

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
AHWB/1**

<b>TITLE OF SAVING OPTION:</b>	Promoting independence and reducing demand for domiciliary care through reablement		
<b>DIRECTORATE:</b>	Adults Health and Wellbeing		
<b>SERVICE AREA:</b>	Older People	<b>LEAD OFFICER:</b>	John Roog
<b>FINANCE CONTACT</b>	Paul Thorogood		

	Current Budget	Saving £000s			
	2010/11 £000	2011/12	2012/13	2013/14	Full Year Effect
<b>Employee FTEs</b>	152	45	45	0	90
<b>Employee Costs</b>	6,371	(1,071)	(2,188)	(1,518)	(4,777)
<b>Other Costs</b>	11,213	331	339	376	1,046
<b>Income (Specify)</b>	0	0	0	0	0
<b>TOTAL</b>	17,584	740	1,849	1,142	3,731

**Capital:** Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference

	2011/12	2012/13	2013/14	2014/15+
	£'000	£'000	£'000	£'000
<b>Capital Expenditure</b>	0	0	0	0

**1. Outline/ details of saving proposal**, including indications of stage of development, and work and timescales needed to finalise proposal:

**Description of reablement**

‘Reablement’ describes an approach to care provision which, by concentrating resources on intensive input to rebuild and maximise an individual’s capacity to manage their own care at key junctures – typically, following accident, ill-health, hospitalization, the onset of disability

or impairment - reduces the need for long term, ongoing, and more intensive care. The promotion of reablement is a key element in the Care Services Efficiency Delivery Programme promoted by the Department of Health. As a service model, the universal availability of reablement services is also central to Putting People first, the Government's three year programme for the transformation of adult social care published in January 2008.

Reablement is key to both the introduction of personalised adult social care and to the efficient management of resources. Reablement is about:

- supporting people to regain skills and confidence;
- enabling people to set and achieve their own goals so they can have choice and control in their daily lives;
- doing things with people rather than for people; and
- focussing on strengths and aspirations as well as coping with difficulties.

Members approved the introduction of the LBTH Reablement Service in January 2009 and the service started during 2009/10 at the Royal London and Mile End Hospitals for all patients discharged who were either new to home care or who needed an increase in their existing care package. It has since been rolled out to become an 'intake' service applying to all new community based referrals as well as hospital discharge.

### **Description of saving**

Since the initiation of the Council's Reablement service in 2009, the service has been delivered by the In-house Home Care Service utilising its strong existing links with District Nurses, Occupational Therapists and other relevant professionals to deliver the service successfully. Delivering Reablement successfully requires a highly skilled and well managed workforce, and the In-house Service is well suited to these requirements. At this time there is not a wider market of suppliers of reablement in the Borough.

The hourly cost of the in-house Home Care service is significantly higher than the hourly cost of domiciliary care commissioned from external suppliers (both third sector and private). Since October 2009, all new long term packages of home care support have been commissioned from external suppliers rather than from the in-house Home Care Service. Services are only commissioned from suppliers who provide domiciliary care that is judged to be "good" or "excellent" by the independent regulator, the Care Quality Commission. As a consequence of this, we have seen a gradual reduction in the number of long-term hours being delivered by the In-house service as existing long term packages come to an end. It is proposed that this pattern of using the in-house service as a focussed and effective reablement service, and commissioning long term support packages from external suppliers be continued. This pattern of services will make a significant contribution to the delivery of the savings set out in the table above.

A detailed model of future activity and cost for the in-house service has been constructed (see section below on Calculation of Savings for more detail on this model), and using this model we are predicting that if the current arrangement is maintained, the in-house Home Care service will reach a point of being a Reablement specific service, with no ongoing long term packages of care, by around September 2013.

It is important to note that the In-house service currently makes substantial use of agency

staffing to supplement the directly employed workforce. The initial reduction in long-term hours is therefore being managed by reducing the use of agency staff usage, and this will continue to be possible until part way through 2011/12, meaning no short term impact on the employed establishment.

Based on current and projected activity levels for Reablement, this will mean that the service will be delivering around 7,000 hours of Reablement care per month on an ongoing basis from September 2013.

To deliver a Reablement service at this level of activity will require a staffing establishment of 62FTEs, which equates to a reduction of 90 FTEs from the current complement of 152 FTEs. The service has not been recruiting since January 2010, and would expect (based on experience in previous years) that around 25 staff (15 – 20 FTEs) leave each year. This would reduce the staffing complement at the end of 2012/13 to around 100 FTEs, and would therefore leave a requirement to reduce the total staff group by a further 38 FTE posts, or 55 actual employees (taking account of part-time working) through redeployment or redundancy.

### **Calculation of savings**

There are two sources of savings in this proposal: those from the reconfiguration of the in-house Home Care Service to be a smaller, specialist reablement service and those from the overall reduction in demand for domiciliary care that is the result of effective reablement.

The savings relating to the reconfiguration of the in-house service have been calculated using the detailed modelling work referred to above. The model identifies the future staffing requirement for a Reablement only service, and the scale of the reduction in FTE's required between now and September 2013 to achieve this future requirement.

The savings calculation for the reduction in demand delivered by the Reablement approach is based on the Diagnostic Model produced by the Department of Health's Care Services Efficiency Delivery Programme. The model uses the financial and activity data from case studies of existing reablement services to provide a predictive model of costs and savings. It profiles both the initially higher costs of a reablement package and the likely savings from the subsequently lower costs of ongoing care packages. This profile is based on empirical findings on the overall financial impact of the percentage of service following reablement:

- who did not need an ongoing care package;
- who required a lower level of care package;
- whose needs remained the same following the reablement programme;
- whose needs increased following the reablement programme

Feeding Tower Hamlets specific data on home care costs and referral rates into this national model results in predicted net savings for 2011/12 and 2012/13 of £400k per annum. There is no national modelling from the studies from which to predict a 'year three and onwards' impact of reablement (in our case 2013/14). However, it is not feasible for large savings to be accrued indefinitely year on year and a more cautious £100k has been identified for 2013/14. In addition to these savings, a further £300k was taken for 2010/11, so the overall Full Year Effect is £1.2million.

## Initial results from our own Evaluation

The recent LBTH Reablement Service Phase One Evaluation produced some encouraging initial results. The service appears to be popular amongst the people who have used it - and the evidence shows that it appears to work for as reflected in some of the key points from the evaluation: :

- 88% of people interviewed said that their confidence had increased directly as a result of reablement,
- 100% felt they had achieved their goals and 100% felt they could do more for themselves.
- 81% of all the goals people set for themselves were wholly or partially achieved.
- 47% of people didn't need any services at the end of reablement - and 82% of these people were FACS (Fair Access to Care Services) eligible at the start of reablement.
- Of the people who did need an ongoing service nearly half had a smaller care package than they would have had under a FACS assessment at the start of reablement.

The initial financial analysis of the Reablement 's Services impact in reducing the number of longer term care hours needed suggests that the savings proposed are achievable.

### 2. Service implications of saving:

The reablement programme is expected to deliver a major reconfiguration of care services – away from a model which is primarily geared to meeting long term dependency needs to one which is geared to reducing dependency and promoting independence.

The savings are the result of the long term reduction in hours needed to support people who have been helped to regain independence rather than be supported at their current level of dependence. The reduction is directly related to reduction in need therefore and there are no implications of undesirable or inappropriate services reductions for people.

As noted earlier in re-commissioning Domiciliary Care services for 2011/12 onwards, the Directorate will be ensuring that long term services are all commissioned from providers rated as good or excellent by CQC.

### 3. Actions required to achieve saving:

In order for the proposed savings to be delivered, the following actions will be required:

1. Re-commissioning of externally purchased Domiciliary Care services, and achievement of the benchmark average unit cost of inner London authorities;
2. A continued freeze on recruitment to the in-house service;
3. An ongoing reduction in the usage of agency staff to supplement the employed workforce down to a point where agency staff are only being employed on an emergency / short notice basis to cover staff sickness or other similar short term requirements.
4. A detailed plan for achieving the required reduction in FTE employees
5. Through the re-design of the Directorate's Operating Model and 'customer journey' the Reablement service needs to be incorporated as a core element of our overall approach in order to ensure that the maximum number of individuals gain benefit from it in terms of optimising their independence, and that in turn this reduces the requirement for (and therefore cost of) longer term support.

4.	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>
<p>The various potential implications for staff and contractors have been detailed in other sections, but to summarise here:</p> <p>1. For staff, a reduction in the overall FTE establishment required to run the service from 152 FTE's currently to 62 FTE's by March 2013. Taking account of projected turnover during that period this indicates a requirement to reduce the establishment by 38 FTE's – equating to around 55 actual employees – through redeployment or redundancy.</p> <p>2. It should be noted here that the Council's Single Status Agreement, dated 01 April 2007, committed the Council to maintaining its In-house Home Care service at a size of not less than 4,768 hours of care per week for a period of 5 years from the signing of the agreement (31 March 2012). The modelling work underpinning this savings proposal indicates that by that date the service will still be delivering comfortably in excess of the 4,768 hours per week (at around 5,350 hours per week), so it is considered that there is no risk of breaching the agreement.</p> <p>3. For contractors, an increase in the annual value of hours purchased (to offset reduced activity in the In-house service) by around £450 - £500k per annum.</p>	
5.	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
<p>The proposed saving is predicated in part on a reduced unit cost for externally purchased domiciliary care following the retendering of these services. The future unit cost is based on achieving the inner London authorities average cost. A failure to achieve this through the tendering exercise would have a consequential impact on the level of saving achieved by the proposal set out here.</p>	
6.	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
<p>The proposed savings are based on maximising the use of reablement to increase independence and reduce the need for long term domiciliary care services. The proposal is that the in-house Home Care service is reconfigured to become, over a 3 year period, a smaller, specialised reablement service. Standard domiciliary care that is required by service users on a long term basis following reablement will then be arranged from the external market. The efficiency improvement will be measured by budget / actuals comparisons with a 2010/11 baseline.</p> <p>The In-house service will also benefit from being able to focus increasingly on its specialist Reablement function, thus helping to maximise the benefit to be delivered from this approach.</p>	
7.	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
<p>An Equalities Impact Assessment of the proposal is underway, but not yet completed. The key immediate issue arising is that the affected workforce is almost exclusively female.</p>	



### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	Yes	<ul style="list-style-type: none"> <li>• The reablement service will act as a triage for access to domiciliary care and as a consequence of this access to the reablement service will increase.</li> <li>• This pathway of care will apply to all, apart from a small number where reablement is clearly not appropriate e.g. for people who are terminally ill needing end of life care</li> </ul>
Does the change involve revenue raising?	No	<ul style="list-style-type: none"> <li>• Reablement cannot be charged for under national guidance</li> </ul>
Does the change alter who is eligible for the service?	Yes	<ul style="list-style-type: none"> <li>• The Council's eligibility criteria under FACS guidance remain unchanged at critical and substantial levels of need.</li> <li>• The numbers of people who have critical and substantial levels of need will be reduced by successful reablement</li> <li>• There is strong evidence that this leads to improved outcomes for people in both national studies and through the evaluation of the Tower Hamlets service</li> </ul>
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in	No	

house?		
<b>CHANGES TO STAFFING</b>		
<b>Does the change involve a reduction in staff?</b>	<b>Yes</b>	<ul style="list-style-type: none"> <li>• <b>All staff affected will be subject to the councils Handling Organisational change procedure. Tower Hamlets aims to provide best value services to the community, and regards its staff as its most important asset to do this. Changes to service delivery and within the organisation inevitably take place, and the Borough will accommodate these changes in a positive way, wherever possible providing development for employees' careers and without threat to job security.</b></li> </ul>
<b>Does the change involve a redesign of the roles of staff?</b>	<b>Yes</b>	<ul style="list-style-type: none"> <li>• The in-house Home Care service will be reorganised into a reablement service and a long term service. The latter service is for existing packages of care only and the volume of work will reduce over a 3 year period.</li> <li>• This will involve redesign of roles</li> <li>• Staff deployment is driven by the needs of service users, and it is this that could potentially constrain the ability of staff to work flexibly.</li> </ul>



**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
AHWB/2**

<b>TITLE OF SAVING OPTION:</b>					
Better use of Supported Housing					
<b>DIRECTORATE:</b>					
Adults Health and Wellbeing					
<b>SERVICE AREA:</b>		Commissioning & Strategy		<b>LEAD OFFICER:</b>	
				Deborah Cohen (Richard Fradgley, Darren Summers, Cheryl Spencer)	
<b>FINANCE CONTACT</b>					
Paul Thorogood					
	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>	-	-	-	-	-
<b>Employee Costs</b>	-	-	-	-	-
<b>Other Costs</b>	16,070	250	630	940	1820
<b>Income (Specify)</b>	-	-	-	-	-
<b>TOTAL</b>	16,070	250	630	940	1820
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>	0	0	0	0	
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				

Supported housing offers many people with mental health problems or learning disabilities a high quality and more independent model of living, as well as being significantly more cost effective than traditional residential care. This proposal is to increase the use of supported housing and reduce the use of residential care where this is indicated by the relevant professional assessment of an individual person's needs.

In mental health services Tower Hamlets makes a very high number of residential placements compared with other authorities and the trend has been upwards over several years. This proposal is to reverse the upward trend and to reduce the overall spend on residential care placements for Adult Mental Health and people with Learning Disabilities (age 18 to 65) through increased use of supported housing.

### **Calculation of Savings**

#### **Funding with the NHS**

Most placements in Mental Health are jointly funded with the NHS (in varying proportions) and in some cases wholly funded under the national NHS continuing care framework. A far smaller percentage of placements in Learning Disabilities are continuing care funded and very few are joint funded. The decision as to the mix of funding is *clinically led* and beyond ensuring the correct assessment process is followed (for example that the Continuing Care framework is applied wherever relevant) this is not a decision that is made by commissioning staff.

#### **Mental Health Placements**

The funding arrangements for MH impact on the amount of savings that can be made. For MH each time an individual service user is moved from residential into another type of accommodation it will be necessary to reassess the funding package. In 2009-10 NHS spending on placements was £1.6m and Council spend was £4.9m.

For the purposes of this proforma it is assumed that the savings are allocated between Health and Council in the ratio 1/3<sup>rd</sup> NHS and 2/3<sup>rd</sup> Council based on the current ratio of £1.6m NHS total: £4.9m Council expenditure. However in reality this will be tested on a case by case basis. It should be noted that individuals who are NHS funded are less likely to be candidates for move on out of residential care and that it is those with lower percentages of NHS funding who are the most likely for move on.

It should be noted that the unit cost per client in the most expensive supported housing project is less than £20,000 per year, whereas the average cost of a residential care placement is approximately £50,000 per client per year. Savings are therefore based on an assumed cost per placement of £50,000 per annum and cost of supported accommodation of £20,000 per annum. 100% of this cost will fall to the Council in the way that at present the Council pays 100% of all residential costs and then where appropriate recharges a percentage to the NHS.

### **The Proposal**

The upward trend in residential placements is to be held in check during 2010/11 through improved pathway management and process for placements in residential care. In January 2010 a new team, the Resettlement Team, was set up to achieve this. The Resettlement

Team is dedicated to moving clients on from residential care. The team will not only be responsible for moving existing clients in residential care on to other forms of accommodation but will also seek to renegotiate existing placement costs using the care funding calculator.

The Resettlement Team identify alternative accommodation options, but they do not make the final decision. Reviews focus on the needs of the individual receiving support. All reviews are conducted within the Care Programme Approach and input is across the multi disciplinary Community Mental Health Team. In situations where alternative forms of support are introduced these are only commissioned if they meet quality standards.

### **Learning Disabilities**

In 2008/09 there were 132 people, and in 2009/10 159 people, with learning disabilities aged between 18 and 64 in residential care<sup>1</sup>. At the beginning of 2010 there were 784 individuals over the age of 18 known to the CLDS. The Joint Strategic Needs Assessment indicates an upward trend in the numbers known to LD Services. However it is very difficult to predict the future numbers of people in residential care and there is very little benchmarking information but CIPFA Benchmarking Report for 08-09 (latest available) shows LBTH as a relative low user of supported accommodation and average on residential care<sup>2</sup>.

Growth bids in the recent past, made on the basis of the information from special schools year 9 reviews, have assumed that there are approximately 20 individuals with high needs turning 18 and leaving school each year who are likely to require some form of accommodation based care. There will also be individuals whose needs change over a period of time who may not be able to continue to live in their family home. This does not mean that their requirement is for residential care as supported accommodation may also be appropriate.

A recent review of individual placements<sup>3</sup> identified that there are some people in residential care whose needs could be met in independent supported accommodation. Continued provision of long term residential care for these individuals is potentially detrimental for the individual (in terms of fostering dependence and not independence).

Using the current residential care database information the average cost of long term residential care for people with learning disabilities is £1,190 per week against an estimated average cost of £780 per week for supported accommodation for people with learning disabilities (based on £400 per week supported housing cost and 20 hours per week at £19 per hour additional support costs). However, a support package can vary considerably and these figures which are averages should be treated with care.

The review work by the resettlement officers to date has looked at 30 clients of whom 9 have been identified as having their needs better met in supported accommodation.

Two resettlement workers have been employed by the commissioning team initially to complete re-assessments and then to plan and effect move on for these individuals. These workers are working across this and the care funding calculator savings plan (separate

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<sup>1</sup> RAP Return 2008/09 and 2009/10

<sup>2</sup> CIPFA PSSEX 2008-09

<sup>3</sup> using the Residential Care Funding Calculator tool

proforma) and the costs of these workers going forward is subject to an invest to save bid.

It is predicted that at least £80,000<sup>4</sup> could be saved per year if the 9 people identified by the initial review can be moved into supported accommodation. This predicted annual saving in 2010-11 is for the 9 clients who have been identified by the initial review. This is doubled for 2011-12 on the basis of there being at least a further 20 clients who could be moved to supported accommodation.

**2. Service implications of saving:**

Service delivery implications

- Improved management of accommodation pathways especially for clients following discharge from hospital and for move on from residential care. This will be set out in a Mental Health Accommodation Strategy to go to Cabinet in between April and June 2011
- Centralisation of the placement of individuals and improved negotiation of placement prices – to be achieved through the reorganisation of Commissioning (in staff consultation in Dec 2010)

**3. Actions required to achieve saving:**

**Mental Health**

From January 2010 a new team, the Resettlement Team, has been dedicated to assessing the suitability of moving people on from, and reducing use of, residential care. The team is not only responsible for moving people currently supported in residential care on to other forms of accommodation but also renegotiates existing placement costs.

The work of the team is supported by an Accommodation Pathways Board which is charged with increasing the supply of alternatives to residential care, including the use of Supporting People funding, and general needs accommodation. Work has already started to increase the number of supported housing beds provided by Registered Social Landlords, with the aim of commissioning sufficient capacity to reduce use of residential care from 129 beds to 75 by 2013/14.

**Learning Disabilities**

Speed of implementation is dependent on capacity of the Community Learning Disability Service to review clients and find alternative accommodation. This capacity has been enhanced by the recent employment of two resettlement officers.

**4. Potential implications for staff, contractors, partners, assets and other Directorates:**

Increase in demand for housing units from RSLs and support for service users to access private rented accommodation.

**5. Other risk factors which could prevent this saving being achieved following implementation**

<sup>4</sup> Calculated using the actual current care package cost and an estimate of £780 per week for a supported accommodation placement.

### **Implementation Risks/ Issues including management/ mitigation issues**

- Inability to commission sufficient supported housing capacity (to be mitigated through early involvement of senior management within Council's D&R Directorate and negotiation with RSLs).
- Insufficient capacity within the Supporting People programme to fund support to keep people in independent accommodation (factored into the Supporting People Strategy).
- Risk adverse clinical practice that continues to make use of residential care. For MH to be managed by East London Foundation Trust (ELFT) to ensure that the approach in Tower Hamlets is consistent with that in Hackney and Newham where far less use is made of residential provision for populations with similar if not greater morbidity.
- For LD risk averse practice from social work practitioners to be managed within AHWB
- Overall costs of step down/alternative accommodation are less than the costs of residential care on the basis of the assumptions made in the proforma above. This will be monitored closely in tracking the movement in packages month on month.

<b>6.</b>	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
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This project will realise a saving of £1.8m by the end of 2013/14.

<b>7.</b>	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
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The Accommodation Project Board for MH and the Learning Disabilities Partnership Board will monitor the outcomes of the care decisions using the six equalities strands annually.

Individuals receiving support are vulnerable and decisions will be based on clinical assessments (usually multidisciplinary and including social care) and not any other consideration.

An EQIA screening has been undertaken and full EQIA will be undertaken.

## Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
<b>Does the change reduce resources available to address inequality?</b>	<b>Yes</b>	<ul style="list-style-type: none"> <li>• The change reduces the resources spent on people with mental health problems and learning disabilities, but provides a better quality and better value for money alternative to residential care</li> <li>• The numbers of people supported is not reduced</li> <li>• The provision of residential care for people who are able to live more independently in supported housing is not best practice. In many cases due to the shortage of residential care people are currently living in residential homes outside the Borough, away from networks of family and friends.</li> </ul>
<b>CHANGES TO A SERVICE</b>		
<b>Does the change alter access to the service?</b>	<b>Yes</b>	<ul style="list-style-type: none"> <li>• There is no evidence that access will be more difficult or costly. Any service user who is moving from residential care into supported housing, does so on the basis of an assessment of need and is fully supported by care management staff through that transition.</li> </ul>
<b>Does the change involve revenue raising?</b>	<b>No</b>	<ul style="list-style-type: none"> <li>• This is not a revenue raising proposal</li> <li>• Under national regulations people living in residential care are already financially assessed to make a contribution to their care costs</li> <li>• People living in supported housing make no contribution to the costs of their care support</li> <li>• People moving into supported housing would be helped to claim all housing and disability benefits that they are entitled to.</li> </ul>
<b>Does the change alter who is eligible for the service?</b>	<b>No</b>	<ul style="list-style-type: none"> <li>• There is no change in the Council's FACS eligibility criteria.</li> </ul>
<b>Does the change involve a reduction or removal of income transfers to service users?</b>	<b>No</b>	
<b>Does the change involve a contracting</b>	<b>No</b>	<ul style="list-style-type: none"> <li>• These services are all provided by external providers</li> </ul>

out of a service currently provided in house?		
<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	

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
AHWB/3**

<b>TITLE OF SAVING OPTION:</b>					
Modernising Learning Disability Day Services					
<b>DIRECTORATE:</b>					
Adults Health and Wellbeing					
<b>SERVICE AREA:</b>		Commissioning & Strategy		<b>LEAD OFFICER:</b> Deborah Cohen (Cheryl Spencer)	
<b>FINANCE CONTACT</b>					
Paul Thorogood					
	Current Budget	Saving £000s			
	2010/11 £000	2011/12	2012/13	2013/14	Full Year Effect
<b>Employee FTEs</b>	11	-	-	-	-
<b>Employee Costs</b>	316	-	-	-	-
<b>Other Costs</b>	4,744	200	600	600	£1.4m
<b>Income (Specify)</b>	-	-	-	-	-
<b>TOTAL</b>	5,060	200	600	600	£1.4m
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>	-	-	-	-	
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				



Day services for people with learning disabilities are currently provided in a range of settings by third sector organisations and the Council. Services are often traditional and not fully in line with best practice and national policy as set out in Valuing People Now. A number of the buildings used are not of an appropriate standard.

This proposal is to reconfigure the learning disability day services across the Borough and provide a modern, best practice based model that operates out of good quality accommodation and supports people with learning disabilities. At the same time the proposals also offers better value for money by reducing overall spend by £1.3m. In addition there will be a reinvestment of £300K into specialised supported employment services to increase the numbers of people with learning disabilities into employment. This is an area where performance in Tower Hamlets has been below average in the past.

This proposal supports the strategic aim to move away from old style day centre provision to more meaningful day opportunities that include training and employment options that increase the independence of service users in line with Valuing People Now (the Department of Health's three year strategy for people with a Learning Disability, launched in 2009).

Day Services for people with a Learning Disability places and number of service users registered in August 2010 is set out below. The numbers registered should not be taken to be a measure of utilisation as many service users do not attend day services a full 5 days each week. This is being researched in more depth as part of the Day Opportunities Strategy referred to in section 3 below.

- BPCA - 40 places, 36 people registered
- The Camden Society - 15 places, 16 people registered
- Apasenth - 45 places, 42 people registered
- Tower Project - 70 places, 78 people registered
- Redbridge Community Housing - 63 places and 53 people registered
- Coborn - 25 places and 25 people registered

## **2. Service implications of saving:**

There may be a level of initial disruption for individual service users who are used to attending particular day services. Individual service users would be supported by allocated social workers through any period of transition to minimise disruption. The use of personal budgets will be maximised to enable service users to have more choice than previously possible over what day opportunities/services they may wish to access.

No assumption is made as to whom the future providers of these services will be. This will be subject to the appropriate procurement arrangements in line with the Council's financial regulations.

### **3. Actions required to achieve saving:**

Work has started on a Day Opportunities Strategy and consultation on the draft strategy will commence in early 2011. The Strategy will include:

- Identifying under utilised services;
- Identifying duplication in current service provision;
- Consulting with service users and carers to agree a service model
- Benchmarking levels of investment in TH against other boroughs and service costs; and
- Remodelling current provision to deliver outcome focussed services that offer choice and control to service users (meeting the aspirations of 'Putting People First' and 'Valuing People Now').

The amount spent on day opportunities current comprises:

Spot purchases	£2.60m
Block contracts	£1.96m
In house services	£0.5 m

The day services block contracts to be reviewed include:

- BPCA - £455,000
- The Camden Society - £409,000
- Redbridge Community Housing - £1.1m

A bid for capital funding to support the development of a new Learning Disability Centre using PFI social care credits has been made. Department of Health/Treasury approval is currently expected in early 2011. This centre would form one part of the proposed new pattern of services in Tower Hamlets.

#### **Anticipated date for full implementation and delivery of savings:**

- Proposals are presented to the Council's Cabinet – February 2011 and subject to Cabinet approval:
- Plan in place to deliver re-assessments of all affected service users (person-centred planning for all those affected) - February 2011
- Specific recommendations on the need for any additional services, decommissioning of services, remodelling of services and new services - February 2011
- EqIA updated with proposals for new service delivery - February 2011
- Efficiencies of £300k delivered for reinvestment into employment and training services - 2011/12

#### **Estimated cost of implementation and proposed source of funding:**

An interim project manager has been recruited to carry out this piece of work. The cost is

supported by the Directorate in 2010/11 from the Social Care Reform Grant.

**4. Potential implications for staff, contractors, partners, assets and other Directorates:**

Any changes or reductions to the in house services would most likely result in the transfer of employees under TUPE to other providers. No provision has been made at this stage for any redundancy costs as this would be to pre-empt the findings of the review.

The reinvestment in WNF funded supported employment projects require a downscaling of the existing project from total current funding of £780,000 to £300,000. Further work will be carried out on the development of alternative models including the development of further social enterprises employing people with learning disabilities.

**5. Other risk factors which could prevent this saving being achieved following implementation**

**Implementation Risks/Issues including management/mitigation issues:**

This is a major project that will require detailed project planning, governance and monitoring arrangements. This will pick up the risk issues.

In the current financial climate there is a risk of not getting PFI social care credits – contingency plans for an alternative means of funding the redevelopment of an LBTH building are in place.

**6. Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?**

This project will realise a £1.4 m saving by 2013/14.

**7. Main issues arising from Equalities Impact Assessment (if any)**

To be covered in EQIA as part of the project plan referred to above.

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	Yes	<ul style="list-style-type: none"> <li>• Access will be improved as service users will be accessing more modern facilities and a broader range of services.</li> <li>• A full EQIA is being is being carried out on this project</li> </ul>
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	<ul style="list-style-type: none"> <li>• No change is proposed to the Council's existing eligibility criteria under FACS guidance</li> <li>• The way in which need is met may change as a result of this proposal</li> </ul>
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	Yes	<ul style="list-style-type: none"> <li>• It is possible that as a result of the modernisation programme the one existing day service that is run by the Council may be decommissioned.</li> </ul>
<b>CHANGES TO STAFFING</b>		

<p><b>Does the change involve a reduction in staff?</b></p>	<p><b>No</b></p>	
<p><b>Does the change involve a redesign of the roles of staff?</b></p>	<p><b>Yes</b></p>	<ul style="list-style-type: none"> <li>• As noted above this is subject to the outcome of the review, but it is likely that roles will change so that staff can work more flexibly to meet service user needs e.g. supporting people to access community based facilities rather than providing the majority of services in a traditional day centre</li> </ul>

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
AHWB/5**

<b>TITLE OF SAVING OPTION:</b>					
Care Management					
<b>DIRECTORATE:</b>					
Adults Health & Wellbeing					
<b>SERVICE AREA:</b>					
Older People and Disabilities			<b>LEAD OFFICER:</b> John Roog		
<b>FINANCE CONTACT</b>					
Paul Thorogood					
	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>	69	5	-	-	5
<b>Employee Costs</b>	3,000	220	0	0	220
<b>Other Costs</b>	0	0	0	0	0
<b>Income (Specify)</b>	0	0	0	0	0
<b>TOTAL</b>	3,000	220	0	0	220
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>					
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				

It is envisaged that through the transformation of our care management and assessment (social work) services and the introduction of better ICT support through Framework-i we will by 2011/12 be able to achieve greater productivity from our workforce.

This proposal is based on reducing our level of care management provision to the inner London average.

Data for 2007/8 (the latest comparative data available) shows that that the ratio of social care staff to service users in Tower Hamlets is approximately 7.4% higher than the Inner London average. Using this percentage reduction as a benchmark target for efficiencies for 2011/12 would result in savings of approximately £220k across what are currently our older people, physical disabilities and vulnerable adults services.

This is equivalent to just over 5 social work posts. Posts are currently vacant and will be deleted, therefore there are no redundancies directly arising from this proposal.

<b>2.</b>	<b>Service implications of saving:</b>
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The savings will be the result of the more efficient use of staffing resources and will not result in a reduction of service for service users. They will be achieved through the planned restructure (currently in design stage) which is intended to deliver an appropriate model to deliver the Transformation of Adult Social Care (TASC).

<b>3.</b>	<b>Actions required to achieve saving:</b>
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A new organisational structure is required in AHWB to deliver the TASC policy objectives. The AHWB Directorate has a well developed TASC work programme which is on course to deliver a number of significant changes including the design of new business processes and new staffing structures. These will be subject to the Council's Management of Change Policy and consultation is due to start with staff in January 2011.

<b>4.</b>	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>
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The need for a significant restructure to deliver efficiencies and the TASC Programme has been recognised for some time now and a careful policy of caution exercised over the substantive filling of vacancies that may help limit the level of displacement and redundancy Associated with a substantial restructure. Our current analysis shows that we have similar numbers of vacancies to expected post reductions so we are anticipating that displacements will be minimised. This will ultimately depend on the details of appropriate skill matches in the change management process.

<b>5.</b>	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
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None identified at this stage.

6.	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
<p>The proposals are intended to deliver the same or better quality and quantity of services with reduced staffing levels and a net saving of £220k per annum. Our services will continue to be monitored for those activity and quality levels through our own internal performance management framework and the external national Care Quality Commission processes.</p>	
7.	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
<p>There is no current EQIA but the whole TASC Programme will be subject to an EQIA. Proper application of the Management of Change Policy will also be a safeguard in this and no adverse equality impact is anticipated at this stage.</p>	



### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	
<b>CHANGES TO STAFFING</b>		
Does the		<ul style="list-style-type: none"> <li>• All staff affected will be subject to the councils</li> </ul>

<p><b>change involve a reduction in staff?</b></p>	<p><b>Yes</b></p>	<p>Handling Organisational change procedure. Tower Hamlets aims to provide best value services to the community, and regards its staff as its most important asset to do this. Changes to service delivery and within the organisation inevitably take place, and the Borough will accommodate these changes in a positive way, wherever possible providing development for employees' careers and without threat to job security.</p>
<p><b>Does the change involve a redesign of the roles of staff?</b></p>	<p><b>Yes</b></p>	<ul style="list-style-type: none"> <li>• Care management roles are being redesigned to deliver the Transforming Adult Social Care agenda.</li> <li>• There is no impact on equal pay</li> <li>• There is no reduction in the ability of staff to work flexibly</li> </ul>

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
AHWB/6**

<b>TITLE OF SAVING OPTION:</b>		Housing Link			
<b>DIRECTORATE:</b>		Adults Health and Wellbeing			
<b>SERVICE AREA:</b>		Disabilities and Health	<b>LEAD OFFICER:</b>		Katharine Marks
<b>FINANCE CONTACT</b>		Paul Thorogood			
	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>	7	7	-	-	7
<b>Employee Costs</b>	404	312	-	-	312
<b>Other Costs</b>	8	-	-	-	-
<b>Income (Specify)</b>		-	-	-	-
<b>TOTAL</b>	419	312	0	0	312
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>	0	0	0	0	
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				

Supporting people with mental health problems to maintain tenancies and live independently is a core role of Community Mental Health Teams. The Borough also has contracts for floating support services. Floating Support is a service that provides housing related support to vulnerable adults (over 16) to enable them to maintain their independence in their own home. Floating support services will generally be short term (less than 2 years) and will have the flexibility to support a person wherever they live – as distinct from accommodation based services, where support is tied to particular accommodation.

This kind of support service helps the individual to become more independent, and may mean that they can continue to live independently at home when without support it would be difficult to do so.

**Housing related support might include:**

- Setting up and maintaining a home or tenancy
- Managing finances and benefit claims
- Developing independent living skills
- Gaining access to other services
- Help to make sure the clients accommodation is safe and secure

There is a current duplication of services in Tower Hamlets providing this support and a rationalisation of services is proposed.

The Housing Link Team provided by the Council is based in the East London Foundation Trust. The team provides floating support to people experiencing mental ill health who live independently. The team supports people who are at risk of losing their tenancy. The service currently receives approximately 180 referrals per year of which approximately 70-80 are allocated for support within Housing Link. The support provided includes advocacy and advice on housing matters as well as co-ordination of services to support independent living such as blitz cleans, access to benefits and debt advice.

Few boroughs have a service of this type, with the work carried out to support mental health service users with housing being carried out as a core function of the Community Mental Health Teams. For inpatients, who represent a significant part of the workload of this team, it is best practice for care coordinators from the CMHTS to start the process of care planning as soon as possible after admission. Such practice enables early identification of any risk to accommodation that admission to hospital might give rise to and it is part of the role of the care coordinator to address this. It is also expected that service users would be able to utilise other floating support services in the Borough.

It is proposed that savings can be made by decommissioning LBTH Housing Link. All of the people receiving this floating support service would have their needs assessed by the Community Mental Health Teams before any service change is made. If there are requirements for ongoing services they would be commissioned from elsewhere. The council's housing and homelessness service currently offers support to people with maintaining a tenancy through the tenancy support team.

The current contract for this service has been extended for 1 year and is due to expire March 2011, this therefore presents with the opportunity to not re-tender this service.

2.	<b>Service implications of saving:</b>
<p>The Housing Link service is provided in house by Tower Hamlets staff operating under a Service Level agreement funded by AHWB including Supporting People funding.</p>	
3.	<b>Actions required to achieve saving:</b>
<p>To deliver this saving will require the following:</p> <ul style="list-style-type: none"> <li>• project plan for the decommissioning of the service including risk assessment</li> <li>• Equalities Impact Assessment is completed</li> <li>• reassess the needs of the people currently using the service</li> </ul> <p>closure of the service to new people</p>	
4.	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>
<p>The Housing Link service is provided by Tower Hamlets employees. The decommissioning of the service would lead to deletion of posts and will be handled through the Council's Management of Change procedure.</p>	
5.	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
<p>The reassessment of need of the existing service users may lead to the commissioning of additional services which would lead to increased expenditure in the Mental Health Commissioning budget.</p>	
6.	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
<p>This saving would realise a saving of £312k in 2011/12 with a balance of the budget being used to support the commissioning of the Community Mental Health teams.</p>	
7.	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
<p>An Equalities Impact Assessment will be carried out.</p>	

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	Yes	Access to support for people with mental health problems to enable them to maintain tenancies will be provided through the Community Mental Health Teams and the floating support service, rather than through Housing Link.
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	There is no change in the Council's FACS eligibility
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	Yes	<ul style="list-style-type: none"> <li>• The floating support service is provided by an external provider following an extensive tendering exercise</li> <li>• The Community Mental Health Teams are joint teams with East London Foundation NHS Trust. LBTH staff are seconded to ELFT.</li> </ul>
<b>CHANGES TO STAFFING</b>		

<p><b>Does the change involve a reduction in staff?</b></p>	<p><b>Yes</b></p>	<p>All staff affected will be subject to the councils Handling Organisational change procedure. Tower Hamlets aims to provide best value services to the community, and regards its staff as its most important asset to do this. Changes to service delivery and within the organisation inevitably take place, and the Borough will accommodate these changes in a positive way, wherever possible providing development for employees' careers and without threat to job security.</p>
<p><b>Does the change involve a redesign of the roles of staff?</b></p>	<p><b>No</b></p>	

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
AHWB/7**

<b>TITLE OF SAVING OPTION:</b>					
New Business Processes with Framework-i					
<b>DIRECTORATE:</b>					
Adults Health and Wellbeing					
<b>SERVICE AREA:</b>					
Commissioning and Strategy			<b>LEAD OFFICER:</b>		Deborah Cohen (Keith Burns)
<b>FINANCE CONTACT</b> Paul Thorogood					
	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>	29	4	-	-	4
<b>Employee Costs</b>	1,123	120	0	0	120
<b>Other Costs</b>	-	-	-	-	-
<b>Income (Specify)</b>	-	-	-	-	-
<b>TOTAL</b>	1,123	120	0	0	120
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>	0	0	0	0	
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				



The proposed saving is based on an estimated requirement for one fewer manager post and two fewer FTE Administrative Assistant posts following the introduction of Frameworki / Framework Financials and an interface with Ezitracker, the Electronic Home Care Monitoring system. The saving will come from the lower volume of manual processing work that the introduction of these new systems will deliver.

**2. Service implications of saving:**

The savings are predicated on Frameworki / Framework Financials delivering a reduced requirement for manual processing. If this reduced requirement materialises following the introduction of Frameworki then the saving can be achieved without impact on service delivery

**3. Actions required to achieve saving:**

**Anticipated date for full implementation and delivery of savings:**

Frameworki and Framework Financials have been successfully implemented during 2010. The delivery of this saving is contingent on the interface between Framework Financials and Ezitracker (EHCM) which is planned for February 2011. If this is achieved on schedule then full-year savings can be delivered in 2011/12 as planned.

**4. Potential implications for staff, contractors, partners, assets and other Directorates:**

This saving would lead to the deletion of four posts in the Adults Health and Wellbeing commissioning teams. The staff affected have generic skills that are required across the Council and would be suitable for redeployment. Support would be provided under the Council's Management of Change procedure.

**5. Other risk factors which could prevent this saving being achieved following implementation**

**Implementation Risks/ Issues including management/ mitigation issues**

Key implementation risk is any delay in delivery of the interface by the ICT suppliers Corelogic and Panztel. Any such delay would push back the date of delivery of savings.

The indicative savings are contingent on this interface. A robust project management approach is being used to achieve this key interface and to mitigate the risk.

**Estimated cost of implementation and proposed source of funding**

It is unknown whether any redundancy costs arise, but they are likely. Any such costs would be incurred in 2011/12 at the latest (but may be required in 2010/11).

**6. Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?**

This project will save £120k in 2011/12 from the staff budgets in the Adults Health and Wellbeing commissioning teams.

<b>7.</b>	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
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The payment for services is not a front facing service and does not impact on the people we support. Any change involving Council staff must follow the Council's Management of Change procedure.

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	
<b>CHANGES TO STAFFING</b>		

<p><b>Does the change involve a reduction in staff?</b></p>	<p><b>Yes</b></p>	<p>All staff affected will be subject to the councils Handling Organisational change procedure. Tower Hamlets aims to provide best value services to the community, and regards its staff as its most important asset to do this. Changes to service delivery and within the organisation inevitably take place, and the Borough will accommodate these changes in a positive way, wherever possible providing development for employees' careers and without threat to job security.</p>
<p><b>Does the change involve a redesign of the roles of staff?</b></p>	<p><b>Yes</b></p>	<ul style="list-style-type: none"> <li>• Roles for remaining staff are being redesigned to incorporate new business processes.</li> <li>• There is no evidence of impact on equal pay or reduction in the ability of staff to work flexibly</li> </ul>

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
CE/2**

<b>TITLE OF SAVING OPTION:</b>		Review of Democratic Services and Member Support			
<b>DIRECTORATE:</b>		Chief Executive's			
<b>SERVICE AREA:</b>		Democratic Services	<b>LEAD OFFICER:</b>		John Williams
<b>FINANCE CONTACT</b>		Martin McGrath			
	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>	27.13	6			6
<b>Employee Costs</b>	£1,221	158			158
<b>Other Costs</b>	£1,552	165			165
<b>Income (Specify)</b>	-£263 (Mainly THH)				
<b>TOTAL</b>	£2,510	323			323
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
<b>NO</b>					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>	n/a	n/a	n/a	n/a	

1.

**Outline/ details of saving proposal**, including indications of stage of development, and work and timescales needed to finalise proposal:

**A. Re-organisation of Democratic Services (Members Support, Committee and Administrative Support Teams):**

The Democratic Services Team provides support to elected Members and to the Council's decision making and constitutional processes. The three teams to be reviewed currently comprise of 28 posts (27.13 FTE).

The total budgeted expenditure for the teams in 2010/11 is £2,773k. This is broken down as follows:-

- Employee costs = £1,221k
- Non-staffing costs = £609k (of which £425k represents recharges)
- Members' Allowances and Member Learning & Development = £943k

Benchmarking data shows that the level of support provided to Councillors in Tower Hamlets is generally higher than in many neighbouring and peer authorities. In addition the number of Members Enquiries processed has increased year on year from 5,666 in 2005/06 to 8,655 in 2009/10.

The section was last fully reorganised in 2007 and a further review is now required to respond to changes since then including the introduction of the elected mayoral system from October 2010. Savings of £400k p.a. are required to be achieved by this service. This represents about 28% of the total budget excluding Members' allowances and recharges.

The reorganisation, which was launched for consultation on 17<sup>th</sup> December, will aim to:-

- Rationalise the support provided to Members both from within CE's Directorate and across the Council services;
- Achieve the savings required;
- Deliver the most suitable support arrangements for the Mayor & Councillors and the decision-making process, reflecting changing roles under the new mayoral system;
- Address changes in work demands and gaps in provision that have been identified since the last reorganisation in 2007;
- Ensure that staffing structures and job descriptions reflect the roles that will be required going forward;
- Simplify job descriptions, improve flexibility and provide development and learning opportunities for staff; and
- Maximise the use of ICT by both Members and officers, increase efficiency and eliminate waste.

Subject to consultation under the Council's agreed procedures it is projected that the reorganisation could result in the deletion of up to 6 existing posts in 2011/12 (2 posts in the committee team, 2 posts in Members services and 2 posts in the Admin support team). This will lead to budget savings of £158k in 2011/12 (excluding funding for new posts in the Mayor's Office).

## **B. Reduction in non-staffing budgets**

Alongside the reorganisation of the team, a range of savings are proposed in non-staffing expenditure in order to achieve the savings required. These non-staffing savings total over £160k p.a..

In the main the non-staffing savings relate to printing; stationery and other office expenses; and support services to Members.

There are also proposals for reductions in expenditure on Member Learning and Development (by reduced use of external events, more on-line training and restrictions on conference attendance); and in the level of Members' Allowances, by at least 5% (i.e. extending the cut already agreed in respect of Special Responsibility Allowances to the Basic Allowance as well).

The full breakdown of proposed non-staffing savings is as follows:-

Reduction in stationery budget (Committee & Members Support): £7.7k  
Reduced staff transport costs: £3.0k  
Deletion of Agency Staff budget: £10k  
Deletion of Interview Expenses budget: £2k  
Refreshments: £22k (90% already implemented)  
Reduction in Chair of Council's expenses: at least £15k  
Reduction in Member Learning & Development budget: £15.6k  
Reduction in printing (committee agendas etc): £22.5k  
Review of Members' Allowances: at least £40.8k  
Reduction in non-staffing support to Members: at least £22k

Further details and service implications of these reductions are set out below.

### **2. Service implications of saving:**

#### **Mayor's Office**

The reorganisation of the Democratic Services Teams will establish a Mayor's Office to undertake the necessary support services for the Mayor and Deputy Mayor including policy, strategy and communications advice, research and briefing, community liaison, diary management, PA, executive and casework support. The structure will reflect the fact that more enquiries will go to the Mayor as a focus for Executive decisions. New policy will be lead by the Mayor and Mayor represents to the Borough to local Regional and National Stakeholders.

In relation to support for non-executive Councillors, the service review and associated budget reductions will give rise to a number of changes in the level of support provided:-

#### **Members Enquiries and direct support**

- Processing of Members' Enquiries (MEs) for all Councillors, including the Scrutiny Lead Members, will transfer to the Members' Services Team.
- However, the range of tasks undertaken in relation to MEs will reduce. Staff will

continue to receive MEs and process them to the relevant department but will not send an acknowledgement, nor a copy of the response, to the resident concerned. All communications or correspondence between the Councillor and his/her constituent will be the responsibility of the Councillor him/herself.

- Members' Enquiries will not be accepted where the information requested can be easily obtained by other means such as referring to the Council's website or Members' Intranet. All 'Streetline' enquiries will be directed to the telephone hotline. Other categories of enquires may be identified that will not be accepted in the ME system including (subject to further discussion on the detail) enquires to external organisations including the Police and RSLs. A bank of previous responses (anonymised) will be available on the Intranet for reference to avoid repeat enquiries.
- The aim is to move towards a situation where a formal ME is increasingly seen as a last resort. It is expected that the above measures will result in a reduction in the number of MEs of up to 35% which it will be possible for a reduced number of staff in the new Councillor Support Team to handle. In addition, experience in neighbouring boroughs with a Mayoral system suggests that an increasing number and proportion of enquiries will flow directly to the Mayor's Office.
- Work will also commence on the development of a web-based enquiry form that will, alongside a dedicated contact centre hotline, enable the Members' Enquiry system to move onto a fully automated, self-service basis within one year.
- PA support for the Scrutiny Lead Members will be withdrawn. PA support for the Chair of Overview and Scrutiny Committee will be provided by the clerk to the committee.
- The Councillors' timesheet system will be put on-line for Members to complete themselves without officer assistance.

### **Meetings support**

- The Committee team will reduce in size and its management structure will be rationalised. The team will prioritise clerking and other support for the formal Constitutional meetings only (i.e. Council, Cabinet, formal Committees and Panels) and associated meetings including the Mayor's Advisory Board, although it is intended that the latter meeting will become more informal in nature and will not require detailed minuting, except in its Cabinet pre-agenda role.
- The Team will no longer provide support for CMT, MABG, nor for Social Services Complaints Review, Secure Accommodation Panel, Corporate Parenting Steering Group or other officer-led or non-constitutional meetings to be determined.
- Hard copy agendas will be provided only on request and only to Members of the Committee concerned (for Cabinet meetings, Cabinet Members plus O&S Committee members) plus one per relevant Directorate. All other agenda distribution will be electronic.
- The deletion of all refreshments at meetings will be continued and will be extended to any meetings not already covered.
- The team will also support the new statutory petitions and e-petitions scheme, the programme of Members seminars and Members' IT provision
- The Democratic Services team will no longer provide any support for the Education Appeals function (subject to further discussion on possible funding from Children,



Schools and Families)

### **Councillor support/facilities**

- Financial support for Members' Surgeries venue hire will be capped at £15 per member per month.
- 'Free' business cards will be limited to 250 per Councillor per year. Any additional printing required will be charged to the Councillor.
- Members will no longer be issued with free diaries
- There is currently no budget for the provision of members IT equipment and this will need to be addressed in 2013/14. In the meantime all IT or phone replacement costs caused by damage or loss of equipment issued by the Council will be recharged to the Councillor
- Responsibility for purchasing IT consumables including printer cartridges will transfer to the individual Councillors.
- The courier delivery to Councillors will be reduced from three times to once a week.
- The proposed reduction to the Member Learning and Development budget will require less use of external training and restrictions on conference attendance alongside increased use of on-line and other self-directed learning programmes).

### **Civic/Ceremonial functions**

- The total 'Chair of Council' budgeted expenditure in 2010/11 is £82.7k.
- It is proposed that the annual Chair of Council's Reception (traditionally held immediately after the Annual Council Meeting in May) and the Civic Awards ceremony will be discontinued.
- The Chair's Charity Ball will be held on a strictly self-financing basis.
- Other Civic/Ceremonial engagements and attendance at events will be subject to a new protocol and an annual cash-limited budget
- Chair of Council's crests will be restricted to 12 per year.
- We will cancel the lease car and instead contract with a vehicle hire company to provide suitable transport as required by the Chair of Council and the Mayor

<b>3.</b>	<b>Actions required to achieve saving:</b>
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Consultation (with staff and members) and subsequent implementation of staffing reorganisation.

Communication of changes to Member support arrangements.

Develop IT-based solution for self-service Members' Enquiries.

Development of specification and tendering of car hire contract.

In relation to any proposal to change the level of Members' Allowances the agreement of the Council Meeting will be required.

4.	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>
<p>Some service directorates may need to make alternative arrangements to clerk meetings currently supported by the Democratic Services Committee Team (CE's office in the case of CMT meetings).</p> <p>Councillors will receive reduced allowances, will have reduced access to some (external) Learning and Development activities and will be required to undertake (and pay for) more of their support services.</p> <p>The Children, Schools and Families directorate will need to make alternative arrangements for support to the Education Appeals process (unless funding can be made available to provide the service, or a client-side function, within Democratic Services).</p> <p>The Chair of Council will undertake fewer community engagements.</p>	
5.	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
<p>The changes above will remove some support services that Members have become accustomed to. Whilst this is necessary for budget purposes, and will align Tower Hamlets more closely with provision in other London Boroughs, it is recognised that the removal of these services will have an impact on our Members and will require Senior Management level support to ensure that the savings proposed are achieved.</p>	
6.	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
<p>Greater efficiency as an adequate service will be provided at lower cost than currently.</p> <p>The level of service in Tower Hamlets will be closer to the London-wide benchmark than is the case at present.</p> <p>Improvement will be measured by the normal budget monitoring processes.</p>	
7.	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
<ul style="list-style-type: none"> <li>• Possible effect of changes to Member Support services on Members' representation/advocacy role for citizens experiencing disadvantage.</li> <li>• Need for consideration of equalities implications in relation to proposed staff reductions and changes to roles.</li> </ul>	

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	NO	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	YES	Elected members will now be required to manage correspondence with constituents, and in time utilize a web based system and a dedicated hotline to submit members enquiry.
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	

<b>CHANGES TO STAFFING</b>		
<b>Does the change involve a reduction in staff?</b>	<b>YES</b>	All staff affected will be subject to the councils Handling Organisational change procedure. Tower Hamlets aims to provide best value services to the community, and regards its staff as its most important asset to do this. Changes to service delivery and within the organisation inevitably take place, and the Borough will accommodate these changes in a positive way, wherever possible providing development for employees' careers and without threat to job security.
<b>Does the change involve a redesign of the roles of staff?</b>	<b>YES</b>	Some staff roles are being redesigned. The aim of this is to enhance the ability of staff to work flexibly and it will not have an impact on equal pay. All job descriptions will be formally evaluated in accordance with the Council's agreed scheme.

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
CLC/1**

<b>TITLE OF SAVING OPTION:</b>		Parking: Driving Change through Enhanced Performance			
<b>DIRECTORATE:</b>		Communities, Localities & Culture			
<b>SERVICE AREA:</b>		Parking Services	<b>LEAD OFFICER:</b>		John Chilton
<b>FINANCE CONTACT</b>		Luke Cully			
	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>	118	4			4
<b>Employee Costs</b>	4,037	128			128
<b>Other Costs</b>	11,035	522			522
<b>Income (Specify)</b>	15,072	600	1,000		1,600
<b>TOTAL</b>	-	1,250	1,000		2,250
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>					
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				
LBTH is determined to offer a fair and equitable parking service for the residents and businesses of the borough. With that as one of its key drivers a series of measures have been considered that supports the safe and efficient movement of vehicles in, around and through the borough. These measures comprise:-					

### 2011/12 Proposals

Following an independent Value for Money review which was completed in 2009 a Performance Enhancement Programme was initiated which aims to deliver an additional £1.25m surplus by March 2011/12. The Programme consists of 3 separate but interdependent projects:

Parking Performance Enhancement – . The VFM review recognised that the performance of the Service was generally in the upper half of its peer group but that there was scope for further improvement. In broad terms this will result in improved operational performance (more structured deployment of resources) via the development and utilisation of performance metrics.

The Parking Services Review – this is the re-organisation project which will provide a new structure to support a 3 Year Plan that aims to ensure that the service is recognised as a leading Council within the Parking industry meeting both service expectations and offering value for money in its delivery to its customers.

The Integrated ICT Solution for Parking Services – this refers to the procurement and implementation of a new ICT solution for the Service which will replace the service's current multiple applications with a single integrated Parking Management Information System.

All three elements of the programme must be progressed and delivered in order to achieve the desired outcome. In summary the programme is expected to deliver £ (1,250 k) in 11/12.

2012/13 Proposals. – once the 11/12 enhancement programme is completed it is considered that a solid foundation will exist that will allow for:

#### Cease on street vehicle removals:

- Cease on-street vehicle removals in all cases other than suspended parking bays and where there is a risk to health and safety.

#### Increasing Income via:

- Improve recovery of penalty charge notices to that of highest London quartile (moving from 68% to 72%) - £200k
- Improve efficiency of enforcement operations and in particular enhanced use of CCTV. - £300k
- Continue to review fees and charges annually, equalising charges for Pay and Display across the borough and taking a firmer line to support the Council's wider transport and environmental policies. – £350k
- Encouraging customers to greater use of self-service via the Web (following implementation of the new parking ICT system) and increasing the use of phone payments. - £150k

The proposals as outlined above are anticipated to generate additional income/savings in the region of £1m, although they are earmarked for implementation in 2012/13 a number could be brought forward by 12 months (e.g. Review of Fees and Charges –report to Cabinet in Feb 2011).

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<b>2.</b>	<b>Service implications of saving:</b>
<p>The Parking Service seeks to manage parking on the highway within Tower Hamlets by balancing supply (which is relatively finite) and demand, which is responsive to price. At the same time places suitable for parking are rationed by time (a maximum stay) and a system of “first come first served” is replaced by reserving space for special needs groups to which the Council then issues permits: in order of priority disabled, residents, businesses and visitors. Understanding the use of the pricing mechanism to discourage motorists from driving into the Borough in the hope of finding a free parking space or in encouraging a resident to change to smaller less polluting vehicles is key to understanding how the service can and does generate an operating surplus.</p> <p>The Council’s objectives in managing parking on the highway will only be achieved if there is an element of compulsion and this is provided by our Civil Enforcement Officers carrying out patrols or issuing penalty charges via CCTV. (In addition the Parking Service also carries out enforcement of bus lanes and certain moving traffic infringements). All penalty charges are determined by the London Mayor in consultation with the Secretary of State and are set at a deterrent level rather than to just to recover the cost of the service.</p> <p>There is a balance to be struck in parking between meeting the needs of motorists and achieving the Councils policies in terms of compliance with the regulations (which is generally to the benefit of residents) and the achievement of the Council’s wider transport and environmental policies. The proposals as outlined above aim to assist in achieving this objective.</p>	

<b>3.</b>	<b>Actions required to achieve saving:</b>
<p>CLC will manage the delivery of these savings according to the council’s project management handbook.</p>	

<b>4.</b>	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>
<p>Minimal staffing impact, reorganisation will be dealt with via the Councils handling organisational change procedure.</p>	

<b>5.</b>	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
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The Parking Service has achieved considerable improvements in business efficiency, as measured by the surplus generated each year, which is placed in the Parking Control Reserve Account.

The account is meeting part of the increased costs of Concessionary Fares resulting from the Governments reallocation of Special Grant, as well as funding elements of the Local Priorities Capital Programme. These savings and commitments are funded from the Parking Control Revenue Account, which must produce as a minimum, an annual surplus equivalent to the savings and specific commitment requirements.

At 31.3.2011 the Parking Reserve Account is projected to have a balance of approximately £6.7m and commitments of approximately £6.6m. therefore, if income projections prove inaccurate as a result of improved compliance or reduced demand it is unlikely that this saving will be achieved.

In addition, National or, regional political decisions could all have an impact, this is an ongoing risk in Parking Services.

<b>6.</b>	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
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The current provision of (and support arrangements for) ICT within parking is inefficient involving duplication and avoidable costs. Savings will arise from rationalising systems to an industry standard package.

The re-organisation of the service will reduce duplication and assist in streamlining processes. It will also assist the service in meeting change and taking advantage of new opportunities and challenges as they arise.

The Parking Performance Enhancement project will improve individual staff productivity.

<b>7.</b>	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
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An EQIA screening has been undertaken and full EQIA will be undertaken.



### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	Yes	There is no evidence at present to identify any specific groups that will be at greater risk of receiving a parking fine following changes to the service. The majority of fines are issued to non residents. Materials to inform residents of forthcoming changes will follow LBTH standards for engaging diverse members of the community.
Does the change alter who is eligible for the service?	Yes	An impact assessment will be undertaken to identify any residents who will no longer be eligible for the service, evidence will be provided and analysed within the EqIA in order to answer this question.
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service	No	

currently provided in house?		
<b>CHANGES TO STAFFING</b>		
Does the change involve a reduction in staff?	<b>Yes</b>	All staff affected will be subject to the councils Handling Organisational change procedure. Tower Hamlets aims to provide best value services to the community, and regards its staff as its most important asset to do this. Changes to service delivery and within the organisation inevitably take place, and the Borough will accommodate these changes in a positive way, wherever possible providing development for employees' careers and without threat to job security.
Does the change involve a redesign of the roles of staff?	<b>No</b>	

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
CLC/2**

<b>TITLE OF SAVING OPTION:</b>		Highways income and efficiencies opportunities			
<b>DIRECTORATE:</b>	CLC				
<b>SERVICE AREA:</b>	Public Realm	<b>LEAD OFFICER:</b>	Jamie Blake		
<b>FINANCE CONTACT</b>	Luke Cully				
	Current Budget	Saving £000s			
	2010/11 £000	2011/12	2012/13	2013/14	Full Year Effect
<b>Employee FTEs</b>	55		10		10
<b>Employee Costs</b>	2,247		400		400
<b>Other Costs</b>	10,242	200	50		250
<b>Income (Specify)</b>	2,274		350	50	400
<b>TOTAL</b>	10,215	200	800	50	1,050
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	2011/12	2012/13	2013/14	2014/15+	
	£'000	£'000	£'000	£'000	
<b>Capital Expenditure</b>					
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				
<b>Highways Advertising - £200,000</b> The provision of advertising sites across the Borough has attracted interest from the private sector and a number of sites have been installed (including within the Transport Depot next to the A13) which have generated a income to the Council. Whilst there are clear planning restrictions to the development of advertising hoarding at some sites and a number of major					

roads through the Borough are owned by Transport for London, the introduction of additional advertising sites is seen as potential income stream and is being looked at by Highways and Corporate Communications.

The target would require officers to identify 5 suitable advertising hoarding sites within the Borough between 2011/12 and 2013/14

**Highways Insurance - £250,000**

The baseline insurance costs for Public Realm are £700,000 per annum. This includes the insurance premium and payments on claims, the majority of which are highways related.

The highway section and insurance team have worked closely over the past two years to introduce more robust defence mechanisms and inspection regimes to mitigate the likelihood of payment of claims. In addition the insurance team are in the process of renegotiating the insurance premium which should deliver additional savings for the service.

Current trends would indicate that savings target are achievable assuming that the Highways section continue to improve the inspection regime and work closely with colleagues in the insurance section.

**Utilities Income - £200,000**

Following the introduction of a new IT system, officers propose that a charging system is introduced that would enable the Council to generate income from Utilities companies who are carrying out highways works within the borough.

**Restructure – £400,000**

The Transportation and Highways Section will undertake a full review of all staff resources and look to reduce staff in Council funded areas whilst maximising the amount of grant that is available from third parties including TfL and s106 / s278 schemes.

**2. Service implications of saving:**

The charging of utilities companies should reduce the transport disruption of road works – however if utilities keep all roadwork's to a minimum, income targets could prove to be challenging.

The effect on the service of reductions in managerial staff have yet to be quantified

**3. Actions required to achieve saving:**

Highways Advertising

- Identify current potential sites – quick wins
- Work towards a borough wide agreement with an external provider – lead by D&R

Highways Insurance

- Set up internal review board in partnership with resources group
- Agree monitoring standards and review historic claims and outstanding liabilities
- Look to establish future budget monitoring and claims monitoring processes

Utilities Income

- Project plan to be drafted

Restructure

- Staff consultation to begin in January 2011

4.	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>
Cost involved in redundancies (10 staff)	
5.	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
<ul style="list-style-type: none"> <li>• Increased insurance claims as part of “claim society”</li> <li>• Lack of high profile advertising sites</li> <li>• Planning restrictions in some areas</li> <li>• Utilities change business model to limit time taken for excavations</li> <li>• TFL ownership of major routes through the Borough</li> <li>• Costs involved in restructure negate savings package</li> </ul>	
6.	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
<ul style="list-style-type: none"> <li>• Insurance – monitoring of claims and management of outstanding claims / payments</li> <li>• Insurance – highways inspections will form part of localised service carried out by generic staff</li> </ul>	
7.	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
An EQIA screening has been undertaken and the equalities impact of the staffing change will be picked up through the application of the Council's Handling Organisational change procedures.	

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	
<b>CHANGES TO STAFFING</b>		

<p><b>Does the change involve a reduction in staff?</b></p>	<p><b>Yes</b></p>	<p>All staff affected will be subject to the councils Handling Organisational change procedure. Tower Hamlets aims to provide best value services to the community, and regards its staff as its most important asset to do this. Changes to service delivery and within the organisation inevitably take place, and the Borough will accommodate these changes in a positive way, wherever possible providing development for employees' careers and without threat to job security.</p>
<p><b>Does the change involve a redesign of the roles of staff?</b></p>	<p><b>No</b></p>	

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
CLC/3**

<b>TITLE OF SAVING OPTION:</b>		Pest Control Service Review			
<b>DIRECTORATE:</b>		CLC			
<b>SERVICE AREA:</b>		Environmental Control	<b>LEAD OFFICER:</b>		Bryan Jones
<b>FINANCE CONTACT</b>		Luke Cully			
	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>	13				
<b>Employee Costs</b>	522				
<b>Other Costs</b>	230				
<b>Income (Specify)</b>	495	125			125
<b>TOTAL</b>	257	125			125
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>					
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				
<p>This proposal relates to the introduction of Pest Control charging for treatment services provided to private dwellings, extending service delivery to the commercial sector e.g. shops and restaurants and a service development initiative to reduce demands on the service.</p> <p>As part of the implementation of this proposal a concessionary rate will be introduced.</p>					



<b>2.</b>	<b>Service implications of saving:</b>
<p>The Pest Control Service will move closer to being cost neutral by introducing charging to the carrying out of treatments to private properties. At the moment only those who live in THH and RSL managed properties are charged for the service, and there is a perception that this is unfair. Charges to be introduced will be based on a London average and will recover the costs of Labour, Materials and administration, no charge will be made for services provided to senior citizens.</p> <p>The service undertakes 30,000 inspections a year but about 10% of these are no shows. Benchmarking has indicated that IT can be used to significantly reduce this problem.</p> <p>Service standards and the high levels of customer satisfaction with this service will not be affected by these savings. The service will continue to seek to win new business from other RSLs, extend service provision into the commercial sector and develop a strategy to provide shared services.</p>	

<b>3.</b>	<b>Actions required to achieve saving:</b>
<p>Relevant committee approval is needed to introduce charging for carrying out Pest Control Services in private dwellings, and a report detailing the proposals will be presented to Cabinet in February 2011.</p> <p>IT will be developed to introduce an appointment reminder system before every visit.</p>	
<b>4.</b>	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>
None	
<b>5.</b>	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
None.	
<b>6.</b>	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
Introduction of charging to private dwellings will be more equitable. The reduction of no shows will reduce this significant waste of resources and this can be easily monitored.	
<b>7.</b>	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
An EQIA screening has been undertaken and full EQIA will be undertaken.	

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	Yes	This proposal involves the introduction of a fee paying service for aspects of the pest control service, which is currently delivered free of charge. A full Equalities Impact Assessment will be undertaken in January 2011 to identify the likely implications of the proposal on vulnerable households.
Does the change involve revenue raising?	Yes	As detailed above, this will be analysed as part of the Impact Assessment.  It is intended that a concessionary rate will be introduced as part of this proposal.
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	

<b>CHANGES TO STAFFING</b>		
<b>Does the change involve a reduction in staff?</b>	<b>No</b>	
<b>Does the change involve a redesign of the roles of staff?</b>	<b>No</b>	

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
CLC/4**

<b>TITLE OF SAVING OPTION:</b>		Review of Supervised Adventure Play Activities			
<b>DIRECTORATE:</b>	CLC				
<b>SERVICE AREA:</b>	Public Realm	<b>LEAD OFFICER:</b>	Jamie Blake		
<b>FINANCE CONTACT</b>	Luke Cully				
	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>	8	8			8
<b>Employee Costs</b>	245	245			245
<b>Other Costs</b>	19	-31			-31
<b>Income (Specify)</b>					
<b>TOTAL</b>	264	214			214
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	

<b>Capital Expenditure</b>		£75 capital sum – to convert current play sites to open access sites – Bartlett park could be developed as part of s106 funded improvement. Funding from this source could match fund allocated capital funds		
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1.	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:
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CLC currently operate two adventure play facilities that have permanent staff presence. The sites are at Bartlett Park and Whitehorse Road

The proposed reduction would involve passing over the responsibility for day to day operation to a third sector provider. The savings estimate is based on 100% reduction in salaried staff but creates a resource of 50k to commission provision from the third sector.

Officers are planning to undertake a user study of the facilities. If it was agreed that the proposal should go forward it is anticipated that the changes to provision could be made for the 2011/12 financial year

2.	<b>Service implications of saving:</b>
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The facilities are currently operated by council staff. The proposal is to operate these services in partnership with the third sector and community organisations.

Assets could be transferred to third sector partners.

3.	<b>Actions required to achieve saving:</b>
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- Carry out a user study to identify peak periods of use and locality of residents
- Engage 3<sup>rd</sup> sector delivery agents to discuss potential takeover of facilities as a contingency to unsupervised play facilities
- Agree draft heads of terms of delivery contract/service level agreement
- Reorganise/Review staff structures(Redeployment/ Redundancy potential)
- Identification of 3<sup>rd</sup> Sector funding sources

4.	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>
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<ul style="list-style-type: none"> <li>Reduction of 8 staff posts redeployment/ redundancy potential</li> </ul>	
<b>5.</b>	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
A comprehensive communications strategy will need to be put in place to ensure that changes to the management of adventure play cannot be misconstrued as a reduction to adventure play provision.	
<b>6.</b>	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
Improved value for money via reduction of staffed provision and continuation of service	
<b>7.</b>	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
None	

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	Yes	If the sites were to be turned into open access play facilities then access to the service would be increased as current access is controlled by restricted supervised hours.
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	
<b>CHANGES TO STAFFING</b>		
	Yes	All staff affected will be subject to the councils Handling

<p><b>Does the change involve a reduction in staff?</b></p>		<p>Organisational change procedure. Tower Hamlets aims to provide best value services to the community, and regards its staff as its most important asset to do this. Changes to service delivery and within the organisation inevitably take place, and the Borough will accommodate these changes in a positive way, wherever possible providing development for employees' careers and without threat to job security.</p>
<p><b>Does the change involve a redesign of the roles of staff?</b></p>	<p><b>No</b></p>	



**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
CLC/5**

<b>TITLE OF SAVING OPTION:</b>		Community Safety/Environmental Control Service Rationalisation - Restructure/Redesign of Directorate Enforcement Functions			
<b>DIRECTORATE:</b>	CLC				
<b>SERVICE AREA:</b>	Environmental Control /Community Safety	<b>LEAD OFFICER:</b>	Bryan Jones/Andy Bamber		
<b>FINANCE CONTACT</b>	Luke Cully				
	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>	180	17	5		22
<b>Employee Costs</b>	7,727	614	172		786
<b>Other Costs</b>					
<b>Income (Specify)</b>					
<b>TOTAL</b>	7,727	614	172		786
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>					
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				

This savings proposal relates to the consolidation and rationalisation of Directorate Enforcement and Regulatory functions within a new service division of Safer Communities. It will create one service that identifies with the Corporate Transformation Programme of being Lean, Flexible and Citizen Focused, by working with partners in localities to ensure a highly visible effective regulatory service, in line with the Council's enforcement Policy.

**2. Service implications of saving:**

The amalgamation of enforcement and regulatory services within these 2 divisions is designed to maximise opportunities relating to service delivery. This will be achieved by removing bureaucracy and de-layering management structures, which will enable the new division to focus more clearly on regulatory activities with partners in a more efficient and effective way.

The necessary restructure will emphasise the requirement to retain front line services to meet community need within the localisation agenda together with our partners. An example of this would be our response to Noise nuisance. At present we are effective at dealing with statutory noise (such as noise from nightclubs or infrastructure projects) but less so with non statutory noise associated with Anti Social Behaviour (disturbance from congregating youths and neighbour disputes). The proposal in this instance is to have one management team that draws together a structured response to deal with these noise issues. Enforcement teams will deal with the first response because we know that 67% of the time you get a positive response to the knock on the door and the request from a uniformed Council officer.

This new approach will better utilise resources, reduce costs and has the potential to reduce the demand of the work on the statutory noise team by 45%. Furthermore, Partners will only need to deal with one service thereby shortening lines of communication and providing a more effective and timely response to local issues. This removes confusion for residents.

**3. Actions required to achieve saving:**

Restructure of services within Environmental Control and Community Safety, managed in accordance with the Council's Handling Organisational Change Procedure.

**4. Potential implications for staff, contractors, partners, assets and other Directorates:**

Staff will be subject to a restructure with new Job Descriptions, they will have closer working relationships with Legal Services, Statutory partners and the Third Sector.

**5. Other risk factors which could prevent this saving being achieved following implementation**

Potential for Central Government devolving functions to Local Authorities, without adequate funding.

<b>6.</b>	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
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Consolidation of enforcement and regulatory functions will increase efficiency and improve value for money

<b>7.</b>	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
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An EQIA screening has been undertaken and the equalities impact of the staffing change will be picked up through the application of the Council's Handling Organisational change procedures.

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	
<b>CHANGES TO STAFFING</b>		
	Yes	All staff affected will be subject to the councils Handling

<p><b>Does the change involve a reduction in staff?</b></p>		<p>Organisational change procedure. Tower Hamlets aims to provide best value services to the community, and regards its staff as its most important asset to do this. Changes to service delivery and within the organisation inevitably take place, and the Borough will accommodate these changes in a positive way, wherever possible providing development for employees' careers and without threat to job security.</p>
<p><b>Does the change involve a redesign of the roles of staff?</b></p>	<p><b>Yes</b></p>	<p>There is no evidence that this would have an impact on equal pay and it is not envisaged at this time that this will reduce the ability of staff to work flexibly. All staff will retain the ability to apply for flexible working through the various policies available within the Council.</p>

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
CLC/6**

<b>TITLE OF SAVING OPTION:</b>	Service Integration - Reorganisation of Clean and Green Group and Rationalisation of Management of Parks and Open Spaces		
<b>DIRECTORATE:</b>	Communities Localities and Culture		
<b>SERVICE AREA:</b>	Public Realm and Culture	<b>LEAD OFFICER:</b>	Jamie Blake, Heather Bonfield
<b>FINANCE CONTACT</b>	Luke Cully		

	Current Budget	Saving £000s			
	2010/11 £000	2011/12	2012/13	2013/14	Full Year Effect
<b>Employee FTEs</b>	84	16			16
<b>Employee Costs</b>	3,345	608			608
<b>Other Costs</b>					
<b>Income (Specify)</b>					
<b>TOTAL</b>	3,345	608			608

**Capital:** Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference

	2011/12	2012/13	2013/14	2014/15+
	£'000	£'000	£'000	£'000
<b>Capital Expenditure</b>				

<b>1.</b>	<p><b>Outline/ details of saving proposal</b>, including indications of stage of development, and work and timescales needed to finalise proposal:</p> <p>The structure of the Public Realm division has recently changed to reflect a key driver to deliver generic and local services. The development of the Clean and Green group is the first stage of this process, and will bring together operational and contract monitoring staff across waste, parks and highways.</p>
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The number of posts affected by this proposal is 84. In addition, the management levels within Mile End Park and Victoria Park will be streamlined in order to deliver effective and consistent services across all parks and open spaces within the borough

A draft staff consultation pack is under development and draft job descriptions for generic contact monitoring / enforcement and inspection staff are also in an initial draft format

**2. Service implications of saving:**

The outcome of this proposal is to provide a strengthened front line presence whilst at the same time de-layering management structures. Efficiencies will be gained by streamlining management arrangements and via localised and generic working, there will also be added value from staff being based locally, being more visible and engaging with the local community more regularly.

The review will also provide an opportunity for front line staff to obtain a greater range of skills and knowledge, and will be followed up with a comprehensive training package enabling these skills to be developed.

The total value of contracts monitored by this group exceeds £40 million. The existing arrangements lead to some duplication in contract monitoring and sometimes cause confusion of customers who want to see a single point of Council response. E.g. Mile End Park and Victoria Park have two separate managers and two separate Park Ranger services neither which are coordinated with each other. Another example of this would be a Highways engineer who as part of his job would inspect a bollard or lamppost. If it was covered in graffiti or fly posting they would leave it for someone else to deal with. These new arrangements proposed through generic working will prevent this from happening in the future and therefore lead to greater satisfaction levels with our resident/visitors.

**3. Actions required to achieve saving:**

Formal consultation with Trade Unions will commence on 6<sup>th</sup> January 2011 and will follow the corporate consultation timetable.

**4. Potential implications for staff, contractors, partners, assets and other Directorates:**

Possible staff reductions through restructuring of business processes and team configuration.

**5. Other risk factors which could prevent this saving being achieved following implementation**

None	
<b>6.</b>	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
Generic working will improve efficiency by ensuring that all front line staff are skilled to undertake a number of duties currently completed by specialist positions. This will increase the number of front line members of staff undertaking a range of duties.	
<b>7.</b>	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
None	



### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	
<b>CHANGES TO STAFFING</b>		
	Yes	All staff affected will be subject to the councils Handling

<p><b>Does the change involve a reduction in staff?</b></p>		<p>Organisational change procedure. Tower Hamlets aims to provide best value services to the community, and regards its staff as its most important asset to do this. Changes to service delivery and within the organisation inevitably take place, and the Borough will accommodate these changes in a positive way, wherever possible providing development for employees' careers and without threat to job security.</p>
<p><b>Does the change involve a redesign of the roles of staff?</b></p>	<p><b>Yes</b></p>	<p>There is no evidence that this would have an impact on equal pay and it is not envisaged at this time that this will reduce the ability of staff to work flexibly. All staff will retain the ability to apply for flexible working through the various policies available within the Council.</p>

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
CLC/7**

<b>TITLE OF SAVING OPTION:</b>		Commercial waste Income Opportunities			
<b>DIRECTORATE:</b>		Communities Localities and Culture			
<b>SERVICE AREA:</b>		Public Realm	<b>LEAD OFFICER:</b>		Jamie Blake
<b>FINANCE CONTACT</b>		Luke Cully			
	Current Budget	Saving £000s			
	2010/11 £000	2011/12	2012/13	2013/14	Full Year Effect
Employee FTEs					
Employee Costs					
Other Costs					
Income (Specify)	2,779	300	350	400	1,050
<b>TOTAL</b>	2,779	300	350	400	1,050
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>					
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				
<p>The legislation relating to the collection of commercial waste is contained within the Environmental protection Act 1990. The Act places a duty on a Local Authority to provide a commercial waste collection and disposal service to businesses if they are requested to collect commercial waste. The service must be chargeable and should be operated on a “break even” basis. Commercial waste services are highly price sensitive and there is considerable private sector activity, especially amongst UK retail chains, major office</p>					

accommodation and large producers.

Local Authorities mainly tend to collect from the SME sector and TH has, over recent years, increased the overall income to £2.78 million for 2010/11. The current service is based on estimated volumes of materials through collection contracts and container collection services. The sales aspect of the service is operated by Veolia, with material being collected as part of the waste collection contract. The service has been supported in part by enforcement action via the Local Enforcement Team, but has been affected by the necessity to deliver a "clear all" policy and a lack of coordination between the sales and enforcement activities.

Targets are based on a draft business plan that has been prepared by Council Officers and Veolia. The overall profile is to increase gross income by 50% which, allowing for a 33% increase in costs (mainly associated with the introduction of fee paid sacks and increased sales and enforcement activity) will generate an additional £1 million net income for 2013/14.

The estimates assume that prices will continue to increase above inflation due to the increase in landfill tax which effects disposal costs and that the borough will introduce a fee paid sack system across all business properties unless they have suitable off street storage areas for containers. Main shopping areas will have time banded collections.

Officers have allocated dedicated enforcement resources to work with the expanded Veolia sales team and a communications strategy is under development, both in terms of sales literature and general information / awareness for the commercial sector.

## **2. Service implications of saving:**

Whilst a focus on commercial waste collections could, in the short term, divert enforcement resources away from other areas of environmental crime, the long term effect of the proposal will be of benefit to the general appearance of the Public Realm. All waste containers will be removed from the main streets and be replaced by time banded collections. This will make busy areas easy to clean and remove the opportunity for graffiti.

There will be some initial minor disruption to the refuse collection service as rounds will need to be rescheduled, but this should be kept to a minimum through detailed planning and staff training.

## **3. Actions required to achieve saving:**

### **Anticipated date for full implementation and delivery of savings;**

It is anticipated that sales will increase on a year by year basis as indicated by the financial data above.

### **Implementation Risks/ Issues including management/ mitigation issues**

- Higher cost base than estimated results in decreased net margins
- Failure to attract additional business
- Increased activity in the private sector
- Continued recession leading to reduced trading

4.	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>
The proposals are being developed in conjunction with Veolia who are responsible for the sales services relating to commercial waste collection and who operate similar services from Westminster Council and other London Authorities.	
5.	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
None	
6.	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
This proposal reduces the cost of the service through generating efficiencies in contractor working practices. Moving to a time banded sack system will reduce the number of commercial bins present on pavements, increase access for pedestrians.	
7.	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
EQIA screening has been undertaken no EQIA proposed.	

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	Yes	Increased revenue will be raised from commercial business rather than residents. Sacks will be introduced at a discounted rate to encourage traders to participate in the scheme.
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	
<b>CHANGES TO STAFFING</b>		

<b>Does the change involve a reduction in staff?</b>	<b>No</b>	
<b>Does the change involve a redesign of the roles of staff?</b>	<b>No</b>	

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
CSF/1**

<b>TITLE OF SAVING OPTION:</b>		Redesign and integration of Early Years and Children's Centres management			
<b>DIRECTORATE:</b>		Children, Schools and Families			
<b>SERVICE AREA:</b>		Learning and Achievement	<b>LEAD OFFICER:</b>		Anne Canning
<b>FINANCE CONTACT</b>		David Tully			
G11, G21, G12, G13	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>	249	30			30
<b>Employee Costs</b>	9,917	1,612			1,612
<b>Other Costs</b>	8,401	1,366			1,366
<b>Income (govt grant and fees/ charges)</b>	-13,879	0			0
<b>TOTAL</b>	4,439	2,978	0	0	2,978
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>					
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				
This proposal will streamline the management of early years provision, taking a holistic locality-based approach. This includes a single management structure to oversee services provided through children's centres, day care settings, one o'clock clubs and crèche provision to ensure that services are integrated and effectively meeting need across locality areas.					



The Council inherited the management of Children's Centres from the PCT in 2006, and has invested significantly in their development over the last 4 years. We are now in a strong position to review and consolidate provision ensuring that resources are focussed on the provision that we know meets need in relation to improved outcomes for young children.

Efficiencies will be gained by reviewing management structures and reviewing underused services that are not effective in meeting the needs of children and parents. Better use of assets (eg hiring of children's centres/ one o'clock club buildings when not in use by early years services) is also being explored.

Children's centres are currently funded by the Sure Start grant but other early years provision in day nurseries and one o'clock clubs has been funded historically through core budgets. This review will consider moving all funding of provision into the early years funding, which it is understood will in future be provided as part of the Early Intervention Grant, replacing the Sure Start grant. This will achieve a saving to the General Fund and is in line with current grant conditions.

This proposal is already well developed as provision has been comprehensively mapped and options considered by a steering group. It is proposed to move to a new locality-based model, with existing Children's Centres and other premises being used as community service hubs for young children and their parents. The savings will be made from management structures with little impact on front line service provision. The intention is that existing Children's Centre premises will remain in use for community and under 5 provision.

Alongside this is a review of management and administration (back office) functions in Early Years to remove duplication and consolidate back office functions in line with corporate reviews. This review is underway and will be implemented from April 2011.

The saving of £3m is being made from a total expenditure budget of approximately £18m and therefore represents 17% of the total budget. The staffing reduction is 12%.

<b>2.</b>	<b>Service implications of saving:</b>
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Underused and ineffective services will be replaced by more accessible services to consolidate and improve the offer to children and parents. The second part of the proposal is related only to back office and has no service implications.

<b>3.</b>	<b>Actions required to achieve saving:</b>
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Early years services have been comprehensively mapped and reviewed to produce restructuring proposals.

New arrangements for the management of children's centres, including retendering any that are externally managed, will be in place by 1 April 2011 (subject to the determination by the government of the future Early Years funding).

<b>4.</b>	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>
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Redeployment and/or redundancy may arise from the remodelling of children's centres.

External contracts for Children's Centres will end March 2011.

Better use of children's centre and other buildings for income generation.

**5. Other risk factors which could prevent this saving being achieved following implementation**

Any significant reductions or changes in funding for early years services via the new Early Intervention grant would introduce further pressures to these services, compromising the ability to meet the target. Current proposals are based on what we know about grant funding at the time of writing, but will need to be revisited following government announcements in December 2010.

**6. Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?**

Resources will be better targeted to need. Improvements will be measured through reduced cost, and improvement in child health and attainment measures as set out in the CYPP and the EYFS Profile outcomes. Duplication will be removed and back office functions consolidated. The service will continue to meet the needs of the community with reduced funding.

**7. Main issues arising from Equalities Impact Assessment (if any)**

An EQIA screening has been undertaken and the equalities impact of the staffing change will be picked up through the application of the Council's Handling Organisational change procedures.

## Equality Impact Assessment: Test of Relevance

CSF/1 Redesign and integration of Children's Centres and Early Years Services
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TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	Yes	We are considering raising revenue by hiring premises to groups when not in use by early years services. This change will have no equalities impact. Access to services free of charge will continue for children and parents.
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	
<b>CHANGES TO STAFFING</b>		
Does the change involve a	Yes	All staff affected will be subject to the councils Handling Organisational change procedure. Tower Hamlets aims to provide best value services to the community, and

<p><b>reduction in staff?</b></p>		<p>regards its staff as its most important asset to do this. Changes to service delivery and within the organisation inevitably take place, and the Borough will accommodate these changes in a positive way, wherever possible providing development for employees' careers and without threat to job security.</p>
<p><b>Does the change involve a redesign of the roles of staff?</b></p>	<p><b>Yes</b></p>	<p>Staff roles will change, however this will not affect pay levels or flexible working.</p>

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
CSF/2**

<b>TITLE OF SAVING OPTION:</b>		Family Wellbeing Model			
<b>DIRECTORATE:</b>		CSF			
<b>SERVICE AREA:</b>		All		<b>LEAD OFFICER:</b> Helen Lincoln	
<b>FINANCE CONTACT</b>		David Tully			
ALL	Current Budget	Saving £000s			
	2010/11 £000	2011/12	2012/13	2013/14	Full Year Effect
<b>Employee FTEs</b>					
<b>Employee Costs</b>					
<b>Other Costs</b>					
<b>Income (Specify)</b>					
<b>TOTAL</b>	*			200	200
*This saving will come from a range of Children Social Care budgets.					
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	2011/12	2012/13	2013/14	2014/15+	
	£'000	£'000	£'000	£'000	
<b>Capital Expenditure</b>	0	0	0	0	
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				
<p>The Family Wellbeing Model sets a framework for the design and delivery of support services across Children and Families Trust partners. It will result in a better targeted and streamlined offer to ensure that we provide the right support at the right time in order to meet the needs of vulnerable children and families. As a result there will be a reduced demand on specialist services such as child protection and looked after children as well as some consolidation of existing targeted services. There will also be streamlining of referral</p>					

pathways to reduce duplication in this area.

The model is at an advanced stage of development and will be implemented from September 2010. Following this, a comprehensive programme of service redesign is planned, which will realise the savings set out in this proposal by 2013/14. As part of that programme, the detail of how these savings will be realised will be established.

**2. Service implications of saving:**

Clearer referral and assessment processes will make services easier to access when families are in need.

**3. Actions required to achieve saving:**

Service redesign programme to realise the benefits of the model.

**4. Potential implications for staff, contractors, partners, assets and other Directorates:**

All partners/ contractors working in children's services will be required to work to the Model. There has been extensive consultation through the Children and Families Trust to ensure buy in of partners.

The service redesign programme will result in new working practices for staff as well as changes in contracted/ partner services.

**5. Other risk factors which could prevent this saving being achieved following implementation**

None identified

**6. Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?**

Better targeted services will ensure that support is more effective and prevent the need for high level interventions through for example child protection.

This will be measured by referral rate to social care services, child protection plan numbers and the number of children coming into care.

**7. Main issues arising from Equalities Impact Assessment (if any)**

A full EQIA of the model has been undertaken in advance of its launch and no adverse impact was identified. EQIAs of specific service redesign proposals will be undertaken as part of the implementation programme to ensure that any proposals do not adversely impact.

As this proposal aims to better target services to need no negative impact is expected.

## Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	Yes	The intention is to improve access to services through providing a more joined up response.
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	See comment	Service redesign has not been finalised – it is possible that this may be the case.
<b>CHANGES TO STAFFING</b>		
	No	

<b>Does the change involve a reduction in staff?</b>		
<b>Does the change involve a redesign of the roles of staff?</b>	<b>See comment</b>	Service redesign has not been finalised – it is possible that this may be the case.



**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

Item Ref.  
No:  
CSF/3

<b>TITLE OF SAVING OPTION:</b>		Redesign support for young people aged 13-19 to reflect need			
<b>DIRECTORATE:</b>		CSF			
<b>SERVICE AREA:</b>		Youth & Community Learning/ Young People and Learning		<b>LEAD OFFICER:</b> Mary Durkin	
<b>FINANCE CONTACT</b>		David Tully			
G39, G27	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>	80	9	0	0	9
<b>Employee Costs</b>	2,806	364			364
<b>Other Costs</b>	9,571	363			363
<b>Income</b> (govt grants/ WNF)	-4,037				0
<b>TOTAL</b>	8,340	727		0	727
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N– Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>					
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				

Figures from the Department of Education show that Tower Hamlets' budget for youth services in 2009-10, at £246 per head of population, is significantly above the national average expenditure of £39 per head of population in 2009-10. Whilst this investment has achieved significant improvements in outcomes for young people, it suggests that there is also scope for efficiencies without reducing outcomes for young people.

A comprehensive review has been undertaken to inform this work. The review found that the significant investment made in Tower Hamlets to support young people had resulted in progress on measures such as reducing the number of young people not in education, employment and training, and youth offending. However more progress is needed on reducing youth unemployment, and increasing the proportion of young people gaining qualifications by 19. We need more work on teenage pregnancy, substance misuse, and crime diversion to support the teenagers. The review included consultation with young people to establish how best to deliver the support they need to achieve these outcomes, which has informed this proposal. The review established a strategic direction of support to 13-19 year olds to ensure that these improvements are delivered, targeting services to need and identifying savings.

The proposals that emerged from the review include:

- Redesign of targeted intervention to ensure it is more accessible and effectively targeted.
- Streamlining the management structure of the central team.

The work will also ensure that systems for referral and signposting to non-local authority provision such as the Summer University are effective and streamlined so that young people are able to more easily access appropriate provision.

The proposals include:

- Management restructure in 2011/12 to save £114k by removing 3 manager and 2 senior youth worker posts (not front line youth workers), replacing them with 2 posts (net reduction of 3 posts)
- Targeting the Connexions provision more effectively, to meet the needs of seriously disadvantaged groups, saving £250k in 2011/12. 3 management posts will be deleted and three operational posts. The remaining staff will work in tandem with crime prevention and inclusion staff, reducing duplication, and maximising impact on young people and their families.
- Ceasing the workforce development SLA with Tower Hamlets College for £63k in 2011/12.
- Reducing the positive activities commissioning budget by £300k in 2011/12.

The work of the youth contracts will be retained, although we will continue to work with providers to ensure it delivers an effective and high quality offer to young people. Tower Hamlets has one of the highest contact rates for youth participation (50%) nationally and we intend that the level of contact is maintained or increased where possible. There will be no reduction to the local universal offer. The Rapid Response Team, outdoor education, and youth involvement will remain intact. Targeted work will be enhanced by more focused work with specific groups. We will maintain in house a capacity to provide targeted support for

vulnerable young people through the successful New Start programme.	
<b>2.</b>	<b>Service implications of saving:</b>
The service will be made more accessible to young people and better targeted to need.	

<b>3.</b>	<b>Actions required to achieve saving:</b>
Formal staffing structure consultation to begin January 2011 .	
<b>4.</b>	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>
Up to 9 redundancies.	
<b>5.</b>	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
None	
<b>6.</b>	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
The proposal will ensure that resources are effectively directed to need, and that services are provided in accessible locations. This will help to sustain improvements in performance in relation to measures such as youth offending and the NEET rate at a lower cost, measured by relevant performance indicators.	
<b>7.</b>	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
Initial screening assessment indicates that the negative impact will be minimal, as the aim of the review is to refocus provision on need and make it more accessible. However a full EQIA will be undertaken.	

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	The savings will be made as part of an overall restructure, and while there will be reductions in some budgets, we are confident that a more focused and integrated approach to targeted youth support will mean that the resources available to address inequality will be maintained.
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	No	The change should increase access to the service. Job descriptions will be altered to ensure out-of-school and week-end availability of staff.
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	The change does not alter the eligibility criteria.
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	
<b>CHANGES TO STAFFING</b>		

<p><b>Does the change involve a reduction in staff?</b></p>	<p><b>Yes</b></p>	<p>All staff affected will be subject to the councils Handling Organisational change procedure. Tower Hamlets aims to provide best value services to the community, and regards its staff as its most important asset to do this. Changes to service delivery and within the organisation inevitably take place, and the Borough will accommodate these changes in a positive way, wherever possible providing development for employees' careers and without threat to job security.</p>
<p><b>Does the change involve a redesign of the roles of staff?</b></p>	<p><b>Yes</b></p>	<p>The roles of the staff will be the same – they will be working with vulnerable teenagers to promote their inclusion in education, employment and training. Staff will work with the young people in groups and on a one-to-one basis, as appropriate, as they have always done, and they will work in tandem with school staff. There will be some changes to hours of work and the management structure, but nothing to affect the core role.</p>

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
CSF/4**

<b>TITLE OF SAVING OPTION:</b>		Pupil transport efficiency review			
<b>DIRECTORATE:</b>		CSF			
<b>SERVICE AREA:</b>		Resources	<b>LEAD OFFICER:</b>		Kate Bingham
<b>FINANCE CONTACT</b>		David Tully			
	Current Budget	Saving £000s			Full Year Effect
	2010/11 £000	2011/12	2012/13	2013/14	
Employee FTEs	-				
Employee Costs	-				
Other Costs	3,900	50	150	100	300
Income (Specify)					
<b>TOTAL</b>	3,900	50	150	100	300
<b>Capital:</b> Are there any capital set up cost associated with this proposal?N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>					
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				
<p>The Council is required to provide home to school transport for pupils with a statement of special educational needs who are unable to travel independently. The Council also provides transport to primary school pupils who cannot be provided with a school place within 2 miles of home because of a shortage of places. The service is currently provided to 547 pupils with special educational needs and 250 pupils as a result of school places outside reasonable travel distance.</p>					

Benchmarking information shows that the Council spends an average of £122 per head of the pupil population on home to school/ college transport, compared to the London average of £109. Reducing our expenditure to the comparator average per pupil would save approximately £500k per year. This proposal will aim to reduce the costs of this provision closer to the London average through a combination of efficiency savings and reducing demand.

Demand will be reduced through exploring:

- Alternative ways of ensuring that pupils are able to travel to school, such as independent travel training where appropriate.
- A review of entitlement criteria to ensure that resources are directed appropriately to need.

There is ongoing capital investment to increase the number of primary school places which will, over time, reduce the need for transport for this group of pupils.

Ongoing work with CLC's transport provider service will ensure operating and procurement efficiencies are fully exploited. We are also collaborating with other boroughs through East London Solutions to find ways of reducing the cost of transport provision.

<b>2.</b>	<b>Service implications of saving:</b>
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We will continue to provide a service to those pupils that need it as it is a statutory duty. However in some cases transport will be provided in a different form.

<b>3.</b>	<b>Actions required to achieve saving:</b>
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A review of the service will be undertaken to identify efficiencies. This will include procurement and management efficiencies.

A review of our entitlement policy will also be undertaken to ensure that resources are effectively targeted.

<b>4.</b>	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>
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The service is run by Communities, Localities and Culture under an SLA with Children's Services. The other main user is Adults Health and Wellbeing. A Transport Efficiency group is being established to ensure that any cross-cutting issues for the service (for example arising from the Transforming Adult Social Care agenda) are addressed.

<b>5.</b>	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
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Any significant growth in need which is greater than anticipated.

6.	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
Efficiencies will be measured through reduced operating costs for the same service.	
7.	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
A screening assessment has been undertaken. There is a potential negative impact on disabled children in terms of access to education as a result of entitlement changes. A full assessment will be carried out on any proposed changes in entitlement to ensure that this impact is avoided.	



## Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	Yes	This proposal will maintain access to the service for those children who continue to require it, however it will build on our successful programme and where appropriate supporting and encouraging children to become independent travelers.
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	
<b>CHANGES TO STAFFING</b>		
Does the	No	

<b>change involve a reduction in staff?</b>		
<b>Does the change involve a redesign of the roles of staff?</b>	<b>No</b>	

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
CSF/5**

<b>TITLE OF SAVING OPTION:</b>		Review of extended schools services			
<b>DIRECTORATE:</b>		CSF			
<b>SERVICE AREA:</b>		Youth & Community Learning	<b>LEAD OFFICER:</b>		Mary Durkin
<b>FINANCE CONTACT</b>		David Tully			
G40, G45, G41, G43	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>	57	29	0	0	29
<b>Employee Costs</b>	1,991	1,235			1,235
<b>Other Costs</b>	3,540	2,498			2,498
<b>Income (fees and charges, Government Grants, contributions from NHS)</b>	-3,179	-2,860			-2,860
<b>TOTAL</b>	2,352	873	0	0	873
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N– Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>					
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				
Our extended schools service provides a number of out of school services as well as supporting schools to develop schools based provision. Government policy, and funding, is shifting towards provision by schools with the local authority acting as strategic commissioner of services. As a result, the funding available for these services from 2011/12					

is likely to reduce significantly. This saving represents an additional saving to the general fund over and above an anticipated £2.86m reduction in government grant for these services.

In line with government policy, this proposal shifts provision of services into schools, with the Council acting as strategic commissioner to ensure that there is a comprehensive and balanced offer of out of school activities for pupils. There will be a significant reduction in the centrally based team (8 FTE, representing 32% of the staff). The remaining staff will ensure that we continue to support schools in their provision of out of school hours learning, health promotion and play opportunities.

The proposal also moves after school childcare provision for 3-11 year olds, currently provided as part of our Junior Youth Service (JYS), into schools. During school holidays local authority provision will continue.

In place of JYS provision during term time, eight schools across the borough will offer structured childcare until 6pm for the children of working parents. There will be a charge, reclaimable from Working Families Tax Credits. Other children will have access to a full programme of out of School Hours Learning (OOSHL) provision, which will be provided free as part of the extended day. However this will not be structured child care.

The eight schools who will provide child care are:

- Chisenhale
- Clara Grant
- Holy Family
- Olga
- St Anne's
- St Elizabeth's
- St Mary and St Michael's
- St Matthias

<b>2.</b>	<b>Service implications of saving:</b>
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The majority of provision for out of school activities and childcare will move into schools. The local authority will continue to provide holiday provision.

<b>3.</b>	<b>Actions required to achieve saving:</b>
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Formal consultation to be issued by January 2011.

Implementation of new service structure and transfer of term time provision to schools by 1/4/2011

**4. Potential implications for staff, contractors, partners, assets and other Directorates:**

There will be up to 29 FTE staff redundancies after the transfer of JYS staff to schools under TUPE is taken into account. 8 of these staff are based centrally in the local authority, with the remaining 21 FTE being sessional childcare staff. Because the sessional staff are part time childcare workers, this equates to a headcount figure of 103. Most of these staff are employed for up to 10 hours a week and may have contracts of work in schools for other roles. The exact number of hours to be reduced will be kept to a minimum with strategies to encourage schools to employ the existing staff in schools.

**5. Other risk factors which could prevent this saving being achieved following implementation**

None

**6. Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?**

The proposal will ensure that resources are effectively directed to need, whilst achieving significant savings.

**7. Main issues arising from Equalities Impact Assessment (if any)**

Screening assessment has been completed and a full EQIA will be completed in advance of implementation. On the basis of the screening assessment there is not thought to be any negative impact as the schools provision that exists, and will replace the Council's provision, is well used by all of the community.

## Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES...
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	There will be some changes in the location of supervised child care the service will now be provided directly by schools.
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	No	
<b>CHANGES TO STAFFING</b>		
Does the change involve a reduction in staff?	Yes	All staff affected will be subject to the councils Handling Organisational change procedure. Tower Hamlets aims to provide best value services to the community, and regards its staff as its most important asset to do this. Changes to service delivery and within the organisation inevitably take place, and the Borough will accommodate these changes in a positive way, wherever possible providing development for employees' careers and without threat to job security.
Does the change involve a redesign of the roles of staff?	No	

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
CSF/6**

<b>TITLE OF SAVING OPTION:</b>		Redesign of parent support and advice to reflect need			
<b>DIRECTORATE:</b>		Children, Schools and Families			
<b>SERVICE AREA:</b>		Learning and Achievement	<b>LEAD OFFICER:</b>		Anne Canning
<b>FINANCE CONTACT</b>		David Tully			
G19	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>	9	1	1.5	1	3.5
<b>Employee Costs</b>	326	35	50	40	125
<b>Other Costs</b>	59				0
<b>Income (SLAs)</b>	-20				0
<b>TOTAL</b>	374	35	50	40	125
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>					
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				
<p>A review of provision of advice services to parents of pupils with special educational needs, including the choice advice function which offers advice to parents on transition from primary to secondary school. This service is currently provided in house by the Parents' Advice Centre, and meets our statutory duty to provide a parent partnership function. The statutory requirement is to provide independent advice to parents of pupils who are being assessed for SEN statements. The review will bring costs closer to the comparator average benchmark of £4 per pupil (in 2009-10 Tower Hamlets spent more than ten times this figure</p>					

at £43.) Initial benchmarking with other local authorities has identified alternative ways of delivering this service more cost effectively whilst maintaining high quality advice provision. This will include consideration of alternative provision potentially in the community and voluntary sector, which would also be more independent of the local authority. This is common practice in other boroughs who have successfully provided this service in that way.

An initial review has identified options for future provision but implementation work has not yet started.

**2. Service implications of saving:**

Nature of service delivery likely to change although a service will continue to be provided as it is a statutory requirement.

**3. Actions required to achieve saving:**

Review of service, formal consultation and redeployment/ redundancy processes

**4. Potential implications for staff, contractors, partners, assets and other Directorates:**

Potentially 3.5 FTE redeployment/ redundancy. Potential new business for local third sector if the decision is taken to contract out the parents' advice service.

**5. Other risk factors which could prevent this saving being achieved following implementation**

None

**6. Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?**

Service provision will continue at lower cost. If external provider is used the arms length community based provision could also offer better and more accessible provision. Case numbers and outcomes will continue to be monitored to ensure quality is maintained for lower cost.

**7. Main issues arising from Equalities Impact Assessment (if any)**

A screening assessment has identified no potential impact as the service will continue to be provided in a different form. However, a full EQIA will be completed in advance of implementation of any new delivery model to ensure any potential negative impact is mitigated against or avoided.



## Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES...
<b>Does the change reduce resources available to address inequality?</b>	<b>Yes</b>	<p>There is evidence from other councils that this support can continue to be provided at a reduced cost.</p> <p>The review will reduce expenditure on advice and support to parents of pupils with special educational needs.</p>
<b>CHANGES TO A SERVICE</b>		
<b>Does the change alter access to the service?</b>	<b>No</b>	
<b>Does the change involve revenue raising?</b>	<b>No</b>	
<b>Does the change alter who is eligible for the service?</b>	<b>No</b>	
<b>Does the change involve a reduction or removal of income transfers to service users?</b>	<b>No</b>	
<b>Does the change involve a contracting out of a service currently provided in house?</b>	<b>Yes</b>	<p>Alternative arrangements to in house provision will be explored, although no decision has yet been taken about contracting out. Any new contract will include promotion of equality.</p>
<b>CHANGES TO STAFFING</b>		
<b>Does the change involve a reduction in staff?</b>	<b>Yes</b>	<p>All staff affected will be subject to the councils Handling Organisational change procedure. Tower Hamlets aims to provide best value services to the community, and regards its staff as its most important asset to do this. Changes to service delivery and within the organisation inevitably take place, and the Borough will accommodate these changes in a positive way, wherever possible providing development for employees' careers and without threat to job security.</p>

<b>Does the change involve a redesign of the roles of staff?</b>	<b>Yes</b>	Staff roles will change to accommodate new ways of working. However this will have no adverse impact on flexible working or equal pay.

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
CSF/9**

<b>TITLE OF SAVING OPTION:</b>		Government Transfer of functions for student awards			
<b>DIRECTORATE:</b>		Children, Schools and Families			
<b>SERVICE AREA:</b>		Learning and Achievement	<b>LEAD OFFICER:</b>		Anne Canning
<b>FINANCE CONTACT</b>		David Tully			
E22- Student Awards	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>	4	3.5			3.5
<b>Employee Costs</b>	175	136			136
<b>Other Costs</b>	204	204			204
<b>Income (Govt grants/ fees and charges)</b>	-40	-40			-40
<b>TOTAL</b>	339	300			300
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>					
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				
<p>Awards of student grants is being transferred to a central government body and this proposal represents the cost savings through winding down our service as a result of this transfer. There is a small residual function to administer trust funds from Canary Wharf which will remain with the authority.</p> <p>This proposal is in the final stages of implementation.</p>					

<b>2.</b>	<b>Service implications of saving:</b>
None as responsibilities are transferring to another body.	

<b>3.</b>	<b>Actions required to achieve saving:</b>
Formal consultation and redeployment/ redundancy processes- already underway.	
<b>4.</b>	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>
Staff in the service are in the process of redeployment/ redundancy.	
<b>5.</b>	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
None	
<b>6.</b>	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
The service will still be delivered but by a national body at lower cost.	
<b>7.</b>	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
None	

## Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	N/a	Awards of student grants is being transferred to a central government body
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	Yes	Awards of student grants is being transferred to a central government body
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	N/a	See above
<b>CHANGES TO STAFFING</b>		
	Yes	All staff affected will be subject to the councils Handling

<p><b>Does the change involve a reduction in staff?</b></p>		<p>Organisational change procedure. Tower Hamlets aims to provide best value services to the community, and regards its staff as its most important asset to do this. Changes to service delivery and within the organisation inevitably take place, and the Borough will accommodate these changes in a positive way, wherever possible providing development for employees' careers and without threat to job security.</p>
<p><b>Does the change involve a redesign of the roles of staff?</b></p>	<p><b>N/a</b></p>	<p>See above</p>

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
CSF/10**

<b>TITLE OF SAVING OPTION:</b>		Review and rationalisation of emotional health and wellbeing support			
<b>DIRECTORATE:</b>		Children, Schools and Families			
<b>SERVICE AREA:</b>		Children's Social Care	<b>LEAD OFFICER:</b>		Helen Lincoln
<b>FINANCE CONTACT</b>		David Tully			
G54	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>	20				
<b>Employee Costs</b>	939				
<b>Other Costs</b>	861	179	0		179
<b>Income (Specify)</b>					
<b>TOTAL</b>	1800	179	0		179
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>					
1.	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				
<p>The Child and Adolescent Mental Health Service commissioned by the Council and NHS Tower Hamlets from East London Foundation Trust (EFLT) is being reviewed to reduce costs through operating efficiencies. CAMHS will be redesigned to ensure the delivery of a more streamlined service. Better integration with other services (eg Educational Psychology) are also being pursued to ensure that high quality support continues to be provided for children and young people with mental health needs.</p> <p>According to the latest CAMHS mapping exercise Tower Hamlets CAMHS has</p>					

approximately 45 staff per 100,000 (all age) population. The recommended number of non teaching staff for the delivery of a comprehensive CAMHS is 15 per 100,000 (all age) population, or 20 per 100,000 where they have teaching responsibilities. However, the numbers are likely to be higher in areas that deliver other specialist services, which is the case in Tower Hamlets. Data from the NHS commissioners for the North East London Sector also suggests relatively high expenditure in Tower Hamlets, which has a higher unit cost than neighbouring boroughs, but no significant difference in performance. This suggests scope for savings. In addition, analysis of the caseloads and unit costs of the different parts of the CAMHS service within Tower Hamlets show significant differences, including between teams that do similar work but across different geographical areas (for example – the average cost per young person seen is £1,131 in East team but £1,862 in West Team) suggesting further potential for efficiencies.

Negotiations with ELFT are well advanced in readiness for changes to the contract for the financial year 2011-12. These negotiations are progressing well and savings have already been identified by ELFT through management efficiencies and re-organisation, as well as better alignment with other services.

<b>2.</b>	<b>Service implications of saving:</b>
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The service will continue to be provided to all those who are entitled to it with savings being produced by operating efficiencies and better integration.

<b>3.</b>	<b>Actions required to achieve saving:</b>
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Negotiation with providers to achieve operating efficiencies (already well advanced).

<b>4.</b>	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>
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The provider will receive less money under a new contract. There will be some staffing implications resulting from the proposed changes. Two FTE Tower Hamlets employed social work staff will be removed from the existing service structure and redeployed to front line social care work. There will also be a reduction in staff employed by the East London Foundation Trust. This will reduce the number of staff per 100,000 (all age) population to approximately 35 which is the maximum saving that can be achieved whilst safely managing the clinical risks associated with reducing the service.

<b>5.</b>	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
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None



6.	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
Service will be maintained at reduced cost. Already established contract monitoring arrangements will monitor continuation of service levels.	
7.	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
Screening assessment indicates no negative impact as entitlement and access to service will not change. A full impact assessment will be undertaken prior to implementation.	

## Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES...
Does the change reduce resources available to address inequality?	NO	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	NO	
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	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	

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
D&R/1**

<b>TITLE OF SAVING OPTION:</b>	Transformation of front-end to back-office functions through planning digitisation		
<b>DIRECTORATE:</b>	Development and Renewal		
<b>SERVICE AREA:</b>	Development Decisions/ Resources	<b>LEAD OFFICER:</b>	Owen Whalley/ Chris Holme
<b>FINANCE CONTACT:</b>	Paul Leeson		

	Current Budget	Saving £000s			
	General Fund 2010/11 £000	2011/12	2012/13	2013/14	Full Year Effect
Employee FTEs	17	2	6		8
Employee Costs	553	64	186	0	250
Other Costs	179	0	0	0	0
Income (Specify)	0	0	0	0	0
<b>TOTAL</b>	732	64	186	0	250

**Capital:** Are there any capital set up cost associated with this proposal? Y/N – Please state capital proposal reference

	2011/12	2012/13	2013/14	2014/15+
	£'000	£'000	£'000	£'000
<b>Capital Expenditure</b>	-	-	-	-

1. **Outline/ details of saving proposal**, including indications of stage of development, and work and timescales needed to finalise proposal:

It was anticipated when the savings proposal was first submitted in February 2009 that significant general fund savings of £100,000 p.a. would be realised following the back capture of major elements of Planning, Building Control and Land Charges case files into a digital format and a consequent service provision review.

The 4 key objectives of the project have been to:-

- 1) Implement an automated system for the processing of requests for land charge searches;
- 2) Undertake document and data capture exercises for all historical public documents with the Land Charges, Town Planning and Building Control registers;
- 3) Investigate and cleanse all Statutory Register information data required by the Land Charges search process and to enable automatic searching of the held data;
- 4) Investigate, assess and recommend future methods of delivering Land Charge search replies and Statutory register information to Council customers.

It is anticipated that this work should be complete at the end of September 2010.

Additionally work has been initiated as Phase 1 of a Directorate wide review of administrative, clerical and technical support services to assess necessary staffing levels arising from the introduction of these computer based systems. A project review has been initiated under the direction of the Service Heads for Planning & Building Control and Resources to assess how the current diverse team structure within Planning and Building Control may be rationalised and integrated to provide a more generic and leaner service to take maximum advantage of these new systems. Precise savings that would accrue from this exercise have yet to be finalised but are likely to exceed the 2009 savings proposal of £100,000 p.a.

Matters have become somewhat more complex since the determination that access to Environmental Information should be free. This requires that we are no longer able to make a charge for personal land charge searches. We are therefore additionally assessing how best we can offer an enhanced and collated service for which we may be able to levy a charge within the developing computer infrastructure.

It should be noted that the savings proposed in this submission relate to the General Fund. In addition savings should be generated within the Building Control and Land Charges trading accounts as a result of this initiative.

<b>Service implications of saving:</b>
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This project will achieve immediate cashable savings but, because of the development of the ICT infrastructure, it will be also be possible for further savings to be made in the way that information is delivered to the Council's clients. The streamlining of information delivery should give the client a faster and better access to D&R data and earn more revenue for the Council from the data supplied to the client. It will contribute to a better user experience for the Council's clients.

The Technical Support staff review in Development Control, Building Control and Land Charges will enable further savings to be accrued from staff rationalisation, the possible reduction in the number of teams, the introduction of increased generic working and the creation of a dedicated scanning team.

<b>3. Actions required to achieve saving:</b>
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The completion of the "back capture" project and the completion of the Technical Support staff review within Planning & Building Control.

4.	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>
<p>Staff numbers could be reduced. The remaining staff may need retraining to equip them to better provide for the needs of both the Development Control and Building Control technical teams.</p>	
5.	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
<p>The maintenance of the data systems to enable an accurate, up to date and robust service to continue to be provided. Resources will be required to continue data input and to monitor the robustness of this data.</p> <p>Further rulings regarding the free public accessibility to data for which the authority currently makes a charge.</p>	
6.	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
<p>Fewer staff carrying out more efficient service delivery and allowing faster and better access to D&amp;R data.</p>	
7.	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
<p>An EQIA screening has been undertaken and the equalities impact of the staffing change will be picked up through the application of the Council's Handling Organisational change procedures.</p>	

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES...
<b>Does the change reduce resources available to address inequality?</b>	<b>No</b>	
<b>CHANGES TO A SERVICE</b>		
<b>Does the change alter access to the service?</b>	<b>Yes</b>	There will be improved access to this service in the result of this digitalisation. The proposal seeks to enhance the service provided by streamlining processes.
<b>Does the change involve revenue raising?</b>	<b>No</b>	
<b>Does the change alter who is eligible for the service?</b>	<b>No.</b>	
<b>Does the change involve a reduction or removal of income transfers to service users?</b>	<b>No.</b>	
<b>Does the change involve a contracting out of a service currently provided in house?</b>	<b>No</b>	
<b>CHANGES TO STAFFING</b>		
<b>Does the change involve a reduction in staff?</b>	<b>Yes.</b>	All staff affected will be subject to the councils Handling Organisational change procedure. Tower Hamlets aims to provide best value services to the community, and regards its staff as its most important asset to do this. Changes to service delivery and within the organisation inevitably take place, and the Borough will accommodate these changes in a positive way, wherever possible providing development for employees' careers and without threat to job security.

<b>Does the change involve a redesign of the roles of staff?</b>	<b>Yes,</b>	The proposals will create generic roles and staff will be retrained to enable them to respond to the technical needs of both Development Control and Building Control.

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
D&R/2**

<b>TITLE OF SAVING OPTION:</b>		Corporate Subscription Deletion			
<b>DIRECTORATE:</b>		Development and Renewal			
<b>SERVICE AREA:</b>		Olympic and Paralympic Games 2012 / Programmes and Projects	<b>LEAD OFFICER:</b>	Nick Smales / Owen Whalley	
<b>FINANCE CONTACT</b>		Paul Leeson			
	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>					
<b>Employee Costs</b>					
<b>Other Costs</b>	235	25	75	100	200
<b>Income (Specify)</b>					
<b>TOTAL</b>	235	25	75	100	200
<b>Capital:</b> Are there any capital set up cost associated with this proposal? Y/N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>	-	-	-	-	
1.	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				
<b><u>Five Host Borough Unit</u></b>					
The saving proposal incorporates the natural ending of the Five Host Borough Unit after the Olympic					



and Paralympic Games have taken place in 2012..

### **Thames Gateway London Partnership**

Tower Hamlets is at the heart of consolidating London as Europe's fastest-growing city and also its pre-eminence as a world city. London and the Thames Gateway's growth continue to underpin the economic growth of the rest of Britain.

The Thames Gateway London Partnership (TGLP) is a non-statutory agency with membership comprising the local authorities within its boundary as well as higher education, employment and health agencies. It was set up to represent and articulate the interests of its members in lobbying government and statutory regional agencies in driving forward the regeneration of the area.

The TGLP has historically been successful in raising the profile of the Gateway and lobbying for investment in housing and employment creation across its area. However, Tower Hamlets is at the very heart of the regeneration of East London and the borough has developed a direct relationship with statutory regeneration agencies such as the London Development Agency and the London Thames Gateway Development Corporation to focus on the particular and specific challenges confronting this borough, which are not necessarily representative of the broader TGLP area. There are immediate, direct and intense pressures for commercial and residential development, which are not experienced in the remainder of the Partnership area, and therefore the borough has developed independent and direct mechanisms to respond to these challenges.

This direct relationship has provided a more relevant and cost effective means to deliver change in the borough and while the TGLP remains an important sub-regional commissioning and lobbying agency it does not always provide the best vehicle for securing real change within Tower Hamlets.

Resignation from the TGLP would reduce the borough's sub-regional presence but the borough will be in partnership with the other statutory agencies to deliver regeneration more focused on the needs of the borough itself to absorb the new growth in housing, jobs and associated social infrastructure such as schools, health care and open space.

Twelve months notice of resignation must be given to the TGLP and so there would be no immediate cost savings but these would accrue in 2012/13 and subsequent years if the savings proposal was to be adopted.

## **2. Service implications of saving:**

### **Five Host Borough Unit**

None – the Five Host Borough Unit will end after the Olympic and Paralympic Games have taken place.

### **Thames Gateway London Partnership**

The borough would no longer be part of this non-statutory sub regional agency. However, it is not anticipated that this would impact significantly on the borough's ability to deliver its development and renewal responsibilities. The more direct relationship with the statutory sub-regional agencies provides a more cost effective mechanism to deliver this change.

3.	<b>Actions required to achieve saving:</b>
<p><b><u>Five Host Borough Unit</u></b></p> <p>None – the Five Host Borough Unit will end after the Olympic and Paralympic Games have taken place.</p> <p><b><u>Thames Gateway London Partnership</u></b></p> <p>A letter of resignation to the TGLP.</p>	
4.	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>
<p><b><u>Five Host Borough Unit</u></b></p> <p>None – the Five Host Borough Unit will end after the Olympic and Paralympic Games have taken place.</p> <p><b><u>Thames Gateway London Partnership</u></b></p> <p>The Head of Planning and Building Control and the nominated Lead Member have historically attended the TGLP Board meetings and Board Advisory Group and other officers attend the various task groups set up by the TGL such as the Transport, Employment and Higher Education sub-groups.</p> <p>Resignation from the TGLP would release officers from the time spent in contributing to the TGLP work streams and attending TGLP meetings.</p> <p>The major effect would be on Development &amp; Renewal while other Directorates such as Communities, Localities and Culture would be affected to a lesser degree in terms of transport, leisure and cultural inputs.</p>	
5.	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
<p><b><u>Five Host Borough Unit</u></b></p> <p>None.</p> <p><b><u>Thames Gateway London Partnership</u></b></p> <p>The other current members of the TGLP may seek to discourage the borough from resigning. The resignation of a key local authority member may be perceived by remaining members as undermining the effectiveness of the Partnership to secure structured regeneration in the Gateway as a whole.</p>	
6.	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
<p><b><u>Five Host Borough Unit</u></b></p> <p>The reduction in subscription will be a direct revenue saving.</p>	

**Thames Gateway London Partnership**

The saving accruing from resignation will become available for developing the more direct relationship with statutory regeneration agencies and free up resources and staff time to address the particular regeneration challenges confronting the borough.

<b>7.</b>	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
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None.

## Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES...
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	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.	

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
D&R/3**

<b>TITLE OF SAVING OPTION:</b>		Review of Employment and Enterprise and 2012 Legacy Arrangements			
<b>DIRECTORATE:</b>		Development and Renewal			
<b>SERVICE AREA:</b>		Olympic and Paralympic Games 2012	<b>LEAD OFFICER:</b>		Nick Smales
<b>FINANCE CONTACT</b>		Paul Leeson			
	Current Budget	Saving £000s			Full Year Effect
	2010/11 £000	2011/12	2012/13	2013/14	
<b>Employee FTEs</b>	6	3			3
<b>Employee Costs</b>	284	110	0	0	110
<b>Other Costs</b>	80	0	40	40	80
<b>Income (Specify)</b>	0	0	0	0	0
<b>TOTAL</b>	364	110	40	40	190
<b>Capital:</b> Are there any capital set up cost associated with this proposal? Y/N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>	-	-	-	-	
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				
<p>The Inward Investment and Business Destination team sits within the 2012 Unit – having been transferred into the Unit to promote the Borough for Inward Investment and Business Tourism on the back of the Olympics. Currently the team also manages the View Marketing suite in Bow under license from the London Thames Gateway Development Corporation. As a result the Council has opportunities to utilise this venue free of charge whereas other users and members are required to pay a subscription fee.</p> <p>Given the Olympic and Paralympic Games take place mid way through 2012/13 a saving can be realised as certain management and marketing activities can cease following the end of the Paralympic Games in September 2012. In addition to its on-going activities, in the lead up to the Games the team are supporting smaller venues within the Borough to maximise revenues from 2012</p>					

demand. This will provide opportunities for these organisations to obtain benefits from the Games which they would not otherwise be able to access.

It is likely that management of the View facility will cease post 2012/13 (subject to arrangements for the London Thames Gateway Development Corporation which may be wound up or incorporated into a Mayoral Development Corporation for the Lower Lea Valley) and thus a staff saving can be realised in 2012/13 plus additional overhead costs.

**2. Service implications of saving:**

Mainstreaming levels of provision post 2012 Olympic Games.

**3. Actions required to achieve saving:**

Staffing reduction in line with the Councils handling organisational change.

**4. Potential implications for staff, contractors, partners, assets and other Directorates:**

Reducing posts by 3 FTE.

The service is well regarded by external partners (working closely to market the Borough with organisations such as a Canary Wharf Group, Visit London, Gateway to London etc.) This proposal mainstreams employment and enterprise activities.

**5. Other risk factors which could prevent this saving being achieved following implementation**

The Visitor Economy is seen to be a significant growth area for Tower Hamlets (indeed Hotels and Restaurants employment has more than doubled in the Borough in the past decade and accounts for around 10,000 jobs in Tower Hamlets).

With reduction in staffing we will need to ensure that we continue to maximise all opportunities in the area.

**6. Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?**

Building on the opportunities of Olympic games to mainstream the additional exposure Tower Hamlets has enjoyed in to the future.

**7. Main issues arising from Equalities Impact Assessment (if any)**

An EQIA screening has been undertaken and the equalities impact of the staffing change will be picked up through the application of the Council's Handling Organisational change procedures.



## Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES...
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	N/A	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	
<b>CHANGES TO STAFFING</b>		
Does the change involve a reduction in staff?	Yes	All staff affected will be subject to the councils Handling Organisational change procedure. Tower Hamlets aims to provide best value services to the community, and regards its staff as its most important asset to do this. Changes to service delivery and within the organisation inevitably take place, and the Borough will accommodate these changes in a positive way, wherever possible providing development for employees' careers and without threat to job security.
Does the change involve a redesign of the roles of staff?	No	



**SAVING PROPOSALS  
BUDGET 2011/12 –2013/14**

**Item Ref. No:**

**ALL/1**

<b>TITLE OF SAVING OPTION:</b>		Directorate Supplies and Services Efficiency			
<b>DIRECTORATE:</b>		Chief Executive's, Children's, Development & Renewal and Communities Localities and Culture			
<b>SERVICE AREA:</b>		All	<b>LEAD OFFICER:</b>		Kevan Collins, Isobel Cattermole, Aman Dalvi Stephen Halsey
<b>FINANCE CONTACT</b>		Martin McGrath, David Tully, Paul Leeson, Luke Cully			
	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>	-	-	-	-	-
<b>Employee Costs</b>	-	-	-	-	-
<b>Other Costs</b>		1,205	776	639	2,620
<b>Income (Specify)</b>		-	-	-	-
<b>TOTAL</b>			-	-	-
		1,205	776	639	<b>2,620</b>
<b>Capital:</b> Are there any capital set up cost associated with this proposal? No					
<b>1 Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:					
<p>The saving will be delivered by reducing budgets for supplies and services and other non-staff costs and requiring budget managers to examine influencable spend and manage within reduced budgets. This will particularly bear down on discretionary expenditure managed within Services, such as stationery, printing, advertising, conference attendance and subscriptions and will be assisted by actions taken to deliver other budget savings; for example the freeze on unnecessary recruitment will reduce the need for staff recruitment advertising. Other non-pay budgets are also likely to be affected, but managers will be asked to</p>					

ensure that the impact is minimised.

Two Directorates; Adults, Health and Wellbeing and Resources are delivering these savings in other ways, by bearing down directly on commissioning and procurement spend through specific projects, which are set out elsewhere in these papers.

In addition, the Chief Executive proposes to undertake a cross-Directorate review of spending on publications, marketing, design and print, which will yield £200,000 across all Directorates.

**2 Service implications of saving:**

These savings will be delivered through more efficient use of resources and are not expected to impact on quality of service delivered within the Directorate.

**3 Actions required to achieve saving:**

Non pay budgets will be top-sliced. Budget managers will need critically to review their spending on non-pay items and ensure that all expenditure is justified. Service managers may also be required to negotiate with suppliers to ensure services can be delivered within the smaller cost envelope. They will be assisted in this by the activities of the central Procurement Team, which is undertaking a continuous review of Council spending on a category by category basis and ensuring that Council services have access to quality corporate contracts.

**4 Potential implications for staff, contractors, partners, assets and other Directorates:**

The impact will principally be on suppliers to the Council.

**5 Other risk factors which could prevent this saving being achieved following implementation**

Risks include failure to manage supplies and services spend properly within the reduced budget, leading to budget over-spends. Regular financial monitoring will be undertaken and reported to Directorate Management Teams and, if necessary, to the Corporate Management Team to track and control supplies and services spend.

**6 Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?**

This proposal will enable the same quality of service will be delivered for a lower overall cost and therefore will clearly contribute towards improved value for money.

**7**

**Main issues arising from Equalities Impact Assessment (if any)**

Budget managers will be responsible for ensuring that an Equalities Impact Assessment is carried out for any actions taken where this is appropriate.

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	NO	
Does the change alter access to the service?	NO	
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	
Does the change involve a reduction in staff?	NO	
Does the change	NO	

**involve a  
redesign of the  
roles of staff?**

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**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
BAM/1**

<b>TITLE OF SAVING OPTION:</b>		Better Asset Management			
<b>DIRECTORATE:</b>		Development & Renewal			
<b>SERVICE AREA:</b>		Asset Management	<b>LEAD OFFICER:</b>		Aman Dalvi
<b>FINANCE CONTACT</b>		Paul Leeson			
	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>					
<b>Employee Costs</b>					
<b>Other Costs</b>			438	220	658
<b>Income (Specify)</b>		80	43	48	171
<b>TOTAL</b>		80	481	268	829
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>					
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				

The Better Asset Management Programme has developed significantly since the Service Options Review, and now presents a range of savings opportunities within the themes of:

- Asset Disposals
- Maximising Income from Assets
- Asset Rationalisation / co-location
- New maintenance contracts

There are also 3 savings opportunities that are being developed as part of the wider Transformation programme, but have not been fully scoped or tested to date. It is proposed that these transfer to the Better Asset Management Programme. The savings opportunities include consolidation of security services across the council; consolidation of FM, PM & Repairs and Maintenance across Asset Portfolio; and implementation of a Repairs and Maintenance framework agreement.

Savings opportunities 80 and 85 (in appendix attached) are not asset management related and are likely to transfer to other programmes.

### **Sale of surplus property**

The revenue savings targets set out above require the following properties to be sold (e.g. in the case of Southern Grove for education use).

Address	2011/12 £000's	2012/13 £000's	2013/14 £000's	
Underwood Road				No budget – existing Cabinet decision
Woodstock Terrace				No budget – existing Cabinet decision
2 Jubilee Street				No budget – site to be re-used by AHWB or sold
LEB Building		31		Cabinet decision required on whether to retain or sell – to be sought Jan-11
Cheviot House			95	Sale is dependent on OSS being relocated to proposed new Watney Market Ideas Store. Cabinet decision to be sought Jan-11
Limehouse Library		67		Cabinet decision to dispose to be sought Jan-11
Southern Grove		215		Site to be reused for Education or sold. Cabinet decision required
Totals	0	313	95	

Officers have undertaken some preparatory work (e.g. beginning to procure consultants to market and sell the properties), It typically takes 12 months from the take of a Cabinet decision to completion of sale (due to the need to obtain planning to maximise values) and

decisions taken in Jan-11 should produce full year savings in 2012/13. Jan-11 Cabinet report will recommend that further opportunities for sales are rigorously explored.

**Income generation**

Most of these income targets are straightforward and are a mix of commercial rents and CLC managed community buildings (see appendix for details). **Total for income generation £171,000 (£50,000 D&R, £121,000 CLC)**

**Asset rationalisation/co-location**

There is a large scale pilot in LAPs 1 & 2 that is gathering data on running costs and exploring the scope for co-location of services and rationalisation of assets. Initial outcomes from this study will be known in early December and will provide an indication of challenges and savings. **NB this relates to all operational properties, not just offices. An initial target of £250,000 has been set.**

Item	Area	2011/12	2012/13	2013/14
Co-location of operational Buildings	All	0	125	125

**2. Service implications of saving:**

Operational buildings will need to close and services relocate to achieve the savings target – the savings sit within all directorates not just D&R. If the target can't be met through this route then the pressure will fall back to service department

**3. Actions required to achieve saving:**

The aim is that the more rigorous approach to disposals, income generation and use of property will become “business as usual” by 2013/14.

This programme will managed through the councils transformation programme.

**4. Potential implications for staff, contractors, partners, assets and other Directorates:**

Limited impact on staff, contractors and other Directorates at this stage.

The assumed reduction in buildings may result in building closure and services will need to ensure that alternative shared premises and suitable and can be delivered within the timeframe required.

**5. Other risk factors which could prevent this saving being achieved following implementation**



Covered in 3 above.

<b>6.</b>	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
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- In cash terms – savings achieved/income generated
- In space terms – amount of property held reduced

<b>7.</b>	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
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An EQIA screening has been undertaken and full EQIA will be undertaken.

## Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES...
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	Yes	For commercial tenants for commercial properties, and not for residents, housing tenants or third sector organisations.
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	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	

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
IO/1**

<b>TITLE OF SAVING OPTION:</b>		Recharge Schools for Support Services			
<b>DIRECTORATE:</b>		Children, Schools and Families			
<b>SERVICE AREA:</b>		CSF	<b>LEAD OFFICER:</b>		Anthony Walters
<b>FINANCE CONTACT</b>		Kate Bingham			
	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>	42	0	0	0	
<b>Employee Costs</b>	£2162	0	0	0	
<b>Other Costs</b>	0	0	0	0	
<b>Income (Specify)</b>	0	£1,873	£189	£100	£2,162
<b>TOTAL</b>	£2162	£1,873	£189	£100	£2,162
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>	-	-	-	-	
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				
<p>Children, schools and families currently lever in £5m through schools for traded and other services in addition to delivering a broad range of services without charge.</p> <p>The Schools' White Paper means that the role of the Council in terms of its relationship with schools will be greatly reduced. We will also see a significant reduction in the funding we</p>					

receive to support them. £3.8m of grants previously used to fund the Council's support services will from 2011/12 be redirected to schools through the dedicated schools grant.

Schools will be expected to take on additional service delivery responsibilities and we are consulting with them to establish the likely demand for the continuation of local authority provided services to support this. To date the indication is that there would be a demand for a number of services.

We therefore aim to increase the range of services available to schools that will be delivered on a buy back or traded service basis. These services are currently provided free of charge. This will allow us to build on our successful partnership with schools so that they continue to benefit from the excellent school improvement and other support services they currently receive which have assisted with delivering our best ever GCSE results. It will also enable us to maximize the income we receive from schools and ensure that systems of accountability are maintained.

We have undertaken a comprehensive benchmarking exercise against other providers and are confident we can compete with the wider market and are working directly with schools so that we have a clear understanding of the demand for individual services early in the new year.

**2. Service implications of saving:**

The proposal will provide income that will help us maintain our relationship with schools and support them in their drive to further improve standards and continue to deliver services to the most vulnerable children and young people.

It will also allow us to redirect funding to protect front-line services and ensure that services continue to have sustainable funding in the more challenging financial context.

**3. Actions required to achieve saving:**

December 2010	Consultation with schools closes.
February 2011	Final portfolio of services published.
April 2011	Services fully operational.

**4. Potential implications for staff, contractors, partners, assets and other Directorates:**

This proposal will allow us to safeguard a number of posts across the directorate and limit early retirement/redundancy costs.

**5. Other risk factors which could prevent this saving being achieved following implementation**

None.

6.	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
<p>As described above our benchmarking with other providers suggests that our charging policy is competitive and will offer value for money to schools. Guidance to support a Council Charging Policy is being developed and covers related issues including costing methodology.</p>	
7.	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
<p>An initial test of relevance has been undertaken. There is no significant impact identified at this stage: many of the services are primarily 'back office' support to schools. However the impact will be assessed once the outcomes of the consultation are known.</p>	

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	Yes	Schools will determine access through their own decision making processes.
Does the change involve revenue raising?	Yes	Schools will be recharged for services that we were previously funded for directly from Government.
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	
<b>CHANGES TO STAFFING</b>		
	No	

<b>Does the change involve a reduction in staff?</b>		Not at this stage – recharging supports the sustainability of these services and staff involved.
<b>Does the change involve a redesign of the roles of staff?</b>	<b>No</b>	

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
IO/2**

<b>TITLE OF SAVING OPTION:</b>		Review of Planning Fee Income			
<b>DIRECTORATE:</b>		Development and Renewal			
<b>SERVICE AREA:</b>		Planning	<b>LEAD OFFICER:</b>		Owen Whalley
<b>FINANCE CONTACT:</b> Chris Holme					
	Current Budget	Saving £000s			
	2010/11 £000	2011/12	2012/13	2013/14	Full Year Effect
Employee FTEs					
Employee Costs					
Other Costs					
Income (Specify)	1,678	250			250
<b>TOTAL</b>	1,678	250			250
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	2011/12	2012/13	2013/14	2014/15+	
	£'000	£'000	£'000	£'000	
<b>Capital Expenditure</b>	-	-	-	-	
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				
<p>This proposal projects an increase in Planning Application fees and charges which would enable a net saving to be generated against the cost of providing the planning application service.</p> <p>Planning application fee income is dependent on the state of the development market and</p>					



has recently come under pressure in a tough economic climate.

Most planning fees and charges have been set nationally by Government since 1980 and the Council is bound to operate under these fees. The fees are based on a national assessment of overall cost of handling, administering and deciding applications including related overheads.

The Government is now consulting local authorities on a new proposal to decentralise the responsibility for setting planning application fees, including fee categories in England. "Proposals for changes to planning application fees (November 2010)".

In effect it proposes to let local authorities determine their own charges on a non-profit making basis. This will allow local authorities to charge for some applications which do not require a fee and to set fees which should be based more closely on costs.

In addition, Development and Renewal has taken the opportunity to review its current approach to planning charges which are not set nationally. These include pre-application fees, charging for impact assessment work and other charges for contact with Planning and Building Control.

The figure of £250,000 per annum represents a best estimate at this time of the impact of a localised fee setting regime. It considers the likelihood of the economy operating at its current level and builds in an increase in those fees and the charges which the authority can already set. In year 1, 2011/12, this includes both a part year effect of the national changes to planning fees, as well as full year effect for those charges where there is already local discretion. In exploring whether additional income may be achieved in future years, consideration has to be given to: the likelihood of whether business volume will remain stable, increase or decrease; an understanding of what impact localism will have on a local communities response to development pressures; identification of other creative approaches to local fee setting and assessing the impact of fee changes in 11-12.

<b>2.</b>	<b>Service implications of saving:</b>
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The objective of the Government's proposal is to enable local authorities to better set fees to the costs of providing the service.

The authority will need to set up regular cost monitoring and evaluation processes to ensure that the fees are regularly reviewed and reflect an up-to-date assessment of cost. This could, over time, mean fees go up or down.

<b>3.</b>	<b>Actions required to achieve saving:</b>
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Over the next six months Planning and Building Control will prepare for the introduction of decentralised fee setting and put into place its own review of charges that are locally set by reviewing costs of providing a planning application service.

Between April and Oct 2011 there are transitional arrangements in place which will mean that a set of locally established fees and charges is unlikely to be in full operation until October 2011.

4.	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>
<ul style="list-style-type: none"> <li>- Fees will likely increase for local authority and partnership initiatives that require planning applications;</li> <li>- Fees will likely increase for borough residents and groups submitting planning applications;</li> <li>- This could delay the progress of more marginal proposals depending on the fee levels finally set;</li> <li>- Staff will be operating a new charging regime and will need to familiarise themselves with new fees, operate new and detailed monitoring arrangements for time spent on applications.</li> </ul>	
5.	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
<p>The decentralisation of – currently national - fee setting is still at Consultation stage and is only a proposal. It maybe that following Consultation the implementation of this change is delayed and any increase in some fees will be delayed. In any event there is a “Transitional Period” which allows for both regimes to remain in operation.</p> <p>The receipt of Planning fees is market led with larger applications inevitably delivering larger fees. If there is a reduction in development activity, there will be fewer fees. It is prudent to remain cautious and be aware that in difficult economic times, although still in excess of the budget, total fees have fallen year-on-year over the last two years.</p>	
6.	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
<p>Projecting an increase in fee income partly based on a Consultation Proposal shows that the Planning and Building Control Service are already assessing opportunities to increase income and affect value for money. The additional income will mean that the tax payer is reducing its subsidy of planning applications.</p> <p>Once fees have been set locally based on an accurate assessment of the full costs involved the costs will be monitored year on year. This transparency and understanding should act to drive down costs over time and increase the value for money for service users.</p>	
7.	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
<p>An EQIA screening has been undertaken and full EQIA will be undertaken.</p>	

## Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES...
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	Yes	The nature of the proposal is intended to raise revenue. All applicants may have to pay more and a charge may be introduced to currently free services. The increase in or application of fees will represent an insignificant proportion of total development costs.
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	
<b>CHANGES TO STAFFING</b>		
Does the change involve a reduction in staff?	No	

<b>Does the change involve a redesign of the roles of staff?</b>	No	
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**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
IO/3**

<b>TITLE OF SAVING OPTION:</b>						Shared Legal Services
<b>DIRECTORATE:</b>						Legal Services
<b>SERVICE AREA:</b>			Legal Services	<b>LEAD OFFICER:</b>		Jill Bell
<b>FINANCE CONTACT:</b> Martin McGrath						
	Current Budget	Saving £000s				
	2010/11 £000	2011/12	2012/13	2013/14	Full Year Effect	
Employee FTEs						
Employee Costs						
Other Costs						
Income (Specify)		50	50	50	150	
<b>TOTAL</b>		50	50	50	150	
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference						
	2011/12	2012/13	2013/14	2014/15+		
	£'000	£'000	£'000	£'000		
<b>Capital Expenditure</b>	-	-	-	-		
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:					

The proposal is to set an additional income target for LBTH's Legal services of £50,000 per year. This will be achieved by approaching other public sector bodies such as Registered Social Landlords (RSLs) and offering to provide cost effective legal services. Currently comprehensive legal services are provided to Tower Hamlets Homes, schools and limited services are provided to some of the RSLs on our common housing register. Legal Services already generates substantial income largely through providing a legal service to these clients and generates £1 million per annum which it uses to subsidise the service it provides to the Council. This proposal represents a 5% increase on that target. It is believed there is limited capacity to increase business with these existing clients.

**2. Service implications of saving:**

The delivery of services to more external clients will need to be done in a measured way as Legal Services is already working at capacity and there is a risk that the service to internal clients may suffer. Over the last two years workloads have significantly increased but this work has been contained within the base budget plus project lawyer costs.

**3. Actions required to achieve saving:**

As at Jan 2011	Contact will be made with potential partners who have been identified with a view to getting them to sign up to Service Level Agreements or to commission particular pieces of work.
As at April 2011	Commencement of a number of Service Level Agreements or individual contracts for specific pieces of work
As at July 2011	Review of amount of work commissioned and income received and resources required
As at Sept 2011	Review of work carried out and income received and further review of workloads
As at Jan 2012	Second round of approaches to potential partners.

**4. Potential implications for staff, contractors, partners, assets and other Directorates:**

Potentially this could reduce the service to internal clients. However careful management of workloads will ensure this is minimised.

**5. Other risk factors which could prevent this saving being achieved following implementation**

These savings will be managed as part of the income optimisation programme, one of the key programmes in the council's overall transformation programme.

**6. Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?**

The income generated will increase the subsidy currently delivered by LBTH Legal Services to the legal advice required by the Council

**7.**

**Main issues arising from Equalities Impact Assessment (if any)**

An initial test of relevance has been undertaken – no significant issues have been identified.

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	NO	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	Yes	The proposal aims for Legal services to achieve an £50,000 per year through offering additional legal services to local public sector bodies, such as RSLs
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	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	





**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
IO/4**

<b>TITLE OF SAVING OPTION:</b>		Improved Income Collection, Debt Management and Fraud prevention			
<b>DIRECTORATE:</b> Resources					
<b>SERVICE AREA:</b>		Revenue Services	<b>LEAD OFFICER:</b>		Roger Jones
<b>FINANCE CONTACT:</b> Martin McGrath					
	Current Budget	Saving £000s			
	2010/11 £000	2011/12	2012/13	2013/14	Full Year Effect
Employee FTEs					
Employee Costs					
Other Costs					
Income (Specify)		1,560	948	632	3140
<b>TOTAL</b>	*	1,560	948	632	3140
*these savings will come from a range of budgets across the council					
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	2011/12	2012/13	2013/14	2014/15+	
	£'000	£'000	£'000	£'000	
<b>Capital Expenditure</b>	-	-	-	-	
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				
	The project aims to raise £3.24 million of additional income through improved debt management, anti-fraud work and changes to policy.				
	<u>Better debt management</u> The project aims to improve systems and use functional consolidation to support better debt				

management. As part of this, a new online portal for sundry debts is already being implemented. In addition, the project is supporting the functional consolidation of some currently separate debt functions into the central service – most significantly, from parking. These improvements will make better use of existing information through improved systems and support greater collection and recovery, minimise write-offs and produce some efficiency savings. This element of the project aims to deliver at least £750k per annum additional income from higher debt recovery rates.

Anti-fraud work – a dedicated review to minimise misuse of the single person discount

The Council aims to reduce the proportion of people who are incorrectly claiming single person discount to 30%, by undertaking additional work to identify potential fraudulent applications. Reducing the single person discount to 30% will deliver the Council £1,547k additional income over 3 years.

Policy review: reducing void property exemptions

Tower Hamlets is 1 of only 4 Councils in London offering 50% discount on the payment of Council Tax for properties that are considered to be Long Term Voids. When a property becomes void, and is unfurnished, it is exempt from Council Tax for a period of 6 months and then is considered to be long term void and will attract a 50% charge.

Reducing the discount allowed to zero would deliver approximately £385k additional income and as a consequence of charging full council tax in void properties, this will encourage landlords, where possible, to relet their properties as quickly as possible.

Policy review: NNDR Charitable Relief

The Council currently gives NNDR charitable relief to registered charities. Mandatory Relief is funded at 80% of NNDR by central government, with no cost to the Council. Discretionary Relief is an optional benefit, where the council subsidises 75% of the remaining cost (15% total NNDR) with central government meeting the remaining 5% of NNDR. During 2010/11 the Council awarded £719,558 in charitable discretionary relief, costing the Council £539,669. The more expensive cases include the Tower of London and the Toy Museum and it may be worth considering changes to the policy to take this into account. The options available are to not offer discretionary relief or to cap it at 90% of the rates payable, both of which would produce significant savings.

Policy review: Discretionary NNDR Relief for Non-Profit Making Bodies:

The Council has discretion to fund NNDR relief for other non-profit making organisations, which are not registered charities. The Government reimburses the Council with 75% of the discretionary rate relief granted to organisations not established or conducted for profit, so 25% of the cost falls directly on the Council. This year the Council awarded £242,434 non-profit discretionary relief, costing the Council £60,608.

The review and reduction of discretionary NNDR relief could potentially produce savings of up to £600,000 per annum. One year's notice must be provided to organisations in relation to changes to discretionary relief.

**2. Service implications of saving:**

The debt management workstream will support a more co-ordinated approach to debt management with an improved service to customers. The consolidation will reduce the potential for multiple Council services to contact debtors independently and support the better use of customer information. The programme will help the Council align its collection and enforcement processes and help achieve the overall objectives of the Community Plan, not only in terms of vulnerability, but also ensuring residents have the support, skills, and encouragement to help them manage their debts appropriately. It will also promote the 10 areas of good practice outlined in the Corporate Debt Recovery Policy helping achieve good collection rates and realise the objectives of equality and personal responsibility inherent in the One Tower Hamlets theme.

The policy changes in relation NNDR charitable relief will impact on local charitable and non profit making organisations, although Tower Hamlets does currently award more relief than all its neighbouring boroughs. The policy review could seek to minimise the potential impact on certain types of group or offer discretionary relief to some organisations only, but this will reduce the savings that can be achieved.

<b>3.</b>	<b>Actions required to achieve saving:</b>
	<ul style="list-style-type: none"> <li>• Work to support better debt management, including functional consolidation and improved systems is already underway.</li> <li>• Anti-fraud work will begin in April in 2011 in order to inform billing from October 2011.</li> <li>• Discretionary relief policy review will be completed prior to April 2011 for implementation from 2012/13: one year's notice must be provided to organisations in relation to changes to discretionary NNDR relief.</li> <li>• If approved, payment card users to be notified in February prior to implementation in April 2011</li> </ul>
<b>4.</b>	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>
	There is limited impact on staff, contractors, assets and other services.
<b>5.</b>	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
	The Comprehensive Spending Review and the economic climate may impact on future employment and levels of spending which in turn will mean more effort will need to be made to maintain current collection levels. Changes to the benefits system may also result in a significant rises in debt for those who are less well off, which will have to be carefully monitored and managed.
<b>6.</b>	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>

The functional consolidation of debt management, including better use of customer information and increased use of on-line technology, will support efficiency. The efficiency improvement may be measured by monitoring the levels of income collected and reduced levels of write offs.

<b>7.</b>	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
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A test of relevance has been undertaken. The Policy Review element of the proposal will potentially alter which organisations are eligible for NNDR Relief. The equalities issues will be considered as part of the review process. A full EQIA will be undertaken.

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	Yes	The policy review element of the proposal will potentially alter which organisations are eligible for NNDR relief. The equalities issues will be considered as part of the EQIA process and reported to cabinet along with the decision to proceed.
Does the change involve revenue raising?	Yes	The proposal has a number of revenue raising elements, including from better debt recovery, anti-fraud work, policy review and seeking cost recovery from payment cards.  The proposal will help the Council align its collection and enforcement processes and promote the 10 areas of good practice outlined in the Corporate Debt Recovery Policy.
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	Yes	The Policy Review element will potentially mean some local organisations will no longer be eligible for discretionary relief. The equalities issues will be considered as part of the review process.
Does the change involve a contracting out of a service currently provided in house?	No	

**CHANGES TO STAFFING**

<b>Does the change involve a reduction in staff?</b>	<b>No</b>	
<b>Does the change involve a redesign of the roles of staff?</b>	<b>No</b>	

**SAVING PROPOSALS – A Lean Organisation Programme  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
LEAN/1**

<b>TITLE OF SAVING OPTION:</b>		Management Streamlining & Agency Management Reduction			
<b>DIRECTORATE:</b>		All Directorates			
<b>SERVICE AREA:</b>		Management	<b>LEAD OFFICER:</b>		Helen Taylor
<b>FINANCE CONTACT</b>		Alan Finch			
	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs/Posts</b>	-	112	40	33	185
<b>Employee Costs</b>	-	£5916	£1965	£1310	£9191
<b>Other Costs (One-off VR)</b>	-				
<b>Income (Specify)</b>	-				
<b>TOTAL</b>		£5916	£1965	£1310	£9191
<p>Note – This Savings Option focuses upon the Council's management structure at all tiers, all agency and vacancy posts and back-office and strategic core staffing that do not impact on the front line. Consequently any current budget line above is less clear, but the presumption is for a 23% reduction in staffing in these areas.</p>					
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>	NA	NA	Na	NA	
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				
<p><b>Management Streamlining</b>  This saving focuses upon the Council reviewing and redesigning directorate management structures. By comparison to other similar organisations the Council has a relatively large management structure in terms of management tiers and spans of control. By streamlining its management structures and reducing agency spending (see below) and therefore deleting vacant posts the Council can save 185 posts and secure savings of £9.191m</p>					



without impacting upon the front line.

### **Agency Management Reduction**

In recent years the Council has worked hard to improve its workforce management arrangements with the intention of improving productivity. For example, during 2009/10 the Council delivered a significant reduction in the volume of Agency staff that it employed. This is continuing to be managed downwards to safeguard and minimise staff reductions.

The Council has also focused on improving its core Human Resource processes through its HR Improvement Programme. This programme is focused, amongst other things, on helping the Council to become more agile in its staff management arrangements.

These developments enable the Council to adopt a much more challenging and sophisticated approach to the management of agency staff, its temporary workforce and its permanent workforce, with the intention of delivering significant financial savings. This proposal has a number of elements:

- **Better vacancy management:** in particular ensuring all opportunities for redeployment are exhausted before the Council incurs the cost of redundancy
- **Reduced agency expenditure:** ensuring that agency and temporary staff are only engaged to cover vacant posts when it is absolutely necessary
- **Sickness management** ensuring that backfilling, acting up and the engagement of agency cover for staff sickness only occurs when it is absolutely necessary
- **Improved performance management:** including the management of poor performers to improve the productivity of the service as a whole
- **Travel allowances** ensuring these are only paid to staff that routinely travel as a part of their duties.

Various service redesigns that directorates will deliver enable management costs to be streamlined and vacancies to be deleted alongside a reduction in agency spend.

## **2. Service implications of saving:**

The management structure will be simplified and may put more workload on managers to prioritise their work however the overall impact of the streamlining exercise on the frontline is expected to be very minimal. Directorates will be considering their management structures and impact upon front-line as the highest priority in their redesigns and final proposals.

- Numerous tiers of management and narrow spans of control dilute management accountability and decision-making, encourage micromanagement and a meeting culture bureaucracy, waste and duplication.
- The Council's current overall spans of control vary between 2 and 12 and are broadly in line with other public sector organisations., though the aim will be to create minimum spans of control that are better balanced and streamline management
- The management structure substantially goes down to 7 tiers and in some directorates to 8. Other councils have moved or are moving towards a management structure with 5 or less tiers of management and less narrow spans of control
- This approach reduces complexity and can improve decision making and prioritisation. Thus a reduction may improve how the Council manages its services.

3.	<b>Actions required to achieve saving:</b>
<p>Through the Lean programme, directorates are examining how they can reduce their spans of control and reduce tiers of management. This is being done through combining services and functions and reducing unnecessary roles.</p> <p>Savings will be achieved through 3 approaches:</p> <ul style="list-style-type: none"> <li>- Deletion of all management vacancies that are no longer needed</li> <li>- VR/ER process to quickly reduce headcount</li> <li>- Organisational redesign that simplifies spans of control and reduces tiers which will require a consultation process for areas affected.</li> </ul> <p>The actions required in order to achieve the agency and productivity savings are:</p> <p><b>Improving the management of sickness and other absences</b>  Significantly reduced agency cover for sickness or maternity related absence  Significantly reduced acting or honoraria payments for sickness or maternity cover  Resolving long-term absence cases and persistent short-term absences</p> <p><b>Improving vacancy management</b>  Moratorium equal to notice periods plus 30 days before commissioning new agency assignments  60 day period of consideration before commencing 'replacement' recruitment  All agency assignments of 3 months or more due to increased workload to be subject to 30 day moratorium before assignments begin  Cost effective resourcing of entry level posts  Increase in rate of redeployment</p> <p><b>Improved Performance Management</b>  DMTs must ensure that managers in their Directorate are managing individual performance in line with Council procedures. This includes holding regular 1-1 and PDR meetings. DMTs should take action to verify that their managers have completed PDRs but also quality controls the accuracy of any comments about performance. The purpose of this is to make sure managers are raising any concerns about poor performance and providing employees with the support to achieve the standards required.</p> <p><b>Travel and Car Allowances</b>  Discussions have begun with Trade Unions on a review of these allowances in order to realise cashable savings that would mean Directorates having to find fewer savings from deleting vacant posts in the current year and putting less pressure on staff costs going forward. These will include reviewing the criteria for both payments and reducing the value of the lump sum allowances. DMTs should advise their Head of HR what posts currently in receipt of either allowance who no longer meets the current criteria. DMTs should also give their Head of HR recommendations for other issues that should be considered in the review.</p>	
4.	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>

Reduction in management structure of 185 posts. However up to 50% of these posts are targeted at vacant posts or posts occupied by agency staff so the impact on people is significantly reduced.

Impact on partners and others expected to be minimal though managers will be expected to prioritise their workload.

As these actions are focused on vacant posts and driving greater efficiency from current staff there is no immediate redundancy implication as a result. There will obviously be an impact on agency staff and suppliers as the overall number of agency staff is reduced as a result of the actions above. There will also be a knock on impact as teams are required to work more efficiently i.e. with fewer staff as vacancies are left unfilled and/or agency staff are let go.

**5. Other risk factors which could prevent this saving being achieved following implementation**

Fastest approach to reducing management costs will be through vacancy deletion and early exits through VR and ER. Risks in delivering the savings may be incurred if there is a delay to the consultation and implementation process.

On the basis that, following implementation, posts are deleted from the establishment and not back-filled or the cost redirected to support new post creation, the savings will be achieved.

**6. Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?**

185 posts reduced from staff establishment over the 3 years.  
£9.191m of savings over the 3 years.

**7. Main issues arising from Equalities Impact Assessment (if any)**

An EQIA screening has been undertaken and the equalities impact of the staffing change will be picked up through the application of the Council's Handling Organisational change procedures.

The whole purpose of this programme is to reduce headcount at management levels without impacting on the delivery of front line service outcomes.

**Lean Programme  
Equality Impact Assessment: Test of Relevance**

<b>TRIGGER QUESTIONS</b>	<b>YES / NO</b>	<b>IF YES...</b>
Does the change reduce resources available to address inequality?	NO	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	NO	
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	
<b>CHANGES TO STAFFING</b>		
Does the change involve a reduction in staff?	YES	All staff affected will be subject to the councils Handling Organisational change procedure. Tower Hamlets aims to provide best value services to the community, and regards its staff as its most important asset to do this. Changes to service delivery and within the organisation inevitably take place, and the Borough will accommodate these changes in a positive way, wherever possible providing development for employees' careers and without threat to job security.
	YES	Whilst the organisational changes

**Does the change involve a redesign of the roles of staff?**

within directorates will result in the redesign of roles in order to restructure service delivery, there is no evidence that this will have an impact on equal pay or flexible working. Given that all directorate changes will be managed within the context of current Council wide grading structures and employment policies, which have been tested as being fully compliant with regard to single status arrangements and flexible working, there is no evidence to suggest that outcomes will have a negative impact on equal pay or flexible working.

**SAVING PROPOSALS – A Lean Organisation Programme  
MAYOR'S ADVISORY BUDGET GROUP**

Item Ref.  
No:  
**LEAN/2**

<b>TITLE OF SAVING OPTION:</b>		Communications, Publications, Participation and engagement functions			
<b>DIRECTORATE:</b>		Chief Executives			
<b>SERVICE AREA:</b>		Communications	<b>LEAD OFFICER:</b>		Takki Sulaiman
<b>FINANCE CONTACT</b>		Martin McGrath			
	Current Budget	Saving £000s			
	2010/11 £000	2011/12	2012/13	2013/14	Full Year Effect
Employee FTEs	45	12	3		15
Employee Costs	£2.0m	£400	£100		£500
Other Costs (procurement)	£4.5m	£800			£800
Income (Specify)					
<b>TOTAL</b>	<b>£6.5</b>	<b>£1200</b>	<b>£100</b>		<b>£1300</b>
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>					
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				
This project has two specific aims:-					
<ul style="list-style-type: none"> <li>• To modernise the communications function of the council by delivering an integrated communications and consultation service</li> <li>• To reduce spend on communications at the corporate centre to within budget and to</li> </ul>					

reduce total communications spend, both staffing and procurement/agency related across the council by £1.3m in total.

The project is designed to deliver the following outcomes:-

- An interim structure that facilitates the delivery of a consolidated communications function by firstly deleting 10 posts from the current corporate structure then absorbing 14.2 communications posts delivering a net reduction of 12 posts
- Create a consolidated account team structure that meets the wider needs of the council in the following areas: internal communications, marketing, publications, consultation, campaigns and external communications.
- A second phase of this project will take a detailed look at more job roles across the council and will look to save in total £1.3million from salary budgets and print, marketing and design budgets, a staff reduction in total of up to 15 posts across the Council as a whole.

**2. Service implications of saving:**

- The interim Communication structure is expected to enhance and improve the consistency and quality of communications across the Council
- It will operate with less staff as a whole across the Council but by centralising the service its creates greater critical mass and flexibility
- Reductions are also expected on print and design budgets and more control and compliance in procurement is put in place
- No impact on front-lie service

**3. Actions required to achieve saving:**

Consultation is already underway with the first phase of this project.

The first phase involved the analysis of current communications practice and spends both within the corporate communications function and directorates. Project deliverables include rationalisation of the current corporate communications function (phase 1a) and consolidation of 14.2 directorate based communications posts into an interim structure (phase 1b).

The second phase will identify in detail further opportunities for consolidating the communications function. The final report will include the following:-

- An analysis of whether there are further opportunities for consolidation.
- A treatment of which additional roles have been analysed and which posts are in scope (saving up to 3 additional posts).
- The total savings and business benefits to be gained.
- An implementation plan for delivering the above.

**4. Potential implications for staff, contractors, partners, assets and other Directorates:**

Reduction in staff overall of up to 15 staff  
 Reductions in 3<sup>rd</sup> party and contract spending

5.	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
Delay in consultation will slow the speed that the new communications function can be fully operational. Unable to fully identify and agree procurement spend on communications	
6.	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
Target £1.3m saving Better, lower cost, more consistent central communications service Single message for the Council	
7.	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
An EQIA screening has been undertaken and the equalities impact of the staffing change will be picked up through the application of the Council's Handling Organisational change procedures.	



**Lean Programme  
Equality Impact Assessment: Test of Relevance**

<b>TRIGGER QUESTIONS</b>	<b>YES / NO</b>	<b>IF YES...</b>
Does the change reduce resources available to address inequality?	NO	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	NO	
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	
<b>CHANGES TO STAFFING</b>		
Does the change involve a reduction in staff?	YES	All staff affected will be subject to the councils Handling Organisational change procedure. Tower Hamlets aims to provide best value services to the community, and regards its staff as its most important asset to do this. Changes to service delivery and within the organisation inevitably take place, and the Borough will accommodate these changes in a positive way, wherever possible providing development for employees' careers and without threat to job security.
	YES	

**Does the change involve a redesign of the roles of staff?**

Whilst the organisational change does result in the redesign of roles in order to restructure service delivery, there is no evidence that this will have an impact on equal pay or flexible working. The change will be managed within the context of current grades and policies, which have been tested as being fully compliant with regard to single status arrangements and flexible working.

**SAVING PROPOSALS – A Lean Organisation Programme  
MAYOR'S ADVISORY BUDGET GROUP**

**Item Ref.  
No:  
LEAN/3**

<b>TITLE OF SAVING OPTION:</b>		Strategy Policy and Performance (SPP)			
<b>DIRECTORATE:</b>		Cross Directorate			
<b>SERVICE AREA:</b>		SPP		<b>LEAD OFFICER:</b> Louise Russell	
<b>FINANCE CONTACT</b>		All Directorate Finance Managers			
	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>	108	18	6		24
<b>Employee Costs</b>	£6.0m	£1,010	£340		£1,350
<b>Other Costs</b>					
<b>Income (Specify)</b>					
<b>TOTAL</b>	£6.0m	£1,010	£340		£1,350
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>					
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				
In recent years the Council has consistently invested in its core corporate strategy, policy, and performance arrangements and also in a management infrastructure to support partnership working.					
This investment has been particularly important as public sector investment in Tower					

Hamlets has risen. The strength of our strategic function has enabled the right judgements to be made about investment, performance and the delivery of improved outcomes. As a consequence Tower Hamlets has been nationally recognised as a leading light in terms of local government performance management and for providing Value for Money. The Council is also lauded for its partnership working arrangements.

As public sector resources in Tower Hamlets begin to fall, however, consideration has been given to how this function can be rationalised not only so that it can make it's own contribution to the Council's savings effort but more importantly so that its attention can be focused on the core priorities of the Council.

As a first step, during 2010/11, key elements of the Council's partnership team were brought under the single line management of the corporate strategy, policy and performance function. Building on this, during 2011/12 it is proposed to rationalise these teams to deliver both one off savings and an on-going saving to the Council's revenue budget.

In total this project will deliver on-going savings of £1.5m (including £150k already achieved in 2011/11) with a headcount reduction of 25 FTEs (1 saved in 10/11)

**2. Service implications of saving:**

Reduced but more 'fit for purpose' structure to meet the new national and local agenda with reduced management costs.

More generic workforce to create greater flexibility and broaden staff career development opportunities.

More emphasis on performance management through managers rather than through support staff

Prioritised strategy and policy workload to reflect available resource and what is most important to Tower Hamlets.

**3. Actions required to achieve saving:**

These savings will arise from:

- Prioritising the national and local workload for strategy, policy and performance related activity
- Consolidating where possible within corporate and directorate structures
- Creating more generic and flexible staffing structures to manage the new priorities
- Reducing overall workload of the corporate team as a result of the Government's announced abolition of Comprehensive Area Assessment and other aspect of the national performance management regime;
- Re-profiling work across the wider team so that there is less reliance on external third parties to deliver specific projects.

**4. Potential implications for staff, contractors, partners, assets and other Directorates:**

Reduction in staff of a total of 25 posts (1 saved in 10/11)	
<b>5.</b>	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
Fastest approach to reducing management costs will be through vacancy deletion and early exits through VR and ER. Risks in delivering the savings may be incurred if there is a delay to the consultation and implementation process.	
<b>6.</b>	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
Total Reduction in 25 FTEs (24 from 2011/12) Total Budget savings of £1.5m from the review as a whole (£1.35m from 11/12)	
<b>7.</b>	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
An EQIA screening has been undertaken and the equalities impact of the staffing change will be picked up through the application of the Council's Handling Organisational change procedures.	

**Lean Programme  
Equality Impact Assessment: Test of Relevance**

<b>TRIGGER QUESTIONS</b>	<b>YES / NO</b>	<b>IF YES...</b>
Does the change reduce resources available to address inequality?	NO	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	NO	
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	
<b>CHANGES TO STAFFING</b>		
Does the change involve a reduction in staff?	YES	All staff affected will be subject to the councils Handling Organisational change procedure. Tower Hamlets aims to provide best value services to the community, and regards its staff as its most important asset to do this. Changes to service delivery and within the organisation inevitably take place, and the Borough will accommodate these changes in a positive way, wherever possible providing development for employees' careers and without threat to job security.
	YES	Whilst the organisational change

<b>Does the change involve a redesign of the roles of staff?</b>		does result in the redesign of roles in order to restructure service delivery, there is no evidence that this will have an impact on equal pay or flexible working. The change will be managed within the context of current grades and policies, which have been tested as being fully compliant with regard to single status arrangements and flexible working.
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**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
MOI/1**

<b>TITLE OF SAVING OPTION:</b>		<b>Managing Our Information</b>			
<b>DIRECTORATE:</b>		<b>All Directorates</b>			
<b>SERVICE AREA:</b>		<b>All Services</b>	<b>LEAD OFFICER:</b>		<b>Chris Naylor (Claire Symonds)</b>
<b>FINANCE CONTACT</b>		<b>Alan Finch</b>			
	Current Budget	Saving £000s			
	2010/11 £000	2011/12	2012/13	2013/14	Full Year Effect
<b>Employee FTEs</b>	300	38*	13	TBD	51*
<b>Employee Costs</b>	10,667	750	650	200	1,600
<b>Other Costs</b>	3357				
<b>Income (Specify)</b>					
<b>TOTAL</b>	14,024	750	650	200	1,600
*This 11/12 figure includes posts already delivered in 10/11 which enable savings to be delivered in 11/12.					
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>					



<b>1.</b>	<b>Outline/ details of saving proposal, including indications of stage of development, and work and timescales needed to finalise proposal:</b>																
<p>This programme builds on our current arrangements to exploit further opportunities to enhance customer services including improving processes and migrating services to cheaper channels. It focuses on a number of strands:-</p> <ul style="list-style-type: none"> <li>• Reduction in avoidable calls / development of the Council's corporate contact centre removal of switchboard;</li> <li>• BackOffice/Front Office mergers to enhance business processes;</li> <li>• Channel Migration efficiencies, moving transactions to the Council's website and so reducing the number of face to face visits and telephone calls; and</li> <li>• Integrating Benefits and Revenues services.</li> </ul> <p>The majority of savings will come from staffing reductions in the services above and the closure of OSS.</p>																	
<b>2.</b>	<b>Service implications of saving:</b>																
<p>The use of cheaper ways of transacting with the Council will be encouraged and will mean less face to face visits and telephone calls. Customer transactions will be streamlined as much as possible.</p>																	
<b>3.</b>	<b>Actions required to achieve saving:</b>																
<p><b>Rough implementation timetable.</b> Indicate in a sentence the stage of development you would anticipate for the proposal at six monthly intervals.</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 30%;">As at Oct 2010</td> <td>Plans being finalised for Revs and Bens as well as an Web Optimisation Road Map</td> </tr> <tr> <td>As at Mar 2011</td> <td>Plans for both agreed and being implemented</td> </tr> <tr> <td>As at Oct 2011</td> <td></td> </tr> <tr> <td>As at Mar 2012</td> <td></td> </tr> <tr> <td>As at Oct 2012</td> <td></td> </tr> <tr> <td>As at Mar 2013</td> <td></td> </tr> <tr> <td>As at Oct 2013</td> <td></td> </tr> <tr> <td>As at Mar 2014</td> <td></td> </tr> </table> <p><b>Anticipated date for full implementation:</b> March 2013</p> <p><b>Implementation Risks/ Issues including management/ mitigation issues</b></p> <ul style="list-style-type: none"> <li>- Implementation of Parking system which will support the web site transactions</li> <li>- Lack of take up by the public to new transactions, will mean poorer service at OSS and Contact Centre</li> <li>- Reduction in customer satisfaction</li> </ul>		As at Oct 2010	Plans being finalised for Revs and Bens as well as an Web Optimisation Road Map	As at Mar 2011	Plans for both agreed and being implemented	As at Oct 2011		As at Mar 2012		As at Oct 2012		As at Mar 2013		As at Oct 2013		As at Mar 2014	
As at Oct 2010	Plans being finalised for Revs and Bens as well as an Web Optimisation Road Map																
As at Mar 2011	Plans for both agreed and being implemented																
As at Oct 2011																	
As at Mar 2012																	
As at Oct 2012																	
As at Mar 2013																	
As at Oct 2013																	
As at Mar 2014																	
<b>4.</b>	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>																

The majority of savings will come from staffing reductions in the services above and the closure of OSS at Jack Dash House by April 2011

**5. Other risk factors which could prevent this saving being achieved following implementation**

Closure of OSS not being agreed

**6. Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?**

The programme aims to build upon work undertaken to assess customer preferences in how they would like to deal with the Council, in meeting these preferences and so meeting the estimated demand for online services will reduce costs.

**7. Main issues arising from Equalities Impact Assessment (if any)**

An EQIA screening has been undertaken and full EQIA will be undertaken.

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	NO	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	YES	For many customers this will open up more convenient channels of access – particularly for those who have a preference to use the web. The majority of our customers will continue to have convenient access to our remaining network of OSS and Contact Centre
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	

<b>CHANGES TO STAFFING</b>		
<b>Does the change involve a reduction in staff?</b>	<b>YES</b>	The reduction in staff associated with this proposal will be managed through the Council's Managing Organisational Change procedure and will be subject to a specific impact assessment. It is not envisaged this proposal will disproportionately impact on a particular staff group.
<b>Does the change involve a redesign of the roles of staff?</b>	<b>NO</b>	

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

Item Ref. No:  
**SSP/1**

<b>TITLE OF SAVING OPTION:</b>		Improve contract pricing through contract renegotiation			
<b>DIRECTORATE:</b>	CSF				
<b>SERVICE AREA:</b>	All	<b>LEAD OFFICER:</b>		Karen Badgery	
<b>FINANCE CONTACT</b>		David Tully			
	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full 3 Year Effect</b>
<b>Employee FTEs</b>					
<b>Employee Costs</b>					
<b>Other Costs</b>	13,000	273	273	358	904
<b>Income (Specify)</b>					
<b>TOTAL</b>	13,000	273	273	358	904
<b>Capital:</b> Are there any capital set up cost associated with this proposal? No – Please state capital proposal reference No.					
1.	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				
<p>This proposal involves renegotiating with current suppliers in a number of key contracts.</p> <p><b>Children’s Schools &amp; Families</b> has a number of contracts to support vulnerable and other young people, some of which support statutory duties. The value of those contracts is in the region of £3.5m. (excluding spend on placements, youth services and early years provision - which are being dealt with separately). The overall approach to achieving these savings will be to reduce the level of spend on contracted services. This will provide savings of £233,000 a year from 2011/12, a further £233,000 in 2012/13 and a further £278,000 in 2013/14.</p> <p>The level of commissioning activity will be reduced across the service whilst ensuring strategic priorities will continue to be met and statutory duties to children in need are delivered. All decisions will be based on an analysis of need which will include reviewing services to assess impact and consultation with families to identify their service priorities. This will provide the evidence required to deliver services that best support needs and improve outcomes for children, young people and families.</p> <p>All contracts are currently under review and decisions will be made on whether to:</p>					

- extend contracts
- re-tender the service
- discontinue services where there is no evidence of impact and signpost users to other services

Work is well underway to prioritise services and reduce the number of contracts in CSF.

All providers have been notified that there is a possibility that contracts will not be extended beyond the end date. (There is provision to extend the majority of contracts for a further two years). An understanding response has been received from a number of voluntary sector providers with regard to the transparency of our process and for providing early notification of the possible changes.

In addition, CSF spends approximately £13m per annum on placing children and young people in care (including foster and residential care). The Directorate works in the main with providers that have signed up to the pan-London agreement, which puts a ceiling on the placement rate.

Benchmarking work with other Boroughs has shown that a different approach to commissioning external placements has enabled them to drive down costs with external providers. It is planned to replicate this approach in Tower Hamlets with the aim that 5% savings will be realised, by rationalising the number of external foster placement providers and developing a discount scheme based on the annual number of placements with individual agencies. Officers are already working to increase the number of in-house placements (those placed with Tower Hamlets foster carers) which is more cost effective and more beneficial for children and young people and where possible reduce the number of children and young people entering the care system through our entry to care panel.

Rationalising the number of placement providers is taking place from December 2010 after which the authority will operate an informal preferred provider list which will enable it to implement the discount scheme. This will provide savings of £40,000 from 2011/12, £40,000 in 2012/13 and a further £80,000 in 2013/14.

All children in need will continue to be supported, including those entering the care system, but these new arrangements will enable this to be done more cost effectively.

Similar savings in Communities, Localities and Culture, Adults, Health & Wellbeing, Chief Executive's Directorate and Development & Renewal are being met from specific projects set out elsewhere in these papers.

<b>2.</b>	<b>Service implications of saving:</b>
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These savings will be delivered through more efficient and cost-effective ways of working and as such will not impact on quality of service delivered.

The council has a duty to safeguard all children and young people from harm and neglect and will continue to meet statutory obligations to children in need.

Although the number of contracts will reduce the authority will ensure that all families continue to receive support through the remaining contracted services or through mainstream provision

such as early years and youth services. Officers are in the process of building capacity within mainstream services so that they can work with children, young people and families across all levels of need (universal, targeted and specialist).

The evidence based approach will ensure the authority commissions only those services that will have the most impact on improving outcomes for children, young people and families.

Officers will regularly monitor which families are receiving services so that the authority can ensure that all those with a need benefit from the services available.

The above proposals will allow improved value for money to be secured without impacting on the quality of foster placements available.

<b>3.</b>	<b>Actions required to achieve saving:</b>
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In relation to CSF,

- Contracts are scheduled to end in either March 2011 or 2012.
- Reviews will be undertaken each year to determine our commissioning intentions.
- Contract extensions, re-negotiations, re-tendering or de-commissioning activities will also need to take place each year.
- Capacity building programme in mainstream settings will commence from December 2010.
- In relation to foster care, contracts have been issued to all existing providers based on the pan-London agreement.
- The preferred provider list is in process of being agreed and will be implemented during December 2010.
- Details of the discount scheme are currently being drafted and will be negotiated with providers between January-March 2011.

<b>4.</b>	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>
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Services provided by local and national suppliers may be affected. All services in question are run by 3<sup>rd</sup> parties.

The implications for those placement providers the authority ceases to use will be minimal as there are only a small number of placements with these providers. They will also continue to receive business from other boroughs. There is unlikely to be any impact on local providers as our priority is to place children and young people in borough where possible.

There is a possible impact upon relationships with suppliers, leading to reduction in service quality and possible reputational risk with suppliers, which however also has a positive aspect if it enhances the Council's reputation as a commercial player.

<b>5.</b>	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
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- Pressure not to reduce the number of commissioned services
- Delays to decision making process will impact on level of saving achieved
- Providers are not supportive of renegotiation of contracts

The risks associated with delays to the decision making process will be mitigated by reducing further spend on commissioning activity and those associated with public pressure by engaging parents/carers in the decision making process.

Officers will also ensure there is a smooth transition into all replacement services.

There is a limit to the number of contracts it is intended to re-negotiate so this will not pose a significant risk.

The entry to care panel will reduce the risk of there being an increase in the numbers of children and young people coming into care.

<b>6.</b>	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
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The evidence based commissioning approach will ensure the most effective services are developed and procured. This in turn will ensure the Council receives the best possible value for money. This will be measured through regular contract monitoring and service evaluations.

Savings can be identified through direct price comparison and market testing.

<b>7.</b>	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
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The needs analysis will ensure the authority continues to commission services to meet the needs of all children, young people and families.

All existing users of services will also continue to benefit from a range of services through mainstream provision and targeted support.



### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	NO	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	NO	
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	
<b>CHANGES TO STAFFING</b>		
Does the change involve a reduction in staff?	NO	
Does the change involve a	NO	

<b>redesign of the roles of staff?</b>		
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**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
SSP/2**

<b>TITLE OF SAVING OPTION:</b>		Better targeting of street cleansing and refuse collection contracts			
<b>DIRECTORATE:</b>		Communities Localities and Culture			
<b>SERVICE AREA:</b>		Public Realm	<b>LEAD OFFICER:</b>		Jamie Blake
<b>FINANCE CONTACT</b>					
	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>					
<b>Employee Costs</b>					
<b>Other Costs</b>	12,771	325	375	825	1525
<b>Income (Specify)</b>					
<b>TOTAL</b>	12,771	325	375	825	1,525
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>					
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				
<p>The street cleansing service is operated by Veolia as part of the Waste Management Services Contract and is valued at approximately £7 million per annum. The service has improved substantially over the past two years and in the recent residents survey both improved in satisfaction, whilst litter has dropped to 5<sup>th</sup> in terms of “things that residents are most concerned about”. LAA targets have been met for detritus and were last year 1% over target for litter.</p>					

The service across the borough is based on multiple single beat sweepers with a minimum frequency of three sweeps per week on Borough roads and multiple sweeping on main shopping areas and areas of the Borough with high footfall.

The refuse collection service is operated under contract by Veolia and collects in excess of 80,000 tonnes of household and commercial waste per annum. The service forms part of the Waste management Service contract and the refuse collection service element is valued at approx £5 million per annum.

The service operates from watts Grove depot, with waste being deposited at Northumberland Wharf for onward transfer to disposal. The service collects waste on a weekly basis from all low rise properties and empties bulk containers on a regular basis from high rise / multi occupancy properties.

The increase in recycling over the past two years has resulted in the diversion of over 15,000 tonnes of material away from the refuse collection service. Whilst this has been replaced by some element of growth due mainly to new properties across the Borough, there is scope for a reduction in refuse collection crews and a rescheduling of rounds, Whilst this will cause some short term disturbance in rounds, the majority of waste is containerised so many residents will not notice a change in collection day. All services will, wherever possible, be coordinated with recycling services and so any savings will require a comprehensive review of collection schedules and suitable public information programme.

#### Phase 1 (2011/12)

The savings for 2011/12 will be made from an initial review of the refuse rounds and piloting the reduction of sweeping beats and night sweeping staff, with a greater emphasis on litter picking / dog foul removal.

#### Phase 2 (2012/13)

Savings will be achieved through a systematic roll out of re-engineered sweeping beats following evaluation of the pilot work undertaken in phase 1. This can be negotiated with the current provider and can in part be mitigated by investing capital (s106) in litter bins and increased public awareness campaigns.

#### Phase 3 (2013/14)

The savings for 2013/14 will form part of a more comprehensive review as part of the Integrated Public Realm contract which will deliver even greater value for money and reflect the further predicted progress in recycling and subsequent diversion from waste disposal. This will include a major reassessment of sweeping standards as part of the development of specifications for the proposed Integrated Public Realm Contract. The specification will be based on output standards, increase cooperation between landowners, strict enforcement standards and greater monitoring / involvement from residents. The procurement process has been timetabled for a contract start date of 1 April 2013. the drafting of specifications will take place during the summer and could be structured to take account of future decisions relating to the frequency of cleaning, standards for both litter and detritus and emphasis on graffiti and fly posting removal.

2.	<b>Service implications of saving:</b>
a.	<p>Service delivery implications</p> <p>The number of residents who view litter as a problem in the Borough has steadily declined over the past two years and there is a link between the cleanliness of the Borough and satisfaction with the Council overall. Every effort will be made to maintain these high standards.</p>
3.	<b>Actions required to achieve saving:</b>
	<p><b>Anticipated date for full implementation and delivery of savings;</b>  The whole of the street cleaning service will need to be reviewed to minimise the impact of potential service reductions. This will take place during early 2011 with services fully implemented for 2012/13 to ensure the full year effect of the reduction is realised.</p> <p><b>Implementation Risks/ Issues including management/ mitigation issues</b></p> <ul style="list-style-type: none"> <li>• Reduction in NI 195 standards</li> </ul> <p>Mitigation – The localisation of contract monitoring officers will ensure a more consistent and regular monitoring of service standards combined with more involvement by local residents and community groups in measuring contractor performance.</p> <p><b>Estimated cost of implementation and proposed source of funding</b>  Costs will be absorbed within the current contract sum</p>
4.	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>
	A reduction of between 20 – 25 staff from Veolia’s workforce.
5.	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
	None
6.	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
	This proposal reduces the cost of the service through generating efficiencies in contractor working practices and staffing requirements. Greater value for money will also be provided through increased partnership delivery via the Muslim Women’s Collective to complete the quarterly NI 195 surveys.
7.	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
	None



### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	Yes	As the service becomes more targeted provision will be targeted to the areas of greatest need.
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	
<b>CHANGES TO STAFFING</b>		

<b>Does the change involve a reduction in staff?</b>	<b>No</b>	
<b>Does the change involve a redesign of the roles of staff?</b>	<b>No</b>	



**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
SSP/3**

<b>TITLE OF SAVING OPTION:</b>		Events In Parks (overall reduction in summer usage of Victoria Park)			
<b>DIRECTORATE:</b>		CLC			
<b>SERVICE AREA:</b>		Arts and Events	<b>LEAD OFFICER:</b>		Steve Murray Head of Arts and Events
<b>FINANCE CONTACT</b>					
	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>					
<b>Employee Costs</b>					
<b>Other Costs</b>		200			200
<b>Income (Specify)</b>	525				
<b>TOTAL</b>	525	200			200
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>					
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				
<p>The Council has for a number of years been developing Victoria Park as a venue for commercial Music festivals.</p> <p>This development of the Park as a venue has required careful planning and building the reputation of the borough as a reliable Landlord who understands the requirements of</p>					

commercial operators. External expertise has been brought in to produce guidelines on sound levels that balance the needs of the promoters along with minimising the impact on local residents and contractual arrangements have also been developed to minimise impact of crowds in the locality. This proposal relates to developing more effective use of our major parks to increase income generation.

The Council also seeks to increase the level of corporate events and weddings taking place in its parks generally. A marketing plan for specified parks and open spaces will be in place by early 2011 and the expectation is that this additional stream of income would build over the next three years and beyond.

**2. Service implications of saving:**

Income currently generated through commercial activity has been utilised to support free community events in our parks. These include Paradise Gardens, the boroughs main element of the Five Borough Festival, Create, and the annual fireworks display. If the number of commercial event days were to be reduced then a reduction in the number of free to access events may be required to realise the income target.

**3. Actions required to achieve saving:**

A detailed report outlining proposed events is currently in preparation and will be presented to Cabinet early in 2011.

**Implementation Risks/ Issues including management/ mitigation issues**

Considerable work has gone into limiting the impact of events in parks locally and they will continue to be closely monitored and managed. The risk of the commercial music festival market failing is not within our control but current indicators are positive and there has been a steady growth over the last four years.

**Estimated cost of implementation and proposed source of funding**

Costs of negotiations, contracting, etc will be covered within existing resources. Additional costs incurred through managing the events, i.e. employment of freelancers, will be covered from additional income generated. Ongoing marketing costs should also be possible to draw down from the income generated.

**4. Potential implications for staff, contractors, partners, assets and other Directorates:**

The Heritage Lottery works in Victoria Park cover the period of these events up to early 2012 and officers are working to map and mitigate the impact. In 2012 it is intended to have a temporary Live Site in Victoria Park covering the Games period but any model will have the savings target built into it.

The activity also has implications for other services within the council including Licencing, Environmental Protection. This is particularly pertinent to the projected work loads related to the Olympics in 2012. We will be scoping the implications of this and building the necessary costs into projected income generation.

**5. Other risk factors which could prevent this saving being achieved following implementation**

- All the music events are dependant on successful granting of licences.
- Many Local Authorities are now looking to use their parks for income generation and competition for commercial events will increase in future years.
- Promoters need a lead-in time to their events and invest significant resource in marketing and booking artists. If for any reason there were delays in agreeing contractual arrangements or agreed dates were cancelled this would result in a damaging effect on future potential income generation.

<b>6.</b>	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
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This proposal will deliver greater value for money by generating additional income from existing assets. Efficiency will be measured by an increase in annual income within the parks budget.

<b>7.</b>	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
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An EQIA screening has been undertaken and the equalities impact of the staffing change will be picked up through the application of the Council's Handling Organisational change procedures.

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	Yes	Revenue will be generated by ensuring greater value for money within the contractual arrangements with the event organisers and developing new venues for small corporate events. There will be an increase in access to Victoria Park.
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	
<b>CHANGES TO STAFFING</b>		
Does the	No	

<b>change involve a reduction in staff?</b>		
<b>Does the change involve a redesign of the roles of staff?</b>	<b>No</b>	

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
SSP/4**

<b>TITLE OF SAVING OPTION:</b>	Integrated Public Realm Contract – service efficiencies				
<b>DIRECTORATE:</b>	Communities Localities and Culture				
<b>SERVICE AREA:</b>	Public Realm	<b>LEAD OFFICER:</b>		Jamie Blake	
<b>FINANCE CONTACT</b>					
	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>					
<b>Employee Costs</b>					
<b>Other Costs</b>	21,700		1,200	1,300	2,500
<b>Income (Specify)</b>					
<b>TOTAL</b>	21,700		1,200	1,300	2,500
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>					
<b>1.</b>	<b>Outline/ details of saving proposal, including indications of stage of development, and work and timescales needed to finalise proposal:</b>				
<p>Within Public Realm there are a number of service and works contracts that have historically been procured and managed separately. To date there has been little opportunity to review the contracting approach and seek an opportunity to re-package the services because of disparate expiry dates.</p> <p>The review of the short term contracting approach for waste services has highlighted an opportunity to review Public Realm contracts on a wider basis. An assessment has been</p>					

undertaken and reported to both the Waste Disposal Board and Competition Boards. The report highlighted those Public Realm Services which achieve best fit in terms of operational and economies of scale. These are listed below:

- Municipal Waste Management (Cleansing)
- Integrated Recycling Contract, Lots 1, 3 and 4 (excluding food waste processing)
- Landscape Maintenance Services - Parks & Open Spaces
- Landscape Maintenance Operations – Water areas and Wapping
- Parks Security Services
- Arboriculture Works
- Weed Control
- Gully Cleansing
- Street Lighting Maintenance

The estimated value of savings for this option ranges from £428k to £1,424k per annum which represents a saving range of 2.1% to 7.1% against the estimated spend for 09/10. The reduction estimate has been based on a mid point of these assessments.

The potential for cost savings also needs to be set in a strategic commissioning context as it would offer opportunities to work with RSLs in the Borough to assist them to deliver improved services at the right level.

The review has identified that packaging a number of Public Realm Services together can offer the Council the opportunity to drive efficiency savings on future service delivery.

Predominantly the opportunities for savings can be made by packaging the biggest service contracts together, for example the refuse collection and street cleansing services, recycling and landscape maintenance. However, in relation to the main landscape maintenance contract the review has built in the risk that re-tendering this service will increase the tendered prices as it is known that the current contractor offers excellent value for money.

A detailed procurement timescale and resource plan has been developed and a soft market testing exercise is underway to gauge private sector views of contract packaging and potential efficiency savings.

This proposal is subject to sensitive negotiations and, as such, it is appropriate to have a contingency plan in place should the option outlined above be unachievable. Savings may be delivered in a number of other ways depending on the configuration of the package of integrated contracts. It may be possible for example, as part of existing contract negotiations, to alter existing arrangements for the disposal of waste. Agreeing a guaranteed gate fee, fixed for the period of the contract, would generate additional savings and provide a level of sustainability in service budget reductions.

The options available in relation to the package of contracts and the waste disposal arrangements are flexible and will interchange according to the progression of the negotiations. Therefore, the savings profile identified on page 1 is not linked to a single specific option, Rather it represents a realistic assessment of achievable savings to be delivered via a combination of the opportunities available, to be determined early in the new year.

<b>2.</b>	<b>Service implications of saving:</b>
	<p>a. Service delivery implications</p> <p>The integration of public realm contracts should result in a more joined up set of services, with reduced potential for parts of the service to fail due to assumptions as to responsibility for delivery.</p>

<b>3.</b>	<b>Actions required to achieve saving:</b>
	<p><b>Anticipated date for full implementation and delivery of savings;</b></p> <p>A detailed project timescale programme has been developed based on a contract implementation date of 1<sup>st</sup> April 2013</p> <p><b>Implementation Risks/ Issues including management/ mitigation issues</b></p> <ul style="list-style-type: none"> <li>• Decision is taken not to proceed with the integrated contract</li> <li>• Procurement exercise does not deliver savings</li> <li>• Ground maintenance contract rates are substantially higher than the current contract and reduce efficiency savings</li> </ul>
<b>4.</b>	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>
	<p>Contract negotiations are under way with the main service provider. They are fully engaged in the process ensuring that implications of this proposal remain at a minimum.</p>
<b>5.</b>	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
	<p>None</p>
<b>6.</b>	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
	<p>Value for money is delivered through reductions in annual contract value, generated through efficiencies in contract delivery and the renegotiation of charges for services provided by the contractor.</p>
<b>7.</b>	<b>Main issues arising from Equalities Impact Assessment (if any)</b>



None

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	
<b>CHANGES TO STAFFING</b>		
	No	

<b>Does the change involve a reduction in staff?</b>		
<b>Does the change involve a redesign of the roles of staff?</b>	<b>No</b>	

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
SSP/5**

<b>TITLE OF SAVING OPTION:</b>		<b>Telephone Contract Renewal</b>			
<b>DIRECTORATE:</b>		<b>Resources</b>			
<b>SERVICE AREA:</b>		<b>Procurement and Corporate Programmes</b>	<b>LEAD OFFICER:</b>		<b>Claire Symonds</b>
<b>FINANCE CONTACT</b>		<b>Alan Finch</b>			
	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>					
<b>Employee Costs</b>					
<b>Other Costs</b>	1013	413			413
<b>Income (Specify)</b>					
<b>TOTAL</b>	1013	413			413
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>					
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				

Savings arise from renegotiation of the current telephone contract and its reassignment to a new supplier. The total ICT telephony combined savings will be £413K from 2012-13 assuming the proposed volume of Council telephony traffic remains constant for the duration of the contract.

**2. Service implications of saving:**

Savings arise from the new current telephone contract that is in place. The contract savings are based on a number of assumptions:- that number of handsets, call traffic ("volumetrics", profile to fixed lines, mobiles etc), call centre seating remain constant over the next 5 years at the baseline level at the time of contract . However, a massive out-going call campaign could impact call volumes.

**3. Actions required to achieve saving:**

Resource requirement for implementation	Nature of costs including whether revenue or capital	Cost of implementation £000s	Of which, from within existing resources £000s
In 2011/12	New telephone contract in place.	-	-
In 2012/13	-	-	-
In 2013/14	-	-	-
Total	-	-	-

**Provide further detail on nature and any costs of implementation**

Additional costs can be absorbed within the current net budget of the service.

**Rough implementation timetable.** Indicate in a sentence the stage of development you would anticipate for the proposal at six monthly intervals.

As at March 2011	Implemented in Nov 2009.
As at September 2011	-
As at March 2012	-
As at September 2012	-
As at April 2013	-

**Anticipated date for full implementation:**

Nov 2009

**Implementation Risks/Issues including management/mitigation issues**

New contract in place.

**Payback calculation:**

Contract expected to make savings over the duration of the contract – 5 years.

4.	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>
Contract in place and implications have been minimised as a result.	
5.	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
The risks are considered low and containable with the contract now in place.	
6.	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
Savings have been identified through direct price comparison and market testing of the new contract.	
7.	<b>Main issues arising from Equalities Impact Assessment (if any)</b>

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	NO	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	NO	
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	
<b>CHANGES TO STAFFING</b>		
Does the	NO	

<b>change involve a reduction in staff?</b>		
<b>Does the change involve a redesign of the roles of staff?</b>	<b>NO</b>	



**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
SSP/7**

<b>TITLE OF SAVING OPTION:</b>					
Domiciliary Care Re-commissioning					
<b>DIRECTORATE:</b>					
Adults Health and Wellbeing					
<b>SERVICE AREA:</b>					
Commissioning and Strategy			<b>LEAD OFFICER:</b>		Deborah Cohen (Keith Burns)
<b>FINANCE CONTACT</b>					
Paul Thorogood					
	Current Budget	Saving £000s			
	2010/11 £000	2011/12	2012/13	2013/14	Full Year Effect
<b>Employee FTEs</b>	-	-	-	-	-
<b>Employee Costs</b>	-	-	-	-	-
<b>Other Costs</b>	11,760	1,045	345	0	1,390
<b>Income (Specify)</b>	-	-	-	-	-
<b>TOTAL</b>	11,760	1,045	345	0	1,390
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	2011/12	2012/13	2013/14	2014/15+	
	£'000	£'000	£'000	£'000	
<b>Capital Expenditure</b>	-	-	-	-	
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				

Re-commissioning of domiciliary care contracts with a proposed start date for new contracts of June 2011. Procurement strategy signed off by Competition Board and OJEU advert to be placed by 30 November 2010.

Based on 2008/09 costs, our average unit cost for domiciliary care is £17.80 per hour, compared with an Inner London average of £15.20 per hour. The proposed saving is based on an intention that in re-commissioning these services in a more efficient way we will bring the average hourly cost down to the Inner London average. (So the saving is calculated by multiplying the difference between our hourly rate and the Inner London average by a proportion of the number of commissioned hours in 2008/09 – see 6 below).

The procurement strategy involves reducing domiciliary care contracts, from 16 currently, to 4 geographically based contracts (one for each paired LAP). The smaller number of larger contracts, combined with an increased proportion of the total contracted hours let on a 'block' basis is the mechanism by which lower unit prices will be secured.

**2. Service implications of saving:**

The efficiencies proposed here are based on achieving a reduction on average unit costs by increasing the proportion of service which is delivered under block contract arrangements. There is no proposal to reduce the number of hours commissioned, or to negatively impact on quality.

The contracts for the new services will be drawn in such a way that they support and help to deliver the broader programme for Transforming Social Care. The Expressions of Interest advert and subsequent Invitation to Tender will provide detailed information about the characteristics of the population of each paired LAP, and a critical element of the evaluation of tenders will be how potential suppliers propose delivering services which are sensitive and appropriate to the particular population of each paired LAP (including how they will deliver a workforce to reflect the community).

The proposed new model has implications for the way in which the in-house domiciliary care service operates, and this is being addressed via a separate proposed strategic reconfiguration of the in-house service.

**3. Actions required to achieve saving:**

**Rough implementation timetable.** Indicate in a sentence the stage of development you would anticipate for the proposal at six monthly intervals.

As at December 2010	Procurement process in progress.
As at June 2011	Procurement process complete and contract award report submitted for Cabinet approval.
As at December 2011	6-month review of new contractual arrangements underway.
As at June 2012	First annual review of supplier performance underway.

**Anticipated date for full implementation:**

Planned contract let date is June 2011, with all existing service users transferred to new arrangements by July 2011.

**Implementation Risks/Issues including management/mitigation issues**

The proposed saving is calculated using 2008/09 cost and activity information for us and for Inner London (comparator data for 2009/10 is not yet available), so is contingent on the gap between our average rate per hour and the Inner London average remaining the same through to 2011.

<b>4.</b>	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>
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As already noted, the proposed model has implications for the way in which the in-house service operates. Mitigation strategies to minimise this impact are being taken forward through a proposed strategic reconfiguration of the in-house service (the subject of a separate efficiency submission).

A number of current providers are local organisations and these organisations could be affected by the reduction in contracts available. In order to mitigate this consortium bids led by, or involving, local suppliers will be positively encouraged.

<b>5.</b>	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
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The introduction of Personal Budgets will increasingly enable individual service users to purchase services to meet their own care and support needs from sources outside of the Council's contracted services. This may mean a reducing demand for commissioned domiciliary care services over time. However, this shift in demand is likely to be relatively gradual, and is mitigated by not seeking to block contract for more than 50% of current demand. This means that up to 50% of current demand could be "lost" to commissioned services without an impact on the block contracted price (which is where the efficiencies will be generated).

<b>6.</b>	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
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As noted, the intention is to bring our average unit cost for commissioned domiciliary care services down to the Inner London average. This will be achieved by re-commissioning services in a way that enables suppliers to offer a better price (by increasing the size of block contracts.)

However, it is not considered prudent to assume that the saving can be delivered across the full range of commissioned service, as, for example, it may not be possible to reduce the cost of more specialist community support by the same factor as can be achieved for more generic domiciliary care activity. Accordingly the saving identified here is based on achieving the cost reduction on two-thirds of currently commissioned hours (so 535,831 hours per annum as opposed to the full year 2009/10 activity of 802,747 hours). The calculation is

therefore  $\pounds 2.60 \times 535,831 = \pounds 1,393,160$  per annum (FYE).

Efficiency improvements will be measured by the average hourly rate at which services are commissioned, using 2009/10 costs as the baseline.

<b>7.</b>	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
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An EQIA screening has been undertaken and full EQIA will be undertaken.

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	There is no change to the Council's FACS eligibility criteria and thresholds
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	Yes	<p>Long term domiciliary care support will be provided in future by independent providers following a tendering procedure. Existing service users of the inhouse service will continue to have their service provided by the inhouse service.</p> <p>The delivery of culturally sensitive services will be a requirement in the new contract arrangements.</p>

		A full EQIA is being carried out on this project
<b>CHANGES TO STAFFING</b>		
<b>Does the change involve a reduction in staff?</b>	<b>No</b>	
<b>Does the change involve a redesign of the roles of staff?</b>	<b>No</b>	

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
SSP/8**

<b>TITLE OF SAVING OPTION:</b>		Applying the national care calculator in order to reduce supplier margins			
<b>DIRECTORATE:</b>		Adults Health and Wellbeing			
<b>SERVICE AREA:</b>		Commissioning and Strategy	<b>LEAD OFFICER:</b>		Deborah Cohen
<b>FINANCE CONTACT</b>		Paul Thorogood			
	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>	-	-	-	-	-
<b>Employee Costs</b>	-	-	-	-	-
<b>Other Costs</b>	15,178	750 (2010/11 savings of 350k included here)	0	0	750
<b>Income (Specify)</b>					
<b>TOTAL</b>	15,178	750 (2010/11 savings of 350k included here)	0	0	750
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	

<b>Capital Expenditure</b>	-	-	-	-
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<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:
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The Care Funding Calculator (CFC) is a tool designed by the Regional Improvement and Efficiency Partnerships (RIEP's) to support commissioners in ensuring improved outcomes for service users and the best of resources.

The CFC is used to:

Assess the level of staff support required to meet an individuals needs. This is achieved through a needs based assessment.

Agree a price based on relevant market knowledge, which is appropriate to the needs of the person and represents best value for that care; Confirm any specific outcomes which have been agreed with the service user where they want to develop their skills, and record how this is to be achieved; By breaking down the needs of an individual into detail the tool works out accurately, based on benchmarked guide prices, how much it might cost to meet those needs. It ensures that care services are linked directly to the needs of the individual and that the price reflects this.

Extensive market research has been undertaken when developing the tool to enable a number of assumptions about costs and staffing structures to be used. The CFC has also been piloted with Councils around the country.

Earlier versions of the tool have already proven to be a success with Councils saving an average of 12% on their costs. Only high cost placements over the value of £750 per week will be targeted in this piece of work and the tool will be used to renegotiate fees with providers to arrive at a fair price. There are currently c240 nursing and residential placements for adults of working age, costing over £750 per week. The gross weekly spend on these placements equates to £291,887. The total cost of these amounts to £15.178million (full year cost based on 52 weeks). The proposed saving amount is based on delivering this 12% average saving over the life of the project.

<b>2.</b>	<b>Service implications of saving:</b>
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The negotiations with residential homes centre on a number of variables, which require expert knowledge around:

- The use of the Care Funding Calculator;
- The market and the providers who make up the market, including key national organisations;
- Organisational staffing structures and acceptable levels of staffing for different care groups;
- Local wages; and
- Acceptable profit margins, Return on Capital Employed (ROCE) and how an



organisations finances are structured.

These variables all contribute to the cost of an individual placement. In addition the role of engaging and negotiating with a range of providers, some of which are reluctant to engage with local authorities who are using the CFC will require specific skills, knowledge and expertise.

There will also be a need to train key directorate staff, such as social workers and brokers, in the use of the CFC in order that the assessments required to review the high cost placements are undertaken.

**3. Actions required to achieve saving:**

**Rough implementation timetable.** Indicate in a sentence the stage of development you would anticipate for the proposal at six monthly intervals.

As at March 2010	Individual with required expertise employed to undertake negotiations with providers.
As at September 2010	Individual reviews and renegotiations of existing placements underway. CFC in full use as the basis for negotiating price for all new residential placements for younger adults.
As at March 2011	Individual reviews and renegotiations of existing placements continuing and responsibility for these transferred to new Access to Resources function.
As at September 2011	Individual reviews and renegotiations of existing placements continuing.
As at 1 <sup>st</sup> April 2012	Process of reviewing and renegotiating all existing placements complete.

**Anticipated date for full implementation:**

CFC in use for all new placements for younger adults aged under 65 from July 2010. All reviews of existing placements complete by 31<sup>st</sup> March 2012.

**Implementation Risks/ Issues including management/ mitigation issues**

There is a risk that we may not be able to negotiate a reduction of costs in all cases. Where homes provide a very specialist service and/or there is limited supply, our ability to negotiate may be constrained.

An individual with relevant specialist expertise has been commissioned to undertake this work. This contract ends in March 2011, and from that point the tool and remaining reviews will be embedded in the new Access to Resource Function. There is some risk that the loss of expertise will lead to a loss of momentum, but this will be mitigated by careful handover / training planning.

**4. Potential implications for staff, contractors, partners, assets and other Directorates:**

The proposed efficiencies to the Council as a result of the transparency of costs will translate to reduced income for suppliers, The Council will need to ensure that suppliers remain viable and that quality of care is not compromised.

<b>5.</b>	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
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None.

<b>6.</b>	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
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This will reduce costs, which in turn will contribute to the reduction of the unit cost of delivering the service whilst maintaining the level of quality of care.

<b>7.</b>	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
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### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	No residential services are provided by the Council
<b>CHANGES TO STAFFING</b>		

<b>Does the change involve a reduction in staff?</b>	<b>No</b>	
<b>Does the change involve a redesign of the roles of staff?</b>	<b>No</b>	

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
SSP/9**

<b>TITLE OF SAVING OPTION:</b>		Shared Re-Commissioning Supporting People Services			
<b>DIRECTORATE:</b>		Adults Health and Wellbeing			
<b>SERVICE AREA:</b>		Commissioning and Strategy	<b>LEAD OFFICER:</b>		Deborah Cohen (Carrie Kilpatrick)
<b>FINANCE CONTACT</b> Paul Thorogood					
	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>	-	-	-	-	-
<b>Employee Costs</b>	-	-	-	-	-
<b>Other Costs</b>	15,200	760			760
<b>Income (Specify)</b>	-	-	-	-	-
<b>TOTAL</b>	15,200	760			760
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>	-	-	-	-	
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				

**Savings are to be made by re-tendering the portfolio of supporting people contracts.**

The proposed saving is based on achieving an average 5% reduction in prices. This will be achieved by setting up Joint Framework Agreement, in partnership with LB Newham, from which contracts will be “called off” and awarded to the most economically advantageous supplier for that particular service. The Framework Agreement is due to be in place in Autumn 2011 with a “Call Off” timetable to begin immediately from the point at which the Framework Agreement is formalised. The ‘call offs’ for service will be at a reduced cost to deliver an average 5% saving across the framework as a whole, with a part year effect in 2011/12 and full year effect from 2012/13. Short term contract renegotiations will be undertaken to mitigate the 2011/12 part year effect and deliver a full year equivalent saving.

The original SP contracts programme was negotiated based on national guidance in 2003. Many of these contracts are now due for renewal. Officers believe that there are opportunities to achieve efficiencies and increased value for money. The current SP programme involves 30 providers and 102 services.

The Joint Framework Agreement is being developed in partnership with LB Newham to maximise opportunities for suppliers, achieve greater efficiencies and share implementation costs.

**2. Service implications of saving:**

A detailed Supporting People Commissioning Strategy is currently in development that will clearly identify commissioning intentions for all client group areas over the next 5 years and services which will be called off from the Framework. This Strategy also maps overlap/interfaces with Domiciliary Care and Accommodation Strategies for Mental Health and Learning Disability Client Groups where the provision of supporting people funded services can reduce the use of more expensive residential care.

The aim of this tendering exercise is to reduce the cost of services while maintaining and improving, where possible, the level of service, without reducing capacity in the system.

**3. Actions required to achieve saving:**

**Anticipated date for full implementation and delivery of savings**

November 2010	Tendering processes underway
November 2011	Completion of Framework Agreement and start of “Call-Off” timetable
May 2012	6 monthly review of implementation and efficiencies achieved to date.

**Implementation Risks/Issues including management/mitigation issues**

It is assumed that funding for the Supporting People programme will continue to be calculated according to the SPDF (Supporting People Distribution Formula) which is expected to reduce over the next three years, although the exact figures are not yet known.

This means that the 5% savings put forward above will be on top of a programme which is already reducing. The Supporting People Strategy factors in different scenarios to allow for this. It may be possible to revisit the 5% target once the scale of the reduction in funding from Central Government is known.

There are a few third sector and RSL providers who have not had to tender before and who are not familiar with the operation of framework contracts. There are providers who have a very long historical association with Tower Hamlets. There are also some providers who both own the buildings where current support services are provided and who are also the support provider. If these providers are not successful in the tenders then they would face a position of another support provider operating out of their managed residential units.

A first workshop with providers was facilitated in April 2010 to announce the start of this process and consult with current suppliers.

An experienced independent organisation "Sitra" have been contracted to provide independent support to current and potential suppliers throughout the Framework Agreement process. This support includes specific training and support in submitting collaborative bids, with the intention of maximising the opportunity for small and/or local suppliers to participate competitively in the tender process either by leading or participating in a consortium bid.

There are the usual issues of TUPE that may arise if the tendering results in changes of provider.

**Estimated cost of implementation and proposed source of funding**

Project Management costs (LBTH): £41k  
 Support to providers via SITRA (shared with LB Newham so 50% of total cost): £12.5k  
 Framework management software (shared with LB Newham so 50% of total cost): £10k  
 Venue hire / Advert costs etc (shared with LB Newham so 50% of total cost): £7.25k

All of the above costs have been budgeted for from within the Supporting People budget for 2010/11.

<b>4.</b>	<b>Potential implications for staff, contractors, partners, assets and other Directorates:</b>
Impact on partners covered above and below.	
<b>5.</b>	<b>Other risk factors which could prevent this saving being achieved following implementation</b>
There are the usual issues of TUPE that may arise if the tendering results in changes of provider. However the SP Unit is experienced in dealing with this, having had to implement a change of contract last year involving TUPE of staff. The possibility of TUPE will be incorporated in the implementation plan from the earliest possible time.	

6.	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
7.	<b>Main issues arising from Equalities Impact Assessment (if any)</b>
An EQIA screening has been undertaken and full EQIA will be undertaken.	



### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	Yes	A full EQIA is being carried out on the Supporting People Strategy that will drive use of the framework contracts.
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	There is no change in the Council's eligibility thresholds
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	Supporting People services are already provided by independent suppliers of housing related support.
<b>CHANGES TO STAFFING</b>		

<b>Does the change involve a reduction in staff?</b>	<b>No</b>	
<b>Does the change involve a redesign of the roles of staff?</b>	<b>No</b>	

**SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

**Item Ref. No:  
SSP/10**

<b>TITLE OF SAVING OPTION:</b>		Leisure Service Efficiencies			
<b>DIRECTORATE:</b>		Communities, Localities & Culture			
<b>SERVICE AREA:</b>		Cultural Services, Sport & Physical Activity	<b>LEAD OFFICER:</b>		Heather Bonfield
<b>FINANCE CONTACT</b>					
	<b>Current Budget</b>	<b>Saving £000s</b>			
	<b>2010/11 £000</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Full Year Effect</b>
<b>Employee FTEs</b>					
<b>Employee Costs</b>					
<b>Other Costs</b>	2,000	70	308	470	848
<b>Income (Specify)</b>		25	25	25	75
<b>TOTAL</b>	2,000	95	333	495	923
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15+</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Capital Expenditure</b>					
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				
A number of opportunities are available to deliver savings as part of this proposal. These opportunities include, but are not limited to, the following:					
<ul style="list-style-type: none"> <li>• Potential negotiated reduction of the existing management fee (c£2m in total)</li> <li>• Renegotiation of the surplus share arrangements</li> </ul>					

- Review of fees and charges

As part of the renegotiation aspects of the contract would be improved; in particular performance management arrangements and "open book" arrangements.

The annual increase of charges is set in accordance with a price index, but charges are low in comparison with other Leisure providers. Any increases would need to reflect the sensitivity of the market and arrangements would be made for residents in receipt of benefits to have reduced charges.

This proposal is subject to sensitive negotiations. As each of the opportunities are linked within the contract the implementation of any of the opportunities mentioned above will have an impact on the viability of achieving savings from the others. Therefore, the savings profile identified on page 1 is not linked to a single specific option. Rather it represents a realistic assessment of achievable savings to be delivered via a combination of the opportunities available, to be determined early in the new year as negotiations progress.

**2. Service implications of saving:**

This proposal will have no impact on service delivery.

**3. Actions required to achieve saving:**

**Anticipated date for full implementation and delivery of savings;**

Assuming that negotiations begin during 2010, the revisions and new contract arrangements could be in place for 2012/13, whilst fees and charges will be ammended from April 2011.

**Implementation Risks/ Issues including management/ mitigation issues**

The level of reduction in the management fee is dependant on negotiations. Work has been undertaken to benchmark current levels of fees and charges with neighbouring boroughs. Options to increase fees will be identified from this analysis to ensure that all charges are in line with market rates and do not disadvantage the most vulnerable residents.

**Estimated cost of implementation and proposed source of funding**

Unknown at this time, however the cost of a leisure management specialist to implement contract improvements with associated financial benefits is strongly recommended.

**4. Potential implications for staff, contractors, partners, assets and other Directorates:**

The renegotiation could affect contract profitability, however would provide them longer term stability through the potential of an extended contract.

**5. Other risk factors which could prevent this saving being achieved following implementation**

There are no risk factors to prevent achievement of the savings following implementation

**6. Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?**

This proposal will reduce the overall management costs and providing better value for money by ensuring that a quality service to the customer is maintained. This will be measured by performance indicators agreed with GLL.

**7. Main issues arising from Equalities Impact Assessment (if any)**

A full impact assessment will take place in January to identify the affect of each proposal on service users.

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	Yes	Refer to Section 1 of the Proforma.
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	
<b>CHANGES TO STAFFING</b>		
	No	

<b>Does the change involve a reduction in staff?</b>		
<b>Does the change involve a redesign of the roles of staff?</b>	<b>No</b>	

**6SAVING PROPOSALS  
BUDGET 2011/12 – 2013/14**

Item Ref. No:  
**SW/1**

<b>TITLE OF SAVING OPTION:</b>		Smarter Working			
<b>DIRECTORATE:</b>		All Directorates			
<b>SERVICE AREA:</b>		All Services	<b>LEAD OFFICER:</b>		Chris Naylor (Paul Bullock)
<b>FINANCE CONTACT:</b>		Alan Finch			
	Current Budget	Saving £000s			
	2010/11 £000	2011/12	2012/13	2013/14	Full Year Effect
Employee FTEs					
Employee Costs					
Other Costs			TBD	2,340	2,340
Income (Specify)					
<b>TOTAL</b>			TBD	2,340	2,340
<b>Capital:</b> Are there any capital set up cost associated with this proposal? N – Please state capital proposal reference					
	2011/12	2012/13	2013/14	2014/15+	
	£'000	£'000	£'000	£'000	
<b>Capital Expenditure</b>					
<b>1.</b>	<b>Outline/ details of saving proposal</b> , including indications of stage of development, and work and timescales needed to finalise proposal:				



**Virtual Desktop (thin client) computer solution - £TBD**

Refreshing the existing PC desktop provision using a thin client / virtual desktop approach will yield savings over the lifetime of the refresh as well as facilitating the smarter working programme. The actual savings are still to be determined.

**Relinquishing Anchorage House lease - £2.34m**

Implementation of smarter working will improve the utilisation of LBTH assets, increasing workforce flexibility and reducing demand for property space. The result of new ways of working will enable the exit and release of the Anchorage House building.

**2. Service implications of saving:**

This programme is primarily aimed at changing how and where staff work reducing demand for property space. This greater flexibility will allow staff to be more mobile and therefore responsive to service requests. The more flexible the workforce the more efficient it should be although a potential risk exists in the quality of other working environments e.g. home office impacting service which will need to be closely monitored.

**3. Actions required to achieve saving:**

**Rough implementation timetable.** Indicate in a sentence the stage of development you would anticipate for the proposal at six monthly intervals.

As at Oct 2010	Workstream leads appointed. Planning underway and governance established.
As at Mar 2011	Detailed analysis of staff numbers and working styles complete. IT design established and Property feasibility study of Mulberry Place concluded.
As at Oct 2011	Plan in place to roll out revised HR policies and staff terms and conditions along with appropriate training. IT solution piloted and signed off for implementation. Property works commenced.
As at Mar 2012	Phased rollout of IT and HR solutions nearing completion. Build works for Mulberry Place complete with stacking plans and move underway.
As at Oct 2012	Anchorage House emptied, all staff relocated and notice given on lease to landlord
As at Mar 2013	Dilapidation work on Anchorage House underway (target completion no later than June 2013)
As at Oct 2013	Anchorage House returned to landlord ownership. Project complete (lease expiry at Anchorage House June 2013)
As at Mar 2014	

Anticipated date for full implementation:  
June 2013

**4. Potential implications for staff, contractors, partners, assets and other Directorates:**

Any implications for FM staff as a result of building moves will be covered by a separate property led review of overall staffing requirements.

**5. Other risk factors which could prevent this saving being achieved following implementation**

Increase in council headcount.	
<b>6.</b>	<b>Efficiency/ value for money. How will this proposal contribute towards greater efficiency/ better value for money and how will the efficiency improvement be measured?</b>
The ICT Components will deliver improved performance, resilience and business continuity at a reduced cost per seat. These improvements will enable Council staff and partners to work in more flexible ways whilst using less energy and thus providing a reduction in the Council's carbon emissions.	
<b>7.</b>	<b>Main issues arising from Equalities Impact Assessment (if any)</b>

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	NO	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	NO	
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	
<b>CHANGES TO STAFFING</b>		
Does the	NO	

<p><b>change involve a reduction in staff?</b></p>		
<p><b>Does the change involve a redesign of the roles of staff?</b></p>	<p><b>Yes</b></p>	<p>The decant of anchorage house is predicated on the Council employing fewer staff and on those continuing to work for the Council working in new ways. This will mean some staff hot desking, some working more frequently in the field and some working permanently from home. As the programme develops we will need to undertake impact assessments on affected staff groups before decisions about their future working practices are finalised.</p>