

SUMMARY OF MTFP

Summary Draft Medium Term Financial Plan 2013-18

	2013-14 £'000	2014-15 £'000	2015-16 £'000	2016-17 £'000
Net Service Costs	292,004	295,732	294,663	309,081
Growth (Incl Public Health)	40,566	4,805	3,881	7,619
CLG Grants transferring into baseline	23,717	0	0	0
Savings				
Approved	(26,029)	(6,692)	0	0
New		0	0	0
Inflation	5,760	4,842	5,500	5,500
Core Grants (incl Public Health)	(40,522)	(1,961)	4,305	3,124
Earmarked Reserves (Directorates)	(530)	(565)	0	0
Contribution to/from Reserves	766	(1,498)	732	0
Total Funding Requirement	<u>295,732</u>	<u>294,663</u>	<u>309,081</u>	<u>325,324</u>
Government Funding	(150,670)	(122,551)	(86,595)	(69,271)
Retained Business Rates	(100,800)	(102,816)	(104,872)	(106,970)
Council Tax	(63,343)	(66,396)	(67,392)	(68,402)
Collection Fund Surplus	(1,645)	0	0	
Total Funding	<u>(316,458)</u>	<u>(291,763)</u>	<u>(258,859)</u>	<u>(244,643)</u>
Budget Gap (excl use of Reserves)	(20,726)	2,900	50,222	80,680
Unallocated Contingencies		0	0	0
Budgeted Contributions to Reserves	(766)	(1,034)	0	0
General Fund Reserves	21,492	(1,866)	(22,046)	(13,504)
Unfunded Gap	0	0	28,176	67,176
Savings to be delivered in each year			(28,176)	(39,000)
Balance on General Fund Reserves (£000s)	31/03/2014 59,552	31/03/2015 57,686	31/03/2016 35,640	31/03/2017 22,136

DETAILED ANALYSIS MTFP BY SERVICE

Detailed analysis of the Medium Term Financial Plan by service area 2013/14 to 2016/17

Service	Total	Savings		Growth	Adjustments	Total	Savings		Growth	Adjustments	Total	Savings		Growth	Adjustments	Total
	2013-14 £'000	Approved £'000	New £'000	£'000		2014-15 £'000	Approved £'000	New £'000	£'000	£'000	2015-16 £'000	Approved £'000	New £'000	£'000	£'000	2016-17 £'000
Education, Social Care and Wellbeing	193,525	(2,010)	0	1,020	(7,060)	185,475	0	0	138	0	185,613	0	0	1,111	0	186,724
Communities, Localities and Culture	76,616	(415)	0	1,493	(913)	76,781	0	0	1,235	0	78,016	0	0	910	0	78,926
Development & Renewal	19,744	(1,534)	0	(2,225)	(160)	15,825	0	0	261	0	16,086	0	0	339	0	16,425
Resources	6,541	(230)	0	0	(36)	6,275	0	0	0	0	6,275	0	0	0	0	6,275
Chief Executives	9,592	0	0	0	(277)	9,315	0	0	0	0	9,315	0	0	0	0	9,315
Public Health	29,982	0	0	0	0	29,982	0	0	0	0	29,982	0	0	0	0	29,982
Net Service Costs	336,000	(4,189)	0	288	(8,446)	323,653	0	0	1,634	0	325,287	0	0	2,360	0	327,647
Other Net Costs																
Capital Charges	9,444	0	0	1,845	0	11,289	0	0	0	0	11,289	0	0	0	0	11,289
Levies	1,661	0	0	0	0	1,661	0	0	0	0	1,661	0	0	0	0	1,661
Pensions	15,392	0	0	2,800	0	18,192	0	0	2,000	0	20,192	0	0	1,500	0	21,692
Other Corporate Costs	(5,923)	(2,503)	0	(128)	4	(8,550)	0	0	247	0	(8,303)	0	0	3,759	0	(4,544)
Total Other Net costs	20,575	(2,503)	0	4,517	4	22,593	0	0	2,247	0	24,840	0	0	5,259	0	30,099
Public Health Grant	(31,382)	0	(879)	0	0	(32,261)	0	0	0	0	(32,261)	0	0	0	0	(32,261)
Core Grants	(23,452)	(3,000)	(1,468)	3,386	0	(24,534)	(3,000)	(1,656)	8,961	0	(20,229)	0	0	3,124	0	(17,105)
Reserves																
General Fund (Corporate)	0	0	0	0	0	0	0	0	(766)	0	(766)	0	0	0	0	(766)
Earmarked (Directorate)	(9,308)	0	0	0	7,877	(1,431)	0	0	0	0	(1,431)	0	0	0	0	(1,431)
General Fund (Smoothing)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inflation	3,299	0	(1,500)	6,342	0	8,141	0	(1,500)	7,000	0	13,641	0	(1,500)	7,000	0	19,141
Total Financing Requirement	295,732	(9,692)	(3,847)	14,533	(565)	294,663	(3,000)	(3,156)	19,076	0	309,081	0	(1,500)	17,743	0	325,324
Government Funding	(150,670)	0	(82)	28,201	0	(122,551)	0	(119)	36,075	0	(86,595)	0	(139)	17,463	0	(69,271)
Retained Business Rates	(100,800)	0	(2,016)	0	0	(102,816)	0	(2,056)	0	0	(104,872)	0	(2,098)	0	0	(106,970)
Council Tax	(63,343)	0	(3,053)	0	0	(66,396)	0	(996)	0	0	(67,392)	0	(1,011)	0	0	(68,402)
Collection Fund Surplus	(1,645)															
Total Financing	(316,458)	0	(3,135)	28,201		(291,763)	0	(1,115)	36,075	0	(258,859)	0	(1,150)	17,463	0	(244,643)

GROWTH

Summary of Growth Bids - 2014/15 - 2016/17

REF	Education Social Care & Well Being	2014/15	2015/16	2016/17	Total	2014/15 - 2016/17
		£000's	£000's	£000's		£000's
GRO ESCW 1-14	Demographic Pressures in Adult Social Care	1,413	1,456	1,501		4,370
GRO ESCW 2-14	Home – School Transport	-31	-180	-390		-601
GRO ESCW 3-14	Discretionary Awards Post-16	-138	-272	0		-410
	Earmarked Reserves	138	272	0		410
		1,382	1,276	1,111		3,769

REF	Communities, Localities & Culture	2014/15	2015/16	2016/17	Total	2014/15 - 2016/17
		£000's	£000's	£000's		£000's
GRO CLC 1-14	Freedom Pass	563	570	573		1,706
GRO CLC 2-14	Transportation, treatment and disposal of waste (including recyclate materials)	465	1,425	337		2,227
		1,028	1,995	910		3,933

REF	Development & Renewal	2014/15	2015/16	2016/17	Total	2014/15 - 2016/17
		£000's	£000's	£000's		£000's
GRO D&R 1-14	Carbon Reduction Commitment	201	261	339		801
	Corporate Cost	-201	-261	-339		-801
		0	0	0		0

REF	Corporate Costs	2014/15	2015/16	2016/17	Total	2014/15 - 2016/17
		£000's	£000's	£000's		£000's
	Capital Charges	1,000	0	0		1,000
	Pension Costs	2,000	2,000	1,500		5,500
	Auto Enrolment - Pension Fund	800	0	0		800
	Welfare Benefit Reform Contingency	-1,000	0	0		-1,000
	Investment Income	845	0	0		845
	Inflation	4,842	5,500	5,500		15,842
		8,487	7,500	7,000		22,987
	Total Growth Bids (All directorates)	10,897	10,771	9,021		30,689

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

Item Ref. No:
GRO/ESCW/01/14

TITLE OF ITEM: Demographic Pressures in Adult Social Care

DIRECTORATE: Education, Social Care & Wellbeing

SERVICE AREA: Adult Social Care

LEAD OFFICER:
John Rutherford

FINANCIAL INFORMATION:

	Contingency / Budget allocation	Bid (Base is 2013/14 Budget)			
		2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Employees (FTE)					
Employee Costs					
Other Costs	54,529	1,413	1,456	1,501	
Income					
To Reserves					
TOTAL	54,529	1,413	1,456	1,501	

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

DESCRIPTION & JUSTIFICATION

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

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

Client Group	Budgets 2013/14 (£'000)						Estimated Growth Rate	Estimated Growth Requirement
	Homecare	Day care	Meals	Direct Payments	Residential/ Nursing care	Total Budget		
PD	8,799	209	714	2,070	2,149	13,941	1.0%	139
LD	2,730	63	-	2,501	10,534	15,828	2.4%	380
OP	2,553	3,452	-	1,083	11,341	18,429	3.8%	704
MH	477	-	-	261	5,593	6,331	3.0%	190
TOTAL	14,559	3,724	714	5,915	29,617	54,529		1,413

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

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

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

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

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

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

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

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

The Tower Hamlets Mental Health Strategy Needs Assessment lists a number of "risk factors" and "protective factors" in relation to mental health. On some of these, Tower Hamlets has been shown to face a greater

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

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

challenge than the rest of London (carers, older people, drug and alcohol misuse) but all need attention because of the specific risks they pose to mental health or because all are linked to the high levels of deprivation which exist in the borough. One of the most significant drivers of demand in mental health is the high population turnover in Tower Hamlets.

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

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

1. RISKS AND IMPLICATIONS:

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

Older People

There has been a progressive increase in services provided to older people since 2009/10. Spend on commissioned older people's services has increased by 19.1% over the past five years. Due to the health and demographic factors, demand for adult social care services from older people is predicted to continue to increase between now and 2020. Assuming an annual average growth rate of 3.82%, **growth requirement in 2014/15 for Older People Services is estimated at £704k.**

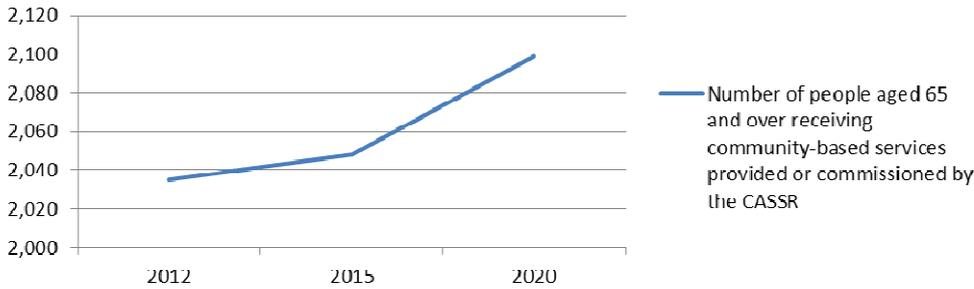
Home care, which is particularly heavily used by older people in Tower Hamlets, is expected to continue to be under growing pressure over the next 8 years. The charts below uses POPPI projections, applied to Tower Hamlets RAP returns from 2008/9-2011/12, to forecast the projected increase in demand for community-based, residential and nursing care services.

The chart below shows the number of older people aged 65 and over predicted to need community-based services between now and 2020.

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

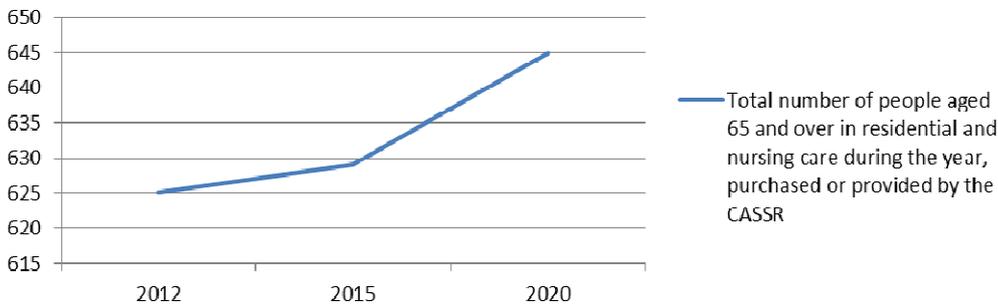
Item Ref. No:
GRO/ESCW/01/14

**Number of people aged 65 and over receiving
community-based services provided or
commissioned by the CASSR**



The chart below shows the number of people aged 65 and over predicted to need residential and nursing care services between now and 2020.

**Total number of people aged 65 and over in
residential and nursing care during the year,
purchased or provided by the CASSR**



Clients with Learning Disabilities

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

The Tower Hamlets JSNA used Emerson and Hatton's prevalence estimates for 2011 and 2021 to estimate existing and future numbers of people with severe and moderate learning disabilities in Tower Hamlets. The table below shows the estimated numbers of people with a severe or moderate learning disability in Tower Hamlets in 2011 and 2021 based on UK prevalence rates adjusted for age groups.

This equates to a 24% increase overall, and an average increase of 2.4% for each year, which indicates an **estimated annual growth requirement of £380k for LD client services.**

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

Item Ref. No:
GRO/ESCW/01/14

Age range	% in 2011	% in 2021	Number of people in 2011	Number of people in 2021
15-19	0.68%	0.68%	81	98
20-24	0.60%	0.61%	111	116
25-29	0.53%	0.53%	169	174
30-34	0.45%	0.54%	152	190
35-39	0.61%	0.61%	167	189
40-44	0.62%	0.63%	120	170
45-49	0.56%	0.49%	78	126
50-54	0.48%	0.49%	50	80
55-59	0.55%	0.55%	44	66
60-64	0.43%	0.43%	27	38
65-69	0.36%	0.36%	17	24
70-74	0.34%	0.34%	15	17
75-79	0.23%	0.23%	8	8
80+	0.18%	0.18%	9	11
Total			1,049	1,307

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

The table below shows data from PANSI on people in Tower Hamlets aged 18-64 predicted to have a severe or moderate learning disability and hence be likely to receive services

	2012	2014	2016	2018	2020
Tower Hamlets	1046	1114	1180	1236	1290
Tower Hamlets cumulative % increase	0%	6%	13%	18%	23%
Newham cumulative % increase	0%	3%	6%	8%	10%
Hackney cumulative % increase	0%	2%	5%	7%	9%

Mental Health Clients

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

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

Mental Health Service usage 2008-9 to 2012-13

	2008-9	2009-10	2010-11	2011-12	2012-13
Community referrals	12,764	13,751	13,410	11,234	-
Number of Mental Health Act assessments	427	500	572	564	-
Number of adults 18-64 receiving a mental health service from ASC	-	-	538	643	682

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

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

The number of adults aged 18 to 64 years old with mental health as their “primary client group” receiving mental health services from adult social care has increased by 19% between 2010-11 and 2011-12 and then 6% between 2011-12 and 2012-13, a total of 27% in the last three years, equating to an average annual increase of 9%.

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

PANSI predictions for Tower Hamlets – Number of adults aged 18-64 with a common mental disorder 2012-16

	2012	2014	2016
Number of adults 18-64 with a common mental disorder	30,461	32,295	33,888

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

Thus the real growth requirement within MH services is likely to be between 3%-9%. On the basis that the 9% based on LBTH average is likely to be skewed by the 19% in 2011-12, it has been assumed that the PANSI rate of 3% may represent a more realistic, steady state estimate. A 3% increase in demand for MH services is likely to lead to **growth requirement of £190k per annum**.

Clients with Physical Disabilities

Projecting Adult Needs and Services Information (PANSI) has a number of future predictions for physical disability and sensory impairment prevalence rates amongst working-age adults in Tower Hamlets. This information is categorised according to health condition, and does not give an indication as to who might be eligible for adult social care. The below table is therefore intended for illustration purposes only:

PANSI predictions for Tower Hamlets – Number of adults aged 18-64 with a moderate or severe physical disability 2012-16

	2012	2014	2016
Number of adults 18-64 with a moderate physical disability	11,302	12,011	12,716
Number of adults 18-64 with a severe physical disability	2708	2886	3088
Total	14,010	14,897	15,804

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

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

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

In contrast, Tower Hamlets local evidence suggests that there has been no increase in demand in the number of working-age adults who have a physical disability or sensory impairment and who are eligible to receive support from adult social care. There are no strong indications from past trends that suggest we can expect an increased demand in future.

However, in light of the PANSI predictions for Tower hamlets and the fact that care package costs for PD clients can be very high, a prudent 1% provision for growth is recommended. This would equate to an **annual growth requirement of £139k for PD client services.**

2 | VALUE FOR MONEY/EFFICIENCY

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

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

Commissioning arrangements are regularly reviewed to ensure rates paid by Tower Hamlets are competitive and represent value for money. However, as most contracts now contain a requirement to pay the London living wage to staff directly providing services, this is likely to impact on the competitiveness of rates paid by Tower Hamlets compared to other local authorities.

There has been a more dramatic increase in the number of adults with a learning disability receiving home care, day care and direct payments. However, the average cost of a care package has reduced over the last three years. This may be partially explained by the overall decrease in the number of adults in long-term residential or nursing care placements as more clients are offered cheaper, more flexible customer centred supported accommodation options. Efficiency initiatives such as the 2012 domiciliary care retender may also have contributed to keeping costs down.

Framework-I commissioning budget report on the average care package cost over the last three years for adults with a learning disability indicates that the average of care packages have reduced by over 1%.

Year	Average cost of care package (per person)
2010/11	£37,150
2011/12	£39,605
2012/13	£36,772

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

The development of extra care sheltered housing (ECSH) as an alternative to institutional care, at an average annual cost of £9,676 per service user against £28,600 per institutional placement, is another efficiency driver. There are now six ECSH schemes in Tower Hamlets, providing 161 apartments for rent. This includes two new ECSH schemes opened in the borough in 2012 providing 57 additional flats.

Day Services across all client groups are currently being reviewed with a view to delivering further efficiencies and the success of these initiatives will help manage demand and reduce costs.

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

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

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

FINANCIAL INFORMATION:

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

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

DESCRIPTION & JUSTIFICATION

Growth Calculation:

The current budget for home-school travel is £0.910m for direct transport only. The pro-forma for 2013/14 had a higher figure of £0.993m, including associated costs of bus passes and reimbursement of parent's travel costs. The spending 2013/14 is running higher than the budget of £0.910m for this reason.

The figures have been reassessed for the next three year period on the basis of the snapshot of provision in November 2013 and the expected change in numbers at current rates.

The initial rise in spending is based on the existing demand for school places, given that available places do not correlate to the areas where demand is greatest. The LA's commitment to continue the existing transport arrangements for current recipients is being honoured; although under review as per the LA's revised Travel Assistance policy and families are increasingly being offered other forms of travel assistance where possible. Demand for places remains high, but new admissions policies will assist in getting more pupils in local schools. This is a complex situation and uncertainties remain about whether strategies for managing the expected demand will be entirely successful (i.e. whether new school places will be built; whether the new admissions arrangements will promote a better correlation between pupils and places). Therefore it is likely that there may be further demand on local school places and this will impact on the need for travel assistance beyond those identified in this report.

The current number of families being provided with travel assistance is 318 (248 children receiving school bus transport and 70 families receiving other forms of assistance such as a Travelcard or bus pass issued to the parent/child) with current annual cost of £0.945m. When considering the different forms of assistance it is important to note that school transport is the only provision where we are able to provide a cost per child. With the other forms of assistance such as a bus pass, whilst the average cost of is £714.75 per year, this is issued to the parent but in effect means that the LA is providing travel assistance for all the eligible children in that family.

Therefore, the addendum to Table 4 provides a further breakdown to indicate the **numbers** of children who are

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

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

receiving each form of travel assistance.

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

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

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

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

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

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

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

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

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

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

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

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

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

Table 2: Four Year Cost Projections

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

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

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

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

1. RISKS AND IMPLICATIONS:

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

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

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

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

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

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

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

As mentioned earlier in table 3, the revised per pupil cost of £3461.61 on school bus is 15% higher than the rate of £2950.18 per pupil determined for 2012/13. The average cost of travel pass is £865.85 per pupil and £714.75 per pupil for school bus pass.

2 | VALUE FOR MONEY/EFFICIENCY

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

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

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

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

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

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

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

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

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

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

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

Average Cost per Pupil - £3461.61

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

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

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

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

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

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

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

Item Ref. No:
GRO/ESCW/02/14

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

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

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

Item Ref. No:
GRO/ESCW/03/14

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

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

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

DESCRIPTION & JUSTIFICATION

Growth Calculation: In May 2013, Cabinet agreed to extend the Mayor's Educational Allowance from its original planned two academic year duration for a third year. This takes the initiative through to the summer term of 2014 and into 2014/15 financial year.
The costs are on the basis of the estimated take-up for 2 payments of £200 per academic year, plus £40k admin per year as set out below.

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

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

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

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

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

Item Ref. No:
GRO/CLC/01/14

TITLE OF ITEM:	Freedom Pass		
DIRECTORATE:	Communities, Localities and Culture		
SERVICE AREA:	Public Realm	LEAD OFFICER: Jamie Blake	

FINANCIAL INFORMATION:				
	Contingency / Budget allocation	Bid (Base is 2013/14 Budget)		
	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Employees (FTE)				
Employee Costs				
Other Costs	8,402	563	570	573
Income				
To Reserves				
TOTAL	8,402	563	570	573

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

DESCRIPTION & JUSTIFICATION
<p>The Freedom Pass scheme provides free travel on public transport for pass holders over 60 and registered as disabled throughout London. The scheme is administered by London Councils and decisions on apportioning the costs of the scheme between boroughs are made by Members of London Councils' Transport & Environment Committee.</p> <p>London Councils manage the negotiation of the Freedom Pass settlement with TfL and the allocation process between all the London Boroughs of their respective budget contributions to TfL. The methodology for this is as follows :-</p> <ol style="list-style-type: none"> 1. TfL state the overall Freedom Pass cost for London 2. London Councils receive a DfT grant towards Freedom Passes (about 11% of total cost) 3. The DfT grant is then deducted from the total cost to calculate the deficit remaining <p>London Councils has in the past apportioned the deficit to boroughs based on usage data (bus and underground) in proportion to Relative Needs Formula.</p> <p>On 12th December 2013 London Councils' Transport & Environment Committee are due to discuss a revised method of apportionment that will move away from the 'Relative Needs Formula' to one based wholly on usage.</p> <p>The schedule produced by London Councils shows that the re-based contribution required by LBTH in 2014/15 will be £ 8.965m, an increase of £ 0.563m on the 2013/14 figure. The figures currently model the impact of population growth on freedom pass usage to determine contributions by local authorities over the next three years. The figure for 2015/16 and 2016/17 are indicative and based on London Councils' current information.</p>

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

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

Growth Calculation:

Calculations are based on the schedule of contributions provided by London Councils which reflect the factors highlighted in the section above. In addition future years growth bids incorporate inflation at a rate of 2.5%.

1. RISKS AND IMPLICATIONS:

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

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

An indicative settlement was received by the Authority on 25th November 2013 indicating that the Authority's 2014/15 contribution will be £ 9.021m (based on a 1% fare increase above RPI (3.1%). However, more recent correspondence from London Councils states that a decision is expected to be made by the Mayor of London (early in December) that proposes a 0% increase on fares, which will then bring LBTH's contribution in line with the level used in this bid.

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

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

2 VALUE FOR MONEY/EFFICIENCY

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

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

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

Item Ref. No:
GRO/CLC/02/14

TITLE OF ITEM:	Waste Collection and Treatment
DIRECTORATE:	Communities, Localities and Culture
SERVICE AREA:	Public Realm
	LEAD OFFICER: Jamie Blake

FINANCIAL INFORMATION:				
	Contingency / Budget allocation	Bid (Base is 2013/14 Budget)		
	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Employees (FTE)				
Employee Costs				
Other Costs	15,045	465	1,425	337
Income				
To Reserves				
TOTAL	15,045	465	1,425	337

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

DESCRIPTION & JUSTIFICATION

In the 3 year period 2014/15 to 2016/17 waste collection and treatments costs will increase due to growth in the quantity of Municipal Waste brought about by the economic recovery gaining momentum along with the anticipated growth in the housing stock within the borough (and associated growth in the population).The details are set out below:

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

The sorting of the Council's dry recyclable material is managed through a contract with Viridor which will run until the end of January 2015.

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

The budget provision for 2013/14 has been calculated on the basis of the quantity of waste that is to be treated and disposed of during 2013/14.

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

In relation to housing stock growth, the 2011 Census data and Tower Hamlets Planning for

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

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

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

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

Municipal Residual Waste:

The estimated tonnage of residual waste in 2013/14 is 89,518 tonnes

Year	Estimated Residual Waste Growth (Tonnes)	Cost per Tonne (£)	Cost of Growth (£)
2014/15	2864	£102	£292,128
2015/16	2956	£104	£307,424
2016/17	3050	£106	£323,300

Dry Recycling:

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

Year	Tonnage	Cost per Tonne (£)	Cost of Growth (£)
2014/15 (Feb and March)	2000	£83	£166,500
2015/16 (includes 3.2% waste growth)	10382	£83	£861,706
2016/17 (growth on previous year only)	396	£19	£7,528

Other Wastes (Organic wastes and healthcare waste):

Year	Tonnage (combined)	Cost of Growth (£)
2014/15	65.5	£6150
2015/16	67.6	£6478
2016/17	69	£6737

Additional Cost of Waste Collection

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

1 x additional collection round £250,000

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

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

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

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

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

1. RISKS AND IMPLICATIONS:

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

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

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

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

2 VALUE FOR MONEY/EFFICIENCY

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

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

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

The Council has made significant strides in mitigating the costs of waste treatment and disposal by diverting waste from landfill disposal to other forms of waste treatment and reducing exposure to the increases in Landfill Tax with the cost per tonne for alternative treatment in 2014/15 being £102 per tonne. The current equivalent per tonne cost for residual waste to landfill (including Landfill Tax) within the Veolia contract is £153.50. This would rise to £161.50 in 2014/15 with the additional £8 per tonne increase in Landfill Tax.

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

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

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

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

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

FINANCIAL INFORMATION:

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

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

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

DESCRIPTION & JUSTIFICATION

Growth Calculation:

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

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

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

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

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

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

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

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

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

1. RISKS AND IMPLICATIONS:

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

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

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

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

2 VALUE FOR MONEY/EFFICIENCY

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

There is no alternative to the CRC.

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

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

Item Ref. No:
GRO/RES/01/14

TITLE OF ITEM: Pension Fund Auto-Enrolment

DIRECTORATE: Resources

SERVICE AREA: Corporate Finance

LEAD OFFICER: Paul Thorogood

FINANCIAL INFORMATION:

	Contingency / Budget allocation	Bid (Base is 2013/14 Budget)		
	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Employees (FTE)				
Employee Costs	21,700	800	0	0
Other Costs				
Income				
To Reserves				
TOTAL	21,700	800	0	0

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

DESCRIPTION & JUSTIFICATION

A growth bid of £1.2m was submitted last financial year to fund the anticipated increase in pension related cost as a result of the Council auto-enrolling all staff into the Pension Fund in June 2013. The provision that was made in the budget was based on an overall increase in LGPS participation of 20% (£100k per month = £1.2m annually).

Growth Calculation: The cost will depend upon take-up, estimated as follows;

	100% Take Up (per month)	50% Take Up (per month)	20% Take Up (per month)
LGPS (General Fund)	£515,200	£257,600	£103,040
LGPS (Schools)	£285,800	£142,900	£57,160
Teachers Scheme	£148,700	£74,350	£29,740
Tower Hamlets Homes	£58,600	£29,300	£11,720

Auto-enrolment was duly implemented by the Council on 1 June 2013. The exercise was far more successful than was originally anticipated, so that over 20% of staff have opted to stay in the LGPS after auto-enrolment. Therefore, additional provision is required. The below table sets out details of increase in spend by directorate.

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

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

Directorate	May	October	Monthly Variance	10 Month Impact (Impact on 13-14)	Annual Impact
Chief Executive	103,872.45	108,237.69	4,365.24	43,652.40	52,382.88
Communities Localities and Culture	458,981.92	504,478.76	45,496.84	454,968.40	545,962.08
Development & Renewal	267,395.45	285,076.10	17,680.65	176,806.50	212,167.80
Education Services	39,725.40	44,696.97	4,971.57	49,715.70	59,658.84
Education, Social Care & Wellbeing	1,011,563.84	1,098,376.22	86,812.38	868,123.80	1,041,748.56
Resources	271,112.31	284,843.70	13,731.39	137,313.90	164,776.68
TOTAL	2,152,651.37	2,325,709.44	173,058.07	1,730,580.70	2,076,696.84

It is anticipated that more staff will opt out of the scheme taking the required amount to £2m per annum - £1.2m has already been provided for in the 2013/14 budget on an ongoing basis.

1. RISKS AND IMPLICATIONS:

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

It is a statutory requirement for the Council to automatically enrol eligible staff in its occupational pension scheme and to make employers contributions in accordance with the scheme for each employee who joins.

2 VALUE FOR MONEY/EFFICIENCY

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

The Local Government Pension Scheme remains a high quality occupational scheme and the availability of the scheme is an important staff benefit that attracts applicants for Council jobs and affords a measure of financial security for staff who remain members for a significant period.

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

Item Ref. No:
GRO/RES/02/14

TITLE OF ITEM:	Investment Income		
DIRECTORATE:	Resources		
SERVICE AREA:	Corporate Finance	LEAD OFFICER:	Paul Thorogood

FINANCIAL INFORMATION:				
	Contingency / Budget allocation	Bid (Base is 2013/14 Budget)		
	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Employees (FTE)	0			
Employee Costs	0			
Other Costs	0	845	0	0
Income To Reserves	(2,545)			
TOTAL	(2,545)	845	0	0

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

DESCRIPTION & JUSTIFICATION

Following the credit crisis, there was a squeeze on credit facilities and a lowering of interest rates to encourage lending which resulted in record low interest rates. The Bank of England (BoE) base rate currently stands at 0.50% compared to a high of 5.75% in July 2007. The BoE lowered the rate to 0.50% in March 2009 and it has been at this level for the past four years and more. The new BoE governor has stated that interest rate will not go up until unemployment rate dips below 7%. Current estimates suggest that this will not happen until early 2016.

The Investment Strategy was reviewed in 2011/12 to increase flexibility and allow the Council to maximise returns from government owned banks that were at the time offering rates that were 1% above the average market rate. Savings totalling £495k (£445k in 2012/13 and £150k in 2013/14) were programmed into the budget on the back of these and raised level of cash balances. These preferential rates are no longer available from government owned banks and there has been a further squeeze on interest rates in the money markets since mid-2013.

This pressure on interest rates and a projected reduction in cash balances going forward means that the Investment Strategy will not be able to deliver the current budgeted level of income. It is deemed that the current credit criteria set out in the Investment Strategy recommended for approval conforms to CIPFA/CLG guiding principles that prioritises the security and liquidity of cash above returns. The Strategy has been flexed over the past 2 years and it is advised that the credit criteria is relaxed any further so as not to expose the Council to undue risk and potential loss of invested principal amounts.

It is projected that the Council will be able to achieve an average return on balances of 0.80% (0.83% year to date in 2013/14; 1.24% in 2012/13) on an average cash balance of £200m in 2014/15.

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

Item Ref. No:
GRO/RES/02/14

1. RISKS AND IMPLICATIONS:

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

The 2014/15 Investment Strategy that will be approved by Council specifically sets out the credit criteria under which officers are to invest Council's surplus cash balances. Under these criteria and current market conditions it is envisaged that the likely maximum return that will be generated from accumulated surplus cash and reserves is £1.6m. Investing in line with the approved Strategy will result in a budget overspend of £845k if this growth is not approved.

It is anticipated that cash balances and interest invested amounts will average out at £200m and 0.80% respectively giving the projected income of £1.6m

2 VALUE FOR MONEY/EFFICIENCY

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

This is an uncontrollable budget pressure that is largely dictated by the Council's Investment Strategy. A more flexible and greater appetite for 'risky' investments could generate additional income, but this must be weighed up against the security of invested cash. Investing in line with approved Strategy will guard against undue risk and prevent potential loss of invested amount.

APPROVED SAVINGS

Ref No.	Directorate	Current Name	2013/14 Year 3 £'000	Revised 2013/14 Year 3 £'000	2014/15 Year 4 £'000	TOTAL £'000
AHWB/1	Education Social Care & Well Being	Promoting Independence and reducing demand for domiciliary care through Reablement	100	100	0	100
AHWB/2	Education Social Care & Well Being	Better use of Supported Housing	940	940	0	940
AHWB/3	Education Social Care & Well Being	Modernising Learning Disability Day Services	600	600	0	600
AHWB 1 (2012)	Education Social Care & Well Being	Physical Disability Day Opportunities Budget efficiency	20	20	0	20
AHWB 2 (2012)	Education Social Care & Well Being	Mental Health Supported Accommodation	200	200	600	800
AHWB 3 (2012)	Education Social Care & Well Being	Use of Telecare	0	0	300	300
AHWB 4 (2012)	Education Social Care & Well Being	Reorganisation of Children Schools and Families & Adults Health and Wellbeing	150	150	0	150
AHWB 5 (2012)	Education Social Care & Well Being	LD residential and supported living efficiencies via collaborative work with neighbouring Boroughs	100	100	0	100
AHWB 7 (2012)	Education Social Care & Well Being	Improving the quality of the hostels sector and managing reduction of the number of bed spaces	690	690	0	690
AHWB 8 (2012)	Education Social Care & Well Being	More Effective Income Control	25	25	0	25
AHWB 9 (2012)	Education Social Care & Well Being	Supporting People Framework Agreement	225	225	0	225
AHWB 11 (2012)	Education Social Care & Well Being	Various savings each of less than £50k	40	40	0	40
CE 1 (2012)	Education Social Care & Well Being	Strategy, Policy and Performance: Management Restructure and Public Health	100	100	100	200
AHWB 1 (2013)	Education Social Care & Well Being	Office Supplies	46	46	0	46
AHWB 2 (2013)	Education Social Care & Well Being	Vacancy Management	1,280	1,280	0	1,280
AHWB 3 (2013)	Education Social Care & Well Being	Provision of Transport for Clients	50	50	50	100
LEAN/1	Education Social Care & Well Being	Management Streamling & Agency Management Reduction	147	147	0	147
		Total (Adults Health & Wellbeing)	4,713	4,713	1,050	5,763
ALL/1	Chief Executive	Directorate Supplies & Service Efficiencies	80	80	0	80
IO/3	Chief Executive	Shared Legal Services	7	7	0	7
LEAN/1	Chief Executive	Management Streamling & Agency Management Reduction	100	100	0	100
		Total (Chief Executive)	187	187	0	187
CLC/2	Communities Localities & Culture	Highways income and efficiencies opportunities	50	50	0	50
CLC/5	Communities Localities & Culture	Community Safety/Environmental Control Service Rationalisation - Restructure/Redesign of Directorate Enforcement Functions	0	0	150	150
CLC/7	Communities Localities & Culture	Commercial Waste Income Opportunities	400	400	0	400
CLC 1 (2012)	Communities Localities & Culture	Northumberland Wharf Commercial Lease	300	300	0	300
CLC 2 (2012)	Communities Localities & Culture	Depot Consolidation			200	200
CLC 6 (2012)	Communities Localities & Culture	Parking Permits Review	235	235	0	235
CLC 7 (2012)	Communities Localities & Culture	Corporate Events in Parks	90	90	0	90
CLC 8 (2012)	Communities Localities & Culture	Advertising Opportunity	600	600	0	600
CLC 9 (2012)	Communities Localities & Culture	Ideas Store Stock Fund	200	200	0	200
CLC 10 (2012)	Communities Localities & Culture	Various savings each of less than £50k	70	70	0	70
CLC 1 (2013)	Communities Localities & Culture	Roll out of Generic Working and Enhanced Deployment Methods	154	154	0	154
CLC 2 (2013)	Communities Localities & Culture	Improvement of Procurement of supplies and services	70	70	0	70
CLC 3 (2013)	Communities Localities & Culture	Market Fees	0	0	65	65
CLC 4 (2013)*	Communities Localities & Culture	Cease Contribution to Spitalfields	25	25	0	25
BAM/1	Communities Localities & Culture	Better Asset Management	198	198	0	198
LEAN/1	Communities Localities & Culture	Management Streamling & Agency Management Reduction	413	413	0	413
SSP/2	Communities Localities & Culture	Better targeting of Street Cleansing and Refuse Collection contracts	825	825	0	825
SSP/4	Communities Localities & Culture	Integrated Public Realm Contract - Service Efficiencies	1,300	1,300	0	1,300
SSP/10	Communities Localities & Culture	Leisure Service Efficiencies	495	495	0	495
	Communities Localities & Culture	Various efficiency savings each below £50k	76	76	0	76
		Total (Communities, Localities and Culture)	5,501	5,501	415	5,916
CSF/2	Education Social Care & Well Being	Family wellbeing model	200	200	0	200
CSF/4	Education Social Care & Well Being	Pupil Transport efficiency review	100	100	0	100
CSF/6	Education Social Care & Well Being	Redesign of parent support and advice to reflect need	40	40	0	40
CSF 2 (2012)	Education Social Care & Well Being	Move to a traded basis for Parent Support Services	0	0	205	205
CSF 3 (2012)	Education Social Care & Well Being	Saving in procurement of placements for looked after children	0	0	500	500

Ref No.	Directorate	Current Name	2013/14 Year 3 £'000	Revised 2013/14 Year 3 £'000	2014/15 Year 4 £'000	TOTAL £'000
CSF 4 (2012)	Education Social Care & Well Being	Consolidation of information systems- Single View of a Child	5	5	255	260
CSF 1 (2013)	Education Social Care & Well Being	Office Supplies	51	51	0	51
CSF 2 (2013)	Education Social Care & Well Being	Vacancy Management	2,298	2,298	0	2,298
CSF 3 (2013)	Education Social Care & Well Being	Integration of new Education Social Care and Wellbeing Directorate	100	100	0	100
CSF 4 (2013)*	Education Social Care & Well Being	Better targeting of teacher training bursaries	50	50	0	50
CSF 5 (2013)*	Education Social Care & Well Being	Registration Recharge to DSG	35	35	0	35
ALL/1	Education Social Care & Well Being	Directorate Supplies & Service Efficiencies	559	559	0	559
IO/1	Education Social Care & Well Being	Recharge Schools for Support Services	100	100	0	100
LEAN/1	Education Social Care & Well Being	Management Streamling & Agency Management Reduction	150	150	0	150
SSP/1	Education Social Care & Well Being	Improve Contract pricing through Contract re-negotiation	181	181	0	181
	Education Social Care & Well Being	Various efficiency savings each below £50k	80	80	0	80
		Total (Children, Schools & Families)	3,949	3,949	960	4,909
D&R 2 (2012)	Development & Renewal	Further Saving from Anchorage House	2,701	2,701	1,534	4,235
SW/1	Development & Renewal	Smarter Working	2,340	2,340	0	2,340
BAM/1	Development & Renewal	Better Asset Management	220	220	0	220
LEAN/1	Development & Renewal	Management Streamling & Agency Management Reduction	221	221	0	221
	Development & Renewal	Various efficiency savings each below £50k	60	60	0	60
		Total (Development & Renewal)	5,542	5,542	1,534	7,076
RES 1 (2012)	Resources	Phased Closure of Council's Cash Office Facility	80	80	0	80
RES 2 (2012)	Resources	Insurance - negotiate cheaper premiums in Consortium with other London Boroughs	125	125	0	125
RES 3 (2012)	Resources	Future Sourcing Project	500	500	230	730
RES 4 (2012)	Resources	Rationalisation of One Stop Shops	202	202	0	202
RES 1 (2013)	Resources	L&D - Agilysis Training	90	90	0	90
IO/4	Resources	Improved Income Collection, Debt Management and Fraud prevention	554	554	0	554
MOI/1	Resources	Managing our information	200	200	0	200
LEAN/1	Resources	Management Streamling & Agency Management Reduction	99	99	0	99
		Total (Resources)	1,850	1,850	230	2,080
CORP 2 (2012)	Corporate	Reduction in Corporate Contingency Provision	1,434	1,434	0	1,434
CORP 3 (2012)	Corporate	Contribution to Improvement & Efficiency Reserve	2,900	2,900	0	2,900
CORP 4 (2012)	Corporate	Insurance and Risk Management Provisions	500	500	1,300	1,800
CORP 5 (2012)	Corporate	Reduction in Severance Provisions	0	0	1,203	1,203
CORP 1 (2013)	Corporate	Audit Fees	185	185	0	185
CORP 2 (2013)	Corporate	London Pension Fund Authority Levy	399	399	0	399
CORP 3 (2013)	Corporate	Review of staff travel allowances	275	275	0	275
CORP 4 (2013)	Corporate	Treasury Management Investment Income	150	150	0	150
			5,843	5,843	2,503	8,346
		Total	27,585	27,585	6,692	34,277

RESERVES AND BALANCES

RESERVES AND BALANCES

General Reserves

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

RESERVES AND BALANCES

- 1.6 Financial reserves also have an important part to play in the overall management of risk. Councils with adequate reserves and sound financial health can embark on more innovative programmes or approaches to service delivery, knowing that if the associated risks do materialise the Council has sufficient financial capacity to manage the impact. Conversely, Councils with inadequate reserves can either find it more difficult to introduce change, or in extreme cases can be forced to develop very high-risk service strategies simply in order to restore their financial health.
- 1.7 Despite a challenging savings programme totalling £29.3m in the current financial year, the authority is currently projecting to keep net expenditure within budget without the use of general fund reserves. As a consequence general reserves are projected to stand at £59.6m as at 31st March 2014. This represents a significant endorsement of the organisation's financial management arrangements.
- 1.8 This is further demonstrated through the on-going evaluation of the financial risks facing the Council and which is summarised in the attached Appendix 5.2. This shows that the medium to high risk financial pressures over and above those already built into the MTFP by way of specific budget provisions, require the Council to maintain general reserves at between £20m and £38.5m, with a recommended minimum level (representing a medium risk profile) of £20m.
- 1.9 As shown in Appendix 5.3, in order to smooth the impact of government grant reductions reserves are being built up in 2013/14 and will be utilised over the 3 year period 2014/15 to 2016/17. Over this period reserves will not fall below the range between 5% and 7.5% of the Council's gross expenditure (excluding schools and housing benefits) but will be higher than this at times. However the implication of planning to reduce general reserves to the minimum recommended level by April 2017 is that 2017/18 and subsequent years' budgets will need to be balanced by identifying any necessary savings year on year.
- 1.10 Appendix 5.2 shows that there have been some changes to the profile of risks since this time last year. More risk is now attributed to service pressures and the delivery of the authority's savings programme and less risk attributed to economic conditions. However, following the Government's Autumn Statement announcements in relation to 2014/15 and future years, the authority's savings targets continue to be stretching with each passing year. Although the assessment of high risk has reduced since last year, the risk that the authority may be placed in a position of having to find higher levels of savings at relatively short notice has increased in the last twelve months. There is no immediate imperative to build this worst case scenario into the Medium Term Financial Plan, but the risks will continue to be monitored closely as the MTFP is implemented.
- 1.11 This position will need to be kept under constant review. The Council is continuing to undertake a substantial change programme to deliver the savings required over the next three years and beyond. This will involve major remodelling of services, which will have up-front costs that the Council

RESERVES AND BALANCES

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

- 1.12 The chancellor's Autumn Statement showed the continuing difficulties facing the UK economy. The recent confirmation of the 2014-15 grant settlement shows that the authority remains at the grant floor. However the population of the authority is expected to grow substantially and any additional costs arising will need to be met from savings.
- 1.13 Grant figures have yet to be announced beyond 2014/15 but the Autumn Statement announced a further 2% cut in local authority funding in 2014/15. In relation to public spending in general, the Chancellor projected that austerity will continue until 2017/18 with further cuts on the same trajectory. This is likely to mean that in addition to savings already identified and agreed to the end of 2014/15, the authority will need to deliver a further £80m-£90m worth of savings would be required by the end of that period.
- 1.14 Economic risk continues, manifesting itself primarily in low interest rates (which restrict the Council income from investments) and the possibility of high inflation. Indeed the UK economy is still recovering from recession and the public finances remain severely in deficit as a consequence of the cost of extra public borrowing to stimulate the banking sector and the impact on tax revenues of the recession. This has a number of potential effects for the Council;
- Higher than projected levels of inflation
 - A general reduction in debt recovery levels
 - Lower than planned investment income
 - Further reductions in Third Party Funding
 - Further reductions in grant income
 - Reductions in the level of income generated through fees and charges
 - Increase in fraud

All of these factors have been taken into account in setting the level of reserves for 2014/15 and the medium term.

Opportunity Costs

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

RESERVES AND BALANCES

urgent action to deliver savings which is more likely to have an impact on front-line services and incur additional costs.

Insurance Reserve

- 1.16 The Financial Outlook and Review identified continuing pressure on insurance costs to meet both higher numbers of claims payments and higher external insurance premiums. The Council self-insures a substantial proportion of its insurable risks and an external actuarial review of the level of internal insurance reserves is commissioned at regular intervals.
- 1.17 Contributions to the insurance reserve are made by all Directorates from their budgets based on their relative size, risk profile, and level of claims, representing the equivalent of a 'premium'.
- 1.18 The value of the Council's insurance reserve is projected to be £23.1m as at 31st March 2014. Following a review of the level of claims and existing potential liabilities, no further contributions to the reserve are planned for 2014/15. The reserve will be reviewed again in 2015/16.

Improvement and Efficiency Reserves

- 1.19 The costs of implementing the Council's programme of efficiencies and improvements to deliver the substantial level of savings required will in itself be considerable. The Council has planned well and has established reserves to fund the necessary changes. Although the total cost, at this stage, cannot be determined with any certainty it is not anticipated that it will be more than £6m over the next three years.
- 1.20 Costs may include, for example;
- investment in new technologies; and
 - cost of buying the Council out of existing contracts with suppliers.
- 1.21 The level of the reserve will be kept under review but, at this stage, it is not anticipated that further contributions will be required over the remainder of the planning period.
- 1.22 In addition to the Improvement & Efficiency Reserve the Council retains a **Severance Reserve** projected to have a balance of £7m as at 31st March 2014.

Parking Control Account

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

RESERVES AND BALANCES

Schools' Reserves

1.24 Schools' reserves represent unapplied revenue resources accumulated by schools with delegated spending authority. These totalled £31.9m at 31st March 2013. Schools' reserves are technically earmarked reserves of the Council but are controlled by schools and are not available to the Council for other purposes.

Capital Programme

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

Other Corporate and Service Specific Earmarked Reserves

1.27 A number of earmarked reserves are held to meet specific service objectives or fund potential liabilities which do not qualify as provisions for accounting purposes. These are shown in the summary attached as Appendix 6.3. The principal ones provide for:-

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

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

Sensitivity Analysis

The assumptions built into the 2014/15 Budget and Medium Term Financial Plan all contain a measure of estimation, and where events differ from assumption, the risk falls to the Council's budget.

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

RESERVES AND BALANCES

Scenario	Estimated annual financial impact £'000
Inflation – cost of an additional 0.5% pay rise for all staff	850
Inflation – price inflation 0.5% higher than forecast.	600
Committed growth in 2014/15 is 10% higher than forecast	1100
Interest rates – average investment rate in 2014/15 is 0.5% less than estimate.	1000
10% of projected savings not delivered in 2014/15	742
Budget requirement overspent by 1%	3,000
For each £1m that the cost of implementation of improvement and efficiency programme exceeds expectation.	1,000

RISK EVALUATION 2014/15

Risks	Budget Exposure £m	2014/15 onwards	
		Medium Risk £m	High Risk £m
General Economic Climate			
Inflation	300		
Debt recovery	250		
Tax base	170		
Interest rates	5		
Fees and charges	35		
Grant funding (exc. ring fenced grants)	120		
Pensions auto enrolment	150		
Fraud	n/a		
		7.5	18.3
Service Demand (inc. ring fenced grants)			
Children's Services	150		
Adult Services	100		
Demographics	100		
Welfare Reform	n/a		
Public Health transfer	30		
		8.7	16.7
Savings programme			
Slippage and non-achievement of savings	28		
Cost of implementation	50		
		3.8	6.2
Unidentified risks	n/a	3.0	5.0
Opportunities			
Tax base growth	170		
Public Health transfer	30		
		0.0	-2.7
Risk and contingency provisions		-3.0	-5.0
TOTAL RISK EVALUATION		20.0	38.5

Projected movement in Reserves April 2013 to March 2017

	31.3.13 £million	31.3.14 £million	31.3.15 £million	31.3.16 £million	31.3.17 £million
General Fund Reserve	38.1	59.6	57.7	35.6	22.1
Earmarked Reserves					
Corporate					
Improvement & Efficiency	9.3	5.4	5.3	5.2	5.2
Severance	7.0	7.0	7.0	7.0	7.0
Finance Systems	2.2	2.0	1.6	1.2	0.7
ICT Refresh	1.3	0.6	0.6	0.6	0.6
Olympics	0.7	0.7	0.7	0.7	0.7
Education Grant Reduction	2.6	1.9	1.9	1.9	1.9
Employment and other Corporate Initiatives	11.9	6.9	5.6	4.6	4.6
Other	2.1	2.0	1.9	1.9	1.9
Service Specific					
Homelessness	3.0	1.5	1.3	1.3	1.3
Parking Control	1.8	0.4	-	0.7	0.7
Development & Renewal other	3.3	2.5	1.8	1.7	1.6
Communities, Localities and Culture	1.1	0.1	0.1	0.1	0.1
Education, Social Care & Well Being (Childrens')	1.1	-	-	-	-
Education, Social Care & Well Being (Adults')	5.3	1.5	-	-	-
Chief Executive's and Resources	0.5	0.1	0.1	0.1	0.1
Revenue Reserves, Other					
Insurance	23.1	23.1	23.1	23.1	23.1
Schools	31.9	35.1	31.9	28.6	25.4
Early Intervention	5.0	0.5	-	-	-
Housing Revenue Account	16.2	16.2	16.2	16.2	16.2
Capital	22.0	15.1	14.3	13.3	13.3
Earmarked Reserves surplus to requirements	-	-	-	-	-
	189.5	182.2	171.1	143.8	126.5

SCHOOLS BUDGET

SCHOOLS FUNDING

NB This appendix is based on information provided to Schools Forum at its meeting on 11th December 2013. The only material change is a recognition that the DSG will reflect the estimated 475 additional pupils in the autumn 2013 pupil census.

1. INTRODUCTION / SUMMARY

- 1.1. In March 2012 the Department for Education (DfE) started the process to reform the school funding system towards a fairer, more consistent and transparent approach with regards to the document 'School Funding Reform: Next steps towards a fairer system'. In order to support movement towards a national funding formula, from 2013/14 the DfE started the process of a simpler and more consistent arrangement for distributing funding to schools and other providers.
- 1.2. The Local Authority (LA) worked with the Schools' Forum and developed a new local formula for 2013-14, using the simplified and consistent factors that were allowed and the small number of exceptional factors which were in place for 2013-14.
- 1.3. Following the implementation of the first stage of the reforms, the Education Funding Agency (EFA) carried out a short review in order to understand to what extent further changes were required for 2014/15 in order to move closer to a national funding formula, and to ensure that there had been no unintended consequences as a result of the arrangements for 2013/14.
- 1.4. In February 2013 the DfE undertook a review of the 2013-14 arrangements across the country; results of the review were published in June 2013 along with some changes that are required for 2014/15 to resolve some anomalies and to move further towards a national funding formula.
- 1.5. In September 2013 Schools Forum considered a high level view of the potential income and expenditure in the Schools Budget for 2014/15. This model has been refreshed in Table 1 below. Firm figures for much of the Schools Budget settlement are expected imminently and would supercede the forecasts included here.

Table 1: Illustrative forecast of potential 2014/15 Schools Budget position

Future income	£'000	Future expenditure	£'000
Gross Schools Budget allocation 2013/14	334,300	Gross Schools Budget allocation 2013/14	334,300
less b/f from 2012/13	-5,553	less retained b/f allocations 2013/14	-432
Add c/f forecast 2013/14	4,612	add back one-off Summer Grant adj	145
less phased out support for 3YO places	-429	less Year 2 impact of full-time 3YO changes	-372
less Post 16 High Needs Funding not guaranteed for future	-837	less reduction in devolved budgets if all mainstream schools limited to the Minimum Funding	-492

Future income	£'000	Future expenditure	£'000
		Guarantee	
Change in 2 year old funding (This may be known by the time of the meeting)	?	Keep Central and High Needs budgets as per 2013/14	0
Reduction to allow the DSG nationally to meet the Carbon Reduction Commitment for schools	-?	Position if half of the unfilled 2YO places are filled (ie half the underspend recurs)	-1,786
Adjustment, dependent on how the FSM commitment for R,1 and 2 is funded.	?		
475 additional pupils at £7k	3,325		
Basic forecast of 2014/15 Schools Budget income	335,980	Basic forecast of 2014/15 Schools Budget expenditure	331,363
		Difference (ie estimated unallocated amount)	-4,617

- 1.6. Schools Forum will recall that the funding available for 2014/15 will not include the £3.250m one-off brought forward used for 2013/14. The effect of this is that every single primary and secondary school's formula budget in Tower Hamlets would be funded on the basis of the Minimum Funding Guarantee for 2014/15 (ie 98.5% of last year's per pupil funding plus the lump sum of £0.100m and their rates bill).
- 1.7. The DfE are intending to make few changes to the arrangements for high needs funding arrangements for special schools, Alternative Provision and post-16 provision, They will, however, align funding for pre- and post-16 systems closer together in 2014-15.
- 1.8. Firm budget information for 2014/15, based on the October 2013 pupil census, is expected from the Department for Education at some point in early December 2013.

2. SCHOOLS BUDGET 2014-15 – SOURCES OF INCOME

- 2.1. The Dedicated Schools Grant (DSG) settlement for 2014/15 will be a one year settlement which is not expected to be released until after the Chancellor's Autumn Statement which is scheduled for 5th December 2013. Whilst the national quantum has been set for school funding in 2014/15 there are some uncertainties relating to both the settlement and its timing.
- 2.2. The DSG settlement is calculated in three blocks and the expectations for 2014/15 for each block are set out below. Information from the EFA suggests that the timing of the settlement for each of the blocks may be different.

- 2.3. **Schools Block** - This is expected in December and has been confirmed as cash flat per pupil settlement based upon the October 2013 census. The Minimum Funding Guarantee (MFG) is confirmed as minus 1.5% per pupil for 2014/15. Potentially, there may be an adjustment to allow the costs of Carbon Reduction Commitment to be deducted for all schools nationally. There may also be an impact of the commitment to FSM for Reception, Year 1 and Year 2 if this is not done through a specific grant.
- 2.4. The DfE confirmed that the Guaranteed Unit of Funding (GUF) for the Schools Block would continue to be frozen at the 2013-2014 rates for 2014-2015. Any change in allocation will therefore be due to changes in pupil numbers in the October 2013 census, or technical changes arising from additional free school meals funding or to take account of the carbon reduction commitment. Draft census figures indicate an increase of 475 which would result in an additional Schools Block funding.
- 2.5. The provisional pupil count from the October 2013 census is in **Table 2**.

Table 2: Change in Pupil numbers between years

Pupil No's	Autumn 12	Provisional Autumn 13	Change
Primary	21,633	22,104	471
Secondary	12,752	12,756	4
Totals	34,385	34,860	475

- 2.6. **High Needs** - This is confirmed as cash settlements based upon previous spend, it is not expected that the settlement will be adjusted for changes in demand and numbers of pupils. Nonetheless, the DfE will need to adjust for:
- any changes in planned places;
 - the full-year effect of the Post16 High Needs allocations that started in September 2013; and
 - whether higher levels of places needed for Post 16 that were initially identified as not guaranteed would be made permanent or not.
- 2.7. 2014/15 will be the first full financial year for the post-16 funding (HN) changes which may bring pressure on the settlement. The settlement for this block is not expected until March 2014 and will give problems in balancing the overall budget; the budget will need to be agreed before this is confirmed in order that budget information can be released to schools. This is a particular issue given that in 2013/14 the EFA made a number of changes to the settlement post April 2013; it is not known whether this will be the case again.
- 2.8. **Early Years** It is expected that this settlement will be a per pupil amount based upon the Spring term headcount for three and four year olds using the same funding rates as 2013/14. Confirmation of the settlement will be after the budget has been set, as in previous years it will be necessary to estimate on un-validated headcount information. It is also anticipated that the

settlement will include funding for two year old places. Again this settlement is expected to be the same per pupil as for 2013/14 and will not allow for any increase in the rate paid to providers for places.

- 2.9. **EFA Post 16 Grant.**- For planning purposes EFA Post 16 income and expenditure has been set at 2013/14 levels (£17.185m)
- 2.10. **Pupil Premium**- From April 2014 children who are looked after will attract a higher rate of funding than children from low-income families, the 'pupil premium plus', which will be £1,900 per pupil for 2014-15. This is to reflect the unique challenges they face at school where they often struggle to keep up with their peers at both primary and secondary level. The premium for primary FSM 'Ever 6' pupils will increase to £1300 per pupil, while secondary FSM 'Ever 6' pupils will attract £935.
- 2.11. **Free School Meals Grant**-Coalition Government has announced free school meals for all Reception, Year 1 and Year 2 pupils from September 2014; however the detail operations of the FSM scheme and funding are yet to be announced.
- 2.12. **Table 3** below summarises the estimated sources of income for the Schools Budget for 2014/15, on the basis of current knowledge. It corresponds to the high level calculation of income in **Table 1. Appendix 1** provides explanations about the reasons for changes. Subject to decisions of Schools Forum in January and March 2014 about the Schools Budget and subject to final allocations confirmed by DfE, this report suggests that around £4.617m may be left unallocated on the basis of the expenditure assumptions explained in the next section.

Table 3: Summary of Estimated Sources of Income for Schools Budget 2014/15

Component	Schools Budget 2013/14	Possible changes	Possible Schools Budget 2014/15
1.7.1 DSG	-299,654,000	4,929,350	-294,724,650
1.7.2 DSG b/f	-5,553,000	941,000	-4,612,000
1.7.3 EFA Grants	-17,185,671	0	-17,185,671
1.7.5 Academy Recoupment	-11,908,000	-2,933,350	-14,841,350
Total Funding Schools Budget to match expenditure plans in Section 3.	-334,300,671	2,937,000	-331,363,671
Unallocated DSG	-562,000	-4,055,000	-4,617,000
Total resources available / expected	-334,862,671	-1,118,000	-335,980,671

3. SCHOOLS BUDGET 2014/14 – ISSUES REGARDING EXPENDITURE PLANS

- 3.1. **Summary.** Schools Forum is not being asked to agree a firm budget plan for 2014/15 at this stage. This section sets out the position of each of the components of the Schools Budget for 2014/15 and identifies what work still has to be done or what further information is required before firm figures can be put forward. This is particularly the case for the large commissioning

budgets for Early Years, Special Needs and Alternative Provision, all of which need a review of the commitments for 2014/15 by the next meeting. **Appendix 1** sets out more detail on the components.

- 3.2. **APT Primary and Secondary** - The last meeting of the schools forum in September, approved the provisional Authority Proforma Tool (APT) detailing the adjusted schools formula. This was submitted to the DfE by 31st October 2013. The key changes required to meet the regulations including the changes to the data were:
- **Prior attainment secondary data** – maintain the same quantum of funding for this factor, even although the dataset is now different.
 - **Place numbers in SRP units** - numbers on roll less **places** rather than pupils, which will result in a real reduction in funding for such schools with differences between their filled and total SRP places.
- 3.3. The schools formula for 2014/15 has been modelled on provisional October 2013 pupil numbers combined with October 2012 pupil data and so should be considered indicative only.
- 3.4. Bow School will cease to occupy PFI premises from September 2014 and consequently receive reduced PFI factor funding for 2014-15. The LA has obtained approval via the DfE in September 2013 that this small element of funding for this factor (£42,716) for Bow School only is outside the MFG in 2014-15.

Table 4: Comparison of forecast requirement for core primary and secondary budgets with underlying funding available

Minimum Funding Guarantee	£227.149m
Rates (Estimated 14-15)	£3.933m
Lump Sum	£8.300m
Bow PFI (5/12ths) until sept 2014	0.043m
Funding requirement 2014-15	£239.425m
Explained by:	
School Budget Shares (Primary and Secondary) 2013/14	£239.917m
less additional one-off DSG allocated in 2013-14	-£3.250m
Add increase in pupils	£2.758m
Total	£239.425m

- 3.5. **Table 4** above sets out the funding requirement for primary and secondary schools' main formula, if the £3.250m one-off brought forward used for 2013/14 is removed and if all schools in Tower Hamlets will be funded on the basis of the Minimum Funding Guarantee for 2014/15 (ie 98.5% of last year's per pupil funding plus the lump sum of £0.100m and their rates bill).
- 3.6. **Special Schools and SRP** – The change in the “regulations (14,2,a) provides that SEN places, whether filled or unfilled, do not count towards a school's pupil numbers for the purpose of calculating its budget though the mainstream funding formula”. This caused some confusion nationally in 2012-13 and the Tower Hamlets formula was operated by only not counting filled places in

resource units. This does mean that schools with resource bases may lose funding in 2014-15 as unfilled places will be removed from their overall numbers but it is correct as they do receive £10,000 per place.

- 3.7. In 2014/15, top up funding per pupil for special schools cannot be reduced by more than 1.5% per pupil for a pupil with similar characteristics. By contrast, in 2013/14, a special school's budget (both places and top up) could not be reduced by more than 1.5% in total., but the protection had to be built into the per pupil top up rates rather than provided as a lump sum The impact of this is that anomalous protection can be granted to a special school whose actual or estimated pupil numbers were low in 2013/14 but have since increased. As the protection is a sum per pupil, the total protection received will increase as the number of pupils increases, even where it was originally provided to assist the school with managing a large number of vacancies.
- 3.8. The number of funded places from 2014/15 are currently being considered with individual institutions. Proposed places are to be submitted to the EFA later this month. The EFA has been keen for Authorities to narrow any gaps between actual pupils and the place numbers funded.
- 3.9. **The Pupil Referral Unit** is currently working through the new responsibilities as a school and having to manage the changes brought about by School funding reforms as well. Their funding is no longer fixed at the start of the year (based largely on places), the majority of their funding will only be provided if pupils are placed at their setting throughout the year. Their administrative processes for agreeing rates, tracking pupils and recovering funding from a range of commissioners are now established. Places for the PRU, too, have to be submitted to the EFA later this month.
- 3.10. **De-delegated services** - Mainstream schools may receive additional devolved responsibilities if Schools Forum decides on whether six particular services should be devolved or not for maintained schools (but not academies).
- 3.11. Schools Forum will be asked to make decisions about de-delegation for the six services in Table 5 at the January 2014 meeting of Schools Forum. Appendix 2 sets out details of the services. The rates would be unchanged on 2013/14, but de-delegation would only apply to maintained schools, not academies. This means that there would be a smaller amount for all these services than previously.

Table 5: Overall funding for the 6 candidate services for de-delegation 2014/15

De-delegation services		Primary	Secondary	Total
Pupil Numbers (excluding academies)		20,727	11,972	32,699
Values	Unit value	£'000	£'000	£'000
Contingencies (other than pupil number growth)	£14.93	£309	£178	£487
Free School Meals Eligibility	£3.86	£80	£46	£126
Licences/ subscriptions	£1.47	£30	£18	£48

Staff costs supply cover	£9.70	£201	£116	£317
Support to underperforming ethnic minority groups and bilingual learners	£15.82	£328	£189	£517
Behaviour support services	£8.70	£180	£104	£284
	£54.48	1,128	£651	£1,779

- 3.12. For Academies, the new formula will be the basis for allocating DSG funding to them, rather than the more convoluted method currently. The only difference between mainstream schools and academies in their entitlement to DSG funding would be that element of the six services above that Schools Forum determined should be de-delegated for maintained schools.
- 3.13. **High Needs Pupils** - Work is on-going in collaboration with High Needs providers in planning the high needs places and provision for 2014/15. It is the intention to at least maintain the current provision and banded top up funding, so for planning purposes the 2013/14 budget has been used. Post 16 high needs funding (Element 1 and 2) has been included at the actual rates for 2013/14, but note this is matched by EFA funding. All other High Needs funding will be confirmed in March 2014
- 3.14. **Early Years** - For Early Years settings, the changes to the formula are limited and it is not thought that there will be any particular impacts on such settings that would not already have happened with the existing formula. The Early Years January 2014 census will be used for the opening DSG allocation and therefore the same level of funding as currently has to be assumed at this time. The funding associated with the increase to 40% eligibility from September 2014 is yet to be confirmed.
- 3.15. **Central Provision.** Further work is needed on Central Provision, in particular in estimating the growth provision required for 2014/15. It is not expected that other central provision budgets will require more resource at this stage.
- 3.16. **Table 6** below summarises the emerging expenditure plans for 2014/15, which are explained in more detail in **Appendix 1**.

Table 6: Summary of developing School Budget for 2014/15

Schools Forum Summary	Schools Budget 2013/14	Possible changes	Possible Schools Budget 2014/15
1.0 ISB	262,955,293	-828,529	262,126,764
1.1 De-delegated items	1,788,471	-9,471	1,779,000
1.2 High Needs	36,831,673	89,000	36,920,673
1.3 Early Years	26,998,012	-2,158,000	24,840,012
1.4 Central Provision	5,727,222	-30,000	5,697,222
Total Illustrative Schools Budget 2014/15	334,300,671	-2,937,000	331,363,671

4. 2015/16 Expectations

- 4.1 It remains the intention of the DfE to move to the next stage of what is now the National Fair Funding Formula in 2015/16 and a consultation is expected on the framework and detail of its implementation early in 2014. It can be expected that the challenges faced by local authorities in implementing the 2013/14 changes will be present again in the lead in time to 2015/16.
- 4.2 The EFA announced recently through a national funding conference that the expectation is that the DSG settlement for 2015/16 may be 'better than cash flat', it is uncertain what this means but it could indicate that there may be transitional funding to assist its implementation.
- 4.3 The National Fair Funding Formula will only apply to the Schools Block settlement and the distribution of funding to individual schools. There is no indication of how the High Needs block will be flexed to take account of changes in the number of high needs pupils, this is a concern given that the current settlement is based upon historical spend and not need.
- 4.4 It has been confirmed that MFG will be present within the new arrangements but have not stated at what level that will be. Ministers have also stated that they wish to see movement to the national formula sooner rather than later, the speed of the transition will dictate the level of MFG with a shorter transition resulting in more turbulence and greater losses and gains for schools.
- 4.5 For the Early Years Block it is expected that this will continue to be a per capita amount for three and four year olds, two year old funding is also expected to move to a participation basis rather than the current position of funding eligible children. The DfE wish to move to a national early years formula possibly for 2016/17

DSG heading	DSG sub-heading	Provisional			Comment	SF Category
		2013/14 budget	Possible change	2014/15 budget		
1.0 ISB	1.0.1a Nursery	25,114,825	-2,158,000	22,956,825	Some adjustment to planned spend on 2 year olds will be needed to reflect level of activity expected (-£1.786m, representing half of the underspend for 2013/14). Current allocations are beyond the current capacity to deliver. Plus the planned reduction in costs arising from fewer full-time places in maintained provision (-£0.372m)	1.3 Early Years
1.0 ISB	1.0.1a Primary	133,223,692	445,101	133,668,793	Difference reflects change in the APT impact by sticking to the Minimum Funding Guarantee. SRP places still to be confirmed for 2014/15. Updated gross budgets for academies without de-delegation.	1.0 ISB
1.0 ISB	1.0.1b Secondary	123,385,601	-927,630	122,457,971	Difference reflects change in the APT impact by sticking to the Minimum Funding Guarantee. SRP places still to be confirmed for 2014/15. Updated gross budgets for academies without de-delegation. No change to Post 16 allocation.	1.0 ISB
1.0 ISB	1.0.1c PRU	1,946,000	-346,000	1,600,000	Brought forward removed. Place numbers for 2014/15 to be confirmed	1.0 ISB
1.0 ISB	1.0.1c Special Schools	4,400,000		4,400,000	Special School places still to be confirmed for 2014/15.	1.0 ISB
1.0 ISB	1.0.1g Pupil Premium	0		0		1.0 ISB
1.1 De-delegated items	1.1.1 Contingencies	465,874	21,126	487,000	In-year conversions to academies were adjusted using this budget. The provisional figure for 2014/15 represents 2013/14 rate for number of pupils at current maintained schools.	1.1 De-delegated items
1.1 De-delegated items	1.1.2 Behaviour	290,849	-6,849	284,000	Provisional: 2013/14 rate, Oct 13 census for current maintained schools.	1.1 De-delegated items
1.1 De-delegated items	1.1.3 UPEG and bilingual	529,823	-12,823	517,000	As per 1.1.2	1.1 De-delegated items
1.1 De-delegated items	1.1.4 FSM Eligibility	128,758	-2,758	126,000	As per 1.1.2	1.1 De-delegated items
1.1 De-delegated items	1.1.7 Licences and Subs	48,887	-887	48,000	As per 1.1.2	1.1 De-delegated items
1.1 De-delegated items	1.1.8 Staff costs	324,280	-7,280	317,000	As per 1.1.2	1.1 De-delegated items
1.2 High Needs	1.2.1 Top-up funding - maintained	21,962,804		21,962,804	Figures to be reassessed for Jan 14 Schools Forum	1.2 High Needs
1.2 High Needs	1.2.2 Academies and Free Schools	0		0	Figures to be reassessed for Jan 14 Schools Forum	1.2 High Needs
1.2 High Needs	1.2.3 Independent providers	7,325,304		7,325,304	Figures to be reassessed for Jan 14 Schools Forum	1.2 High Needs
1.2 High Needs	1.2.4 Other AP provision	2,662,658	89,000	2,751,658	Figures to be reassessed for Jan 14 Schools Forum. B/f for managed moves removed. One-off grant income removed.	1.2 High Needs
1.2 High Needs	1.2.5 SEN Support Services	4,338,874		4,338,874	Figures to be reassessed for Jan 14 Schools Forum	1.2 High Needs
1.2 High Needs	1.2.6 Support for Inclusion	48,000		48,000	Figures to be reassessed for Jan 14 Schools Forum	1.2 High Needs

DSG heading	DSG sub-heading	2013/14 budget	Possible change	Provisional		Comment	SF Category
				2014/15 budget			
1.2 High Needs	1.2.8 Hospital Education	460,000		460,000		Figures to be reassessed for Jan 14 Schools Forum	1.2 High Needs
1.2 High Needs	1.2.9 PFI and BSF costs at special schoo	34,033		34,033		Will be updated to reflect actual charges for Phoenix.	1.2 High Needs
1.3 Early Years	1.3.2 EY 2 year olds	152,543		152,543		Figures to be reassessed for Jan 14 Schools Forum	1.3 Early Years
1.3 Early Years	1.3.3 EY Central	1,730,644		1,730,644		Figures to be reassessed for Jan 14 Schools Forum	1.3 Early Years
1.4 Central Provision	1.4.1 Combined budgets	1,639,822	-30,000	1,609,822		B/f for Virtual School removed.	1.4 Central Provision
1.4 Central Provision	1.4.2 Admissions	728,800		728,800		No change expected	1.4 Central Provision
1.4 Central Provision	1.4.3 Schools Forum	30,000		30,000		No change expected	1.4 Central Provision
1.4 Central Provision	1.4.4 Termination costs	1,117,000		1,117,000		No change expected	1.4 Central Provision
1.4 Central Provision	1.4.5 Carbon reduction commitment allow	0		0			1.4 Central Provision
1.4 Central Provision	1.4.8 Fees to ISS (Not SEN)	509,600		509,600		Currently underspending, so needs to be reassessed for Jan 14 Schools Forum	1.4 Central Provision
1.4 Central Provision	1.4.10 Pupil growth/ Infant class sizes	1,644,000		1,644,000		Calculation to be done for Jan 14 Schools Forum, based on known planned expansions and current policy. SF will need to approve this budget specifically.	1.4 Central Provision
1.4 Central Provision	1.4.12 Exceptions agreed by Secretary of	58,000		58,000		Will be updated to reflect actual charges for 2013/14 and any changes expected for 2014/15.	1.4 Central Provision
1.7 Funding Source	1.7.1 DSG	-299,654,000	4,929,350	-294,724,650			1.7.1 DSG
1.7 Funding Source	1.7.2 DSG b/f	-5,553,000	941,000	-4,612,000		Reflects forecast c/f at 31st March 2014	1.7.2 DSG b/f
1.7 Funding Source	1.7.3 EFA Grants	-17,185,671	0	-17,185,671		No change expected	1.7.3 EFA Grants
1.7 Funding Source	1.7.5 Academy Recoupment	-11,908,000	-2,933,350	-14,841,350		Based on provisional APT for the 4 current academies.	1.7.5 Academy Recoup
SCHOOLS BUDGET TOTAL		0	0	0			

Schools Forum Summary			
1.0 ISB	262,955,293	-828,529	262,126,764
1.1 De-delegated items	1,788,471	-9,471	1,779,000
1.2 High Needs	36,831,673	89,000	36,920,673
1.3 Early Years	26,998,012	-2,158,000	24,840,012
1.4 Central Provision	5,727,222	-30,000	5,697,222
Total Schools Budget	334,300,671	-2,937,000	331,363,671
1.7.1 DSG	-299,654,000	4,929,350	-294,724,650
1.7.2 DSG b/f	-5,553,000	941,000	-4,612,000
1.7.3 EFA Grants	-17,185,671	0	-17,185,671
1.7.5 Academy Recoupment	-11,908,000	-2,933,350	-14,841,350
Total funding for Schools Budget	-334,300,671	2,937,000	-331,363,671

De-delegation- business cases for schools forum

At budget setting time each year, Schools Forum will be asked to approve the de-delegation of funding for centrally provided support in the following areas.

1. School Specific Contingency
2. Free School Meal Eligibility Assessment
3. Licences and Subscriptions
4. Staff Supply Costs
5. Ethnic Minority Attainment
6. Behaviour Support

De-delegation will be based on a per pupil formula which is considered to be a fair way of accounting for the size of the school and its budget. On this basis, for each item we have provided figures on the overall expenditure and the per pupil rate.

These figures are **PROVISIONAL**, based on the number of maintained schools currently and the prevailing rates for 2013/14. **Final figures will be presented to Schools Forum in January 2014 for a final decision** on each of the six services by primary school representatives and secondary school representatives on whether de-delegation should apply for 2014/15.

1. Schools Specific Contingency

£2.143m in total of which:

Amount requested: £487k expected to be sought as de-delegation and £1.644m provisionally expected to be automatically retained by the Local Authority for in-year pupil growth, but officers are reassessing this for Schools Forum in January 2014.

These figures need to be assessed nearer the start of 2014/15 financial year to take account of the particular circumstances envisaged for that year.

Per pupil amount: **£14.93**

The table below shows what is funded by this money

Item	Amount (£k)
Schools Block Contingencies' Include: i. Exceptional unforeseen costs which it would be unreasonable to expect governing bodies to meet; ii. Schools in financial difficulty; and, iii. Additional costs relating to new, reorganised or closing schools.	487

What is provided?

The contingency fund provides for unforeseen expenses in schools during the year. This can include, for example, significant unforeseen and urgent maintenance expenditure (eg asbestos removal; roof repair) and litigation including compensation claims. The contingency also allows funding for significant pupil growth with in the year, but that element will be automatically retained, without de-delegation.

Why de-delegate

There are a range of possible scenarios that can give rise to unforeseen costs in schools. Without a central fund, individual schools facing an unforeseen significant cost may find themselves unable to operate within their delegated budgets. Individual schools may not by themselves be able to build up sufficient contingency to cover this.

2. Free school meals eligibility assessment

Amount requested: £126k

Per pupil rate: **£3.86**

The table below shows what is funded by this money:

Item	Amount (£k)
SLA with the Council's Housing Benefit Service	£126

What does the service provide?

The service assesses pupils' eligibility for free school meals, either as part of the Housing and Council Tax Benefit claim process or on referral from schools/ other agencies. The service notifies individual schools on a regular basis of their pupils' eligibility. The service also conducts take up campaigns on behalf of schools.

Why de-delegate?

Providing this service centrally, as part of a service that specialises in assessing benefit entitlement, means that efficiencies can be gained by direct access to DWP information about claimants' entitlement. In addition, the process is integrated with housing and council tax benefit claims, reducing the burden for claimants. Administration at individual school level would be burdensome as entitlement checking would have to be done manually (by paper copies of claimants' entitlement.) Resources can also be used to run effective campaigns resulting in increased take up.

3. Licences and Subscriptions

Amount requested: £48k

Per pupil rate: **£1.47**

The table below shows how this funding is used:

Item	Amount (£k)
ALPS (data analysis tool for secondary attainment) PRS for Music – performing Right Society copyright licence PPL Copyright – Phonographic Performance Limited Copyright Licence PVS Licence – Public Video Screening licence ERA – Educational Recording Licence to enable schools to record television and Radio broadcasts CLEAPS – To cover schools from nursery to sixth form – Health & Safety and curriculum support.	48

What does the service provide?

A number of licenses/ subscriptions are purchased centrally on behalf of schools as set out in the table above.

The DfE have negotiated a national agreement with the Copyright Licensing Agency (CLA), and the Music Publishers Association (MPA). This means that the authority will be able to hold funding for all maintained schools and academies and pay the DfE for that service. So, schools will no longer be required to maintain individual licenses and, £58k has been deducted from the overall total to arrive at the figures above.

Why de-delegate

Purchasing and managing licenses and subscriptions centrally offers significant efficiency benefits from the Council administering the licenses centrally and discounts if buying on behalf of all schools. This also ensures that schools meet all legal requirements, particularly in relation to the use of recorded media as part of their curriculum.

4. Staff Supply cover

Amount requested: £317k

Per pupil rate : **£9.70**

The table below shows what is funded by this money:

Item	Amount (£k)
Backfill cover for Trade Union (TU) facilities time	187
Cost of non-teaching trades union facilities time	81
Salary protections	8
Supply cover for staff suspended due to police investigations	41
Total	317

What does the service provide?

The TU Facilities Agreement ensures that representatives are available to enable Schools to participate in collective bargaining and consultation processes. TU Reps also accompany staff to formal meetings in accordance with an employee's statutory right which enables Schools to progress formal actions under HR Procedures.

The salary protections budget is a small budget to cover the costs of historic agreements to protect the salaries of some staff.

The rest of the budget is to cover schools for the cost of supply cover in the event that a member of staff is suspended pending police investigations.

Why de-delegate?

Holding these budgets centrally enables schools to share the costs of supply cover to support the Tu facilities time agreement, and ensures that individual schools who employ shop stewards are not disadvantaged. Maintaining budgets for supply cover and salary protections for other circumstances ensures that individual schools are protected against the risk of unforeseen costs in these areas that may arise during the year.

5. Ethnic Minority Attainment

Amount requested: £517k

Per pupil rate : **£15.82**

The table below shows how this funding is used.

Item	Amount (£k)
Staffing (school improvement team)	241
Provision of specific interventions (eg one to one tuition, international links- see below)	159
Overheads (office premises, support services etc)	117
Total	517

What does the service provide?

The school improvement team provides support for schools across phases in providing effective learning for pupils from ethnic minorities and/ or with English as an additional language. This includes specialist expertise in relation to meeting the needs of specific ethnic groups (eg traveller communities, White British, Bangladeshi, Somali.) The support provided includes diagnosing the individual learning needs of pupils from under achieving groups and working with teachers in schools to put in place effective intervention strategies. The service also provides a specialist advice service to schools for working with particular ethnic minorities. Direct interventions are also supported for some pupils with particularly high need, for example, one to one literacy tuition.

Why de-delegate?

De-delegation of funding to support a central service gives all schools access to this support and helps them to manage fluctuations and demands of cohorts from year to year. It would be challenging for individual schools to themselves provide this specialist expertise given the changing cohorts of pupils, and without central support schools would need to commission more expensive external consultancy. Such support also brings together expertise from across the schools to share expertise and experience in the field. This support has proven effective as there has been considerable uplift in English and mathematics outcomes, particularly in the last three years (now above national averages). Without the focus on raising attainment particularly in English and mathematics there is detrimental effect to other subjects. The subsequent rise in English and mathematics results has also increased the gold standard 5A*-C with English and mathematics measure which is also above the national average. Tower Hamlets has the highest proportion of ethnic minority students in the country combined with the highest demand for FSM. It is a volatile, ever changing community where literacy and numeracy requires constant attention. There is always fragility in inner city schools with staff change-over and changing cohorts. Sustained, evolving support can only benefit the whole education community.

6. Behaviour Support

Amount requested: £284k

Per pupil rate : **£8.70**

The table below shows what is funded by this money:

Item	Amount (£k)
Staffing (behaviour support team)	189
2.5 FTE for specialist teaching staff, 0.5 FTE anti-bullying officer, 0.5 FTE bilingual community development worker, share of administrative officer	
SIP commissioned Intensive High Risk Family Interventions to promote engagement in education (and prevent escalation to Tier 3) - SLA with Family Intervention Programme	54
Resources to support interventions	14
Overheads (office premises, support services)	27
Total	284

What does the service provide?

The part of the Behaviour Support Team which works with children with SEN (BESD) can be retained centrally through the high needs SEN budget.

However the resources above apply to that part of the service working with non-statemented BESD which require school agreement to de-delegate.

This includes half of the post of Head of BST, two fte BST teachers (one primary and one secondary), a 0.5fte Anti-Bullying Advisor and 0.5 fte bilingual community development worker.

The work includes:

0.5fte post for advice, guidance and interventions to prevent bullying, including cyber bullying, in and around schools and direct case-work with children and families where mediation between school and home is required.

Systemic work with schools where local data or national inspections have identified behaviour may be a cause for concern. This might include policy work, auditing and review (data and operational practice) school based professional development through training and coaching support targeted class/ year group/ department work to improve Behaviour for Learning.

Preparation and support for Ofsted for schools with behaviour as an identified concern

Targeted advice for children at immediate risk of permanent exclusion or to prevent escalation to Tier 3 interventions, (as directed by SIP).

BST management support and supervision, and advice to Headteachers as part of the borough's Behaviour and Attendance Partnership work.

0.5fte bilingual community development post to provide specialist parenting groups for very high risk groups: parents of children with extremely challenging behaviour, SEN and BESD, parents of young offenders and parents on parenting orders for non-attendance. This includes outreach work in homes for hard to engage families / extreme cases.

In addition the budget covers:

A fee paid on behalf of schools for Stonewall membership which provides resources and support for anti-homophobic bullying.

A small sum for exceptional deployment to cover innovative solutions to behaviour support where no other budget exists (at the direction of SIP)

A share of the administrative and overheads costs incurred in service delivery.

An SLA with the Family Intervention Programme (FIP) to work intensively with high risk families to break intergenerational cycles of poor behaviour and disaffection, promote engagement in education and prevent escalation to Tier 3 (as directed by SIP).

Why de-delegate?

Most funds for behaviour support work have already been delegated to schools so they can buy in behaviour expertise externally, as and when required. However, the funds above are targeted at the most critical cases referred to SIP, on the cusp of permanent exclusion or other Tier 3 interventions. Such cases can be unpredictable and costly and providing this support centrally means that the most critical behaviour issues can be managed swiftly as they arise.

It also enables prompt deployment of support where Ofsted and/or schools themselves identify a cause for concern regarding behaviour which requires systemic advice and in-depth training and guidance. Consolidating this support in a central resource means that expertise is developed and retained in an expert team and provides strategic support to the Behaviour and Attendance Partnership.

HOUSING REVENUE ACCOUNT

Housing Revenue Account	2014/15	2015/16	2016/17
	Draft Budget £'000	Draft Budget £'000	Draft Budget £'000
Gross Income	(89,922)	(91,934)	(94,736)
Gross Expenditure	84,558	87,931	90,877
Net Cost of HRA Services	(5,364)	(4,003)	(3,859)
HRA Balances			
Opening Balance	(14,060)	(4,975)	(4,991)
Net Cost of HRA Services	(5,364)	(4,003)	(3,859)
Closing Balance prior to Appropriations	(19,424)	(8,978)	(8,850)
Appropriations			
Revenue Contribution to Capital	14,449	3,987	0
Closing HRA Balance	(4,975)	(4,991)	(8,850)

CAPITAL PROGRAMME

Scheme Name	Scheme Description	2013/14 Revised Budget	2014/15 Budget	2015/16 Budget	2016/17 Budget	Total Budget 2012/13 to 2015/16
		£m	£m	£m	£m	£m
Education, Social Care and Wellbeing						
Mental Health SCP(C)	Supported capital expenditure work to various buildings	0.035				0.035
Telecare equipment for service users	Telecare equipment for service users	0.172	0.100			0.272
Ronald Street Roof Replacement	Roof replacement	0.014				0.014
Fit Out Costs for Learning Disability Hubs	Fit out costs for the Learning Disability Hubs	0.160	0.080			0.240
Improvement works to 35 Ronald Street	Improvement works	0.370				0.370
Blue Gate Fields - Boiler Replacement	Boiler replacement	0.070				0.070
Cubitt Town Juniors - Fire Escape Staircase	Works on the fire escape staircase	0.020				0.020
Smithy Street - Recover Roof	Recover roof	0.080				0.080
Mayflower - Electrical Rewire (Phase3)	Electrical rewire (Phase3)	0.080				0.080
Various Sites - Conditions Surveys	Conditions Surveys	0.230				0.230
Statutory Requirements	Physical access for staff or pupils with disability and fire protection	0.286				0.286
Harry Gosling - Lightening Conductor	New lightening conductor	0.021				0.021
Cayley - Fire Safety	Fire safety works	0.011				0.011
John Scurr - Replace Concrete Boundary Wall	Replacement of concrete boundary wall	0.010				0.010
Third Base PRU - Window Replacement	Window replacement	0.010				0.010
Globe school - heating pipework replacement and upgrade	Heating pipework replacement and upgrade	0.150				0.150
Blue Gate Fields Junior & Infants - update electrical supply	Upgrade of electrical supply	0.112				0.112
Manorfield Pipework Replacement	Pipework replacement	0.150				0.150
Eva Armsby FC - Replace Roof Covering	Replacement roof covering	0.060				0.060
Non Schools - Statutory Requirements	Non Schools - statutory requirement works	0.040	0.100			0.140
Alice Model - Heating Boiler Replacement	Heating boiler replacement	0.022				0.022
Gorsfield Residential Centre - Security Improvements	Security improvements	0.058				0.058
Bishop Challoner - Community Facilities	Community facilities	0.600				0.600
Arnhem wharf - Expansion	Expansion	0.333				0.333
Cayley - Expansion	Expansion	2.562	0.080			2.642
Culloden - Expansion	Expansion	0.020				0.020
Marnier - Expansion	Expansion	0.320				0.320
Wellington - Expansion	Expansion	0.100				0.100
Stebon - Expansion	Expansion	1.000	4.450	0.050		5.500
PDC - Conversion	Conversion	2.877	0.200			3.077
Woolmore Primary School	New Build	3.750	6.000	0.645		10.395
Match Funding for Schools (Schools Specific contingency)	Match Funding for Schools (Schools Specific contingency)	1.000				1.000
Refurbishment of Bethnal Green Centre	Refurbishment	2.092	0.025			2.117
Olga Primary School - Expansion	Expansion	0.200	5.250	5.250		10.700
Provision of Bulge Classes - Expansion	Expansion	0.370				0.370
Scheme Development	Scheme Development	0.023				0.023

Scheme Name	Scheme Description	2013/14 Revised Budget	2014/15 Budget	2015/16 Budget	2016/17 Budget	Total Budget 2012/13 to 2015/16
		£m	£m	£m	£m	£m
Various Sites - Feasibility	Feasibility	0.005				0.005
Bromley Hall - Feasibility	Feasibility	0.011				0.011
Halley School - Feasibility	Feasibility	0.010				0.010
Swanlea School - Feasibility	Feasibility	0.025				0.025
Bow Boys Feasibility (scheme development)	Feasibility (scheme development)	0.198				0.198
Olga Feasibility (scheme development)	Feasibility (scheme development)	0.208				0.208
CDA	CDA	0.010				0.010
QS	QS	0.010				0.010
St John's CE - Refurbishment	Refurbishment	0.102				0.102
Elizabeth selby - Refurbishment & Extension	Refurbishment and extension	0.010				0.010
Malmesbury - Remodelling	Remodelling	0.120				0.120
Gorsefield - Refurbishment	Refurbishment	0.010				0.010
One Stop Shop - Accessible Interactive Sports & Leisure Facility	Accessible interactive sports and leisure facility	0.126				0.126
Globe Town Children's Centre (Sparks) - Development/ Refurbishment	Development and refurbishment	0.006				0.006
BMX Track	BMX Track	0.006				0.006
Provision for 2 year olds	Work to increase capacity to enable 2 year old school provision	0.456	0.707			1.163
Provision for 2yr olds - Grant to Global Kids Daycare	Work to increase capacity to enable 2 year old school provision	0.044				0.044
EDUCATION, SOCIAL CARE AND WELLBEING TOTAL		18.767	16.992	5.945	0.000	41.704

COMMUNITIES, LOCALITIES AND CULTURE						
Roman Rd (Globe Town)	TfL schemes including safety, cycling and walking, SuperHighway	0.022				0.022
Manchester Road / Island Gardens / Stabrook	TfL schemes including safety, cycling and walking, SuperHighway	0.259				0.259
Abbott Road / Aberfeldy Estate	TfL schemes including safety, cycling and walking, SuperHighway	0.010				0.010
St Paul's Way	TfL schemes including safety, cycling and walking, SuperHighway	0.060				0.060
Bethnal Green to Olympic Park	TfL schemes including safety, cycling and walking, SuperHighway	0.009				0.009
Cycle Infrastructure Improvement	TfL schemes including safety, cycling and walking, SuperHighway	0.050				0.050
Brick Lane	TfL schemes including safety, cycling and walking, SuperHighway	0.032				0.032
Wapping Wall	TfL schemes including safety, cycling and walking, SuperHighway	0.002				0.002
Legible London	TfL schemes including safety, cycling and walking, SuperHighway	0.196				0.196
Zebra Crossing Halos	TfL schemes including safety, cycling and walking, SuperHighway	0.060				0.060
Valance Road Junction	TfL schemes including safety, cycling and walking, SuperHighway	0.070				0.070
Local Area Minor Accessibility Improvements	TfL schemes including safety, cycling and walking, SuperHighway	0.138				0.138
Local Transport Funding	TfL schemes including safety, cycling and walking, SuperHighway	0.119				0.119
Bethnal Green Town Centre	TfL schemes including safety, cycling and walking, SuperHighway	0.309	0.270			0.579
Bartlett Park Master Plan	TfL schemes including safety, cycling and walking, SuperHighway	0.031				0.031
Cycle Routes - Boroughwide	TfL schemes including safety, cycling and walking, SuperHighway	0.159				0.159
Westferry Road	TfL schemes including safety, cycling and walking, SuperHighway	0.332				0.332
Road Safety - Boroughwide	TfL schemes including safety, cycling and walking, SuperHighway	0.114				0.114

Scheme Name	Scheme Description	2013/14 Revised Budget	2014/15 Budget	2015/16 Budget	2016/17 Budget	Total Budget 2012/13 to 2015/16
		£m	£m	£m	£m	£m
Bus Stop Works - various locations	TfL schemes including safety, cycling and walking, SuperHighway	0.050				0.050
Marsh Wall Environmental Improvement	TfL schemes including safety, cycling and walking, SuperHighway	0.053	0.270			0.323
Cavell Street - COG	TfL schemes including safety, cycling and walking, SuperHighway	0.100				0.100
King David Lane & Juniper Street - signage, footpath, carriageway upgrade	TfL schemes including safety, cycling and walking, SuperHighway	0.094				0.094
Bow	TfL schemes including safety, cycling and walking, SuperHighway	0.250				0.250
Historic Streets	TfL schemes including safety, cycling and walking, SuperHighway	0.300				0.300
Sydney Street	TfL schemes including safety, cycling and walking, SuperHighway	0.250				0.250
Bust Stop Accessibility Programme	TfL schemes including safety, cycling and walking, SuperHighway	0.100				0.100
Belgrave Street	TfL schemes including safety, cycling and walking, SuperHighway	0.080				0.080
Cycle Parking	TfL schemes including safety, cycling and walking, SuperHighway	0.058				0.058
Violet Road Bridge Assessment	TfL schemes including safety, cycling and walking, SuperHighway	0.020				0.020
Corbridge Crescent Bridge	TfL schemes including safety, cycling and walking, SuperHighway	0.020				0.020

Scheme Name	Scheme Description	2013/14 Revised Budget	2014/15 Budget	2015/16 Budget	2016/17 Budget	Total Budget 2012/13 to 2015/16
		£m	£m	£m	£m	£m
To be decided/confirmed	TfL schemes including safety, cycling and walking, SuperHighway	0.000	3.349	3.349		6.698
Grounds Maintenance	Purchase of ground maintenance equipment	0.750				0.750
Cycling Improvements	Cycle parking facilities; bike pump facilities and cycle permeability schemes	0.100				0.100
Highway Improvement Programme	Highway improvements	1.000	1.000			2.000
Sainsbury Food Store - Redevelopment of Site (1 Cambridge Heath Road)	Developers Contribution	0.000	0.022			0.022
St Anne Street	Developers Contribution	0.020				0.020
Warner Green	Developers Contribution	0.049				0.049
Weavers Field & Allen Gardens	Developers Contribution	0.148				0.148
Albert Gardens	Developers Contribution	0.025				0.025
Millwall Park & Langdon Park	Developers Contribution	0.041				0.041
Poplar Park & Jolly's Green	Developers Contribution	0.069				0.069
Ropewalk Gardens	Developers Contribution	0.047				0.047
Spitalfields Area - Pedestrian Routes	Developers Contribution	0.005				0.005
Marshwall/Limeharbour - Highway Works	Developers Contribution	0.016				0.016
Blackwall Way Bus Stops	Developers Contribution	0.000	0.039			0.040
Fieldgate Street	TfL schemes including safety, cycling and walking, SuperHighway	0.045				0.045
Blossom St & Folgate St	TfL schemes including safety, cycling and walking, SuperHighway	0.075				0.075
Morris Road & Rifle St Footbridge	TfL schemes including safety, cycling and walking, SuperHighway	0.035				0.035
Morris Road & Rifle St	TfL schemes including safety, cycling and walking, SuperHighway	0.054				0.054
Cambridge Heath Road/Witen St	TfL schemes including safety, cycling and walking, SuperHighway	0.061				0.061
Former Bishop Challoner School	TfL schemes including safety, cycling and walking, SuperHighway	0.122				0.122
Cordelia St/Carron Close	TfL schemes including safety, cycling and walking, SuperHighway	0.100				0.100
Marsh Wall Junction Works	TfL schemes including safety, cycling and walking, SuperHighway	0.121				0.121
St Andrews Hospital	TfL schemes including safety, cycling and walking, SuperHighway	0.000	0.088			0.088
Bow Common Lane and Furze St	TfL schemes including safety, cycling and walking, SuperHighway	0.030				0.030
Selsey Street	TfL schemes including safety, cycling and walking, SuperHighway	0.090				0.090
Commercial Road	TfL schemes including safety, cycling and walking, SuperHighway	0.125	0.125			0.250
Cambridge Heath Road/Three Colts Lane	TfL schemes including safety, cycling and walking, SuperHighway	0.047				0.047
Whitechapel Road	TfL schemes including safety, cycling and walking, SuperHighway	0.030				0.030
Bethnal Green Road	TfL schemes including safety, cycling and walking, SuperHighway	0.150				0.150
Wapping Lane	TfL schemes including safety, cycling and walking, SuperHighway	0.000	0.064			0.064
Former Safeway Store	TfL schemes including safety, cycling and walking, SuperHighway	0.000	0.135			0.135
Caspian Wharf and Yeo Street	TfL schemes including safety, cycling and walking, SuperHighway	0.146				0.146
Fairfield Road	TfL schemes including safety, cycling and walking, SuperHighway	0.020				0.020
Improvements to pedestrian and cycle routes	TfL schemes including safety, cycling and walking, SuperHighway	0.148				0.148
Ocean Estate FS2	TfL schemes including safety, cycling and walking, SuperHighway	0.000	0.106			0.106
Bow Area Traffic Management Review	TfL schemes including safety, cycling and walking, SuperHighway	0.000	0.250			0.250
Bow Area Traffic Review - Study	OPTEMS	0.159				0.159
A12 Wick Lane Junction	OPTEMS	0.027	0.250			0.277
Monier Road - cycle/pedestrian improvements	OPTEMS	0.020				0.020

Scheme Name	Scheme Description	2013/14 Revised Budget	2014/15 Budget	2015/16 Budget	2016/17 Budget	Total Budget 2012/13 to 2015/16
		£m	£m	£m	£m	£m
Dace Road - cycle/pedestrian improvements	OPTEMS	0.014				0.014
Fairfield Road/Tredegar Road Signals	OPTEMS	0.016	0.250			0.266
Millwall Park/Island Gardens	Park improvements	0.003				0.003
Poplar Park	Park improvements	0.040				0.040
Schoolhouse Lane Multi Use Ball Games Area	Improvements to ball game areas	0.007				0.007
Victoria Park Sports Hub & Other Works	Improvements to the sports hub	0.616	2.000			2.616
Victoria Park Masterplan	Victoria Park Masterplan	0.740				0.740
Pennyfields	Works to open spaces	0.018				0.018
Christ Church Gardens	Works to open spaces	0.350				0.350
Mile End Hedge	Works to open spaces	0.165				0.165
Trees - Boroughwide	Planting trees boroughwide	0.016				0.016
Brickfield Gardens	Installation of Street Lighting	0.040				0.040
Trinity Square Gardens	Conversion of lawn area to York stone paving	0.055				0.055
Brady Centre	Building Improvements	0.001				0.001
Bethnal Green Gardens, Victoria Park	Tennis Court works	0.002				0.002
Victoria Park	Tennis Courts	0.010				0.010
Bartlett Park	Various works including landscaping	0.013				0.013
Mile End Stadium Track resurfacing	Resurfacing the stadium track	0.004				0.004
Public Art Projects	Middlessex Street	0.239				0.239
Mile End Park Capital	Mile End Park Capital	0.084				0.084
Watney Market Ideas Store	New idea store and one stop shop in Watney Market	0.195				0.195
Landscaping of Watney Market	Landscaping	0.235				0.235
Bancroft Library	Bancroft Library	0.008				0.008
Whitechapel Idea Store	Major project work	0.017				0.017
St Georges Pool	St Georges Pool works	0.106				0.106
Brick Lane Mural	Brick Lane Mural	0.000	0.045			0.045
Banglatown Art Trail & Arches	Art trail and arches	0.610				0.610
Bancroft Library Phase 2b	Bancroft Library Phase 2b	0.145				0.145
Bancroft Library	Bancroft Library	0.403				0.403
CCTV Improvement and Enhancement	CCTV Improvement and Enhancement	0.014				0.014
Boroughwide CCTV Improvements	CCTV Improvements	0.182	0.128			0.310
Generators at Mulberry Place	Works to the generators at Mulberry Place	0.009				0.009
Essential Health and Safety	Contaminated Land Strategy H&S (2007/08):	0.013	0.250			0.263
Adelina Grove	Contaminated land survey and works	0.000	0.053			0.053
Copton Close	Contaminated land survey and works	0.000	0.040			0.040
Poplar High St	Contaminated land survey and works	0.000	0.037			0.037
Rosebank Gardens	Contaminated land survey and works	0.000	0.023			0.023
Stores Quay	Contaminated land survey and works	0.000	0.056			0.056
Veronica House	Contaminated land survey and works	0.000	0.033			0.033
Mudchute Park Improvements	Repair of car parks; creating a village green; providing toilet and hand washing facilities	0.045				0.045

Scheme Name	Scheme Description	2013/14 Revised Budget	2014/15 Budget	2015/16 Budget	2016/17 Budget	Total Budget 2012/13 to 2015/16
		£m	£m	£m	£m	£m
Mile End Leisure Centre - Security Enhancements	Fencing and security	0.002				0.002
Bartlett Park Master Plan - Highways	Realigning and re-landscaping a section of Upper North Street and other Highway Improvements	0.350	1.382			1.732
COMMUNITIES, LOCALITIES AND CULTURE TOTAL		11.987	10.265	3.349	0.000	25.601

BUILDING SCHOOLS for the FUTURE						
Beatrice Tate	Build	0.728	0.000			0.728
Raines	Build	1.177	0.000			1.177
Central Foundation	Build	8.738	2.829			11.567
Langdon Park	Build	3.512	0.904			4.417
Phoenix	Build	0.780	0.000			0.780
Stepney Green	Build	-3.165	0.000			-3.165
Bow Boys	Build	22.545	2.671			25.215
George Greens	Build	3.900	0.424			4.325
Central Services	ICT	1.122	0.903			2.025
Bethnal Green TC	ICT	0.082	0.161			0.242
St Pauls Way	ICT	0.154	0.233			0.387
Raines	ICT	0.538	0.303			0.841
Sir John Cass	ICT	0.096	0.456			0.551
Morpeth	ICT	0.122	0.124			0.246
Oaklands	ICT	0.128	0.244			0.372
Ian Mikardo	ICT	0.005	0.010			0.014
Cambridge Heath	ICT	0.008	0.010			0.018
Central Foundation	ICT	0.569	0.381			0.950
Bowden House	ICT	0.035	0.067			0.102
Beatrice Tate	ICT	0.097	0.150			0.247
Stepney Green	ICT	0.589	0.387			0.976
Harpley PRU	ICT	0.028	0.063			0.090
Langdon Park	ICT	0.525	0.306			0.831
Swanlea	ICT	0.050	0.147			0.197
Bow Boys	ICT	0.386	0.005			0.391
Phoenix	ICT	0.110	0.154			0.265
Wave 5 BSF	Building Schools for the Future Programme	0.000	1.857			1.857
BUILDING SCHOOLS for the FUTURE TOTAL		42.859	12.791	0.000	0.000	55.649

DEVELOPMENT & RENEWAL

Scheme Name	Scheme Description	2013/14 Revised Budget	2014/15 Budget	2015/16 Budget	2016/17 Budget	Total Budget 2012/13 to 2015/16
		£m	£m	£m	£m	£m
Millennium Quarter	Millennium Quarter	0.326				0.326
Bishops Square	Bishops Square	0.146				0.146
Town Centre & High Street Regeneration	Town Centre & High Street Regeneration	0.141				0.141
Whitechapel Centre	WhiteChapel	0.003				0.003
Regional Housing Pot	Regional Housing Pot	6.068				6.068
Affordable Housing Measures	Affordable Housing Measures	2.884				2.884
New Homes at Bradwell St Garages	New Affordable Housing at Bradwell Street Garages	0.245	2.206			2.451
High Street 2012	High Street 2012	3.942				3.942
Disabled Facilities Grant	Disabled Facilities Grant	0.727	0.730	0.750		2.207
Private Sector Improvement Grant		0.535				0.535
Genesis Housing	Genesis Housing	0.363				0.363
Facilities Management (DDA)		0.052				0.052
Bromley by Bow Station Upgrade		3.500				3.500
Wellington Way Health Centre		3.119				3.119
100 Whitechapel Road	Pedestrian Crossing	0.150				0.150
Bethnal Green Terrace	Repair of degraded 'at risk' Grade II listed buildings	0.351				0.351
Multi Faith Burial Grounds	Multi Faith Burial Grounds	3.000				3.000
Faith Buildings	Faith Buildings	2.000				2.000
A10 Highway Improvements	Replace the cycle lane on the pavement	0.050				0.050
Short Life Properties	Refurbishment of Phase 3 of the Council's Short life Properties	1.700				1.700
DEVELOPMENT & RENEWAL TOTAL		29.302	2.936	0.750	0.000	32.988
CHIEF EXEC'S & RESOURCES						
Priority Service Remediation/Backup Expansion	CCNs Charges and GCSX PC DSI Compliance works	0.128				0.128
CHIEF EXEC'S & RESOURCES TOTAL		0.128	0.000	0.000	0.000	0.128
HOUSING REVENUE ACCOUNT						
Decent Homes Backlog	Decent Homes	58.110	70.470	22.990		151.570
Housing Capital Programme	Mainstream programme: includes aids & adaptation; major costs involved in bringing back void properties to use; capitalisation of fees & charges; overcrowding; and contingency	21.768	0.000			21.768
Ocean Estate Regeneration	Ocean Estate Regeneration	5.078				5.078
Non Decent homes Schemes	Non Decent Homes Works	6.035	6.120	0.010		12.165
Blackwall Reach	Blackwall Reach	6.273				6.273
Energy Saving Programme (ECO)		4.063				4.063
Poplar Bath's & Dame Colet House	Refurbishment and remodelling of Poplar Baths; provision of additional new build homes on the Dame Colet House site; and provision of a new build youth centre on the existing Haileybury Centre site			16.000		16.000
HOUSING REVENUE ACCOUNT TOTAL		101.327	76.590	39.000	0.000	216.917

Scheme Name	Scheme Description	2013/14 Revised Budget	2014/15 Budget	2015/16 Budget	2016/17 Budget	Total Budget 2012/13 to 2015/16
		£m	£m	£m	£m	£m
Poplar Bath's & Dame Colet House						
Poplar Bath's & Dame Colet House	Refurbishment and remodelling of Poplar Baths; provision of additional new build homes on the Dame Colet House site; and provision of a new build youth centre on the existing Haileybury Centre site			20.000		20.000
POPLAR BATH'S & DAME COLET HOUSE TOTAL		0.000	0.000	20.000	0.000	20.000
CORPORATE PROVISION FOR SCHEMES UNDER DEVELOPMENT		10.000	0.000	0.000	0.000	10.000
TOTAL CAPITAL PROGRAMME		214.370	119.574	69.044	0.000	402.988

Indicative schemes to be funded from External Resources*

Appendix 8.2

Directorate/Programme	Scheme Name	Scheme Description	Funding Profile			
			2014-15	2015-16	2016-17	Total
			£m	£m	£m	£m
Education, Social Care and Wellbeing	School Expansions	To provide an additional forms of entry for school places	8.219	10.404	10.924	29.547
Education, Social Care and Wellbeing	Condition & Improvements - Capital Maintenance at Schools	To undertake urgent condition surveys and works to comply with statutory requirements	1.000	1.000	1.000	3.000
Education, Social Care and Wellbeing	Condition & Improvements - Adult Services	Urgent condition surveys and works, to comply with statutory requirements and service improvements	0.800	0.800	0.800	2.400
EDUCATION, SOCIAL CARE AND WELLBEING TOTAL			10.019	12.204	12.724	34.947
Housing Revenue Account	Ashington House East	Affordable Housing - New Build	7.750	0.000	0.000	7.750
HOUSING REVENUE ACCOUNT TOTAL			7.750	0.000	0.000	7.750
Development and Renewal	Disabled Facilities Grant	Adaptations, door widening, ramp installation stair lift access and heating systems for the disabled	0.000	0.000	0.730	0.730
DEVELOPMENT AND RENEWAL TOTAL			0.000	0.000	0.730	0.730
TOTAL NEW SCHEMES TO BE FUNDED FROM EXTERNAL RESOURCES			17.769	12.204	13.454	43.427

*Based on notional funding estimates

Projects/Funding Directorate	2013/14			2014/15	2015/16	2016/17	Total Budget 2013/14 to 2016/17
	Slippage from 12/13	Latest Budget	Total Revised Budget	Budget	Budget	Budget	Total
	£m	£m	£m	£m	£m	£m	£m
Education, Social Care and Wellbeing	1.589	17.177	18.766	28.611	17.349	11.924	76.650
Building Schools for the Future	0.000	42.859	42.859	12.791	0.000	0.000	55.649
Communities, Localities and Culture	0.559	11.428	11.987	10.265	3.349	0.000	25.601
Development & Renewal (Excluding HRA)	5.981	23.321	29.302	2.936	0.750	0.730	33.718
Chief Executive's	0.000	0.128	0.128	0.000	0.000	0.000	0.128
Corporate GF provision for schemes under development	0.000	10.000	10.000	0.000	0.000	0.000	10.000
Poplar Baths and Dame Colet House	0.000	0.000	0.000	0.000	20.000	0.000	20.000
Total excluding HRA	8.129	104.913	113.042	54.602	41.448	12.654	221.746
Poplar Baths and Dame Colet House	0.000	0.000	0.000	0.000	16.000	0.000	16.000
HRA (Approved Schemes)	6.859	88.433	95.292	78.220	22.990	0.000	196.502
HRA (Schemes under development)	1.673	4.362	6.035	6.120	0.010	0.000	12.165
Total HRA	8.532	92.795	101.327	84.340	39.000	0.000	224.667
Total Budget	16.661	197.708	214.369	138.942	80.448	12.654	446.414

Projects/Funding Directorate	Grant	SCE	MRA	SC	CR	PB	S106	CA	DR	Total	Slippage from 2012/13	2013/14 Original Budget	2013/14 Total Revised Budget	2014/15 Budget	2015/16 Budget	2016/17 Budget	Total Budget 2013/14 to 2016/17
Education, Social Care and Wellbeing	75.804	0.000	0.000	0.000	0.601	0.000	0.000	0.000	0.245	76.650	1.589	12.200	18.766	28.611	17.349	11.924	76.650
Building Schools for the Future	47.722	0.000	0.000	2.036	5.891	0.000	0.000	0.000	0.000	55.649	0.000	52.963	42.859	12.791	0.000	0.000	55.649
Communities, Localities and Culture	12.481	0.000	0.000	0.000	2.447	0.750	9.914	0.000	0.009	25.601	0.559	9.733	11.987	10.265	3.349	0.000	25.601
Development & Renewal (Excluding HRA)	14.469	0.000	0.000	0.000	11.756	0.000	7.351	0.000	0.141	33.718	5.981	12.306	29.302	2.936	0.750	0.730	33.718
Chief Executive & Resources	0.000	0.000	0.000	0.000	0.128	0.000	0.000	0.000	0.000	0.128	0.000	0.000	0.128	0.000	0.000	0.000	0.128
Corporate GF provision for schemes under development	0.000	0.000	0.000	0.000	0.000	10.000	0.000	0.000	0.000	10.000	0.000	10.000	10.000	0.000	0.000	0.000	10.000
Poplar Baths and Dame Colet House	0.000	0.000	0.000	0.000	0.000	20.000	0.000	0.000	0.000	20.000	0.000	0.000	0.000	0.000	20.000	0.000	20.000
Total excluding HRA	150.476	0.000	0.000	2.036	20.824	30.750	17.265	0.000	0.395	221.746	8.129	97.202	113.042	54.602	41.448	12.654	221.746
Poplar Baths and Dame Colet House	0.000	0.000	0.000	0.000	0.000	0.000	0.000	16.000	0.000	16.000	0.000	0.000	0.000	0.000	16.000	0.000	16.000
HRA (Approved Schemes)	91.785	0.000	44.273	0.000	8.274	20.232	9.868	0.000	22.070	196.502	6.859	42.548	95.292	78.220	22.990	0.000	196.502
HRA (Schemes under development)	0.000	0.000	12.165	0.000	0.000	0.000	0.000	0.000	0.000	12.165	1.673	35.933	6.035	6.120	0.010	0.000	12.165
Total HRA	91.785	0.000	56.438	0.000	8.274	20.232	9.868	16.000	22.070	224.667	8.532	78.481	101.327	84.340	39.000	0.000	224.667
Total Budget	242.262	0.000	56.438	2.036	29.097	50.982	27.133	16.000	22.466	446.414	16.661	175.683	214.369	138.942	80.448	12.654	446.414

Index to Types of Funding	
Grant	Central Government or Other
SCE	Supported Capital Expenditure
MRA	Major Repairs Allowance
SC	Schools Contribution
CR	Capital Receipt
PB	Prudential Borrowing
S106	Section 106 Funding
CA	Credit Arrangement
DR	Direct Revenue Funding

**OUTLINE
STRATEGIC
PLAN
2014-15**

Strategic Plan 2014/15

Outline Plan

DRAFT

Introduction: the 2014/15 context

The outline Strategic Plan describes the council's overall aims, objectives and the outcomes we want to deliver. The final Strategic Plan will detail the milestones planned in 2014/15 to achieve those outcomes.

The Strategic Plan is informed by the Mayor's key priorities to

- Increase affordable family-sized housing;
- Improve attainment and invest in out of school activities;
- Reduce crime and ASB;
- Tackle worklessness;
- Improve cleanliness and the public realm.

The Strategic Plan 2014/15 takes into account the continued impact of the government's reductions in funding to local authorities. A key area of focus in 2014/15 will be working to design and deliver savings that will be required in future years. The council continues to prioritise front-line services.

National Context

The Coalition Government is continuing to implement significant changes to the services which our local residents rely on. This includes:

- Significant reform of welfare, including reduced entitlements to housing benefit and increased conditions placed upon those seeking to claim unemployment benefits. A key focus for the government in 2014/15 will be working on the implementation of Universal Credit.
- A reduction in local authority remit in key areas, such as education with the encouragement of free schools and academies.
- New expectations and requirements in a range of areas, for example in relation to supporting carers, helping tenants to buy their council property and rights of community groups in relation to planning.

Council Finances

The prolonged real term reduction in public spending faced by local authorities has been a continued challenge for the council. The 2010 Spending Review and subsequent statements from the Office for Budget Responsibility have seen extensive reductions in central government funding - both revenue and capital. The council has already made good progress in achieving savings, however further cuts now mean that there is a budget reduction of approximately £71m to achieve in the next three years. The protection of the quality of front line services is a fundamental principle for the Mayor and council.

The council will continue to explore innovative ways in which it can deliver quality services with fewer resources. So far, we have achieved savings through activities such as through greater partnership working, shared services and working more closely with the third sector, as well as investigating revenue raising opportunities.

Population growth and change

The estimated resident population of Tower Hamlets is 263,000. Over recent years, the borough has seen the highest population growth in the country.

Tower Hamlets remains a relatively young borough, with almost half of the recent population rise concentrated in the 25-35 age range. The profile of the borough is one of increasing diversity, with 41% of the population born outside of the UK. There are sizeable Bangladeshi (32%) and White British communities (31%) and an increasing number of smaller ethnic groups in the resident population.

Employment and the economy

Tower Hamlets has good economic and employment growth prospects. There are already over 200,000 jobs in the borough: equating to 3 jobs for every 2 working age residents. The local economy has important financial, communication and retail sectors with 60% of all employment in the borough based in Canary Wharf and the City Fringe. Work with local business, including small and medium enterprises (SMEs), to create growth remains an important priority.

Supporting residents to benefit from the borough's strong economy is still a key challenge. Only 15% of jobs within the borough are taken by local people. There has been a recent reduction in unemployment in the borough but Tower Hamlets remains significantly below London averages on key employment indicators. Maintaining effective employment services, to support more local residents into employment, will be central to continued improvement.

Education

Outcomes for local children and young people continue to improve. Local Key Stage 2 and GCSE results are now consistently above national averages. The Mayor's Education Award has helped more young people continue in education post 16 and A Level grades are getting better year-on-year.

Housing and Environment

A fast growing population, low income levels for many households and high house prices makes housing a key challenge for the borough. The borough has a strong track record of building large numbers of affordable homes for residents – amongst the best in the country.

Despite this, housing need and demand continue to increase. For example, there are around 22,000 households on the housing waiting list with over 9,000 of these overcrowded. Typically only around 2,000 properties become available each year.

In addition, the Government's welfare reform changes are really taking effect. Many households have had their income reduced and there has been a rise in residents seeking advice: both to understand how the changes will affect them, and to get support in mitigating the impact of the reforms.

The Local Development Framework sets out the extensive physical renewal that is planned to meet the needs of the borough's growing population in the medium and longer term. Innovative developments are planned for the borough-which include housing and new facilities such as schools, transport links and parks.

Health and Care

Despite strong progress in recent years, improving healthy life outcomes for residents remains a key priority in the Strategic Plan. Eight out of ten residents report that their health is good or very good; however, the proportion citing poor health is the fourth highest in London.

Health inequalities begin early and Tower Hamlets has one of the highest rates of childhood obesity in the country. The successful integration of public health functions into the council during 2012/13 provides a strong platform for further health improvements across all ages.

Social care is a strong local and national priority. In recent years, Tower Hamlets has focused on safeguarding and transforming social care services by giving users more choice and control. Nationally, the Care Bill sets out a number of significant changes the council will need to focus upon including reform of how support is accessed and funded. Work to support the further integration of health and care locally will be taken forward by the Health and Wellbeing Board.

Inequality and fairness

Underpinning the objectives of the Strategic Plan is the theme of One Tower Hamlets – reducing inequality, fostering community cohesion and supporting strong local leadership.

The effects of the economic downturn, coupled with the loss of funding for many public services, means that the council is operating in an environment in which there are risks that inequality will grow rather than reduce in the borough. In 2012 the council established an independent Fairness Commission. The Commission reported in September 2013 and made a number of recommendations focused upon issues of inequality relating to money, jobs and homes.

The Commission recommended several ways of tackling the underlying causes of inequality in the borough, in order to make Tower Hamlets fairer. The challenge for the council and its partners, over the next year, is to work together to develop actions and approaches to take these recommendations forward.

Single Equality Framework

The Strategic Plan 2014/15 incorporates the council's Single Equality Framework (SEF) priorities. The SEF sets out the council framework for tackling inequality and promoting cohesion and incorporates an analysis of inequality in the borough. Priority SEF equality objectives are marked with an *.

To ensure that we are able to track performance against our equality objectives for 2014/15 we have identified a set of equality performance measures. These include existing performance measures that relate to equality and measures which will be disaggregated by specific equality strands where we need to narrow the gap in terms of outcomes for specific groups. This approach demonstrates that we are meeting the requirements of the Public Sector Equality Duty to prepare and publish objectives which demonstrate how the organisation will meet the aims of the Duty. The SEF measures are highlighted on pages 14-15.

From vision to performance

The Mayor and our partners have a clear vision for the borough *to improve the quality of life for everyone living and working in Tower Hamlets*. It is a vision that has been agreed by partners in the Tower Hamlets Partnership.

As part of this vision the Mayor developed a set of pledges which are articulated through the **Five Themes** of the Community Plan:

A Great Place to Live - Tower Hamlets will be a place where people live in quality affordable housing, located in clean and safe neighbourhoods served by well-connected and easy to access services and community facilities.

A Prosperous Community - Tower Hamlets will be a place where everyone, regardless of their background and circumstances, has the aspiration and opportunity to achieve their full potential through education and vibrant local enterprise.

A Safe and Cohesive Community - Tower Hamlets will be a safer place where people feel safer, get on better together and difference is not seen as threat but a core strength of the borough.

A Healthy and Supportive Community - Tower Hamlets will be a place where people are supported to live healthier, more independent lives and the risk of harm and neglect to vulnerable children and adults is reduced.

One Tower Hamlets – Tower Hamlets will be a place where everyone feels they have an equal stake and status. We are committed to reducing inequalities, supporting cohesion and providing strong community leadership.

Strategic Priorities

Sitting underneath the Strategic Plan's five themes are the council's strategic priorities. These priorities set out more explicitly the organisation's key objectives for the next year.

A Great Place to Live

- 1.1: Provide good quality affordable housing
- 1.2: Maintain and improve the quality of housing
- 1.3: Improve the local environment and public realm
- 1.4: Provide effective local services and facilities
- 1.5: Improve local transport links and connectivity
- 1.6: Develop stronger communities

A Prosperous Community

- 2.1: Improve educational aspiration and attainment
- 2.2: Support more people into work
- 2.3: Manage the impact of welfare reform on local residents
- 2.4: Foster enterprise and entrepreneurship

A Safe and Cohesive Community

- 3.1: Focus on crime and anti-social behaviour
- 3.2: Reduce fear of crime
- 3.3: Foster greater community cohesion

A Healthy and Supportive Community

- 4.1: Reduce health inequalities and promote healthy lifestyles
- 4.2: Enable people to live independently
- 4.3: Provide excellent primary and community care
- 4.4: Keep vulnerable children, adults and families' safer, minimising harm and neglect

One Tower Hamlets

- 5.1: Reduce inequalities
- 5.2: Work efficiently and effectively as One Council

Key Activities and Initiatives

The next section of this outline plan sets out the key activities and initiatives we propose to carry out in 2014/15 to enable us to deliver our vision and strategic priorities. The full Strategic Plan will set out further detail on these activities, including the more specific milestones planned in 2014/15.

A Great Place to Live

A Great Place to Live reflects the Council's continuing ambition to make Tower Hamlets a place where people are proud to live, work and visit.

In 2014/15 we will endeavour to maximise the number of new affordable homes delivered, increase the number of existing homes that meet the Decent Homes Standard and tackle fuel poverty. We will also continue to focus on securing transparent service charges for leaseholders and ensuring that Registered Providers deliver on their service agreements.

The council will maintain its leading role on significant regeneration developments, including at Blackwall Reach and in Whitechapel. Improving our public realm and maintaining our rich heritage for future generations will remain a key focus. The council will also take further steps to enhance its library and lifelong learning service, as well as our leisure facilities.

A key priority is to respond effectively to continuing housing and welfare reform, including homelessness prevention, as we seek to mitigate the impact on our residents.

In 2014/15 our priorities are to:

Provide good quality affordable housing by:

- Increasing the availability of affordable family sized housing*
- Delivering regeneration at Robin Hood Gardens, in the Poplar area and the Ocean Estate
- Seeking to mitigate homelessness and improving housing options
- Effective strategic planning to deliver high volumes of affordable housing and funding for infrastructure

Maintain and improve the quality of housing by:

- Reducing the number of council homes that fall below a decent standard
- Improving the quality of housing services
- Offering affordable fuel options through the Tower Hamlets Energy Community Power (Energy Co-operative)*

Improve the local environment and public realm by:

- Implementing the Carbon Reduction Plan for council buildings
- Protecting and improving the local environment through engagement with major utility companies and Crossrail
- Working in partnership to improve our public realm
- Increasing household waste sent for re-use, recycling and composting
- Improving our parks and open spaces

Provide effective local services and facilities by:

- Managing national planning changes effectively to deliver local priorities
- Further improving our markets and town centres
- Implementing the Tower Hamlets local Community Infrastructure Levy (CIL)
- Implementing the Masterplan for Whitechapel

- Delivering the People's History Plaque Scheme

Improve local transport links and connectivity by:

- Supporting sustainable local transport, including cycle improvements

Develop stronger communities by:

- Engaging residents and community leaders in policy and budget changes
- Implementing a framework for engagement of borough-wide equality forums in the Partnership
- Celebrating the achievements and contribution made by the local third sector
- Delivering locally appropriate services through the locality Hubs
- Further improving our citizen centred local governance structures through the work of the local community ward forums and the community champion programme

A Prosperous Community

We aim to create a Tower Hamlets in which everyone, regardless of their background and circumstances, has the aspiration and opportunity to achieve their full potential.

Tower Hamlets aims to maintain its excellent performance in school improvement, supported by a strong local education authority and active parents and governors. The council will continue to invest in supporting young people across all ages.

Fostering enterprise and employment is a key priority for the council. It is important that we continue to drive local economic growth by working effectively with business, including small and medium enterprises. Supporting more local people into jobs through effective employment services is also essential.

As the Government seeks to introduce its Universal Credit system, the council will maintain its support to residents through national welfare reform. An extensive programme of information and awareness raising, supported by employability and other assistance for residents, will remain important throughout 2014/15.

In 2014/15 our priorities are to:

Improve educational aspiration and attainment by:

- Ensuring sufficient places are provided to meet the need for statutory school places
- Expanding free early education places of high quality for disadvantaged two year olds
- Raising attainment and narrowing the gap between the lowest 20% and the median of all children at the end of the Early Years Foundation Stage (EYFS)
- Increasing the number of children achieving 5 A*-C grades including English and maths grades at GCSE
- Bringing A Level results to above the national average*
- Assist more people into further education and to university, and continue to deliver the Mayor's Education Allowance and Mayor's Higher Education Award
- Maintaining investment in youth services and provision for young people
- Providing effective support for parents and governors

Support more people into work by:

- Supporting residents into jobs through employment and skills programmes
- Maximising local employment and economic benefits from the council's procurement, our contractors and third party providers and planning processes
- Supporting English for Speakers of Other Languages (ESOL)*

Manage the impact of welfare reform on local residents and maximising incomes by:

- Delivering the welfare reform temporary accommodation support fund
- Driving the ongoing partnership wide programme of information and awareness raising around welfare reform *
- Monitoring the impact on local people and ensuring our grants, services and policies support residents*

Fostering enterprise and entrepreneurship by:

- Supporting a programme of information to third sector and social enterprises to support commercial independence
- Doing all we can to support local business Working collaboratively with boroughs and across London to enhance investment and opportunity

Safe and Cohesive Community

Ensuring that everyone feels safe and confident in their homes and on the streets of Tower Hamlets remains a key Mayoral priority. There will be a continued focus on crime and anti-social behaviour, with effective and visible enforcement.

The council will continue to invest in Police Officers and uniformed THEOs. We also recognise the need to go beyond simply tackling crime and ASB to also address people's fear of crime and perceptions of personal safety through better information, community engagement and an improved local environment.

Tower Hamlets is rightly proud of its diversity. The council remains committed to bringing all of its communities together to foster understanding, support cohesion and build 'One Tower Hamlets'. Supporting events which celebrate the diversity of the borough and its people plays an important role in this respect.

In 2014/15 our priorities are to:

Focus on crime and anti-social behaviour by:

- Furthering development of the Tower Hamlets Enforcement Officer (THEO) service
- Delivering the partnership 'Violence against women and girls' programme
- Managing the night time economy
- With our partners, delivering the Partnership Community Safety Plan
- Working with the Police and Mayor for London to maintain and improve enforcement, CCTV and deployment of local police to improve community safety

Reduce fear of crime by:

- Improving the responsiveness and visibility of our ASB services
- Working with people with drug and alcohol dependencies to break the cycle of substance misuse

Foster greater community cohesion by:

- Supporting the delivery of a wide range of community events*
- Delivering the Mayor's One Tower Hamlets fund scheme*

A Healthy and Supportive Community

Our aim is to support residents to live healthier, more independent lives and reduce the risk of harm and neglect to vulnerable children and adults.

Within this theme, a key emphasis is on promoting healthy lifestyles and ensuring fewer residents require long-term care for avoidable health needs. The council is also committed to protecting the interests of residents in the context of significant health reforms. The successful transfer of public health responsibilities to the council during 2013/14 provides a solid foundation on which to build.

The council is committed to ensuring that Tower Hamlets is one of the top performing councils in the country with responsibility for social services. We will continue to support our most vulnerable residents; Tower Hamlets is the only borough in England that still provides free homecare for example.

In 2014/15 our priorities are to:

Reduce health inequalities and promote healthy lifestyles by:

- Delivering free school meals for all reception and year 1 pupils
- Supporting young people to live healthy lives*
- Embedding integrated government arrangements to maximise health outcomes
- Using Public Health expertise within a council and partnership wide approach to reduce health inequalities
- Investing in the borough's leisure centres and playing pitches
- Helping people out of drug and alcohol dependency and into education, employment and training

Enable people to live independently by:

- Improving support to carers*
- Improving the customer journey by embedding principles of choice and control*
- Enabling personalised support for the borough's most vulnerable residents

Provide excellent primary and community care by:

- Delivering integrated working between health and social care

Keep vulnerable children, adults and families safer, minimising harm and neglect by:

- Working together to protect vulnerable adults
- Providing proportionate support to vulnerable children and families
- Introducing improvements to the adoption system

One Tower Hamlets

Underpinning the Community Plan vision is the aspiration to build One Tower Hamlets – a borough where everyone feels they have an equal stake and status. We are committed to reducing inequalities, fostering cohesion and supporting strong community leadership.

The over-arching aim of One Tower Hamlets takes on added importance in the context of considerable budget reductions. As part of this, we will work with partners to help address the recommendations arising from the recent Fairness Commission.

This theme also reflects the key projects we are delivering to make our council more lean, flexible and citizen-centred. Over the next year, we intend to better use our assets, buy better and work smarter. The council is developing its partnership arrangements, including a new localised Partnership structure.

In 2014/15 our priorities are to:

Reduce inequalities by:

- Employing a workforce that fully reflects the community it serves*
- Increasing the number of temporary workers resourced from the local community, by utilising Tower Hamlets in-house temporary resourcing service (ITRES).
- Maximising income for local people Coordinating and supporting the implementation of the recommendations arising from the Tower Hamlets Fairness Commission
- Supporting the mechanism for engaging local disabled people in the design, delivery and scrutiny of local services

Work efficiently and effectively as One Council by:

- Working with managers to improve and reduce staff sickness absence
- Developing the strategic ICT partnership
- Improving revenue collection and tackling fraud
- Developing Progressive Partnerships to further the Mayor's social objectives
- Improving customer satisfaction and value for money
- Making better use of our buildings and other public assets

Measuring our Performance

We use a basket of performance measures to track whether we are delivering on our strategic priorities. The proposed measures are set out below. These will be reviewed as part of the development of the final Strategic Plan.

A Great Place to Live

- Number of affordable homes delivered*
- Number of social rented housing completions for families (gross)
- Level of homeless prevention through casework
- Number of overcrowded families rehoused
- Percentage of overall housing stock that is decent
- Satisfaction with parks and open spaces
- Percentage of household waste sent for reuse, recycling & composting
- Improved street & environmental cleanliness
- Satisfaction with local neighbourhood

A Prosperous Community

- Achievement across the Early Years Foundation Stage*
- Achievement at Level 4 or above in both English and Maths at Key Stage 2*
- Achievement of 5 or more A*- C grades at GCSE or equivalent including English and Maths*
- A Level Average Points Score per student in Tower Hamlets*
- Number of young people not in education, employment or training (NEET)*
- Employment rate (gap v London)*
- Jobseekers Allowance Claimant Count (gap v London)*
- Child Poverty rate*

A Safe and Cohesive Community

- Personal robbery rate *
- Residential burglary rate
- Motor vehicle crime rate
- Violence with injury rate
- CAD calls for ASB
- Local concern about ASB and Crime*
- Satisfaction with the Police and Community Safety Partnership*
- Proportion of residents who believe people from different backgrounds get on well together in their local area

A Healthy and Supportive Community

- All age, all-cause mortality rate*
- Number of people who have stopped smoking*
- Proportion of children in reception who are obese*
- Under 18 conception rate*
- Percentage of CAF reviews with an improved score
- Proportion of social care clients and carers in receipt of Self Directed Support*
- Self-reported experience of social care users
- Average time between a child entering care and moving in with its adoptive family
- Percentage of ethnic minority background children adopted*

One Tower Hamlets

- Proportion of staff that are LP07 or above who have a disability*
- Proportion of staff that are LP07 or above who are from an ethnic minority*
- Proportion of staff that are LP07 or above that are women*
- Working days lost due to sickness absence
- Customer access satisfaction
- Proportion of residents that agree the council involves residents when making decisions
- Proportion of residents that agree the council is doing a good job

**denotes SEF performance measure*