

TOWER HAMLETS

Budget Consultation 2018 On behalf of London Borough of Tower Hamlets

Prepared by

SMSR
RESEARCH

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1.0 Headline Findings

1.1 Headline findings

Overall, **children's services and education; public health and community safety** were deemed to be the most valuable services in Tower Hamlets. Over two-fifths (42%) considered children's services and education to be amongst the three council services they value the most, making it the top priority. Over a third of respondents (36%) regarded both public health and community safety as amongst their most valued services; placing these services within the top three. Highways and transport services was revealed to be the least valued service that Tower Hamlets Council provides (19%).

There was a shift in results when considering only business respondents. Perhaps, to some extent predictably, business respondents placed the most value on economic growth and job creation; highways and transport services and street cleaning, waste and public realm services.

When considering limited availability of resources, respondents in Tower Hamlets believed that community safety should be prioritised (44%) alongside children's services and education (40%) and housing services (36%). Furthermore, when asked to confirm which service is most important to prioritise, the same three services were rated highest amongst respondents with community safety the outright priority; a fifth of respondents (18%) choosing this option.

Nearly two-thirds (64%) felt the council should reduce spending on temporary agency staff and just under half (43%) preferred that more commercial income should be generated to help tackle reductions in core council funding and savings targets. A reduction of spending on frontline services was the least preferred action with only 6% selecting this option.

The majority felt that efficiency, availability and quality will decline as a result of further savings. More than 8 out of every 10 concluded the impact of further savings on the borough will mean fewer services will be available and over three-quarters (79%) believed that service quality would go down. Over two-thirds (68%) thought that efficiency would be affected by the impact of further savings; believing that the council will be less efficient.

Similarly to previous attitudes towards tackling shrinking core council budget and savings, respondents cited a combination of efficiencies and income generation as the most important options to minimise the impact of savings. Over half (55%) took the position the council should make services more efficient to minimise the impact of savings, and 82% support the council expanding its approach to generating income to help protect frontline services and limit the impact of government cuts.

Around half (49%) said that they would support a proposal to add an increase to council tax by up to 3 per cent. Support amongst those responding as a resident was higher (58%) with the overall results tempered by lower levels of support from businesses with under a quarter (23%) backing such a rise.

Support amongst respondents strengthened towards a 1 per cent increase to council tax to specifically aid adult social care services with over two-thirds (68%) confirming they would accept this rise. When considering residents and businesses separately, almost 8 out of every 10 residents (76%) said they would support this increase. Again, businesses took a more reserved standpoint with less than half (44%) supporting such a rise.

High levels of support were revealed towards Tower Hamlets Council expanding its approach towards income generation in order to protect frontline services and limit the impact of government cuts. Overall, 8 in every 10 said they would support the council taking this approach with considerable backing from both residents and businesses (86% and 70% respectively).

2.0 Introduction

2.1 Background

Since the Government's austerity programme started in 2010, Tower Hamlets Council has worked hard to protect vulnerable children, adults and frontline services while making savings of £176 million. During this time, core government funding has been cut in real terms by 64%, which equates to £148m.

The council has made a number of tough choices to minimise the impact on those services residents say that they rely on the most. This includes reducing running costs, being more efficient and reducing its workforce by a third since 2010. As the pressures continue to grow, Tower Hamlets Council will need to prioritise what matters most to residents' lives.

The council ran a budget consultation from 29 October to 10 December to understand the impact savings may have on people living and working in Tower Hamlets, as well as their priorities. The consultation included an online survey hosted on the council's website and a telephone and face to face survey with residents, businesses and community groups. The council commissioned SMSR Ltd, an independent research company, to manage the telephone and face to face survey. The council also commissioned the Campaign Company to run four public engagement events, encouraging people to fill in the online survey. All survey questions were the same and the results within this report are a combination of all responses received during the six week consultation period.

2.2 Report structure

Included in this report are a set of headline findings which provide quick reference to all the questions asked throughout the survey. In addition, all questions have been analysed by demographic groupings and any differences in opinion are commented on throughout the report.

It should be noted that when the results are discussed within the report, often percentages will be rounded up or down to the nearest one per cent. Therefore occasionally figures may add up to 101% or 99%.

2.3 Acknowledgements

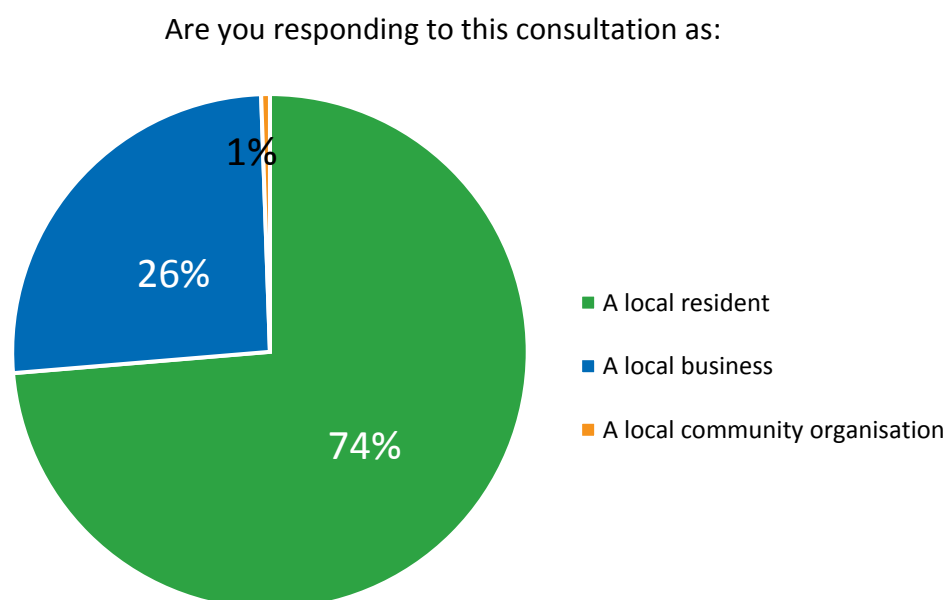
SMSR would like to thank the 2,024 Tower Hamlets residents, businesses and community groups who took part in the consultation.

3.0 Sample / Methodology

An interviewer led, telephone and CAPI (face to face) questionnaire was designed by SMSR in conjunction with staff from Tower Hamlets Council. The survey script mirrored the online consultation open to all residents in the borough located on the council's website.

Interviews were conducted using quota sampling to ensure the sample was representative. Quotas for age, gender and ethnicity were set using the mid-2017 census figures for the residents' consultation and the sample included representation from each of the ward within the borough. Quotas for business interviews were set by business size.

Respondents were asked to identify as a local resident, a local business or a community group:



A total of 2024 residents, businesses and community groups took part in the consultation, overall. A representative sample of 1100 residents were interviewed by SMSR Ltd, predominantly by telephone and supported by face to face interviewing at Idea Stores across the borough. A further sample of 500 businesses was interviewed by SMSR Ltd, using the same methodologies. In addition, a total of 392 residents, businesses and community groups responded to an online consultation, hosted on the council's website. Overall, three quarters responded as a local resident (74%), a quarter responded as a business and just 1% as a local community organisation. All responses have been combined in this report.

The demographic and geographic breakdown of residents and businesses was as follows:

Residents

Please note that not all residents provided demographic information.

Gender	Number	Percentage of sample
Male	693	47%
Female	753	51%
Prefer to self-identify	2	0%
Prefer not to say	33	2%

Age	Number	Percentage of sample
16-24	215	15%
25-34	439	30%
35-44	365	25%
45-54	229	15%
55-64	110	7%
65+	97	7%
Prefer not to say	26	2%

Ethnicity	Number	Percentage of sample
White	769	52%
BAME	659	45%
Prefer not to say	47	3%

Ward	Number	Percentage of sample
Bethnal Green	96	6%
Blackwall & Cubitt Town	61	6%
Bow East	78	6%
Bow West	64	5%
Bromley North	32	3%
Bromley South	44	4%
Canary Wharf	53	6%
Island Gardens	48	5%
Lansbury	63	5%
Limehouse	29	2%
Mile End	74	7%
Poplar	36	2%
St Dunstan's	52	4%
St Katharine's & Wapping	39	4%
St Peter's	44	7%
Shadwell	38	5%
Spitalfields & Banglatown	83	5%
Stepney Green	47	4%
Weavers	41	5%
Whitechapel	75	6%
Not known*	383	26%

*Please note that no geographical information was collected during the online consultation.

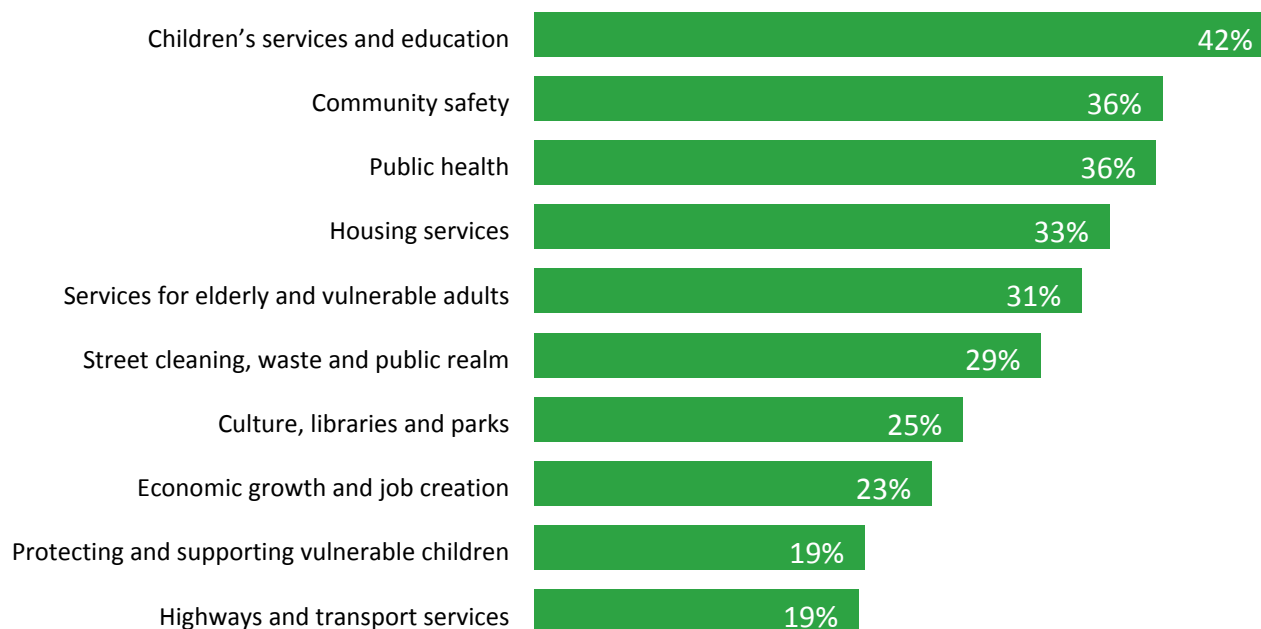
Businesses

Business size	Number	Percentage of sample
Micro (0-9 employees)	426	85%
Small (10-49 employees)	61	12%
Medium (60-249 employees)	7	1%
Large (250+ employees)	6	1%

Ward	Number	Percentage of sample
Bethnal Green	61	12%
Blackwall & Cubitt Town	20	4%
Bow East	23	4%
Bow West	18	3%
Bromley North	3	1%
Bromley South	0	0%
Canary Wharf	33	6%
Island Gardens	2	0%
Lansbury	49	9%
Limehouse	0	0%
Mile End	26	5%
Poplar	12	2%
St Dunstan's	13	3%
St Katharine's & Wapping	0	0%
St Peter's	34	7%
Shadwell	69	13%
Spitalfields & Banglatown	20	4%
Stepney Green	10	2%
Weavers	79	4%
Whitechapel	85	16%
Not known	2	0%

4.0 Findings

In your opinion, which council service(s) do you value the most? Choose up to three options:



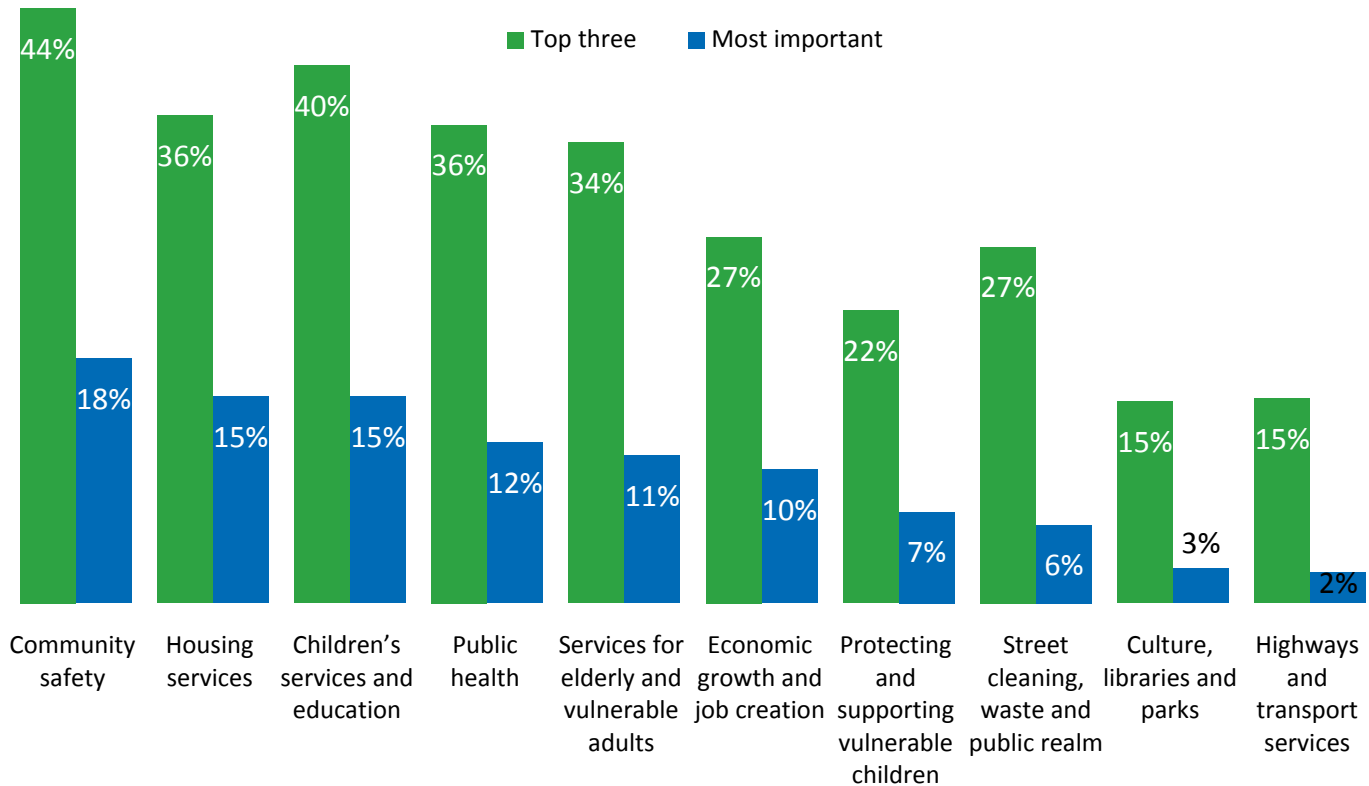
Over two-fifths valued children's services and education the most (42%) and over a third thought that community safety (36%) and public health (36%) were amongst the top three most valuable services provided by Tower Hamlets Council. Protecting and supporting vulnerable children and highways and transport services were deemed less important overall, with under a fifth considering these services to be the most valuable.

Females were significantly more likely to value children's services and education the most when compared to males (49% and 38% respectively), as were younger respondents; with over half of those aged 16-24 (56%) rating this service as the most valuable. The percentage of respondents who placed value on this service decreased with age, however, over a third (34%) of those 65 or over still considered this service as one of their most valued.

Furthermore, those in Limehouse (83%), Bromley South (66%) and Blackwall and Cubitt Town (58%) were all more likely to value this service.

When considering the most valuable services to those who responded as a local resident, over half mentioned children's services and education (52%) followed by public health (39%) and services for elderly and vulnerable adults (38%). Conversely, business respondents placed more value on economic growth and job creation (54%), highways and transport services (45%) and street cleaning, waste and public realm services (40%).

In your opinion, with limited resources available, which council services do you think the council should prioritise?



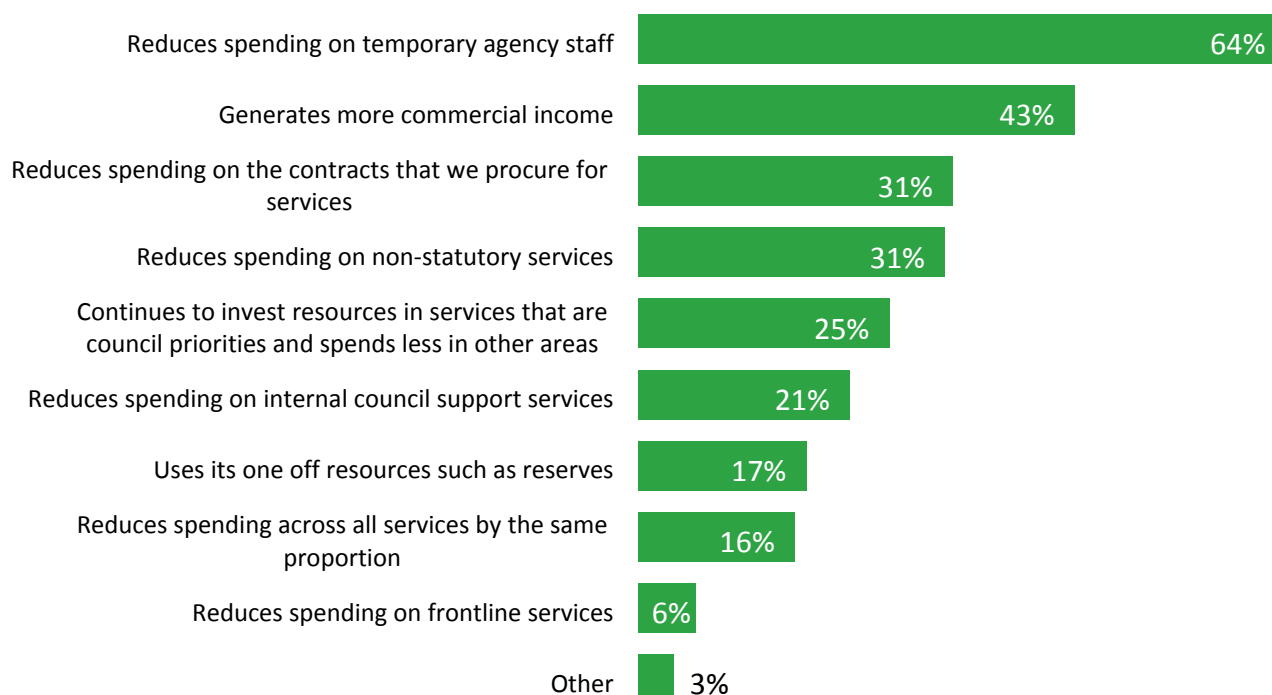
Respondents were asked to consider, with limited resources available, which council services should be prioritised. Respondents were asked to provide their top three priorities, followed by the service they regarded as the most important for Tower Hamlets Council to prioritise.

Overall, respondents said that community safety, housing services and children's services and education should be prioritised. Those aged 25-54 were more likely to view community safety as the most important priority (25-34: 18%; 35-44: 21%; 45-54: 19%), compared with those aged 65 and over (9%). Residents and businesses in the wards of Island Gardens and Lansbury were also more inclined to state that community safety as their main priority (both 26%).

When considering housing; age proved to be a factor in prioritising this service with residents aged 16-24 (23%) the most inclined to choose this option compared with other age categories. Housing was also deemed more important amongst BAME respondents (18%) compared with White (14%).

Affirming previous attitudes towards the value of services, residents in Tower Hamlets deemed children's services as the most important to prioritise (20%). Businesses, on the other hand, ranked community safety as the most important to prioritise (25%).

As our core government funding continues to fall and we have to save a further £44m by 2022, would you prefer that the council:

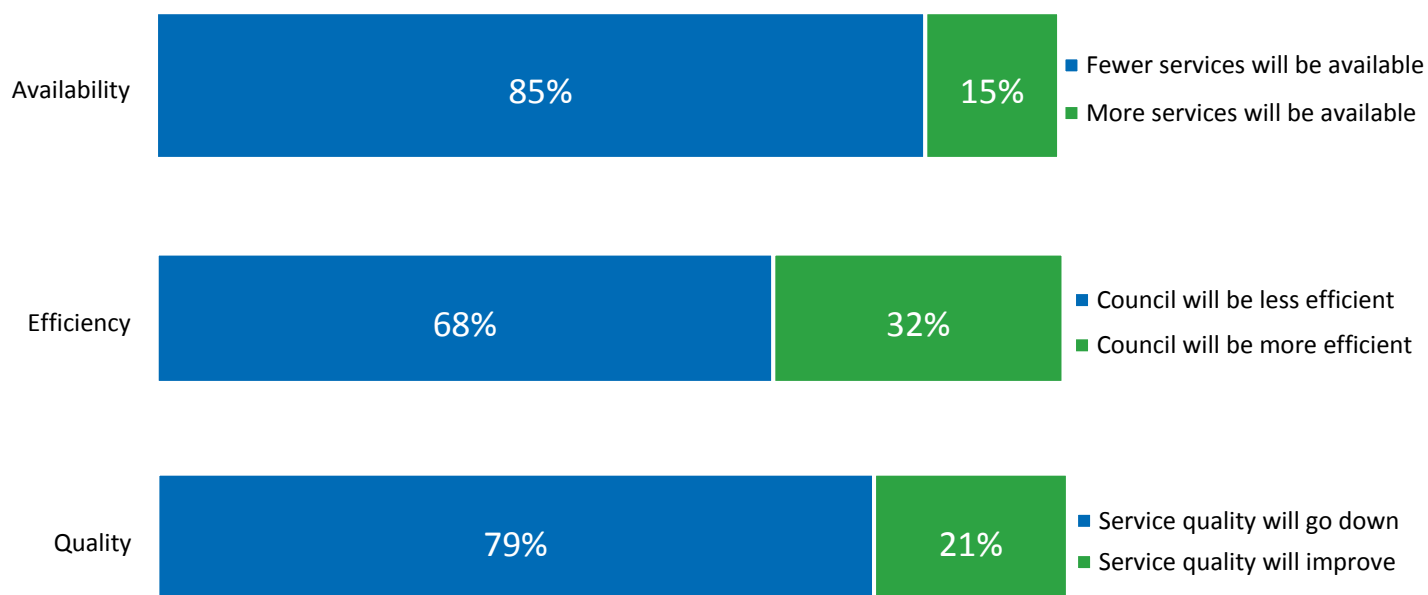


Respondents were presented with options that may help Tower Hamlets Council tackle savings required to be made by 2022 and asked which three they would prefer. Overall, two-thirds of respondents (64%) would prefer the council reduces spending on temporary agency staff and just under half would prefer Tower Hamlets Council generate more commercial income (43%). Reducing frontline services was the least preferred option (6%). Reducing spending on temporary agency staff appealed both to residents and businesses as the most preferred option.

In general, older respondents preferred a reduction in spending on temporary agency staff with those aged 65+ more likely to opt for this preference compared to younger age groups, notably those aged 16-24 (52%). White respondents were also more inclined to prefer the council undertake this action compared to BAME respondents (67% and 62% respectively).

When exploring business responses, generation of more commercial income ranked lower in order of preference (22%), compared to reducing spending on non-statutory services (41%); reducing spending on procurement (29%); investing in priorities (27%) and reducing spending on internal council support services (20%).

Do you think the impact of further savings on the borough will mean?



Respondents were asked to provide their thoughts on the impact of further savings on the availability, efficiency and quality of services in the borough. There was strong sentiment that further savings would impact on each aspect with more than 8 out of every 10 believing fewer services would be available, two-thirds (68%) forecasting the council will be less efficient and more than 7 out of every 10 of the impression that quality will go down.

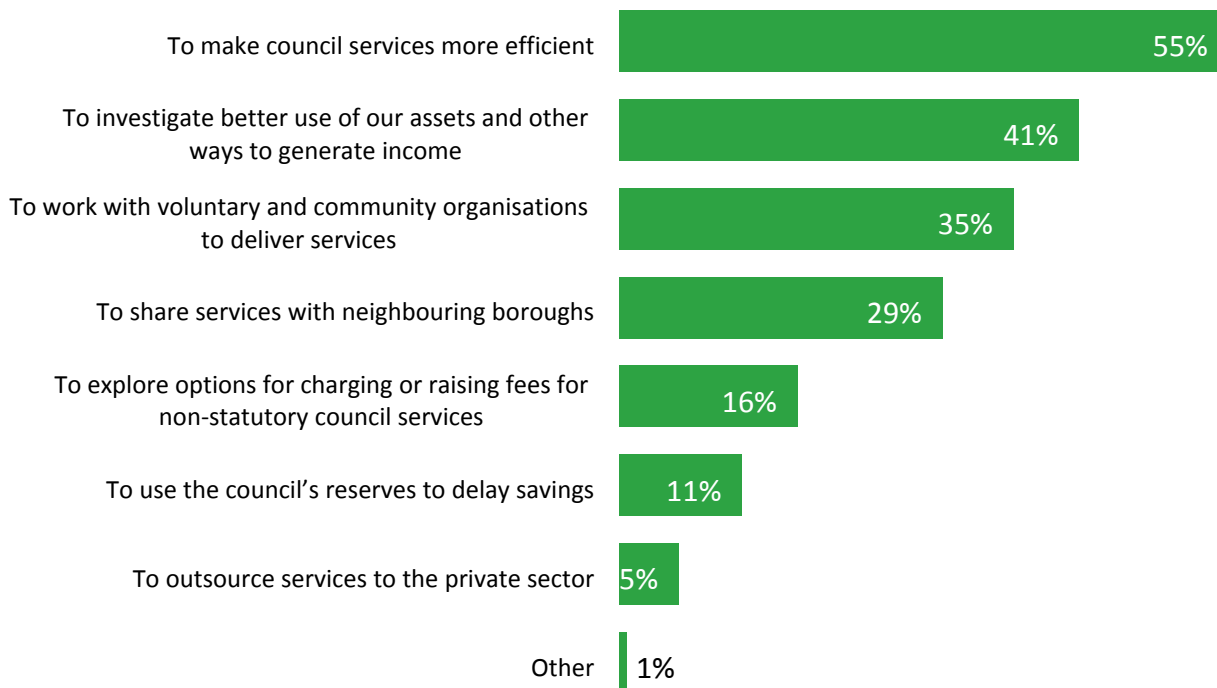
The youngest respondents, specifically those aged 16-24 were the least likely to believe that further savings will have a negative effect of availability (80%), efficiency (62%) and quality (71%) of services compared to all other age groups.

Furthermore, White respondents more likely to feel availability (91%) and quality (84%) will decline as a result of further savings than BAME residents (80%, 75% respectively).

Geographically and, in general, those in Bow West, Bromley South and Spitalfields and Banglatown more likely to feel efficiency, availability and quality will decline as a result of further savings. Those in Shadwell, Poplar and St Katherine's and Wapping were less likely to feel efficiency, availability and quality will decline as a result of further savings.

Both residents and business respondents agreed on the impact of further savings across all three aspects with residents more likely in general to feel that availability (87%), efficiency (69%) and quality (80%) will decline as a result of further savings.

If we had to pursue just two options below, which are most important to you?

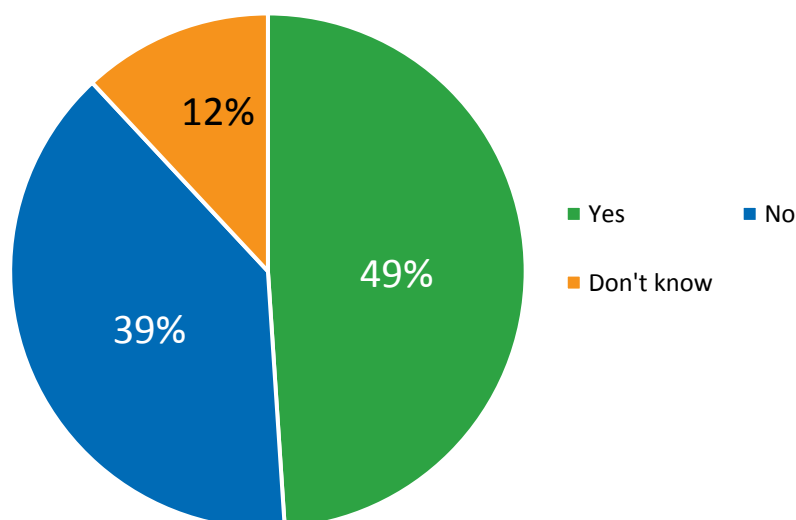


Tower Hamlets Council is exploring a range of options to minimise the impact of the savings the council is required to make. Respondents were asked to choose two options which they thought were most important for the council to pursue.

Over half of respondents, overall, specified the council should strive to make services more efficient (55%). Additionally, over a third thought the council should investigate better use of assets and other ways to generate income (41%) and work with voluntary and community services to deliver services (35%). The least favourable option was outsourcing services to the private sector (5%).

Although residents and business respondents both agreed that making council services more efficient was most important, business respondents were more inclined to believe this to be the most important course of action (60%) when compared to residents (53%).

Would you be prepared to support a proposal to add an increase to council tax by up to 3 per cent?



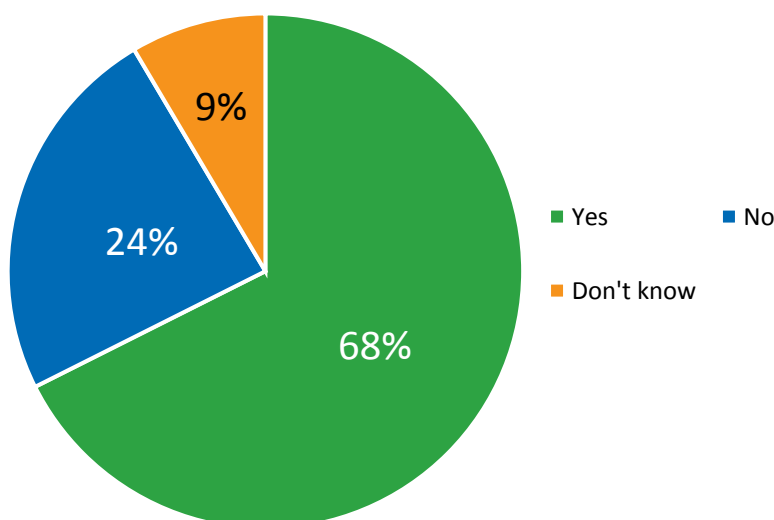
Respondents were asked if they would be prepared to support a proposal to add an increase to council tax by up to 3 per cent. Around half (49%) supported the proposal; two-fifths did not support the proposal and 12% were unsure.

Those aged 65 and over (63%) were more likely to support an increase of up to 3% to council tax, with those aged 16-24 (34%) and 35-44 (44%) least likely to be in favour of the increase. White respondents (60%) were also more inclined to support an increase than BAME respondents (41%).

Residents and businesses in Limehouse (72%), Bow West (67%) and Stepney Green (63%) revealed the most support towards a 3% increase to council tax compared with Lansbury (39%), Weavers (37%), Poplar (35%), Shadwell (33%), and St Dunstan's (31%).

Residents were significantly more likely to support the proposal (58%), compared to businesses (23%). In fact, just under two-thirds of those responding as a business (60%) did not support the proposal, perhaps taking into account the impact this may have on household income in the borough.

Do you support a 1 per cent increase in council tax to support adult social care services?



Based on an estimate that additional cost pressures to Tower Hamlets Council for adult social care services in 2019/20 will be £2.9m, respondents were asked if they would support a 1% increase in council tax to support adult social care services.

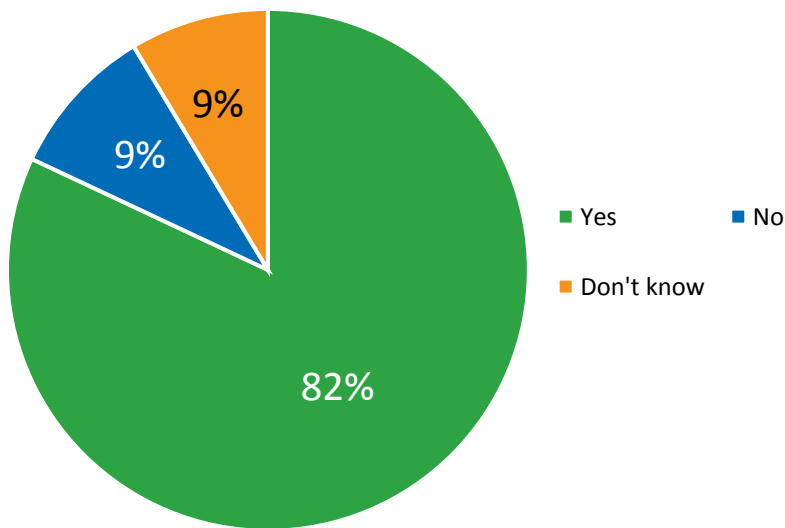
Overall, two-thirds (68%) said they would support this increase in council tax to aid adult social care services. A quarter (24%) did not support the proposed increase and a tenth (9%) did not know.

Female respondents (71%) were more inclined to support an increase than males (67%). Those aged 35-44 (64%) and 45-54 (65%) were significantly less likely to support a 1 per cent increase in council tax than those aged 65+ (80%) and 16-24 (74%). White respondents (76%) were more inclined to favour an increase to support adult social care services compared to BAME respondents (63%).

When examining ward trends, residents and businesses in Limehouse (86%), Bow West (82%), Bromley North (83%) and Bow East (81%) were most likely to favour the 1% increase whereas those in St Katherine's and Wapping (58%), Shadwell (53%) and St Dunstan's (53%) were least likely to be in favour of this increase.

As seen in previous trends, residents were significantly more likely to support an increase with three quarters (76%) willing to pay more to uphold adult social care services, when compared to business respondents (44%).

Do you support the council expanding this approach to income generation so we can continue to protect frontline services, and limit the impact of government cuts?



One of the ways Tower Hamlets Council already generates income is by hiring out unique council-owned assets such as parks, and the use of venues for ceremonies and sporting activities. Fees and charges are compared against other councils and the council is exploring more innovative ways to raise income. Respondents were asked if they support the council expanding this approach.

Over 8 out of every 10 confirmed they support the council expanding this approach, overall with less than a tenth (9%) stating they do not and a further 9% mentioning that they did not know.

Those aged 25-34 (86%) were found to be more supportive towards the council than other age groups, the least supportive being those aged 65+ (77%). White respondents (86%) were more inclined to favour expanding this approach compared to BAME residents (80%).

Residents and businesses located in St. Katherine's and Wapping (95%), Limehouse (93%) and Canary Wharf (91%) were more likely to support the council expanding its approach to income generation compared to Spitalfields and Banglatown (75%), Bromley South (75%) and Shadwell (73%).

Both residents and businesses strongly supported the council in expanding this approach; residents more so (86%) compared to businesses (70%).

5.0 Appendices

5.1 Questionnaire

Tower Hamlets Council

Budget Consultation

Introduction

Good morning / afternoon / evening. My name is and I am calling / speaking to you on behalf of Tower Hamlets Council from SMSR Ltd, an independent research company.

We are speaking to residents in the borough to get their views on what priorities matter the most to you. The Government has cut the Council's core funding by 64% since 2010 and continued cuts and rising pressures on services mean they now have to save an extra £44m by 2022.

Do you have a few minutes to get your thoughts on this today?

Q1 Are you responding to this consultation as:

- ☐ a local resident
- ☐ a local business
- ☐ a local community organisation

Services you value

Q2 In your opinion, which council service(s) do you value the most? Choose up to three options:

- ☐ Services for elderly and vulnerable adults
- ☐ Children's services and education
- ☐ Protecting and supporting vulnerable children
- ☐ Housing services
- ☐ Public health
- ☐ Culture, libraries and parks
- ☐ Community safety
- ☐ Highways and transport services
- ☐ Street cleaning, waste and public realm
- ☐ Economic growth and job creation

Services to prioritise

Q3a In your opinion, with limited resources available, which three council services do you think the council should prioritise?

- ☐ Services for elderly and vulnerable adults
- ☐ Children's services and education
- ☐ Protecting and supporting vulnerable children
- ☐ Housing services
- ☐ Public health
- ☐ Culture, libraries and parks
- ☐ Community safety
- ☐ Highways and transport services
- ☐ Street cleaning, waste and public realm
- ☐ Economic growth and job creation

Q3b Please tell me which of the options you think is most important to prioritise?

- ☐ Services for elderly and vulnerable adults
- ☐ Children's services and education
- ☐ Protecting and supporting vulnerable children
- ☐ Housing services
- ☐ Public health
- ☐ Culture, libraries and parks
- ☐ Community safety
- ☐ Highways and transport services
- ☐ Street cleaning, waste and public realm
- ☐ Economic growth and job creation

Reducing spending

Q4 As our core government funding continues to fall and we have to save a further £44m by 2022, would you prefer that the council: (choose up to three options)

- ☐ reduces spending across all services by the same proportion
- ☐ reduces spending on internal council support services
- ☐ reduces spending on frontline services
- ☐ reduces spending on temporary agency staff
- ☐ reduces spending on the contracts that we procure for services
- ☐ reduces spending on non-statutory services (services the council is not legally required to provide)
- ☐ continues to invest resources in services that are council priorities and spends less in other areas
- ☐ generates more commercial income
- ☐ uses its one off resources such as reserves
- ☐ Other

Please specify other:

Impact of further savings

Q5a **Availability.** Do you think the impact of further savings on the borough will mean:

- ☐ Fewer services will be available
- ☐ More services will be available

Q5b **Efficiency.** Do you think the impact of further savings on the borough will mean:

- ☐ Council will be less efficient
- ☐ Council will be more efficient

Q5c **Quality.** Do you think the impact of further savings on the borough will mean:

- ☐ Service quality will go down
- ☐ Service quality will improve

Minimising the impact

Q6 Around 40% of the savings will need to be found in the first year of our three year budget. We are exploring a range of solutions to minimise the impact of the savings the council is required to make.

If we had to pursue just two options below, which are most important to you?

- ☐ to work with voluntary and community organisations to deliver services
- ☐ to share services with neighbouring boroughs
- ☐ to use the council's reserves to delay savings
- ☐ to make council services more efficient
- ☐ to outsource services to the private sector
- ☐ to investigate better use of our assets and other ways to generate income
- ☐ to explore options for charging or raising fees for non-statutory council services (services we are not legally required to provide)
- ☐ Other

Please specify other:

Support for a council tax rise

Q7 The Government has said it expects councils to increase their council tax rate by an amount every year to cover inflation. It has limited this increase to a maximum of 3 per cent. It also allows councils to add an additional charge to their council tax for adult social care to support some of their most vulnerable residents. This is called the adult social care precept.

In 2018/19, Tower Hamlets Council froze council tax other than for the adult social care precept.

Every 1 per cent increase in council tax that the council raises generates approximately £1 million, which can be used to protect services. Each 1 per cent rise in council tax costs households an average of 19p extra per week.

Would you be prepared to support a proposal to add an increase to council tax by up to 3 per cent?

- ☐ Yes
- ☐ No
- ☐ Don't know

Council tax rise to support adult social care

- Q8 The Government allows councils to add an additional charge to their council tax for adult social care to support some of their most vulnerable residents. In 2019/20, the maximum increase would be 1 per cent, which would raise approximately £1 million and cost households on average 19p extra per week.

We estimate that the additional cost pressures to Tower Hamlets Council for adult social care services in 2019/20 will be £2.9m.

Do you support a 1 per cent increase in council tax to support adult social care services?

- ☐ Yes
☐ No
☐ Don't know

Generating income

- Q9 The council is looking at ways it can generate income to contribute towards the budget shortfall and minimise the impact of cuts on our services.

One of the ways the council already generates income is by hiring out our unique council-owned assets such as parks for events and filming, and the use of venues for ceremonies and sporting activities. We also continually compare our fees and charges against other councils and look at how we can be more innovative in raising income.

Do you support the council expanding this approach to income generation so we can continue to protect frontline services, and limit the impact of government cuts?

- ☐ Yes
☐ No
☐ Don't know

Demographics

- Q10 How old are you?

- ☐ 16-24
☐ 25-34
☐ 35-44
☐ 45-54
☐ 55-64
☐ 65+
☐ Prefer not to say

Q11 What is your ethnic origin?

- | | |
|---|---|
| <input type="checkbox"/> White: British | <input type="checkbox"/> Asian or Asian British: Any other background |
| <input type="checkbox"/> White: Irish | <input type="checkbox"/> Mixed/Dual Heritage: White & Black African |
| <input type="checkbox"/> White: Gypsy/Roma or Traveller | <input type="checkbox"/> Mixed/Dual Heritage: White & Asian |
| <input type="checkbox"/> White: Any other background | <input type="checkbox"/> Mixed/Dual Heritage: White & Black Caribbean |
| <input type="checkbox"/> Black or Black British: African | <input type="checkbox"/> Mixed/Dual Heritage: Any other background |
| <input type="checkbox"/> Black or Black British: Caribbean | <input type="checkbox"/> Other Ethnic Groups: Vietnamese |
| <input type="checkbox"/> Black or Black British: Somali | <input type="checkbox"/> Other Ethnic Groups: Chinese |
| <input type="checkbox"/> Black or Black British: Any other background | <input type="checkbox"/> Other Ethnic Groups: Arab |
| <input type="checkbox"/> Asian or Asian British: Bangladeshi | <input type="checkbox"/> Other Ethnic Groups/ Any Other Group |
| <input type="checkbox"/> Asian or Asian British: Indian | <input type="checkbox"/> Prefer not to say |
| <input type="checkbox"/> Asian or Asian British: Pakistani | <input type="checkbox"/> Other |

Q12 Which of the following describes how you think of yourself?

- ☐ Male
☐ Female
☐ Prefer to self identify
☐ Prefer not to say

Please specify:

Q13 Is your gender identity the same as the sex you were assigned to at birth?

- ☐ Yes ☐ No ☐ Prefer not to say

Q14 What is your sexual orientation?

- ☐ Bisexual ☐ Gay man ☐ Prefer to self identify
☐ Gay woman/lesbian ☐ Heterosexual/straight ☐ Prefer not to say

Please specify:

Q15 What is your religion or belief system?

- | | | |
|--------------------------------------|-----------------------------------|--|
| <input type="checkbox"/> No Religion | <input type="checkbox"/> Jewish | <input type="checkbox"/> Humanist |
| <input type="checkbox"/> Agnostic | <input type="checkbox"/> Buddhist | <input type="checkbox"/> Prefer not to say |
| <input type="checkbox"/> Muslim | <input type="checkbox"/> Sikh | <input type="checkbox"/> Other |
| <input type="checkbox"/> Christian | <input type="checkbox"/> Hindu | |

Q16 What is your relationship status?

- | | | |
|--|--------------------------------------|--|
| <input type="checkbox"/> Civil partnership | <input type="checkbox"/> Single | <input type="checkbox"/> Widowed |
| <input type="checkbox"/> Married | <input type="checkbox"/> Co-habiting | <input type="checkbox"/> Prefer not to say |

Q17 Do you consider yourself to have a disability according to the terms given in the Equality Act 2010?

☐ Yes

☐ No

☐ Prefer not to say

Q18a Tower Hamlets Council are currently looking for people to take part in various on-line surveys and other consultation exercises. Would you be interested in us e-mailing you details of this?

☐ Yes

☐ No

Q18b **IF YES:** Thank you. Please can I take your name and email address?

Name

Email