

DRAFT SAVINGS PROPOSAL

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

Proposal Title:	New Town Hall revenue savings		
Reference:	SAV / PLA 016 / 21-22	Savings Type:	Service transformation
Directorate:	Place	Savings Service Area:	Central services
Directorate Service:	Property & Major Projects	Strategic Priority Outcome:	11. The Council continuously seeks innovation and strives for excellence to embed a culture of sustainable improvement
Lead Officer and Post:	Yasmin Ali, Project Director, Town Hall	Lead Member and Portfolio:	Mayor John Biggs, Executive Mayor

Financial Impact:	Current Budget 2020-21	Savings/Income 2021-22	Savings/Income 2022-23	Savings/Income 2023-24	Total Savings/Income
Budget (£000)	TBC	-	-	(3,446)	(3,446)

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	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

The council's move to the new town hall at Whitechapel in 2022 will generate substantial revenue savings from 2022/23 onwards. The completion of the project will be Spring 2022 when we will start a phased occupation of the site.

Currently, we envisage to move ground floor services into the new town hall first, which will release savings of £225,480 from the closure of Albert Jacob House. The remaining building closures will not release savings until 2023/24.

The full year savings will be realised by 2023/24 when the lease of Mulberry Place expires saving the council £3,445,588 a year. This includes **estimated** running costs of the new Town Hall of £1,620,000.

Saving area	£
Mulberry Place – Rental pa	4,000,000
Mulberry Place running costs (including Compass House) (13,828.8m2)	829,728
Albert Jacob House running costs (3,758 m2) – <i>Expected to be delivered in 2022</i>	225,480
John Onslow House running costs (3,931 m2)	235,860
Total	5,291,068
An estimated reduction needs to be applied for the projected running costs for new Town Hall (27,000 m2)	(1,620,000)
Overall saving for all three buildings	3,671,068
Savings for 2022/23	225,480
Savings for 2023/24	3,445,588

All running costs based on £60 per square metre benchmarking that was referenced in the Cabinet June 2017 report.

Risk and Mitigations:

The risk to the savings in 2022/23 is that the project is not delivered on time and therefore we are not able to close Albert Jacob House first as planned in 2022.

We are working directly with Bouygues UK our appointed building contractor and our employers agent, T&T, to mitigate all risks within the project and keep to the project programme.

If there is slippage to the programme, the savings will be delivered in 2023.

Resources and Implementation:

There are no further resources required for the implementation of these savings as they will be worked on by the Town Hall project team.

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	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	No	
Changes to Staffing		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	

Summary:	
To be completed at the end of completing the Screening Tool.	
Based on the Screening Tool, will a full EA will be required?	No

Additional Information and Comments: