

London Borough of Tower Hamlets Productivity Plan



How have you transformed the way you design and deliver services to make better use of resources?

Tower Hamlets Council is undergoing a bold transformation journey, driven by a commitment to using our resources wisely and delivering exceptional services to our residents.

Turning the tide: financial sustainability

Faced with financial challenges, we took decisive action last year, identifying over £43m in efficiency savings and resolving significant historical financial management issues. This allowed us to reinvest in frontline services, investing in council systems and community support programmes for young people and vulnerable residents.

Balancing priorities: council tax fairness and investment

This year, we adopted a groundbreaking approach to council tax. We understand the rising cost of living and its impact to residents. Therefore, while agreeing to a 2.99% rise in the general council tax element, this increase will be offset for many households by the new Council Tax Cost of Living Relief Fund. This means households with incomes below £49,500 will not need to pay the increase. Additionally, a dedicated budget of £658,000 ensures the established council tax reduction scheme will also continue to support those who need it most.

Investing in a brighter future for our residents

The relocation of the Town Hall to the heart of Tower Hamlets is a symbol of our commitment to accessibility. This strategic decision has helped regenerate the area and made local services more accessible for all residents. We are further enhancing accessibility by extending the opening hours of community centres, ensuring residents have convenient access to the support they need.

We are also investing in the future of Tower Hamlets with initiatives such as becoming the first council in the country to offer free secondary school meals, as well as student bursaries to ensure all children have the opportunity to reach their full potential.

The Medium Term Financial Strategy outlines our commitment to sustained improvement in key areas such as health, waste management, education, and social care. By strategically allocating resources, we continue to build a stronger, healthier, and more vibrant Tower Hamlets for all.

People First transformation journey

Tower Hamlets Council's 'People First' transformation journey is much more than delivering better services – it is about doing so with a laser focus on resource optimisation. Our innovative approach utilises a powerful three-pronged approach. Firstly, a robust transformation governance framework ensures strategic oversight and informed decision making, to prevent wasted resource due to misaligned priorities. Secondly, our substantial workforce culture transformation programme – Innovation TH – builds on collaboration and innovation to foster creative solutions that maximise the impact of every resource. Finally, we are revamping our Target Operating Model to prioritise resident needs, streamline structures and empower teams.

A new blueprint for the future

Our new Target Operating Model (TOM) serves as the cornerstone of our transformation journey. This resident-focused model is designed to create a more efficient, effective, and responsive public sector organisation that truly serves its communities. By streamlining processes and optimising resource allocation, the TOM empowers our teams to proactively deliver more responsive services for residents.

Empowering our people, strengthening our services

We strengthened our organisational structure, creating dedicated directorates for Communities and

Housing & Regeneration. These directorates ensure a laser focus on public safety, the environment, and maintaining our position as a regional leader in new social housing development. We recognise the importance of investing in internal functions such as Human Resources, Organisational Development, Business Support and Procurement. Plans are in place to enhance these services, leading to increased efficiency and improved service delivery.

Measuring progress: multiple lenses, meaningful outcomes

The council's comprehensive transformation dashboard tracks progress against financial goals, industry benchmarks and resident engagement measures (referenced in productivity dashboard at the end of this update). Strategic progress is monitored via the Annual Delivery Plan against agreed KPI's, and partnership progress is overseen by our dedicated Partnership Executive Group. This multi-pronged approach ensures we deliver value for money, while keeping residents at the heart of everything we do.

How do you plan to take advantage of technology and make better use of data to improve decision-making, service design and use of resources?

At Tower Hamlets Council, we are on a mission to become a truly data-driven organisation, harnessing the power of technology and data to make smarter decisions, design better services, and optimise resource allocation. This translates to better outcomes for our residents and a more efficient, forward-thinking council.

The power of collaboration: the Health Determinants Research Collaboration (HDRC)

The HDRC is a pioneering initiative at the forefront of our data journey. This dynamic work fosters collaboration across service departments, tackling challenges around data collection, data quality, and data management. The HDRC is actively developing a resident-facing platform to encourage open communication and participation in research projects, fostering a spirit of transparency and co-creation.

Building a strong data foundation

We are committed to using analytical tools like Power BI to automate data gathering and linking, ensuring consistency and enriching insights. We believe in open communication and data transparency – initiatives are underway to make data more accessible to residents through partnerships and co-production efforts. By leveraging data analytics, we are aligning budgets with our priorities, implementing real-time financial reporting, and empowering budget holders with technology they need to manage resources efficiently.

Strength in partnership: data sharing for improved outcomes

Robust data sharing partnerships are key to our success. We have strong relationships with health, safeguarding, and community safety partners. This collaborative approach has already yielded impressive results, with our community safety work being recognised as 'sector leading' by the police. Similarly, data-sharing with health organisations has led to improvements in areas such as reduced hospital transfer delays.

EDITH: a powerful tool for population health

We are excited to develop EDITH – a place-based data tool to holistically understand health and its determinants across demographics and trends within Tower Hamlets. This interactive platform will be a central hub for health intelligence, informing evidence-based decisions to address population needs across healthcare, social care, and community sectors.

The future of data: predictive analytics and AI

The Council is strategically investing in data architecture and infrastructure to support future applications such as predictive analytics and AI. A solid data foundation will allow us to optimise data quality, developing statistical models to identify and address inequalities, ultimately transforming Tower Hamlets into a data-driven, future-proof organisation.

Your plans to reduce wasteful spend within your organisation and systems?

At Tower Hamlets Council, we are committed to responsible financial management. We are constantly working to identify and eliminate wasteful spending, ensuring every penny goes towards delivering the best possible services for our residents.

Identifying and eliminating waste

We have implemented a multi-layered approach to ensure responsible financial management. Our annual budget setting process prioritises need, actively identifies opportunities for savings, and rigorously challenges proposals before implementation.

Dedicated transformation boards oversee budget monitoring and spending. The council's Budget Board, chaired by the Corporate Director of Resources, meets monthly to ensure financial health of our organisation. The board monitors spend against budgets, assesses progress towards efficiency targets, and reviews all budget growth requests. By ensuring proper financial procedures and controls, the Budget Board provides sound recommendations that guide our leadership team's decisions.

We are collaborating with a trusted third-party company to review and streamline procurement services. This expert partnership allows us to assess current spending on third-party external contracts and implement a more commercial approach to maximise efficiency and cost savings.

Investing to Save: smart strategies for long-term gains

The Council is making strategic investments that yield long-term benefits. For example, our £4.9m investment in tech-enabled care is projected to save an impressive £10.3m over five years. Similarly, our voluntary redundancy scheme, with a payback period of just 1.1 years, will deliver ongoing savings of nearly £3m.

Optimising staff costs: reducing reliance on agency and consultancy services

In 2023/24, agency staff accounted for 14% of our total employee costs. We are actively taking steps to reduce this by transitioning qualified agency staff to permanent roles. This year, significant cost savings (c£4.5m annually) were achieved by making such transitions, particularly for senior positions. We are committed to further reducing reliance on agency workers and currently have a plan to address the remaining long-term agency staff positions.

The barriers preventing progress that the Government can help to reduce or remove?

At Tower Hamlets Council, we are dedicated to continuous improvement and delivering exceptional services for our residents. However, external factors can put a strain on our ability to deliver the high-quality services our community deserve. This is particularly evident in the Housing sector, where national and regional pressures are compounded by Tower Hamlets' unique demographics, creating a complex and demanding environment.

What we need to move forward

Stable funding: Multi-year funding structures, like our current three-year Medium Term Financial Strategy (MTFS), are vital for effective planning and resource allocation. We urge the government to move away from one-year allocations.

Policy and collaboration pilots: Our unique set of challenges and opportunities positions us well to contribute valuable insights to policy development. We are keen to participate in collaborative pilot programmes with government departments, building on existing successful partnerships such as those with the Department for Education and Department for Levelling Up, Housing and Communities.

Streamlined reporting: Reducing the burden of reporting requirements from central government would free up valuable resources that could be better utilised in directly serving our residents.

Proportionate scrutiny: Tower Hamlets Council is proud to be one of the most financially stable and effectively run councils in the UK. A proportionate and fair approach to government scrutiny is essential. While we welcome constructive reviews, lengthy and disruptive interventions can hinder progress.

We believe that by working together, the government and local authorities can achieve remarkable outcomes. Through collaboration, streamlined processes, and a long-term vision, we can build a stronger, more prosperous Tower Hamlets for all.

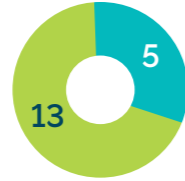
Tower Hamlets Productivity Plan – Visual Metrics



How you have transformed the way you design and deliver services to make better use of resources.

Peer review progress

Local Government Association recommendations for improvement:
 – 5 completed – 13 in progress



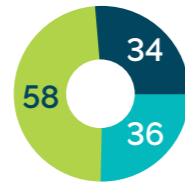
Budget sustainability

Key budget highlights
 – £0.3m revenue underspend for the general fund in 2023/24
 – £81.7m of general fund capital investment in 2023/24
 – £20m general fund reserve



Mayor's transformational priorities

Progress of projects focused on the Mayor's manifesto:
 – 36 completed
 – 58 on schedule
 – 34 reprogrammed



DLUHC Data Performance – Oflog financial indicators

At 85.7%, Tower Hamlets ranks 6th among its CIPFA neighbours
 Ranked 6/16

At 64.4%, Tower Hamlets ranks 7th among its 16 CIPFA neighbours
 Top 25%

Non-ringfenced reserves as percentage of net revenue expenditure

Non-ringfenced reserves as a percentage of service spend

Transforming organisation's structure

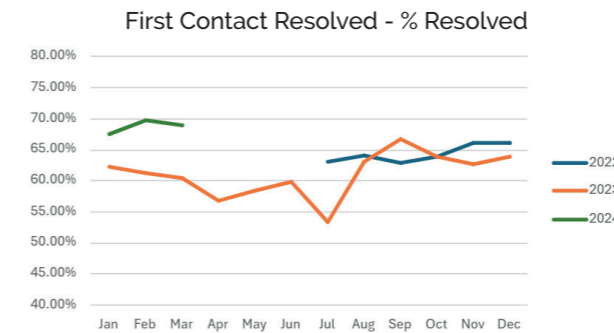
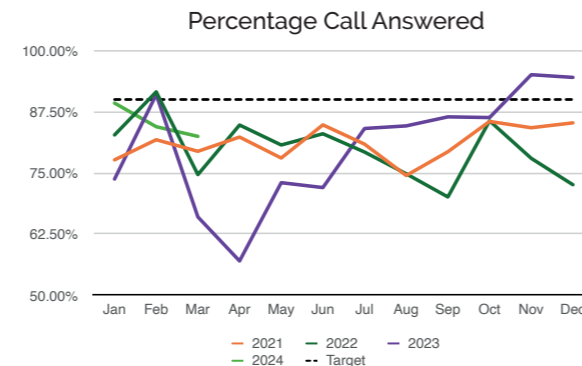
Identified £43.4m savings and created 5 transformation boards to strengthen the governance and improve performance.

£5m restructure savings (£3.4m services and £1.6m corporate restructure savings).



Customer metrics

These metrics highlight the productivity of residents' issue resolution at the corporate contact centre



The percentage of calls answered in April 2024 was 89%. This is an increase of 32 percentage points from April 2023.



The percentage of calls resolved at first contact in April 2024 was 68%. This is an increase of 11 percentage points from last year.

People First Transformation

These are the tools put in place to deliver one of the most ambitious agendas in local government:



Finance metrics

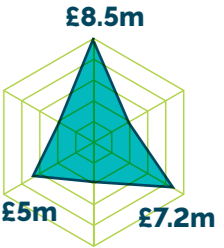
Key financial indicators:

- We have identified £43.4m of savings - £5.6m more than our target
- Our capital expenditure is fully funded - £755m to be invested over the next 3 years
- We have minimised additional borrowing requirements with just 4% (£2.7m) of new General Fund capital investment funded from borrowing.
- Oflog indicators show that Tower Hamlets has a comparably high level of Non-ringfence reserves in comparison to other authorities (a value of 85.7% of net revenue expenditure).



Your plans to reduce wasteful spend within your organisation and systems.

In the MTFS, the Council has £8.5m of transformation savings, £7.2m of efficiency savings and £5m of restructure savings.



In 23/24, agency spend accounted for 14% of total employee costs – a reduction of 0.9 percentage points from the previous year.



Currently there are 199 agency staff who have been in place for over a year – a reduction of 53 from the previous year.



The Council is investing in tech enabled care with investment of £4.9m over the next 5 years and savings of £10.3m expected over the same period.



We have 5 EDI staff networks in the Council, each of which receives an annual budget of £3,000.