Budget Consultation 2023

On behalf of London Borough of Tower Hamlets

December 2023 (V01)

TOWER HAMLETS

Prepared by SMSR RESEARCH

Contents

Headline Findings

Residents and businesses across the borough feel that Public Health and Community Safety should be prioritised by the council with around half ranking these services in their top three priorities. The findings are consistent with the top two priorities identified in the previous budget consultation, undertaken in 2021.

Other prominent services included Housing (32%) and Economic Growth and Job Creation (29%); the latter being favoured amongst younger people. Services less likely to be ranked highly include Culture, Libraries and Parks (15%) and Highways and Transport Services (6%).

Respondents ranked Parking Services (42%) as the paid service they use the most from those that the council provides; nearly three quarters of businesses (72%) ranked Parking Services highly. Waste Collection was the next most prominent service (29%) and 27% said they do not use any paid services provided by the council. Residents of Tower Hamlets were more likely to rank Sports and Physical Activity (29%) and Arts, Parks and Events (28%) highly.

A tenth say they would be prepared to support an increase to their council tax (11%) with the majority in opposition (84%). Support for a rise generally increased with age and residents were more likely to support this action rather than businesses. Support has decreased significantly since 2021 (42% in favour).

Support for an increase in council tax above 1% was also low with less than a tenth prepared to support such a rise (9%). Almost a fifth say they would support an increase between 0% and 1% (17%), leaving three-quarters in opposition to any proposed increase (74%).

More people across the borough support an adult social care precept as an additional council tax charge to fund services within this sector (31%). Higher levels of support for this increase were found amongst those aged 65 and over (68%) compared to other age groups. Support has receded from 58% recorded in the 2021 survey. Three-fifths say they do not support this additional precept (60%) and a tenth were unsure (10%).

Two-thirds (67%) support the Council expanding its approach to income generation so it can continue to protect frontline services and limit the impact of government cuts. A decrease in support was noted since 2021 (85%), although the majority support the approach.

Introduction

Background

This year, Tower Hamlets Council are spending £1.4 billion gross expenditure (£445.5 million net expenditure budget) on public services to support residents and the wider community.

Almost half of the council's net budget is being spent on vital adult social care services and important services for children. The borough also has a growing population and increased numbers of vulnerable residents with complex and on-going support needs.

More than a decade of government austerity has seen the council's central government funding continue to fall. At the same time, the council is investing in the future of the borough and working with partners to protect residents from the negative impacts of the cost of living crisis.

The council has made savings of over £200 million from their budget since 2010, and it is expected that they will need to make further savings of £40 million over the next two years.

Despite the challenges from government budget cuts and the increasing demands of a growing population, Tower Hamlets Council is proud to continue their flagship programme of significant investment in vital frontline services, and to have one of the lowest rates of council tax in London.

The council wants to hear the views of residents, businesses, and other stakeholders as they progress work to establish the budget for next year.

Report structure

This report includes headline findings for each question combined with insight based on demographic trends. It should be noted that when the results are discussed within the report, often percentages will be rounded up or down to the nearest one per cent. Therefore, occasionally figures may add up to 101% or 99%. Due to multiple responses being allowed for the question, some results may exceed the sum of 100%.

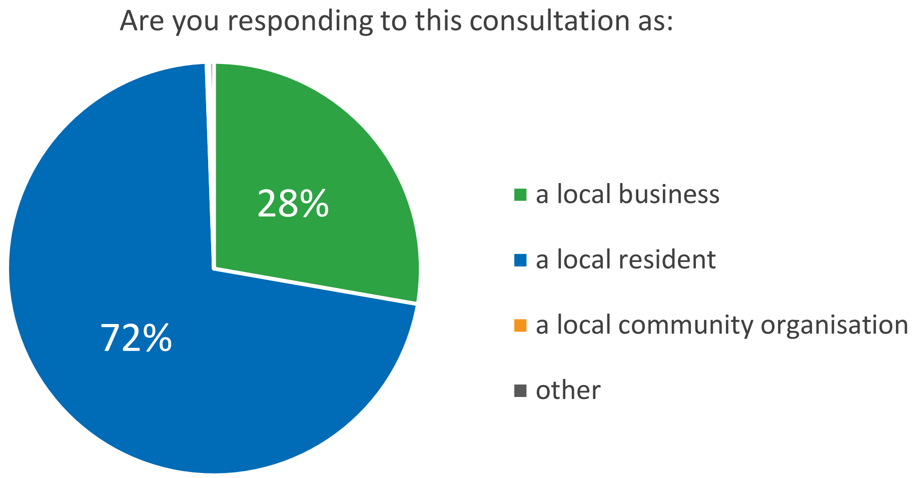
Trends identified in the reporting are statistically significant at a 95% confidence level. This means that there is only 5% probability that the difference has occurred by chance (a commonly accepted level of probability), rather than being a ‘real’ difference. Unless otherwise stated, statistically significant trends have been reported on.

Sample / Methodology

An interviewer led questionnaire was designed by staff from Tower Hamlets Council with support from SMSR Ltd and surveys collected using CAPI (Computer Aided Personal Interviewing) and CATI (Computer Aided Telephone Interviewing) methodology. The survey script mirrored an online consultation open to all residents, businesses, and local organisations in the borough, located on the Council's website.

Interviews with residents were collected using random quota sampling to maximise representation across the borough and the sample collected is broadly accurate. Target quotas for age, gender and ethnicity were set using the most recent ONS figures available for the residents' consultation with representation from each of the wards within the borough. Quotas for business interviews were set by business size.

Respondents were asked to identify as a local resident, a local business, or a community group:



A total of 1,931 residents, businesses and community groups took part in the consultation, overall. A representative sample of 1,100 residents were interviewed by SMSR Ltd using residents on the street, via telephone or at the Council's Ideas Stores. A further sample of 501 businesses were interviewed by SMSR Ltd, using the same methodology. In addition, a total of 330 residents, businesses and community groups responded to an online consultation, hosted on the Council's website. Overall, almost three-quarters responded as a local resident (72%), just over a quarter responded as a business (28%) and less than 1% via a local community organisation (4 respondents) or in another way (7 respondents). All responses have been combined in this report.

The consultation ran from Monday 23rd October to Monday 4th December 2023.

Resident Sample Breakdown

The following tables show the demographic breakdown of all respondents who participated in the research and identified themselves as a local resident (1,384). Please note that not all residents provided demographic information.

Gender (n=1384)	Number	Percentage of sample
Male	683	49%
Female	653	47%
Prefer not to say	48	3%

Age (n=1384)	Number	Percentage of sample
16-24	174	13%
25-34	407	29%
35-44	306	22%
45-54	221	16%
55-64	145	10%
65+	107	8%
Prefer not to say	24	2%

Ethnicity (n=1384)	Number	Percentage of sample
White Background	604	44%
Ethnic Minority Background	754	54%
Prefer not to say	26	2%

Ward (n=1096)	Number	Percentage of sample*
Bethnal Green East	71	6%
Bethnal Green West	70	6%
Blackwall & Cubitt Town	72	7%
Bow East	76	7%
Bow West	54	5%
Bromley North	44	4%
Bromley South	48	4%
Canary Wharf	64	6%
Island Gardens	54	5%
Lansbury	68	6%
Limehouse	23	2%
Mile End	78	7%
Poplar	27	2%
Shadwell	47	4%
Spitalfields & Banglatown	48	4%
St Dunstan's	52	5%
St Katharine's & Wapping	42	4%
Stepney Green	44	4%
Weavers	47	4%
Whitechapel	67	6%

*Please note that no geographical information was collected during the online consultation.

Business Sample Breakdown

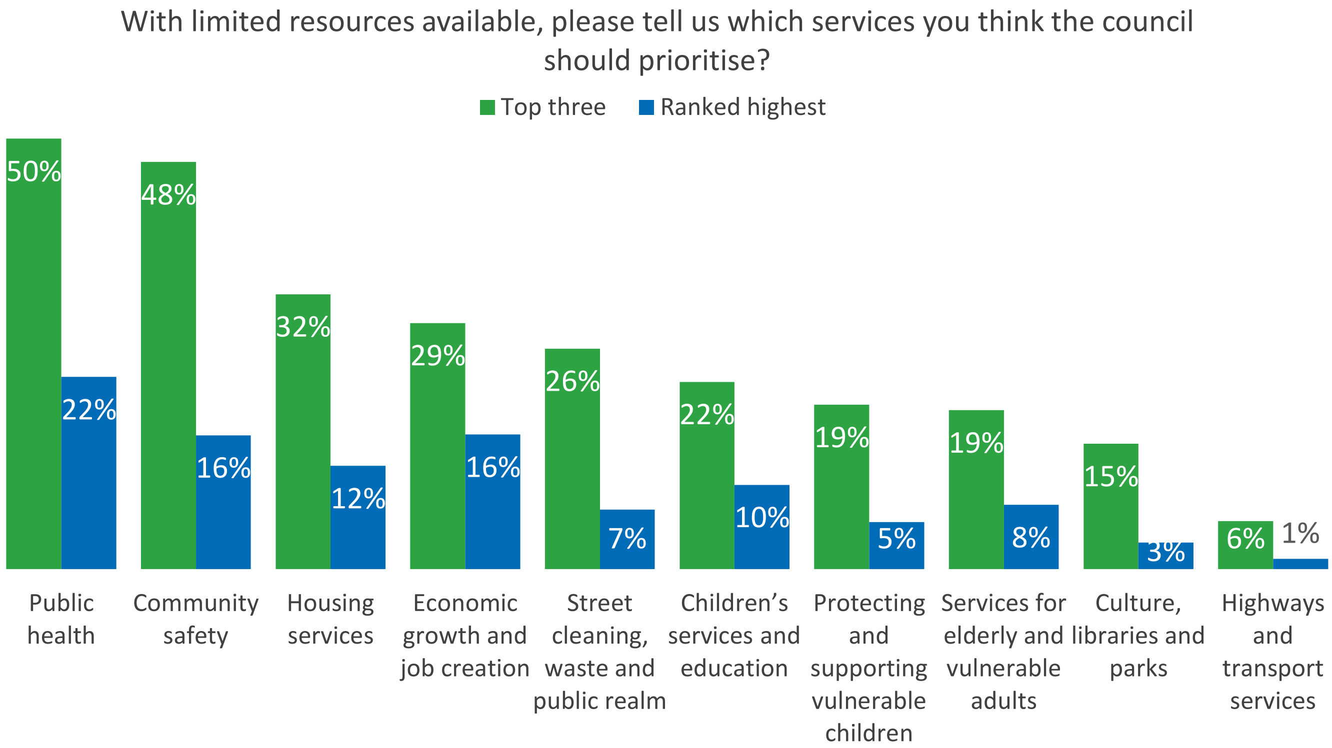
The following tables show the breakdown business who responded to the consultation:

Business size (n=511)	Number	Percentage of sample
Micro (1-9 employees)	328	64%
Small (10-49 employees)	178	35%
Medium (50-249 employees)	4	1%
Large (250+ employees)	1	0%

Ward (n=528)	Number	Percentage of sample
Bethnal Green East	21	4%
Bethnal Green West	20	4%
Blackwall & Cubitt Town	9	2%
Bow East	45	9%
Bow West	29	5%
Bromley North	11	2%
Bromley South	6	1%
Canary Wharf	13	2%
Island Gardens	12	2%
Lansbury	32	6%
Limehouse	9	2%
Mile End	72	14%
Poplar	7	1%
Shadwell	29	5%
Spitalfields & Banglatown	71	13%
St Dunstan's	18	3%
St Katharine's & Wapping	14	3%
Stepney Green	13	2%
Weavers	44	8%
Whitechapel	53	10%

Main Findings

Respondents were asked to rank which services they think the council should prioritise from a list.



Around half rank Public Health (50%) and Community Safety (48%) in three services to prioritise. When considering the services respondents ranked as most important, Public Health scored highest (22%) alongside Community Safety (16%) and Economic Growth and Job Creation (16%). In the previous budget consultation, conducted during 2021, Public Health and Community Safety were both viewed as priority services (with Public Health succeeding Community Safety as the number 1 ranked priority during 2023), highlighting consistency in attitudes towards the importance of these areas of council provision. Culture, Libraries and Parks and Highways and Transport Services were viewed as lesser priorities, overall.

More than half of those aged 35-44 (53%) and 45-54 (55%) included Public Health in their top three ranked priorities as did almost three-fifths of those aged 65 or over (59%). Fewer respondents aged below 35 chose this option with younger respondents significantly more likely to include Economic Growth and Job Creation in their top three compared to older respondents.

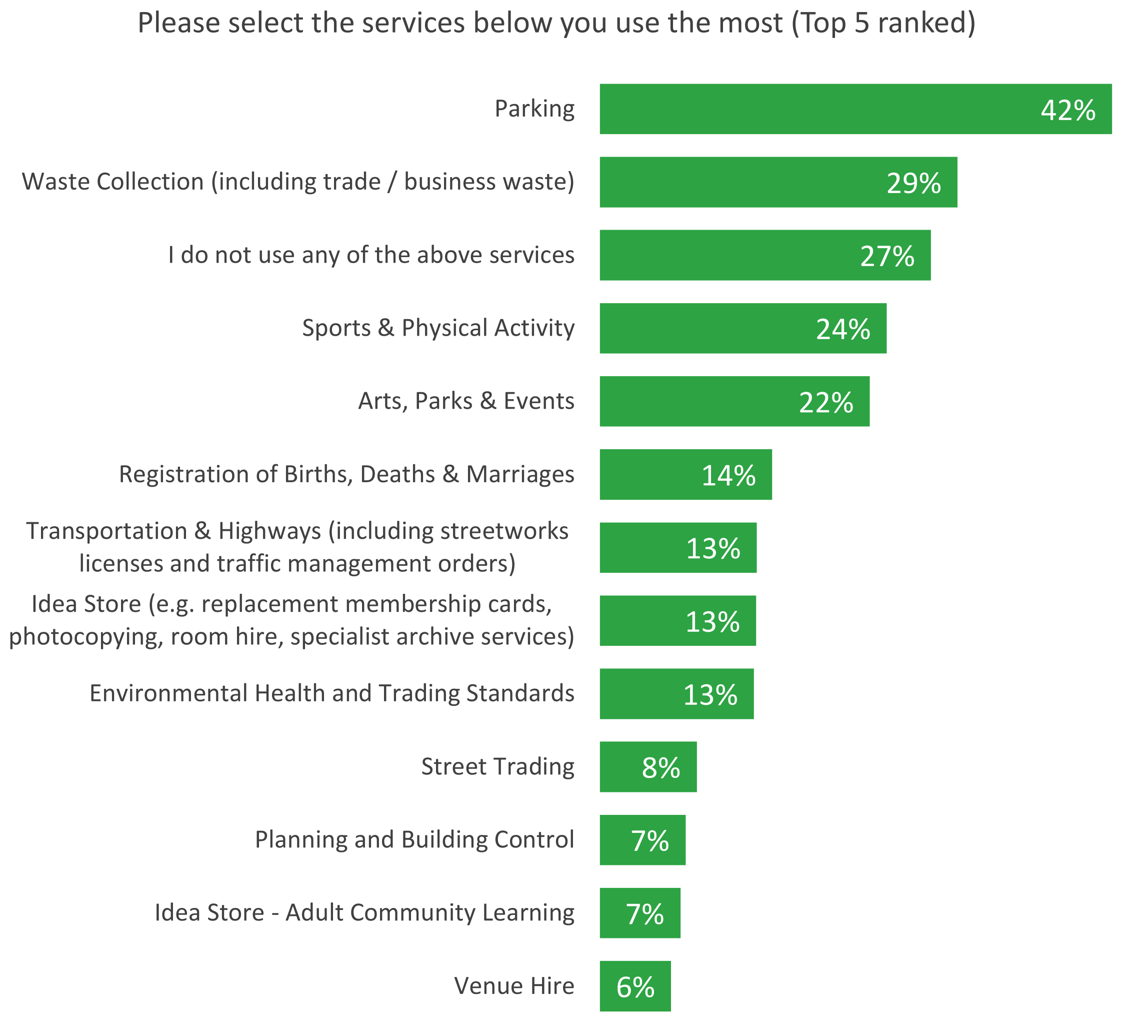
Respondents from an ethnic minority background were more likely to believe that Public Health should be prioritised compared to White people (55% vs 44%), particularly amongst Asian (56%) and Black (56%) communities.

Those who identified as disabled were more inclined to rank Public Health as a priority compared to non-disabled respondents (57% vs 50%) and this cohort also placed high importance on Services for Elderly and Vulnerable Adults (43% compared to 15% non-disabled).

More than two thirds of those responding from Lansbury (69%), Limehouse (66%), Spitalfields and Banglatown (66%) and St Dunstan's (66%) felt that Public Health should be prioritised. Three quarters of those in poplar mentioned Community Safety as a priority (75%).

When comparing the three samples of representative residents, businesses, and online respondents, Public Health was deemed less important by online respondents (29%) compared to the representative residents' sample (52%) and businesses (61%). Online respondents were significantly more likely to prioritise Children's Services and Education (43%) and Street Cleaning, Waste, and Public Realm (42%).

The council charges for a number of services in addition to Council Tax and Business Rates. Respondents were asked to rank the services they use the most from a list of services. For some services, an explanation on fees was provided for clarity. The chart below shows the top 5 ranked services:



The highest used paid services were Parking (42%) and Waste Collection (29%). Just over a quarter revealed they did not use any of the paid provisions that the council provide (27%). Just under a quarter said they pay for Sports and Physical Activity Services (24%) or Arts, Parks, and Events (22%). Lesser used paid services include Planning and Building Control (7%), Idea Stores (7%) and Venue Hire (6%).

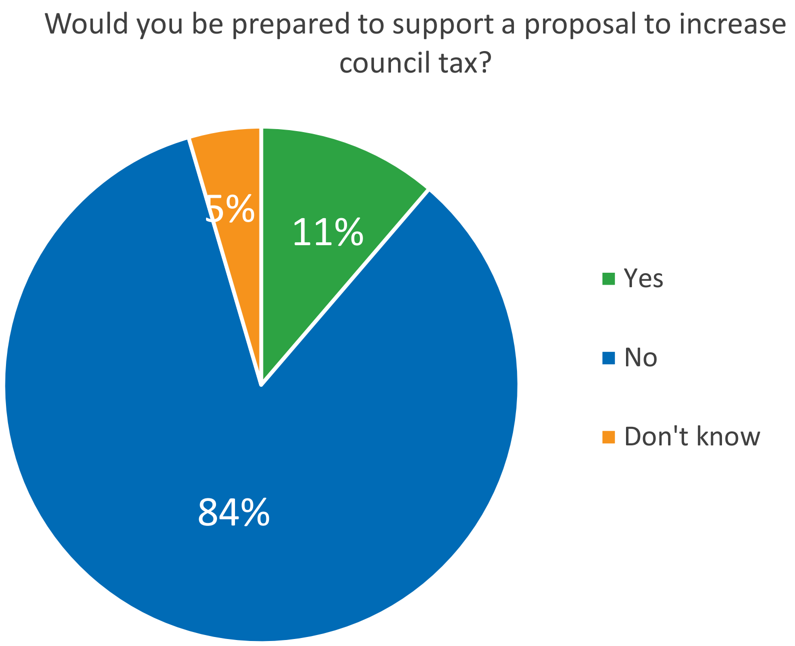
Higher ranking of Parking and Waste Collection Services were driven by businesses rather than residents with almost three quarters of business respondent ranking Parking Services highly (72%). Half of those responding on behalf a business ranked Waste Collection as important (51%) compared to a fifth of residents (21%). Residents were more likely to rank Parking (30%), Sports and Physical Activity Services (29%) and Arts, Parks and Events (28%) higher.

More than half of those aged 45-54 (52%) and 55-64 (57%) ranked Parking Services highly, compared to just a fifth (20%) of those aged under 25, who were more likely to use Sports and Physical Activity Services (32%). Males were also significantly more likely to rank Parking Services highly compared to females (49% vs 32%). People from an Ethnic Minority Background ranked Parking Services higher than White people (44% vs 38%), in particular, the Asian Community (46%).

Those based in Bow East (63%), Bromley North (84%), Bromley South (61%) and Mile End (59%) were more likely to rank Parking Services higher.

Waste Collection services was ranked higher amongst those aged 45-54 (40%) and 55-64 (41%) compared to other age groups. Those who identified as having a disability also ranked Waste Collection Service higher (35% vs 28%, non-disabled), together with Arts, Parks, and Events (31% vs 20% non-disabled).

Respondents were asked if they would be prepared to support a proposal to increase council tax:

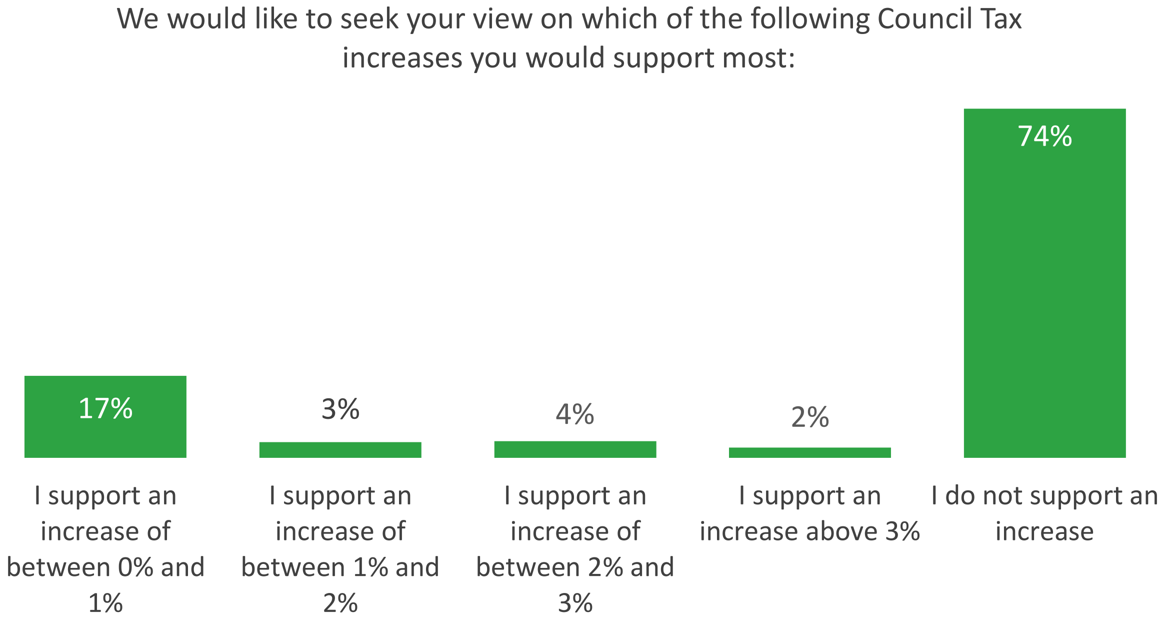


Around a tenth (11%) say they would be prepared to support an increase in their council tax. More than 8 in every 10 do not support a raise and a small percentage were unsure (5%). The percentage of respondents who support an increase has receded significantly since the 2021 consultation (42%) and may be explained to a large extent by the current cost of living crisis affecting the country.

Higher levels of support for an increase could be found amongst those over the age of 65 (19%), compared to just 4% amongst those under the age of 25. Support generally increases with age. Almost a fifth of White people said they would support an increase (18%) compared to 7% amongst those from an Ethnic Minority Background, with lowest levels found amongst Asian (6%) and Black people (4%) in this respect.

Overall, residents were more likely to support an increase in council tax compared to businesses (13% vs 5%). Furthermore, around a third of those responding online supported a rise (34%).

Any council wishing to raise council tax higher than a threshold set by central government will have to hold a local referendum. For 2024/25, the government have announced a threshold of 3% for a Council Tax referendum. In this context, respondents were asked which percentage of increase they would support most:



Around a quarter say they would support some level of increase with just less than a fifth (17%) stating they would back an increase between 0% and 1%. Almost three quarters confirmed they would not support any increase in council tax (74%), increasing from 45%, in 2021.

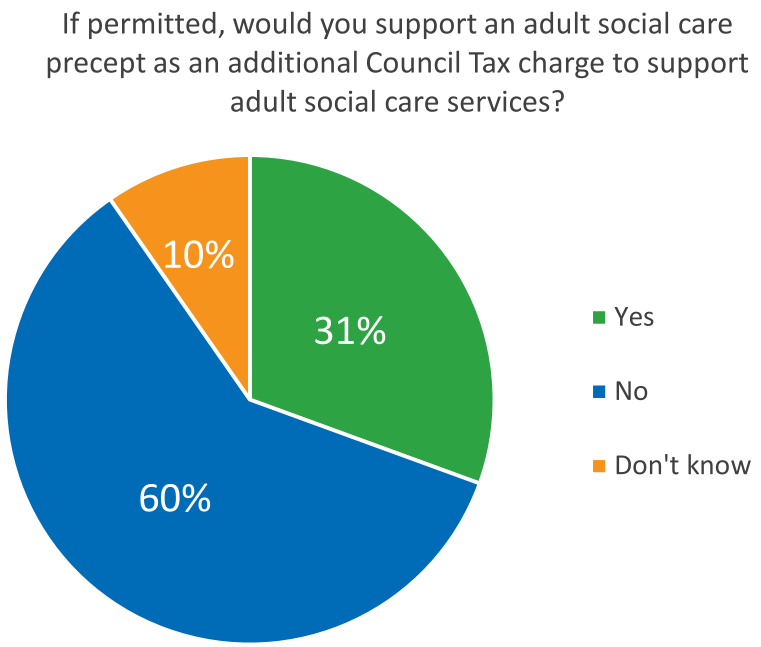
Support for an increase between 0% and 1% was more prominent amongst those aged between 35 and 64 and White people (20% vs 16% Ethnic Minority Background), particularly compared to Black people (8%).

Younger people aged under 25 (84%) were more likely to oppose any level of increase, compared to older respondents, as were respondents from an Ethnic Minority Background compared to White people (80% vs 63%).

Those in Blackwall and Cubitt Town, Poplar, Weavers and Whitechapel were more likely to support any form of increase (all >90%).

The government has allowed councils over the last few years to add an additional charge to their Council Tax for adult social care to support some of their most vulnerable residents. This is called the adult social care precept and is capped at 2%. We estimate that the additional cost pressures to the council for adult social care services in 2024/25 will be circa £7m, although this could be higher.

The council has to meet these costs whether or not it increases council tax or other income, therefore, if it doesn't increase its income, savings have to be found elsewhere. Respondents were asked, if permitted, would they support an adult social care precept to support adult social care services:



Overall, just under a third (31%) would support an additional Council Tax charge to support adult social care services. The majority (60%) do not support this proposal and a tenth did not know (10%). Compared to the same question posed in the previous budget consultation, this represents a significant fall in support from 58% during 2021.

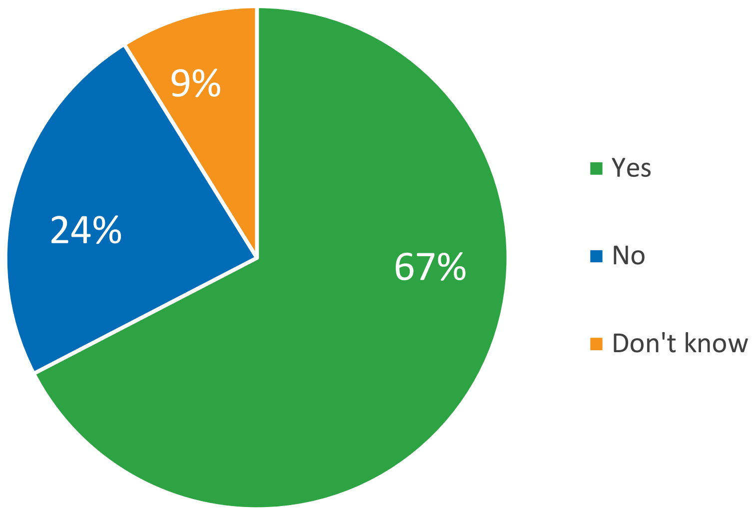
Significantly higher levels of support were found amongst those aged 65 or over (68%) compared to all other age groups with females also more likely to be amiable the additional charge, compared to males (34% vs 29%). Two-fifths of White respondents (40%) backed a potential charge compared to a quarter of those from an Ethnic Minority Background (25%) with Black people, less likely to support the proposal (21%).

More than two-fifths of those who identified as disabled supported the proposal (44%), significantly more than those who did not identify in this way (29%). More than two-fifths of those in Bethnal Green West (40%), Bromley North (42%), Canary Wharf (47%) and Poplar (44%) were more likely to favour an adult social care precept to support adult social care services with people responding from Bethnal Green East, Lansbury, St Dunstan's and Stepney Green, less likely (all <20%).

Finally, the Council is looking at ways it can generate income to contribute towards the budget shortfall and minimise the impact of cuts on its services.

One of the ways the Council already generates income is by hiring out its unique council-owned assets such as parks for events and filming, and the use of venues for ceremonies and sporting activities. Participants were asked if they supported this approach to income generation.

Do you support the council expanding this approach to income generation so we can continue to protect frontline services, and limit the impact of government cuts?



Around two-thirds say they support this approach to income generation (67%). A quarter do not support this action (24%) and less than a tenth was unsure (9%). During 2021, 85% were in favour of the approach, confirming a significant decrease in support during 2023, although the majority still approve.

Almost three quarters of those aged 45-54 (73%) and 55-64 (74%) approved of the approach compared to 56% of those aged 16-24. Those responding from Bow West, Bromley North, Bromley South and Mile End were more likely to support council expanding its approach to income generation (all >80%). Those in Blackwall and Cubitt Town (27%), Limehouse (34%) and Stepney Green (20%) were least likely to favour this approach.

Levels of support were higher amongst those responding on behalf of a business compared to residents (87% vs 60%).

Appendices

Ethnicity Sample

Care was taken to ensure the sample included representation from all demographic groups within the borough and was aligned to the 2021 census amongst the resident sample. An expanded breakdown of ethnic background, overall, can be found below:

Ethnicity (n=1931)	Number	Percentage of sample
White - English, Welsh, Scottish, Northern Irish or British	496	26%
White - Irish	43	2%
White - Gypsy or Irish Traveller	0	0%
White - Roma	1	0%
White - Any other background	180	9%
Mixed or Multiple ethnic groups - White and Black Caribbean	33	2%
Mixed or Multiple ethnic groups - White and Black African	18	1%
Mixed or Multiple ethnic groups - White and Asian	40	2%
Mixed or Multiple ethnic groups - Any other background	13	1%
Asian or Asian British - Indian	166	9%
Asian or Asian British - Pakistani	121	6%
Asian or Asian British - Bangladeshi	453	23%
Asian or Asian British - Chinese	49	3%
Asian or Asian British - Any other background	33	2%
Black or Black British - Caribbean	57	3%
Black or Black British - Somali	70	4%
Black or Black British - Other African	72	4%
Black or Black British - Any other background	1	0%
Other ethnic group - Arab	50	3%
Other ethnic group - Any other ethnic group	2	0%
Prefer not to say	33	2%

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