

# SAVINGS PROPOSAL

<b>Proposal Title:</b>	Deletion of THH executive management posts		
<b>Reference:</b>	SAV / HRA 001 / 24-25	<b>Savings Category:</b>	Transformation
<b>Directorate:</b>	Housing and Regeneration Housing Revenue Account (HRA)	<b>Savings Service Area:</b>	Housing Revenue Account
<b>Directorate Service:</b>	Housing Revenue Account (HRA)	<b>Strategic Priority Outcome:</b>	2. Providing homes for the future 5. Investing in public services
<b>Lead Officer and Post:</b>	Steve Halsey, Chief Executive Officer	<b>Lead Member and Portfolio:</b>	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	737	548	-	-	548

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	3	3	-	-	3

**Proposal Summary:**

This relates to three Tower Hamlets Homes executive management posts that did not transfer to the Council on 1 November: The THH Chief Executive, The THH Director of Business Transformation and The THH Director of Finance.

The posts were deleted on 01-Nov-2023 following a review of the organisational requirements of the council and transferring services, as part of the TUPE transfer of staff and services. The direct saving for the 3 posts for the in-year period from 1 November 2023 to 31 March 2024 is £214,000 (salary and on-costs). It is proposed that this in-year saving is ring-fenced to support the integration plan, whilst in subsequent years it will be taken as a saving.

It is proposed that budgets associated with these posts are retained to cover employee insurance costs of £76k and £113k for consultancy fees budgets. This will give the two directors that transferred to the council (Director of Neighbourhood Services and Director of Housing Asset Management) some flexibility, for example to secure project management support for service reviews. It is also proposed to delete the Programme Lead - HM Strategic Review post as it has met its objectives.

**Revised Provision:**

The Director of Neighbourhood Services and Director of Housing Asset Management transferred into the Housing & Regeneration Directorate, reporting to the Corporate Director of Housing & Regeneration, and form part of the Council's Senior Leadership Team.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	High
<p>There is a risk that reduction of management support causes destabilisation of services, however, there is corporate support from the council as an organisation - including its corporate management team - and it is proposed there is some retained budget to offer flexibility to secure support.</p>	

**Resources and Implementation:**

This was implemented as part of the transfer of THH back to the council.

## 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	
<b>Changes to a Service</b>		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
<b>Changes to Staffing</b>		
Does the change involve a reduction in staff?	Yes	Three posts did not transfer from Tower Hamlets Homes to the council. This was implemented as part of the TUPE transfer of staff and services on 1 November 2023. THH Board made arrangements with individuals that did not transfer.
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:

# SAVINGS PROPOSAL

<b>Proposal Title:</b>	THH Contingency budget		
<b>Reference:</b>	SAV / HRA 002 / 24-25	<b>Savings Category:</b>	Transformation
<b>Directorate:</b>	Housing and Regeneration Housing Revenue Account (HRA)	<b>Savings Service Area:</b>	Housing Revenue Account
<b>Directorate Service:</b>	Finance, Procurement and Audit	<b>Strategic Priority Outcome:</b>	2. Providing homes for the future 5. Investing in public services
<b>Lead Officer and Post:</b>	Marysia Kupczyk, Head of Housing Management Finance	<b>Lead Member and Portfolio:</b>	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	485	485	-	-	485

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

**Proposal Summary:**

There is a contingency in the Management Fee budget of £485k to meet unforeseen costs which has been utilised in previous years and helped ensure the financial viability of Tower Hamlets Homes. However, with the closure of the company there is no need to retain a separate contingency fund to ensure the company's viability. The Council aims to keep a working balance of £10m in the HRA, in part to operate as a contingency and this will be able to support housing management services if necessary.

Therefore, the proposal is to remove the contingency in 2024/25.

**Revised Provision:**

Rather than THH transferred services (Neighbourhood Services and Housing Asset Management) holding a contingency budget, the HRA will keep a working balance of £10m which can be used as a contingency if so required.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	High
<p>The risk of removing the contingency budget is that housing management services would not have a contingency fund in an emergency or unpredicted scenario, however this is mitigated by the £10m reserve balance held in the HRA.</p>	

Resources and Implementation:
<p>No resource required to implement this; the contingency budget will simply be removed.</p>

## 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	
<b>Changes to a Service</b>		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
<b>Changes to Staffing</b>		
Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	

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:

# SAVINGS PROPOSAL

<b>Proposal Title:</b>	<b>Finance Savings relating to THH company administration costs</b>		
<b>Reference:</b>	SAV / HRA 003 / 24-25	<b>Savings Category:</b>	Transformation
<b>Directorate:</b>	Housing and Regeneration Housing Revenue Account (HRA)	<b>Savings Service Area:</b>	Housing Revenue Account
<b>Directorate Service:</b>	Finance, Procurement & Audit	<b>Strategic Priority Outcome:</b>	2. Providing homes for the future 5. Investing in public services
<b>Lead Officer and Post:</b>	Marysia Kupczyk, Head of Finance Housing Management	<b>Lead Member and Portfolio:</b>	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	200	85	115	-	200

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

**Proposal Summary:**

The total budget for THH company administration costs is £200k.

£110K of this includes audit, bank fees and depreciation charges. However, £25K of the £110K is offset by interests on its balances, and as the balances will transfer to LBTH HRA it is assumed that there will be an equivalent increase in interest to the HRA. Therefore, once the £25k interest on balances is removed, the savings will be £85K in 2024/25.

An amount of £115K has been retained for the company liquidation in 2024/25, identified as asset write-down of £88K and an amount for the costs of liquidation and residual intercompany recharges at £27K. The liquidator's fees are a best estimate as quotes have not yet been received. There will then be a saving of £115k in 2025/26 once the company has been closed.

**Revised Provision:**

No revised provision is required as there will no longer be a requirement to administer a separate company.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	High
There is a risk that the cost of company liquidation is higher than that which is budgeted for. The programme team are currently working to establish the costs of liquidation and closure of the company.	

**Resources and Implementation:**

The insourcing programme team are leading on the wind-down of the company with support from finance and legal. As set out in the summary, work will need to be undertaken in relation to asset write-down and liquidation of the company so it is proposed resource is retained for this. Realisation and implementation of the full savings will occur once the company is closed.

## 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	
<b>Changes to a Service</b>		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
<b>Changes to Staffing</b>		
Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	

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:

# SAVINGS PROPOSAL

<b>Proposal Title:</b>	<b>Corporate Health and Safety Management posts</b>		
<b>Reference:</b>	SAV / HRA 004 / 24-25	<b>Savings Category:</b>	Transformation
<b>Directorate:</b>	Housing and Regeneration Housing Revenue Account (HRA)	<b>Savings Service Area:</b>	Housing Revenue Account
<b>Directorate Service:</b>	Public Realm	<b>Strategic Priority Outcome:</b>	2. Providing homes for the future 5. Investing in public services
<b>Lead Officer and Post:</b>	David Tolley, Head of Environmental Health and Trading Standards	<b>Lead Member and Portfolio:</b>	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	237	61	-	-	61

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	3	1	-	-	1

**Proposal Summary:**  
On transfer of THH services back in-house, three posts within the Health and Safety team (overseeing health and safety for employees) were transferred into the council's Corporate Health and Safety in Environmental Health & Trading Standards. This included a Head of Health & Safety posts (which is vacant and previously covered by another Head of Service in THH prior to transfer) and two health and safety officers.

The proposal is to delete the Head of Health and Safety role and retain £20K to strengthen the management function within the Corporate Health & Safety team to manage the two transferred officers; this will ensure that there are no shortfalls in provision or supervision and make certain that the continuity of the service is smoothly affected.

**Revised Provision:**  
The £20K will be used to uplift the grade of a post within the Corporate Health & Safety team as they will take on additional management duties.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	High
<p>The risk of losing a management role overseeing the health and safety of staff is mitigated by embedding the officers within the wider Corporate Health &amp; Safety team and building management capability within that team to support the work of the officers.</p>	

**Resources and Implementation:**

HR support will be required to delete the Head of Health and Safety post and regrade the existing post to take on additional management duties. The insourcing programme team will work with the service and HR Business Partners to implement this prior to 1 April 2024.

## 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	
<b>Changes to a Service</b>		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
<b>Changes to Staffing</b>		
Does the change involve a reduction in staff?	Yes	1 Head of Health and Safety role but mitigated by retained budget for management function.
Does the change involve a redesign of the roles of staff?	Yes	One post within the Corporate Health and Safety team will take on additional management duties.

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:

# SAVINGS PROPOSAL

<b>Proposal Title:</b>	<b>Graduate Trainees and Apprenticeships</b>		
<b>Reference:</b>	SAV / HRA 005 / 24-25	<b>Savings Category:</b>	Transformation
<b>Directorate:</b>	Housing and Regeneration Housing Revenue Account (HRA)	<b>Savings Service Area:</b>	Housing Revenue Account
<b>Directorate Service:</b>	Workforce, HR and OD	<b>Strategic Priority Outcome:</b>	2. Providing homes for the future 8. A council that listens and works for everyone
<b>Lead Officer and Post:</b>	Sarah Stennett; Head of People Services	<b>Lead Member and Portfolio:</b>	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	444	291	-	-	291

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	16	10	-	-	10

**Proposal Summary:**

Graduate trainees  
THH employed four graduate trainees via the Charity Works graduate scheme. The council have indicated that they will not seek to continue the arrangements with Charity Works for the graduate trainees posts that were within the THH organisation and all four of these posts have been deleted. Instead, both Neighbourhood Services and Housing Asset Management services will be able to offer graduate trainees on the council-wide scheme placements (currently the National Graduate Development Programme), in line with all other council services. The total saving for graduates is £118k.

Apprenticeships  
The apprenticeship budget was established to grow our own staff given the high turnover in caretaking and the average age of the workforce.

To achieve savings of £173k, the proposal is to significantly reduce the apprenticeship budget so only six, rather than twelve, apprentices are recruited. Of the twelve apprenticeships currently budgeted for, it is proposed that budget is removed for 2 neighbourhood, 1 surveyor and 3 repairs engineers are removed and that the 6 remaining are caretaking apprenticeships. Caretaking has one of the highest take up for apprenticeships and the apprenticeship scheme assists with reduction in staff turnover and progression in the service.

**Revised Provision:**

Housing Asset Management and Neighbourhood Services will be able to offer placements to graduates on council-wide graduate schemes (currently the National Graduate Development Programme).

It is proposed that six caretaking apprenticeships are retained. No other provision will be put in place for the 2 neighbourhood, 1 surveyor and 3 repairs engineers apprenticeships that are removed.

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	High
A risk of removing the apprenticeship posts is that there is missed opportunities in developing a workforce to reflect the community.	
A risk of removing the apprenticeship posts is that there is not a pipeline of employees that are developing within the organisation – hard to recruit/aging workforce – which could reduce service resilience.	

**Resources and Implementation:**

3 apprentices have completed their training and out of the 9 remaining another 3 have been deleted so there are no specific implementation tasks - the budget would only be required should another round of apprenticeships be commenced.

## 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?	Yes	<p>Removal of six entry level apprenticeships could mean that there are reduced opportunities available to recruit people that are local and reflective of the community. However, the reason for doing this is to align to the Council's strategic approach on entry level roles and workforce to reflect the community. The apprenticeship schemes will still form a pivotal part of the grass roots attraction strategy for housing management services, but an evaluation is needed of the council offer and the extent to which this is attractive and available to sections of the community.</p> <p>As part of the review of the offer, The Workforce to Reflect the Community Action Plan 2023 – 24 will be considered which sets out that objective (3 – Entry Level) is to expand and increase the opportunities for apprenticeships and other entry level opportunities, open to the local community with a particular focus on young people leaving Tower Hamlets schools. A key activity within this is to continue to develop and expand the range of apprenticeships available from January 2023.</p> <p>The Housing &amp; Regeneration Directorate Equalities Action Plan also sets out as an action theme: ensure that services have entry and mid-level role with clear path to senior role. The Directorate is learning from Housing Asset Management and Neighbourhoods Services which have identified career progression roles and monitor the progression.</p> <p>Should there be any negative impact in relation to protected characteristics - including young people, women, people from global majority communities, people with disabilities - actions to mitigate will be considered within the Housing &amp; Regeneration Directorate Equalities Action Plan.</p>
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	No	
<b>Changes to a Service</b>		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
<b>Changes to Staffing</b>		
Does the change involve a reduction in staff?	Yes	Four graduate trainee and six apprenticeship roles will be removed. There are no staff within these roles currently.
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:

# SAVINGS PROPOSAL

<b>Proposal Title:</b>	<b>HR IT Systems Duplication</b>		
<b>Reference:</b>	SAV / HRA 006 / 24-25	<b>Savings Category:</b>	Transformation
<b>Directorate:</b>	Housing and Regeneration Housing Revenue Account (HRA)	<b>Savings Service Area:</b>	Housing Revenue Account
<b>Directorate Service:</b>	Workforce, OD and Business Support	<b>Strategic Priority Outcome:</b>	2. Providing homes for the future 5. Investing in public services
<b>Lead Officer and Post:</b>	Sarah Stennett; Head of People Services	<b>Lead Member and Portfolio:</b>	Cllr Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding

Financial Impact:	Current Budget 2023-24	Savings/Income 2024-25	Savings/Income 2025-26	Savings/Income 2026-27	Total Savings/Income
Budget (£000)	119	119	-	-	119

Staffing Impact (if applicable):	Current 2023-24	FTE Reductions 2024-25	FTE Reductions 2025-26	FTE Reductions 2026-27	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

**Proposal Summary:**

THH operated several of its own HR IT systems that will not be required now that employees have transferred to the council, as transferred employees will use the council's systems and processes. These include the sickness reporting system, the appraisal and target setting system, recruitment system and the Reward Gateway system that operates the intranet and the enhanced employee offer (e.g. vouchers, cycle and IT discounts, etc).

These contracts are being terminated as soon as is feasible. A small number of contracts will need to be novated to the council and run (without use) due to contractual arrangements and penalties for terminating contracts early. Savings of £11k have already been realised in the current year (2023/24) and the full £119K of savings will be achieved in 2024/25.

**Revised Provision:**

Staff have already been transferred or are in the process of being transferred onto council HR systems including ResourceLink, Learning Hub, Alvius, Matrix. The council has its own systems, so this is to avoid duplication on yellow highlighted. The council manages absence via Line Manager (no need for Goodshape) and Rewards / local benefits are managed locally (no need for Reward Gateway).

Risk and Mitigations:	
Ease of delivery	Easy
Impact of savings	High
<p>To avoid the risk of breaching any contractual duties, the council (and THH Board) need to ensure that contracts are terminated or novated in line with contractual arrangements. The insourcing programme team has been working with legal and procurement to execute the terminations and novation.</p> <p>Risks around ensuring that staff have access to systems were mitigated by a thorough review and project plan developed by the insourcing programme team and supported by HR and IT services.</p>	

**Resources and Implementation:**

HR and IT are working with the programme team to transfer all incoming staff onto LBTH systems, with much of this work already completed.

## 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	
<b>Changes to a Service</b>		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
<b>Changes to Staffing</b>		
Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	

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: