

DRAFT SAVINGS PROPOSAL

London Borough of Tower Hamlets
Medium Term Financial Strategy 2021-24

Proposal Title:	Growth service rationalisation and efficiencies		
Reference:	SAV / PLA 012 / 21-22	Savings Type:	Service transformation
Directorate:	Place	Savings Service Area:	Planning and development services
Directorate Service:	Growth and Economic Development	Strategic Priority Outcome:	4. Inequality is reduced and people feel that they fairly share the benefits from growth
Lead Officer and Post:	Vicky Clark, Divisional Director, Growth and Economic Development	Lead Member and Portfolio:	Cllr Motin Uz-Zaman, Cabinet Member for Work and Economic Growth

Financial Impact:	Current Budget 2020-21	Savings/Income 2021-22	Savings/Income 2022-23	Savings/Income 2023-24	Total Savings/Income
Budget (£000)	847	(162)	-	-	(162)

Staffing Impact (if applicable):	Current 2020-21	FTE Reductions 2021-22	FTE Reductions 2022-23	FTE Reductions 2023-24	Total FTE Reductions
Employees (FTE) or state N/A	17	(5)	-	-	(5)

Proposal Summary:

Staff savings: PO6, PO4, 2 x PO2, PO1 - total saving £275k - £162k General Fund, £113k s106 funded posts.

This proposal rationalises the Growth Service, reshaping it to respond to new challenges and opportunities created by the COVID 19 crisis, and the renewed emphasis on community wealth building in the Work and Economic Growth Portfolio. It refocuses the work of the High Streets and Town Centres team specifically on Town Centre management in support of retail revival and new ways of trading and merges the Enterprise and New Business Growth teams into a single team focused on supporting economic survival and growth, adapting to the challenges of distancing and the opportunities created by the rapid adoption of remote working technology.

The proposal responds to the need for savings across the Council but also supports Strategic Priority Outcome 4: Inequality is reduced and people feel that they fairly share the benefits from growth. The COVID 19 crisis has increased the economic vulnerability of our least skilled and prosperous residents and threatened the viability of our more marginal businesses. At the same time it has created increased demand for some products and services, and accelerated changes in business practice and the demand for and use of business space.

Current structures were designed with reference to the pre-COVID economy:

Enterprise support focused on micro-SME formation

Business growth was founded on the creation and management of new commercial space.

High street and town centre initiatives were seeking ways to drive new traffic to our more neglected/ failing neighbourhood centres

The revised structure refocuses town centre work on active management to restore trading confidence and capacity in our key centres and directs other resource toward practical support and strategic interventions which will encourage individual TH businesses and the wider local economy to “pivot”, with a focus on inclusive practices such as local recruitment and procurement. Micro SME start up support will be retained, acknowledging that some newly-redundant residents may choose a self-employment route.

The crisis has also highlighted the important contribution that businesses of all sizes make to our community, and the newly created role of “Business Friendly Tower Hamlets Officer” aims to build on that recognition, consolidate improvements in relationships and drive future collaboration.

The new delivery model entails streamlined management arrangements, more focused use of resources, greater collaboration with internal colleagues (developing partnerships formed in response to the crisis), increased digitalisation of services and more emphasis on commissioning. This means that fewer staff are required to deliver provision and it is proposed to delete a total of five posts.

In order that the redesigned service can continue to deliver meaningful support to businesses it will draw on earmarked S106 reserves to supplement resources and capacity. A revised, streamlined process for accessing these funds is required to enable timely response on COVID related business needs as they arise (e.g. supporting a particular neighbourhood or sector

to respond to and recover from localised lockdowns).

It is important to note that not all of these posts are currently GF funded, with a proportion of costs met through High Street improvement capital funds and others by Section 106 earmarked for Enterprise support. This notwithstanding these proposals will reduce GED's call on GF, and free up more discretionary funds for the delivery of projects and support to local businesses.

The Growth team does not have any statutory functions and no statutory consultation is required. The redesign has been informed by the increased level of dialogue with local businesses and traders which has taken place during the current crisis.

Risk and Mitigations:

Risks:

- Service restructure required and procedure means savings cannot be realised quickly.
- Potential reputational damage to the council in being seen to reduce services at a crucial time.
- Staff redundancies

Mitigations:

Work with HR colleagues to facilitate an honest and efficient process – there is positive precedent from a previous service restructure

Reputational risk will be mitigated by demonstrating the relevance and value of the new service offer

Resources and Implementation:

- Management and HR time.
- Timeline to be developed.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	Changes will focus support on our SME community, particularly the parts of that community most impacted by the COVID 19 crisis. Many of these smaller businesses will be led by women or people from BAME backgrounds, as distinct from the boroughs' larger firms.
Does the change reduce resources available to support vulnerable residents?	No	See above
Does the change involve direct impact on front line services?	No	
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	Yes	The change may influence the focus of investment in our high streets and town centres
Changes to Staffing		
Does the change involve a reduction in staff?	Yes	This change involves a reduction of five team members The team includes a high proportion of staff with protected characteristics so there is likely to be some impact
Does the change involve a redesign of the roles of staff?	Yes	A number of the remaining roles will be redesigned although neither working patterns and locations or grades are expected to change significantly

Summary:

To be completed at the end of completing the Screening Tool.

Based on the Screening Tool, will a full EA will be required?

Yes

Additional Information and Comments: