrooms	Conditions and Improvement	0.020	-	-	0.020
Canon Barnett Primary School - Accessibility Works	Conditions and Improvement	0.025	-	-	0.025
Cubitt Town Junior School - Relocate Demountable & Create New Fire Escape	Conditions and Improvement	0.055	-	-	0.055
Cubitt Town Juniors - Structural Works	Conditions and Improvement	0.050	-	-	0.050
Hague Primary School - Roofing Works	Conditions and Improvement	0.090	-	-	0.090
Tommy Flowers PRU - Roofing Works	Conditions and Improvement	0.055	-	-	0.055
Tredegar House - Boiler Replacement	Conditions and Improvement	0.055	-	-	0.055
Bangabandhu, Blue Gate Fields & Kobi Nazrul - Urgent Electrical Works	Conditions and Improvement	0.080	-	-	0.080
Osmani School - Fire Access Improvements	Conditions and Improvement	0.021	-	-	0.021
Match funding for schools	Other	0.038	-	-	0.038
Malmesbury Remodelling	Primary Capital Programme	0.017	-	-	0.017
Stebon - Refurbishment & Extension	Primary Capital Programme	0.080	-	-	0.080
Children's Centre - Globe Town	Sure Start	0.006	-	-	0.006
BMX track - Mile End Park	Youth Services (BMX Mile End)	0.006	-	-	0.006
Swanlea School 6th Form Block Accommodation	Crossrail	0.350	-	-	0.350
Various Sites - Kitchen Feasibility	Universal Free School Meals	0.100	-	-	0.100

Scheme Description	Programme	2014/15	2015/16	2016/17	2014/15 to
		Budget	Budget	Budget	2016/17
		£m	£m	£m	Total Budget
Globe Primary School - Kitchen Upgrade	Universal Free School Meals	0.095	-	-	0.095
Cyril Jackson Primary School - Kitchen Upgrade	Universal Free School Meals	0.080	-	-	0.080
Primary Schools - Various Sites - Kitchen Upgrade	Universal Free School Meals	0.190	-	-	0.190
Old Palace Primary School - Kitchen Upgrade	Universal Free School Meals	0.018	-	-	0.018
<b>Education, Social Care and Wellbeing Total</b>		<b>22.552</b>	<b>19.200</b>	<b>10.080</b>	<b>51.832</b>

Communities, Localities and Culture					
Roman Road Globe Town	TfL Schemes	0.014	-	-	0.014
Manchester Road / Island Gardens / Stebondale	TfL Schemes	0.076	-	-	0.076
Abbott Road / Aberfeldy Estate	TfL Schemes	0.010	-	-	0.010
St Paul's Way - Streets for People	TfL Schemes	-	0.017	-	0.017
Bethnal Green to Olympic Park	TfL Schemes	0.008	-	-	0.008
Brick Lane -TfL Corridors/Nbhd	TfL Schemes	0.002	-	-	0.002
Legible London -TfL Corr/Nbhd	TfL Schemes	0.104	-	-	0.104
Zebra crossing halos (TfL C/N)	TfL Schemes	0.056	-	-	0.056
Valance Rd Junction (TfL C/N)	TfL Schemes	0.050	-	-	0.050
Local Area Minor Accessibility Improvements	TfL Schemes	0.017	-	-	0.017
TfL Local Transport - Various	TfL Schemes	0.147	-	-	0.147
Bethnal Green Town Centre - T&H	TfL Schemes	0.054	-	-	0.054
Westferry Road	TfL Schemes	0.123	-	-	0.123
Boroughwide Road Safety - T&H	TfL Schemes	0.361	-	-	0.361
Cavell Street - COG	TfL Schemes	0.013	-	-	0.013
Bow	TfL Schemes	0.246	-	-	0.246
Historic Streets	TfL Schemes	0.226	-	-	0.226
Sydney Street	TfL Schemes	0.169	-	-	0.169
Bus Stop Accessibility Programme	TfL Schemes	0.015	-	-	0.015
Belgrave Street	TfL Schemes	0.033	0.033	-	0.066
Cycle Parking	TfL Schemes	0.070	-	-	0.070
TfL LIP to be Allocated	TfL Schemes	-	2.599	-	2.599
Bridge Assessment - Garnet Street	TfL Schemes	0.032	-	-	0.032
Bridge Assessment - Wansbeck Rd	TfL Schemes	0.025	-	-	0.025
St John's Gardens Park - Floodlighting of Tennis Courts	Sport England	0.047	-	-	0.047



Scheme Description	Programme	2014/15 Budget	2015/16 Budget	2016/17 Budget	2014/15 to 2016/17 Total Budget
		£m	£m	£m	£m
Equipment - Grounds Maintenance	Public Realm Improvements	0.095	-	-	0.095
Toby Lane & Blackwall Depots	Public Realm Improvements	0.095	-	-	0.095
Commercial Road - Works	Public Realm Improvements	0.250	-	-	0.250
Commercial Road - Portacabins	Public Realm Improvements	0.044	-	-	0.044
Boroughwide - highways resurfacing	Highways Improvement Programme	1.000	-	-	1.000
Bartlett Park Masterplan - Highways	Highways Improvement Programme	0.345	1.355	-	1.700
Bus Stp Works Various Locations	Section 106 Funded Schemes	0.043	-	-	0.043
Marsh Wall Environmental Improvement	Section 106 Funded Schemes	0.195	-	-	0.195
33-35 Commercial Road	Section 106 Funded Schemes	0.169	-	-	0.169
Cambridge Heath Rd/Three Colts	Section 106 Funded Schemes	0.009	-	-	0.009
57-59 Whitechapel Road	Section 106 Funded Schemes	0.030	-	-	0.030
21 Wapping Lane	Section 106 Funded Schemes	0.064	-	-	0.064
Former Safeway Store	Section 106 Funded Schemes	0.135	-	-	0.135
Caspian Wharf and 1-3 Yeo St	Section 106 Funded Schemes	0.017	-	-	0.017
101-109 Fairfield Road	Section 106 Funded Schemes	-	0.018	-	0.018
Improvements to pedestrian and cycle routes	Section 106 Funded Schemes	-	0.018	-	0.018
Ocean Estate FS2	Section 106 Funded Schemes	-	0.106	-	0.106
Sainsbury Food Store	Section 106 Funded Schemes	-	0.022	-	0.022
Warner Green	Section 106 Funded Schemes	0.049	-	-	0.049
Weavers Field & Allen Gardens	Section 106 Funded Schemes	0.080	0.017	-	0.097
Poplar Park & Jolly's Green	Section 106 Funded Schemes	-	0.067	-	0.067
Ropewalk Gardens	Section 106 Funded Schemes	-	0.047	-	0.047
Marsh Wall & Limeharbour	Section 106 Funded Schemes	0.003	-	-	0.003
Blackwall Way Bus stops	Section 106 Funded Schemes	-	0.039	-	0.039
Gunmakers Lane	Section 106 Funded Schemes	0.163	-	-	0.163
Fieldgate Street	Section 106 Funded Schemes	0.045	-	-	0.045
Blossom St & Folgate St	Section 106 Funded Schemes	0.002	-	-	0.002
Morris Rd & Rifle St Footbridge	Section 106 Funded Schemes	0.026	-	-	0.026
Morris Rd & Rifle St	Section 106 Funded Schemes	0.002	-	-	0.002
Former Bishop Challoner School	Section 106 Funded Schemes	0.030	-	-	0.030
Marsh Wall Junction Works	Section 106 Funded Schemes	0.004	-	-	0.004
St Andrews Hospital	Section 106 Funded Schemes	-	0.088	-	0.088

Scheme Description	Programme	2014/15	2015/16	2016/17	2014/15 to
		Budget	Budget	Budget	2016/17 Total Budget
		£m	£m	£m	£m
Bow Common Lane and Furze St	Section 106 Funded Schemes	0.030	-	-	0.030
Selsey Street	Section 106 Funded Schemes	0.010	-	-	0.010
Cemetary Lodge	Section 106 Funded Schemes	-	0.071	-	0.071
Mile End Stadium Astro-turf Development	Section 106 Funded Schemes	-	0.127	-	0.127
John Orwell Sports Centre Astro-turf Development	Section 106 Funded Schemes	-	0.180	-	0.180
744 Wick Lane And 46-52 Fairfield Road	Section 106 Funded Schemes	-	0.040	-	0.040
Stonebridge Wharf (Landscape improvements)	Section 106 Funded Schemes	-	0.091	-	0.091
To be decided	Section 106 Funded Schemes	0.395	0.820	-	1.215
Dace Road Improvements	OPTEMS	0.107	-	-	0.107
Monier Road	OPTEMS	0.174	-	-	0.174
Tredegar Road	OPTEMS	0.050	0.200	-	0.250
Millwall Park / Island Gardens	Parks	0.003	-	-	0.003
Poplar Park	Parks	0.040	-	-	0.040
Schoolhouse Multi Use Gym Area	Parks	0.007	-	-	0.007
Victoria Park Sports Hub	Parks	0.030	2.126	-	2.156
Christ Church Gardens	Parks	-	0.350	-	0.350
Mile End Hedge	Parks	0.134	-	-	0.134
Trinity Square Gardens	Parks	-	0.055	-	0.055
Bartlett Park	Parks	-	0.002	-	0.002
Albert Gardens	Parks	-	0.025	-	0.025
Millwall Park & Langdon Park	Parks	0.028	-	-	0.028
Brady Centre	Culture	0.001	-	-	0.001
Tennis Courts - Bethnal Green Gardens	Culture	0.002	-	-	0.002
Tennis Courts - Victoria Park	Culture	0.010	-	-	0.010
Mile End Stadium Track Resurfacing	Culture	0.004	-	-	0.004
Mile End Park Capital Works	Culture	0.028	0.046	-	0.074
Watney Market Lanscaping	Culture	0.007	-	-	0.007
Whitechapel Idea Store - Design	Culture	0.009	-	-	0.009
St Georges Pool	Culture	0.010	0.096	-	0.106
John Orwell Sports Centre	Culture	0.116	-	-	0.116
Leven Road Open Space	Culture	0.025	-	-	0.025
Brick Lane Mural	Culture	-	0.045	-	0.045

Scheme Description	Programme	2014/15	2015/16	2016/17	2014/15 to
		Budget	Budget	Budget	2016/17
		£m	£m	£m	Total Budget
Banglatown Art Trail & Arches	Culture	0.286	0.250	-	0.536
Mile End Leisure Centre - Security Enhancements	Culture	0.002	-	-	0.002
Stepney Green Astro Turf	Culture	0.443	-	-	0.443
Middlesex Street	Culture	-	0.239	-	0.239
St. John's Gardens Tennis Courts	Culture	-	0.070	-	0.070
Bancroft Library Improvements	Bancroft Library	0.008	-	-	0.008
Bancroft Library Phase 2 / 2b	Bancroft Library	0.052	0.145	-	0.197
Watney Market Idea Store	Watney Market Idea Store	0.057	-	-	0.057
CCTV Improvements	CCTV	0.179	-	-	0.179
Generators - Mulberry/Anchorage	Generators (Mulberry and Anchorage)	0.009	-	-	0.009
Contaminated Land Strategy H&S	Contaminated Land Works	-	0.262	-	0.262
Adelina Grove	Contaminated Land Works	-	0.053	-	0.053
Copton Close (Watts Gr/Gale St)	Contaminated Land Works	-	0.040	-	0.040
Poplar High St (Contaminated Land Surveys)	Contaminated Land Works	0.031	0.006	-	0.037
Rosebank Gardens	Contaminated Land Works	0.033	-	-	0.033
Stores Quay	Contaminated Land Works	-	0.046	-	0.046
Veronica House	Contaminated Land Works	0.015	0.018	-	0.033
<b>Communities, Localities and Culture Total</b>		<b>7.128</b>	<b>9.829</b>	-	<b>16.957</b>

<b>Building Schools for the Future</b>					
BSF Main Build	BSF Main Build	3.356	-	-	3.356
BSF ICT Infrastructure	BSF ICT Infrastructure	2.717	-	-	2.717
<b>Building Schools for the Future Total</b>		<b>6.073</b>	-	-	<b>6.073</b>

<b>Development and Renewal</b>					
Millennium Quarter	Millennium Quarter	0.326	-	-	0.326
Bishops Square	Bishops Square	0.146	-	-	0.146
Wellington Way Health Centre	Wellington Way Health Centre	3.119	-	-	3.119
Roman Road Shop Front Improvements	Town Centre Improvements	0.140	-	-	0.140
Birchfield Estate Masterplan, St Clements Hospital	Regional Housing Pot Targeted Funding	6.068	-	-	6.068
High Street 2012 Conservation	High Street 2012	2.514	-	-	2.514
Disabled Facilities Grant	Disabled Facilities Grants	0.967	0.750	0.730	2.447
Private Sector Improvement Grants	Private Sector Improvement Grants	0.856	0.550	-	1.406

Scheme Description	Programme	2014/15	2015/16	2016/17	2014/15 to
		Budget	Budget	Budget	2016/17
		£m	£m	£m	Total Budget
Genesis Housing	RSL - Genesis Housing Group	0.363	-	-	0.363
DDA Related Access Works	Facilities Management - DDA works	0.052	-	-	0.052
Whitechapel Road Crossing - TfL	S106 Schemes	0.150	-	-	0.150
Barley Mow Project	S106 Schemes	0.152	-	-	0.152
Multi-faith Burial Sites	Multi Faith Burial Ground	3.000	-	-	3.000
Faith Buildings	Faith Buildings	1.707	-	-	1.707
Various - Crossrail (TfL) Project	Section 106 Passported Funding	0.657	-	-	0.657
<b>Development and Renewal Total</b>		<b>20.217</b>	<b>1.300</b>	<b>0.730</b>	<b>22.247</b>

Corporate Provision for Schemes Under Development					
Corporate GF Provision 2013-14	Civic Centre	12.000	-	-	12.000
<b>Corporate Provision for Schemes Under Development Total</b>		<b>12.000</b>	<b>-</b>	<b>-</b>	<b>12.000</b>

Housing Revenue Account					
Decent Homes Backlog	Decent Homes Backlog	70.000	48.601	-	118.601
Malmesbury Estate Decent Homes Programme	Decent Homes Backlog	3.550	-	-	3.550
Housing Capital Programme (Housing Prioritised Investment Programme - 2014/15)	Housing Capital Programme	20.668	15.010	15.000	50.678
To be decided	D&R schemes to be adopted	1.900	0.100	-	2.000
Ocean Regeneration	Ocean Estate Regeneration	6.718	-	-	6.718
Blackwall Reach	Blackwall Reach	4.665	-	-	4.665
Fuel Poverty Works – Bancroft & Avebury	Fuel Property Works	3.363	-	-	3.363
Ashington Estate East - GLA Pipeline Fund	New Supply	0.500	3.530	7.404	11.434
Extensions - GLA Pipeline Fund	New Supply	0.592	3.010	-	3.602
Bradwell Street - GLA Pipeline Fund	New Supply	2.050	0.875	-	2.925
Short Life Properties	Affordable Housing Measures	1.616	-	-	1.616
Watts Grove	Watts Grove	-	10.520	15.780	26.300
Poplar Baths and Dame Colet House	Poplar Baths	-	5.991	9.189	15.180
<b>Housing Revenue Account Total</b>		<b>115.622</b>	<b>87.637</b>	<b>47.373</b>	<b>250.632</b>

<b>TOTAL CAPITAL PROGRAMME 2014/15 TO 2016/17</b>		<b>183.592</b>	<b>117.966</b>	<b>58.183</b>	<b>359.741</b>
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Scheme Description	Programme	2015/16 Budget	2016/17 Budget	2017/18 Budget	2015/16 to 2017/18 Total Budget
		£m	£m	£m	£m
<b>Education, Social Care and Wellbeing</b>					
To provide additional forms of entry for school places	Basic Need/Expansion	10.404	10.924	11.000	<b>32.328</b>
To undertake urgent condition and statutory compliance works	Conditions and Improvement	1.000	1.000	1.000	<b>3.000</b>
To undertake urgent condition and statutory compliance works and service improvements	Conditions and Improvement	0.800	-	-	<b>0.800</b>
<b>Education, Social Care and Wellbeing Total</b>		<b>12.204</b>	<b>11.924</b>	<b>12.000</b>	<b>36.128</b>
<b>Communities, Localities and Culture</b>					
TfL Funded Schemes	TfL Local Implementation Plan (LIP) Funded Schemes	-	2.465	2.465	<b>4.930</b>
S106 Funded Schemes	S106 Funded Transport & Highways Projects	1.357	-	-	<b>1.357</b>
Watts Grove - Additional decant costs	Watts Grove	0.430	-	-	<b>0.430</b>
<b>Communities, Localities and Culture Total</b>		<b>1.787</b>	<b>2.465</b>	<b>2.465</b>	<b>6.717</b>
<b>Development and Renewal</b>					
S106 Funded Schemes	S106 Scheme	1.358	-	-	<b>1.358</b>
<b>Development and Renewal Total</b>		<b>1.358</b>	<b>-</b>	<b>-</b>	<b>1.358</b>
<b>Housing Revenue Account</b>					
New Homes - LBTH Housing Development Programme	New Supply	6.317	20.000	12.000	<b>38.317</b>
<b>Housing Revenue Account Total</b>		<b>6.317</b>	<b>20.000</b>	<b>12.000</b>	<b>38.317</b>
<b>TOTAL INDICATIVE SCHEMES 2015/16 TO 2017/18</b>		<b>21.666</b>	<b>34.389</b>	<b>26.465</b>	<b>82.520</b>

Programme/Directorate Budgets	2014/15			2015/16	2016/17	2017/18	2014/15 to 2017/18
	Slippage from 2013/14	Latest Budget	Total Revised Budget	Budget	Budget	Budget	Total Budget
	£m	£m	£m	£m	£m	£m	£m
Education, Social Care and Wellbeing	3.195	19.357	22.552	31.404	22.004	12.000	87.960
Communities, Localities and Culture	0.971	6.157	7.128	11.616	2.465	2.465	23.674
Building Schools for the Future	(6.718)	12.791	6.073	-	-	-	6.073
Development & Renewal (Excluding HRA)	17.736	2.482	20.217	2.658	0.730	-	23.605
Civic Centre	-	12.000	12.000	-	-	-	12.000
<b>Total excluding HRA</b>	15.184	52.787	67.970	45.678	25.199	14.465	153.312
Poplar Baths and Dame Colet House	-	-	-	5.991	9.189	-	15.180
Housing Revenue Account	50.366	65.256	115.622	87.963	58.184	12.000	273.769
<b>Total HRA</b>	50.366	65.256	115.622	93.954	67.373	12.000	288.949
<b>Total Budget</b>	<b>65.550</b>	<b>118.043</b>	<b>183.592</b>	<b>139.632</b>	<b>92.572</b>	<b>26.465</b>	<b>442.261</b>

Programme/Directorate Funding Sources	Central Government or other Grant	Supported Capital Expenditure	Major Repairs Allowance	Schools Contribution	Capital Receipt	Prudential Borrowing	Section 106 Funding	Direct Revenue Funding	Credit Arrangement	Total	2014/15 Revised Budget	2015/16 Budget	2016/17 Budget	2017/18 Budget	2014/15-2017/18 Total Budget
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Education, Social Care and Wellbeing	86.976	-	-	-	0.969	-	-	0.015	-	87.960	22.552	31.404	22.004	12.000	87.960
Communities, Localities and Culture	11.962	-	-	-	1.709	0.095	9.510	0.398	-	23.674	7.128	11.616	2.465	2.465	23.674
Building Schools for the Future	(1.973)	-	-	1.435	6.611	-	-	-	-	6.073	6.073	-	-	-	6.073
Development & Renewal (Excluding HRA)	11.768	-	-	-	5.789	-	5.908	0.140	-	23.605	20.217	2.658	0.730	-	23.605
Civic Centre	-	-	-	-	-	10.000	-	2.000	-	12.000	12.000	-	-	-	12.000
<b>Total excluding HRA</b>	108.733	-	-	1.435	15.078	10.095	15.418	2.553	-	153.312	67.970	45.678	25.199	14.465	153.312
Poplar Baths and Dame Colet House	-	-	-	-	4.554	-	-	-	10.626	15.180	-	5.991	9.189	-	15.180
Housing Revenue Account	78.363	-	73.028	-	8.661	54.518	3.017	56.182	-	273.769	115.622	87.963	58.184	12.000	273.769
<b>Total HRA</b>	78.363	-	73.028	-	13.215	54.518	3.017	56.182	10.626	288.949	115.622	93.954	67.373	12.000	288.949
<b>Total Funding</b>	<b>187.096</b>	<b>-</b>	<b>73.028</b>	<b>1.435</b>	<b>28.293</b>	<b>64.613</b>	<b>18.435</b>	<b>58.735</b>	<b>10.626</b>	<b>442.261</b>	<b>183.592</b>	<b>139.632</b>	<b>92.572</b>	<b>26.465</b>	<b>442.261</b>

# **Appendix9 - Strategic Plan**



# **Strategic Plan 2015/16**



## **Introduction: the 2015/16 context**

This outline Strategic Plan describes the council's overall aims, objectives and the outcomes we want to deliver. The Strategic Plan action plan details the milestones planned in 2015/16 to achieve those outcomes.

The Strategic Plan is informed by the Mayor's key priorities and Manifesto commitments including:

- Housing and Regeneration;
- Jobs and Local Economy;
- Cost of Living;
- Young People and Schools;
- Older People and Health;
- Community Safety and Community Cohesion;
- Environment and Public Realm; and
- Arts, Heritage, Leisure and Culture.

The Strategic Plan 2015/16 takes into account the continued impact of the government's reductions in funding to local authorities. A key area of focus in 2015/16 will be the continued work to design and deliver savings that will be required in future years. The council continues to prioritise front-line services.

### **National Context**

The Coalition Government is continuing to implement significant changes to the services which our local residents rely on. This includes:

- Significant reform of welfare – a key focus for the government in 2015/16 will be implementation of Universal Credit.
- New expectations and requirements, for example in relation to supporting carers and children with special educational needs.
- A reduction in local authority remit in key areas, such as education, with the continuing encouragement of free schools and academies.

### **Council Finances**

The prolonged real term reduction in public spending faced by local authorities has been a continuing challenge for the council. The 2013 Spending Review and subsequent statements from the Office for Budget Responsibility have seen extensive and ongoing reductions in central government funding - both revenue and capital. The council has already made good progress in achieving savings, however further cuts now mean that there is a budget reduction of between £70m and £100 million to achieve in the next three years. The protection of the quality of front line services is a fundamental principle for the Mayor and council.

The council will continue to explore innovative ways in which it can deliver quality services with fewer resources. So far, we have achieved savings through activities such as through greater partnership working, shared services and working more closely with the third sector, as well as investigating revenue raising opportunities.

## **Population growth and change**

The estimated resident population of Tower Hamlets is 272,000. Over recent years, the borough has seen the highest population growth in the country.

Tower Hamlets remains a relatively young borough, with almost half of the recent population rise concentrated in the 25-34 age range. The profile of the borough is one of increasing diversity, with 43% of the population born outside of the UK. There are sizeable Bangladeshi (32%) and White British communities (31%) and an increasing number of smaller ethnic groups in the resident population.

## **Employment and the economy**

Tower Hamlets is one of the highest economic and employment growth areas in the country. There are already over 253,000 jobs in the borough: equating to 1.3 jobs for every working age resident. The economy has important financial, communication and retail sectors with 81% of all employment in the borough based in Canary Wharf and the City Fringe.

Supporting residents to benefit from the borough's strong economy is still a key challenge. Only 15% of jobs within the borough are taken by local people. Although the borough's employment rate was recently recorded at its highest ever level, it remains below the London average. Effective employment services, to support more local residents to gain the skills required and to access London wide opportunities, will be central to maintaining the upward trend in local employment.

Work with local business, including small and medium enterprises (SMEs), to create growth remains an important priority. This will be supported by a range of measures including business engagement events, town centre development, marketing campaigns and local procurement initiatives.

## **Education**

Outcomes for local children and young people continue to improve. Local Key Stage 2 and GCSE results are now consistently above national averages. The Mayor's Education Award has helped more young people continue in further and higher education, and A-Level grades are getting better year-on-year. The Children and Families Act is now in force, which includes a focus on support to children with special educational needs.

## **Housing and Environment**

A fast growing population, low income levels for many households and high house prices makes housing a key challenge for the borough. The borough has a strong track record of building large numbers of affordable homes for residents – amongst the best in the country.

Despite this, housing need and demand continue to increase. For example, there are around 20,250 households on the housing waiting list with over 7,500 of these overcrowded. On average around 2,200 properties become available each year.

In addition, the Government's welfare reform changes are really taking effect. Many households have had their income reduced and there has been a rise in residents seeking advice: both to understand how the changes will affect them, and to get support in mitigating the impact of the reforms.

The development industry is continuing to submit proposals to redevelop in the borough. The Tower Hamlets Local Plan sets out the extensive physical renewal that is planned to meet the needs of the growing population. From 2015, the Community Infrastructure Levy (CIL) will detail how the supporting infrastructure required will be paid for including funding from development. The borough is set to change significantly with innovative developments planned supporting better transport links, an improved public realm and new community facilities.

### **Health and Care**

Despite strong progress in recent years, improving healthy life outcomes for residents remains a key priority in the Strategic Plan. Eight out of ten residents report that their health is good or very good; however, the proportion citing poor health is the fourth highest in London.

Health inequalities begin early and Tower Hamlets has one of the highest rates of childhood obesity in the country. The integration of public health functions into the council has provided a strong platform for further health improvements across all ages.

Social care is a strong local and national priority. In recent years, Tower Hamlets has focused on safeguarding and transforming social care services by giving users more choice and control. Nationally, the Care Act sets out a number of significant changes the council will need to focus upon including reform of how support is accessed and funded. Work to support the further integration of health and care locally will be taken forward by the Health and Wellbeing Board.

### **Inequality and fairness**

Underpinning the objectives of the Strategic Plan is the theme of One Tower Hamlets – reducing inequality, fostering community cohesion and supporting strong local leadership.

The effects of the economic downturn, coupled with the loss of funding for many public services, means that the council is operating in an environment in which there are risks that inequality will grow rather than reduce in the borough.

There has been significant progress in delivering the actions identified by the borough's Fairness Commission, including in addressing the 'poverty premium' in Tower Hamlets. The learning and research developed through the Commission will have also informed the development of the borough's Community Plan.

### **Single Equality Framework**

The Strategic Plan incorporates the council's Single Equality Framework (SEF) priorities. The SEF sets out the council framework for tackling inequality and promoting cohesion and incorporates an analysis of inequality in the borough. Provisional SEF Equality Objectives are highlighted with a \* in the Outline Plan; these will be reviewed and further developed with accompanying milestones as part of the development of the Strategic Plan Action Plan.

To ensure that we are able to track performance against our equality objectives for 2015/16 we have identified a set of equality performance measures. These include existing performance measures that relate to equality and measures which will be disaggregated by specific equality strands where we need to narrow the gap in terms

of outcomes for specific groups. This approach demonstrates that we are meeting the requirements of the Public Sector Equality Duty to prepare and publish objectives which demonstrate how the organisation will meet the aims of the Duty. The SEF measures are highlighted with an \*.

### **Best Value Inspection**

During 2014/15, a Best Value Inspection of the Council was undertaken at the request of the Secretary of State for Communities and Local Government. A key focus in 2015/16 will be responding to the inspection's findings, including agreeing a strategy and action plan with the Secretary of State's appointed commissioners

## **From vision to performance**

The Mayor and our partners have a clear vision for the borough *to improve the quality of life for everyone living and working in Tower Hamlets*. It is a vision that has been agreed by partners in the Tower Hamlets Partnership.

As part of this vision the Mayor developed a set of pledges which are articulated through the **Five Themes** of the Community Plan:

**A Great Place to Live** - Tower Hamlets will be a place where people live in quality affordable housing, located in clean and safe neighbourhoods served by well-connected and easy to access services and community facilities.

**A Prosperous Community** - Tower Hamlets will be a place where everyone, regardless of their background and circumstances, has the aspiration and opportunity to achieve their full potential through education and vibrant local enterprise.

**A Safe and Cohesive Community** - Tower Hamlets will be a safer place where people feel safer, get on better together and difference is not seen as threat but a core strength of the borough.

**A Healthy and Supportive Community** - Tower Hamlets will be a place where people are supported to live healthier, more independent lives and the risk of harm and neglect to vulnerable children and adults is reduced.

**One Tower Hamlets** – Tower Hamlets will be a place where everyone feels they have an equal stake and status. We are committed to reducing inequalities, supporting cohesion and providing strong community leadership.

## **Strategic Priorities**

Sitting underneath the Strategic Plan's five themes are the council's strategic priorities. These priorities set out more explicitly the organisation's key objectives for the next year.

### **A Great Place to Live**

- 1.1: Provide good quality affordable housing
- 1.2: Maintain and improve the quality of housing
- 1.3: Improve the local environment and public realm
- 1.4: Provide effective local services and facilities
- 1.5: Improve local transport links and connectivity
- 1.6: Develop stronger communities

### **A Prosperous Community**

- 2.1: Improve educational aspiration and attainment
- 2.2: Support more people into work
- 2.3: Manage the impact of welfare reform on local residents
- 2.4: Foster enterprise and entrepreneurship

### **A Safe and Cohesive Community**

- 3.1: Focus on crime and anti-social behaviour
- 3.2: Reduce fear of crime
- 3.3: Foster greater community cohesion

### **A Healthy and Supportive Community**

- 4.1: Reduce health inequalities and promote healthy lifestyles
- 4.2: Enable people to live independently
- 4.3: Provide excellent primary and community care
- 4.4: Keep vulnerable children, adults and families' safer, minimising harm and neglect

### **One Tower Hamlets**

- 5.1: Reduce inequalities
- 5.2: Work efficiently and effectively as One Council

## **Key Activities and Initiatives**

The next section of this outline plan sets out the key activities and initiatives we propose to carry out in 2015/16 to enable us to deliver our vision and strategic priorities. The Strategic Plan Action Plan will set out further detail on these activities, including the more specific milestones planned in 2015/16.

## **A Great Place to Live**

A Great Place to Live reflects the Council's continuing ambition to make Tower Hamlets a place where people are proud to live, work and visit.

In 2015/16 we will endeavour to maximise the number of new affordable homes delivered, increase the number of existing homes that meet the Decent Homes Standard and tackle fuel poverty. We will also continue to focus on securing transparent service charges for leaseholders and ensuring that Registered Providers deliver on their service agreements.

The council will maintain its leading role on significant regeneration developments, including at Blackwall Reach and in Whitechapel. Improving our public realm will remain a key focus. The council will also take further steps to enhance its library and lifelong learning service, as well as our leisure facilities.

A key priority is to respond effectively to continuing housing and welfare reform, including homelessness prevention, as we seek to mitigate the impact on our residents.

### **In 2015/16 our priorities are to:**

#### *Provide good quality affordable housing:*

- Increase the availability of affordable family sized housing\*
- Plan effectively to deliver affordable housing and funding for infrastructure, including for health and education
- Deliver a programme of new build Council housing
- Support regeneration at Blackwall Reach and the Ocean Estate
- Increase the pace of regeneration in Poplar
- Deliver housing, a leisure centre and community facilities at Poplar Baths / Dame Colet house
- Seek to mitigate homelessness and improve housing options\*

#### *Maintain and improve the quality of housing:*

- Reduce the number of council homes that fall below a decent standard\*
- Improve the quality of housing services
- Identify and target sub-standard homes and work with landlords, or enforce where required, to improve conditions
- Offer affordable fuel options through the Tower Hamlets Energy Community Power (Energy Cooperative)\*

#### *Improve the local environment and public realm:*

- Progress the Carbon Reduction Plan for council buildings
- Protect and improve the local environment and implement the biodiversity action plan.
- Work in partnership to improve our public realm
- Increase household waste sent for reuse, recycling and composting
- Improve our parks, playgrounds and open spaces

*Provide effective local services and facilities:*

- Manage national planning changes effectively to deliver local priorities
- Further improve our markets
- Adopt the Tower Hamlets local Community Infrastructure Levy (CIL)
- Deliver the Whitechapel Vision
- Refresh of the Borough Local Plan
- Commence the Isle of Dogs Opportunity Area Planning Framework (OAPF)
- Deliver a multi-faith burial ground\*

*Improve local transport links and connectivity:*

- Support sustainable local transport including cycle improvements

*Develop stronger communities:*

- Engage residents and community leaders in policy and budget changes\*
- Implement a framework for engagement of borough-wide equality forums in the Partnership\*
- Deliver locally appropriate services through the 4 Locality Hubs



## A Prosperous Community

We aim to create a Tower Hamlets in which everyone, regardless of their background and circumstances, has the aspiration and opportunity to achieve their full potential.

Tower Hamlets aims to maintain its excellent performance in school improvement, supported by a strong local education authority and active parents and governors. The council will continue to invest in supporting young people across all ages and embed the provisions of the Children and Families Act 2014.

Fostering enterprise and employment is a key priority for the council. It is important that we continue to drive local economic growth by working effectively with business, including small and medium enterprises. Supporting more local people into jobs through effective employment services is also essential.

As the Government seeks to introduce its Universal Credit system, the council will maintain its support to residents through national welfare reform. An extensive programme of information and awareness raising, supported by employability and other assistance for residents, will remain important throughout 2015/16.

### **In 2015/16 our priorities are to:**

#### *Improve educational aspiration and attainment:*

- Ensure sufficient places are provided to meet the need for statutory school places
- Expand free early years education places of high quality for disadvantaged two-year-olds\*
- Raise attainment and narrow the gap between the lowest 20% and the median of all children at the end of the Early Year's Foundation Stage Profile (EYFSP)\*
- Increase the number of children achieving 5 A\*-C grades including English and maths grades at GCSE\*
- Bring A Level results above the national average\*
- Embed a Child Rights Approach in all of our commissioning for 2015-16\*
- Assist more people into further education and to university, and continue to deliver the Mayor's Educational Allowance (MEA) and the Mayor's Higher Education Award (MEHEA)\*
- Maintain investment in youth services and provision for young people\*
- Provide effective support for parents and governors\*
- Embed the provisions of the Children and Families Act 2013 to support children with special educational needs\*

#### *Support more people into work:*

- Support residents into jobs through employment and skills programmes\*
- Provide high quality support and training to assist young people into sustainable employment\*
- Develop and implement a Women and Health employment programme focusing on the priority of Maternity and Early Years\*
- Maximise local employment and economic benefits from the council's processes\*
- Support English for Speakers of Other Languages (ESOL)\*



*Manage the impact of welfare reform on local residents and maximising incomes:*

- Drive the ongoing partnership wide programme around welfare reform\*
- Ensure integrated local support for the roll out of Universal Credit\*
- Implement the Digital Inclusion Strategy\*

*Fostering enterprise and entrepreneurship:*

- Support local businesses through information sharing and events
- Develop opportunities for growth and sustainability in local commercial districts

## Safe and Cohesive Community

Ensuring that everyone feels safe and confident in their homes and on the streets of Tower Hamlets remains a key Mayoral priority. There will be a continued focus on crime and anti-social behaviour, with effective and visible enforcement.

The council will continue to invest in Police Officers and uniformed THEOs. We also recognise the need to go beyond simply tackling crime and ASB to also address people's fear of crime and perceptions of personal safety through better information, community engagement and an improved local environment.

Tower Hamlets is rightly proud of its diversity. The council remains committed to bringing all of its communities together to foster understanding, support cohesion and build 'One Tower Hamlets'. Supporting events which celebrate the diversity of the borough and its people plays an important role in this respect.

### **In 2015/16 our priorities are to:**

#### *Focus on crime and anti-social behaviour:*

- Deliver the partnership 'Violence Against Women & Girls (VAWG) programme'
- Manage the night time economy
- With our partners, deliver the Partnership Community Safety Plan\*
- Work with the Police and Mayor for London to maintain and improve enforcement
- Use CCTV and the mobile police centre, and engage the Community Champions and local people, to help identify and target the crime and ASB affecting our community

#### *Reduce fear of crime by:*

- Improve the responsiveness and visibility of our ASB services\*

#### *Foster greater community cohesion:*

- Celebrate our diversity with community events every month\*

## **A Healthy and Supportive Community**

Our aim is to support residents to live healthier, more independent lives and reduce the risk of harm and neglect to vulnerable children and adults.

Within this theme, a key emphasis is on promoting healthy lifestyles and ensuring fewer residents require long-term care for avoidable health needs. The council is also committed to protecting the interests of residents in the context of significant health reforms. The successful transfer of public health responsibilities to the council has provided a solid foundation on which to build.

The council is committed to ensuring that Tower Hamlets is one of the top performing councils in the country with responsibility for social services. A key priority will be implementing the Care Act and using this to help improve our services. Supporting our most vulnerable residents is important to us; Tower Hamlets continues to be the only borough in England that still provides free homecare for example.

### **In 2015/16 our priorities are to:**

- Ensure every child has a healthy start\*
- Support people to lead healthier lives\*
- Improve the support available to people with mental health conditions\*
- Improve early detection and awareness of long-term conditions and cancer\*
- Use Public Health expertise within a Council and Partnership-wide approach to reduce health inequalities for all sections of the community\*
- Invest in the borough's leisure centres and playing pitches
- Deliver free school meals for all primary pupils in the borough\*
- Work with people with drug and alcohol dependencies, commissioning effective treatment provision, to break the cycle of substance misuse\*

#### *Enable people to live independently:*

- Improve support to carers\*
- Enable personalised support for the borough's most vulnerable residents\*

#### *Provide excellent primary and community care:*

- Develop further integrated working between health, social care and housing\*
- Implement the Care Act\*

#### *Keep vulnerable children, adults and families' safer, minimising harm and neglect:*

- Work with partner agencies to protect vulnerable adults\*
- Provide proportionate support to vulnerable children and families\*
- Introduce improvements to the adoption system\*
- Improve identification of, and response to, victims of child sexual exploitation\*

## One Tower Hamlets

Underpinning the Community Plan vision is the aspiration to build One Tower Hamlets – a borough where everyone feels they have an equal stake and status. We are committed to reducing inequalities, fostering cohesion and supporting strong community leadership.

The over-arching aim of One Tower Hamlets takes on added importance in the context of considerable budget reductions. As part of this, we will continue our work with partners to help address the recommendations arising from the Fairness Commission.

This theme also reflects the key projects we are delivering to make our council more lean, flexible and citizen-centred. Over the next year, we intend to better use our assets, work smarter and buy better.

A key focus will be responding to the findings of the Best Value inspection of the Council that was undertaken in 2014/15, including facilitating any confirmed directions from the Secretary of State.

### **In 2015/16 our priorities are to:**

#### *Reduce inequalities:*

- Employ a workforce that fully reflects the community it serves\*
- Support more employment opportunities for disabled residents, including Council apprenticeships\*
- Continue to deliver the recommendations arising from the Tower Hamlets Fairness Commission\*
- Refresh our strategies around diversity and cohesion\*
- Ensure that 'every voice matters'\*

#### *Work efficiently and effectively as One Council:*

- Respond to the Best Value inspection's findings, including agreeing a strategy and action plan with the appointed commissioners
- Create an environment that fosters a healthy and effective workforce
- Develop the strategic ICT partnership
- Maximise potential income from our rate base and our council tax base
- Develop Progressive Partnerships to further the Mayor's social objectives\*
- Improve customer satisfaction with residents when they contact the Council
- Make better use of our buildings and other public assets
- Tackle misuse of public assets and generate income from pro-active anti-fraud work
- Prioritise frontline services whilst delivering the council's budget strategy during a period of declining resources\*

## Measuring our Performance

We use a basket of performance measures to track whether we are delivering on our strategic priorities. The proposed measures are set out below.

### A Great Place to Live

- Number of affordable homes delivered
- Number of affordable social rented housing completions for families (gross)\*
- Level of homeless prevention through casework\*
- Number of overcrowded families rehoused\*
- Percentage of overall housing stock that is not decent\*
- Satisfaction with parks and open spaces
- Percentage of household waste sent for reuse, recycling & composting
- Improved street & environmental cleanliness
- Satisfaction with local neighbourhood

### A Prosperous Community

- Early Years Achievement - Percentage of children achieving a Good Level of Development\*
- Percentage of children achieving Level 4+ in Reading, Writing and Maths at Key Stage 2\*
- Achievement of 5 or more A\*- C grades at GCSE or equivalent including English and Maths\*
- Average Point Score per A Level Student (FTE)\*
- Percentage of young people not in education, employment or training (NEET)\*
- Employment rate (gap v London)\*
- Jobseekers Allowance Claimant Count (gap v London)\*
- Number of job starts for Tower Hamlets residents\*
- Child Poverty rate

### A Safe and Cohesive Community

*(MPOAC 7 and Community Safety Partnership priority measures – to be confirmed through the CSP planning process)*

- MOPAC 7 crimes (total)
- Burglary Offences
- Robbery Offences
- Theft of a Motor Vehicle Offences
- Theft from a Motor Vehicle offences
- Theft from the Person Offences
- Total number of Violence with Injury Offences (Total, DV only\* and Exc. DV)
- Number of Police ASB CAD (101 & 999) Calls
- Number of Total Notifiable Offences
- Local concern about ASB and Crime
- Number of people killed or seriously injured
- Number of children killed or seriously injured
- Satisfaction with the Police and Community Safety Partnership\*
- Proportion of residents who believe people from different backgrounds get on well together in their local area\*

## **A Healthy and Supportive Community**

- Life expectancy at birth (male/female)\*
- Smoking prevalence (overall)
- Smoking cessation\*
- Under 18 conception
- Excess weight in 4-5 year olds\*
- Percentage of CAF reviews with an improved score
- Proportion of people using social care who receive self-directed support, and those receiving direct payments\*
- Social care-related quality of life\*
- Average time between a child entering care and moving in with its adoptive family
- Percentage of ethnic minority background children adopted\*

## **One Tower Hamlets**

- Proportion of staff that are LP07 or above who have a disability\*
- Proportion of staff that are LP07 or above who are from an ethnic minority\*
- Proportion of staff that are LP07 or above that are women\*
- Working days lost due to sickness absence
- Customer access satisfaction
- Proportion of residents that agree the council involves residents when making decisions
- Proportion of residents that agree the council is doing a good job
- Percentage of council tax collected (budgeted)
- Percentage of non-domestic rates collected (budgeted)

\*Denotes SEF equality objectives / performance measures