

<p>Cabinet</p> <p>6 December 2016</p>	
<p>Report of: Zena Cooke (Corporate Director of Resources)</p>	<p>Classification: Unrestricted</p>
<p>Medium Term Financial Strategy 2017 – 2020</p>	

Lead Member	Councillor David Edgar, Cabinet Member for Resources
Originating Officer(s)	Neville Murton (Service Head Finance and Procurement)
Wards affected	All
Key Decision?	No
Community Plan Theme	One Tower Hamlets

Executive Summary

On 24th February 2016 the Council agreed a balanced budget for 2016-17 and a Medium Term Financial Strategy (MTFS) covering the period 2016-2020. The MTFS identified a funding gap of £58m over the period 2017–2020 after the proposed use of General Fund reserves amounting to £4.4m. The estimated savings requirement amounted to £30m; £18m and £10m respectively for 2017-18 to 2019-20.

On 6th September 2016, Cabinet received an updating report; setting out the intention to adopt a new strategic approach to financial planning, predicated on the government's guaranteed four year funding settlement and utilising an outcomes based budgeting approach. In October, a further report was provided which reviewed and updated the key underpinning assumptions in the MTFS; confirming that in overall terms the funding gap remained at a similar level as set out in February 2016. It also highlighted the launch of public consultation on the budget.

Since that time work has continued in identifying and developing the proposals that will meet the funding gap over the MTFS period. Public consultation on the budget closed on November 20th and the outcomes from that process are set out here to inform Cabinet's consideration of the detailed savings proposals.

All of these aspects are considered in the light of the Government's Autumn Statement which was made to the Houses of Parliament on 23rd November 2016 by the Chancellor of the Exchequer. The initial evaluation of the implications of that statement, pending receipt of the provisional Local Government Finance Settlement, is set out for Members together with the latest position on the Business Rates revaluation process which will also take effect from April 2017.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the confirmation that the Council is formally on the multi-year settlement and that therefore the level of Revenue Support Grant announced in the 2016 Final Local Government Settlement is 'guaranteed' for 2016 – 2020 (Section 3.3);
2. Note the outcomes from the Autumn Statement and the implications on the Council's MTFS planning assumptions (Section 3.4);
3. Note the outcomes from the Business Rate revaluation exercise for 2017 and the implications for the Council's MTFS planning assumptions (Section 3.5); and
4. Note the analysis and outcomes from the Your Borough Your Future budget consultation and have due regard to the issues raised in developing its detailed budget proposals (Section 3.6).

1. REASONS FOR THE DECISIONS

- 1.1. The Council is under a duty to set a balanced and sustainable budget and maintain adequate reserves such that it can deliver its statutory responsibilities and priorities. The Council must also undertake meaningful budget consultation with key stakeholders.
- 1.2. The government's four year guaranteed financial settlement provides the Council with the opportunity to take a more strategic approach to its budget setting arrangements; building on the existing medium term financial planning approach that the Council has adopted for a number of years. The Autumn Statement provides a further opportunity for the Council to review its approach and assumptions in the light of the national economic projections and political priorities.
- 1.3. Through the adoption of an outcomes based approach over the 3 year planning period the Council is afforded the opportunity to develop proposals which are more transformational in nature and allow sufficient time for needs led, outcome based service redesign.
- 1.4. A Medium Term Financial Strategy (MTFS) covering the entirety of the resources available to the Council is considered to be the best way that resource prioritisation and allocation decisions can be considered and agreed in a way that provides a stable and considered approach to service delivery and takes into account relevant risks and uncertainty. Other relevant strategies provide further guidance to enable officers to develop and deliver proposals that meet Member's policy direction.
- 1.5. As the Council develops its detailed proposals it must continue to keep under review those key financial assumptions which underpin the Council's MTFS; in particular as the Council becomes ever more dependent on locally raised sources of income through the Council tax and retained business rates these elements become fundamental elements of its approach and strategies.

2. ALTERNATIVE OPTIONS

- 2.1. Whilst the Council has identified a number of proposals for consideration aimed at delivering its MTFs there is no alternative other than to set a legal and balanced budget and agree its Council Tax before the statutory deadline.
- 2.2. The Council could continue with the current approach of agreeing proposals on an annual basis but this does not support a strategic approach which allows for proposals to be managed and implemented over a longer period of time leading to evidenced based policy decisions and better overall outcomes.
- 2.3. It is also inconsistent with the Council's Efficiency Plan which underpins agreement of a guaranteed Four Year funding settlement from the government.

3. DETAILS OF REPORT

3.1. Introduction and Background

- 3.1.1. The medium term financial planning process is an essential part of the Council's resource allocation and strategic service planning framework. The Medium Term Financial Strategy (MTFS) integrates service and financial planning over a three year period. It translates the Strategic Plan priorities into a financial framework that enables the Mayor and officers to ensure policy initiatives can be delivered within available resources.
- 3.1.2. In February 2016 the Council agreed a balanced budget for 2016-17 and an MTFs covering the period 2016-2020. For 2017 to 2020 this highlighted a funding gap of £58m with estimated funding shortfalls of £30m in 2017-18, £18m in 2018-19 and £10m in 2019-20.
- 3.1.3. The MTFs was based on a number of key assumptions covering the following areas:
 - (i) Levels of total government grant over the MTFs period including Revenue Support Grant (RSG) as well as core and other service grants such as the New Homes Bonus (NHB) Better Care Fund (BCF) and Education Support Grant (ESG).
 - (ii) Estimated changes to the Council's local resource base i.e. Council Tax and Business Rates
 - (iii) Estimated service demographic growth and inflationary pressures over the MTFs period.
 - (iv) The achievement of savings already approved including £27m in 2015-16 and further savings of £17m to be achieved in 2016-17.
- 3.1.4. In October the key assumptions were reviewed and found to be still substantially valid; this confirmed the need to progress with the identification of savings totalling £58m over the three year planning period of the MTFs and commence a period of budget consultation with, residents, businesses, partners and other stakeholders, designed to establish their views on the approach the Council is adopting to deal with the financial challenges it faces.

- 3.1.5. Since that time there has been further progress in a number of areas including:
- (i) The government's Autumn statement setting out the Country's latest economic forecasts and their impact on public finances;
 - (ii) The government's confirmation on the four year guaranteed settlement funding;
 - (iii) The high level outcomes from the Business Rate revaluation process;
 - (iv) The outcomes from the Council's budget consultation activities and the impact of those on the Council's strategic approach;
 - (v) The latest position in respect of agreeing and setting the Council tax base for 2017-18;
 - (vi) The progress in identifying proposals to eliminate the gap between estimated financial resources and expenditure plans;
 - (vii) The progress in finalising the need for and extent of unavoidable growth and inflation pressures facing the Council;
 - (viii) Consideration of the need for Fees and Charges increases;
 - (ix) The development of key underpinning strategies such as the capital Strategy and Investment Strategy and a policy on the Council's use of Reserves;
 - (x) The Council's Capital Expenditure plans;
 - (xi) The setting of social housing rents and service charges; and
 - (xii) The Tower Hamlets Homes (THH) financial strategy.
- 3.1.6. The first four of these items are covered in this report with the January 2017 Cabinet report bringing together the remaining items to establish the overall budget package.

3.2. The Council's Strategic Approach

- 3.2.1. As previously set out, the drivers for the Council's financial strategy are:
- To set a balanced budget over the life of the MTFs whilst protecting residents from funding reductions as far as possible.
 - To fund priorities agreed within the Strategic Plan, ensuring that service and financial planning deliver these priorities.
 - To deliver a programme of planned reviews and savings' initiatives designed to maximise efficiency and minimise the impact on services for residents.
 - To maintain and strengthen the Council's financial position so that it has sufficient reserves to address any future risks and unforeseen events without jeopardising key services and delivery of service outcomes for residents
 - To ensure the use of reserves policy prioritises investment in service transformation and efficiencies that deliver a reduced cost base.

- Ensuring the Council maximises the impact of its spending to deliver priority outcomes.

3.3. The Government's Four Year Settlement

- 3.3.1. In the 2016-17 provisional local government finance settlement (SR2015), the government stated that it would offer any council that wishes to take it up, a four-year funding settlement which would cover the period from 2016 to 2020. At the time of the final settlement in January 2016, it was confirmed that the deadline for requesting acceptance of the offer was 14th October 2016.
- 3.3.2. At its October meeting the Mayor in Cabinet gave authority to the Corporate Director, Resources to prepare and submit an Efficiency Plan as a prerequisite of accepting the four year settlement offer. The Efficiency Plan was submitted in accordance with the deadline and in a letter dated 16 November 2016 from the Minister for Local Government (Marcus Jones MP) confirmation was received that the Council is now formally on the multi-year settlement.
- 3.3.3. As set out in the October report the guarantee does not give protection from:
- (i) The extra responsibilities and functions that might need to be accepted by local government as part of the move to 100% business rates retention;
 - (ii) Future transfers of functions to or between local authorities, or the impact of mergers; and
 - (iii) Any other unforeseen events.
- 3.3.4. This confirms that, other than in exceptional circumstances, the Council can expect to receive the allocations for Revenue Support Grant (RSG) published as part of the 2016-17 local government finance settlement in 2017-18, 2018-19 and 2019-20. These are set out below and give the Council some certainty over the funding levels attributable to this aspect over the MTFs planning horizon.

Table 1 – RSG Projections 2016 -2020 (Final LGF Settlement Jan 2016)

Year	Projected RSG £m
2016-17	68.665
2017-18	53.958
2018-19	43.795
2019-20	33.281

3.4. The Autumn Statement

- 3.4.1. The Chancellor of the Exchequer made his 2016 Autumn Statement to the House of Commons on 23 November 2016.

- 3.4.2. In it he made a number of policy announcements including confirmation that the Autumn Statement will be abolished and the Budget will be moved to the autumn. The 2017 Budget (in March) will therefore be the last spring Budget, and there will be a further Budget in the autumn of 2017. The Government will, however, continue to respond to the OBR's economic forecasts in the spring in a "Spring Statement" from 2018.
- 3.4.3. The Chancellor announced that the government has abandoned its commitment to reduce public sector net borrowing to a surplus position by the end of this Parliament. It is now planning for a deficit of £21.9bn in 2019-20, compared to the surplus of £10.4bn planned for at Budget 2016; this represents an increase in public sector net borrowing for 2019-20 of £32.3bn. Projected public sector net borrowing has increased by £122.1 billion since the March forecast over the relevant forecast period (2016-17 to 2020-21) and it is likely this will have contributed towards this shift in policy.
- 3.4.4. The Chancellor stated that the government is committed to the overall plans for departmental resource spending until 2019-20, which were set out at Spending Review 2015. In line with this, on the 16th November the DCLG confirmed formal acceptance of the Council's application for the 4 year settlement offered during the 2016-17 Local Government Finance Settlement as set out above. The MTFs being prepared for consideration by Cabinet in January 2017 will be in line with these figures. Beyond that period, Departmental resource spending is projected to grow in line with inflation in 2020-21 and 2021-22.
- 3.4.5. The Chancellor also announced a new draft Charter for Budget Responsibility, with three new fiscal rules:
- Borrowing should be below 2% by the end of this Parliament rather than deliver a budget surplus by the end of 2019-20. The Government's objective will be to deliver a budget surplus "at the earliest possible date in the next parliament";
 - Public sector net debt as a share of GDP must be falling by the end of this Parliament. This replaces the previous requirement for net debt as a % GDP to fall in every year of this parliament; and
 - Welfare spending must be within a cap, set by the government at Autumn Statement 2016 and monitored by the Office for Budget Responsibility (OBR). This replacing welfare caps set previously for every year of the current parliament.

National Productivity Investment Fund (NPIF)

- 3.4.6. This new framework is intended to provide the opportunity for additional investment in the productive capacity of the UK economy, the centrepiece of which is a new National Productivity Investment Fund (NPIF), which will provide for £23 billion of spending between 2017-18 and 2021-22. This fund will provide additional support in order to accelerate new housing supply, tackle congestion on the roads, support the market to roll out full-

fibre connections and future 5G communications as well as enhance the UK's position as a world leader in science and innovation.

3.4.7. Some of the specific areas of investment through the NPIF are as follows:

- (i) Housing Infrastructure Fund – £2.3 billion by 2020-21 will be allocated to local government on a competitive basis, to provide infrastructure targeted at unlocking new private house building in the areas where housing need is greatest. An additional £1.4 billion will be made available to deliver an additional 40,000 affordable housing starts by 2020-21;
- (ii) Local Enterprise Partnerships (LEPs) - £1.8 billion will be allocated to LEPs across England through a third round of Growth Deals, including £492 million to London and the South East. Awards to individual LEPs are still to be announced in the coming months;
- (iii) Local roads and transport – £1.1 billion by 2020-21 will be set aside to relieve congestion and deliver upgrades on local roads and public transport networks;
- (iv) Digital communications - the government will invest over £1 billion by 2020-21, including £740 million through the NPIF, targeted at supporting the market to roll out full-fibre connections and future 5G communications.

Business Rates

3.4.8. The government has announced a number of changes to business rates. From April 2017, there will be 100% business rates relief on investment in new fibre.

3.4.9. The government has also confirmed in its response on the consultation on transitional arrangements that the transitional relief cap under business rates revaluation will be lowered. The cap for large businesses will be reduced from 45% to 42% in 2017-18 and from 50% to 32% in 2018-19. This is estimated to benefit London businesses by £46 million in 2017-18 and £33 million in 2018-19.

3.4.10. The government has not stated whether local authorities will be provided with additional s31 grants to compensate for the rate relief reforms, however, based on past decisions, it would be expected that they would do so and thus the impact of these changes is expected to be revenue neutral for the Council.

3.4.11. Other key announcements include:

- (i) The government has confirmed the Greater London Authority's (GLA) affordable housing settlement, under which the GLA will receive £3.15bn to deliver over 90,000 housing starts by 2020-21, and will devolve the adult education budget to London from 2019-20.
- (ii) Right to Buy – The government will fund a large-scale regional pilot of the Right to Buy for housing association tenants. Over 3,000 tenants

will be able to buy their own home with Right to Buy discounts under the pilot.

- (iii) Pay to Stay – As announced by the DCLG on 21 November 2016, the government has decided not to implement Pay to Stay, but intends to ensure that social housing is occupied by those who need it most through other measures including fixed term tenancies. A Housing White Paper is to be published “shortly”.
- (iv) The government has confirmed it will reform the off-payroll working rules in the public sector from April 2017 by moving responsibility for operating them, and paying the correct tax, to the body paying the worker’s company. The 5% tax-free allowance will be removed for those working in the public sector, reflecting the fact that workers no longer bear the administrative burden of deciding whether the rules apply.
- (v) £50 million a year will be made available from 2017-18 to introduce a new grammar school capital fund to support the expansion of existing grammar schools.
- (vi) Tax-free childcare will be introduced gradually from early 2017, with full roll-out taking place at the end of a trial period.
- (vii) The government has said that it has no plans to introduce further welfare savings measures in this Parliament beyond those already announced.
- (viii) From April 2017, the taper rate that applies in Universal Credit will be reduced from 65% to 63%. The government estimates that 3 million households will benefit from this change. In addition the Autumn Statement provides funding for the welfare announcement made by the Secretary of State for the Department for Work and Pensions (DWP) on 20 July 2016, which included policy changes and revisions to the Universal Credit roll out schedule.

3.4.12. Further analysis will be carried out on the impact of these announcements as more details emerge over the coming weeks and these will be incorporated into the January 2017 budget and MTFS report to cabinet.

3.5. Business Rates - Revaluation

- 3.5.1. The government’s Business Rate Retention Scheme (BRRS) has been in operation since 2013-14; under this scheme London Boroughs retain 30% of their Business Rate yield with the government retaining 50% and the Greater London Authority (GLA) retaining the remaining 20%. The amount of Business rates due is a factor of each business’ rateable value multiplied by the Uniform Business Rate multiplier.
- 3.5.2. Business Rates are subject to regular revaluations which are normally carried out by the Valuation Office Agency (VOA) every five years, although the last Local List was extended by two years meaning that the next revaluation would come into effect on the 1st April 2017.

- 3.5.3. The latest revaluation Rateable Values (RVs) which are effective at April 2017, were published in September 2016, although they are at this stage only a draft with the final list being finalised early in 2017.
- 3.5.4. This is too late for the Local Government Finance Settlement which will need to include the relevant 'top up' or 'tariff' amount for every authority. An authority's 'top up' or 'tariff' will continue to reflect the difference between its baseline need (how much the government estimates that the Council needs to provide services) and its business rates baseline; In 2016/17 Tower Hamlets receives a top up of c£4m although the revaluation exercise will mean that this will change to requiring the authority to pay a tariff (this is exemplified further below). The 2017-18 tariff or top up adjustment will be based on a draft list, with a correction in 2018-19 as follows:
- 2017-18 – based on draft list
 - 2018-19 – based on final list + one off correction for 2017-18
 - 2019-20 – based on final list
- 3.5.5. The Revaluation alters the Rateable Value (RV) and therefore the amount that local authorities can collect from business rates. It is however intended to be revenue neutral and how this will be achieved is still subject to a technical consultation paper - the content of this report is prepared on the basis that the proposals in the consultation paper will be implemented.
- 3.5.6. The RV for each business and therefore each authority will either increase or decrease and, because the overall position nationally has resulted in an increase in RV, the business rates multiplier is going to decrease; the multiplier decreases by an equal and opposite percentage (after adjustments for inflation and appeals). In order to ensure that at an authority level this change is also revenue neutral, it is proposed that there will be an adjustment to each authority's top up /tariff amount to compensate for this change.
- 3.5.7. Because revaluations have a tendency to trigger business rate appeals and to compensate for this; the multiplier is not decreased by the same percentage as the increase in RV, with an allowance made for the future loss in RV following appeals. The Department for Communities and Local Government (DCLG) have made an allowance for projected loss on appeals by increasing the 2017-2018 multiplier by 4.7%.
- 3.5.8. This approach assumes that the appeals will be distributed evenly throughout all local authorities, which of course will not be the case; further work will be carried out in this area.
- 3.5.9. The 2016-17 Multiplier is 48.4p and nationally, the draft list shows an increase in RVs of +11% which means that without appeals, the multiplier would have changed by -11% to 43.6p. With assumed inflation at +2%, this would have increased the multiplier to 44.5p, however, the provisional multiplier has been set at 46.6p, which is 2.1p higher as a result of an allowance for appeals of 4.7%.

3.5.10. The following table shows the provisional changes as far as the RV and Income for Tower Hamlets are concerned; the RV has increased by 20.7% resulting in a 8.7% increase in the total amount due from business rates:

Table 1

Detail	Rateable Value	Multiplier	Estimated Gross Income (£000)
2010 List	864,210	0.484	£418,278
2017 Draft list	1,042,685	0.436	£454,610
Change in Value	178,475,		£36,333
Change %	20.7%		8.7%

3.5.11. Currently, and based on the existing methodology (i.e. before this revaluation exercise but reflecting a 30% retained business rates model) the authority is a Top Up authority as its baseline need is above the NNDR baseline as shown in the following table:

Table 2 Existing Business Rate top up calculation (30% retained model)

£m	2017-18	2018-19	2019-20
Baseline Need	104.0	107.1	110.5
NNDR Baseline	99.4	102.4	105.7
Top Up	4.6	4.7	4.8

3.5.12. Based on the formula proposed by the government in their consultation documents, the changes in RV from the 2017 Revaluation has the effect of moving the Council from a Top Up to a Tariff as shown in Tables 3 and 4 below:

Table 3 – Proposed calculation

Detail	Rateable Value	Multiplier		Value (£)
2017 Draft	1,042,685	0.436	A	454,610,660
2010 List	864,210	0.484	B	418,277,640
2015-16 NNDR yield (£)	374,977	0.484 / 0.480	C	378,101,875
Local Share			D	30%
Adjustment Formula (£)	C (1-A/B) D		J	(9,852,965)

Note 1: The calculation shows therefore that a £9.9m adjustment is required to ensure that the change in RV is neutral to the authority. Once inflation of 2% is added, the adjusted amount becomes £10.1m which when offset against the existing 'Top-up' payment results in the authority moving from a top-up position to having to pay a Tariff of £5.5m in 2017-18 as shown in the following table.

Table 4

Detail	2017-18 £m
Baseline Need	104.0
NNDR Baseline	99.4
Top up	4.6
Adjustment (Note 1 Table 3)	(10.1)
Tariff	(5.5)

Resource Projections

3.5.13. The following tables show the Council's resource projections from Business Rates over the next 3 years based on the existing methodology and amounts and the Top up Calculation (Table 5) compared to the estimated position under the proposed arrangements (Table 6).

Table 5

Detail	2017-18 £m	2018-19 £m	2019-20 £m
Forecast Business Rates Income	124.2	129.2	134.6
Top up	4.6	4.7	4.8
Total Retained BR resources	128.8	133.9	139.4

Table 6

Detail	2017-18 £m	2018-19 £m	2019-20 £m
Forecast Business Rates Income	138.5	142.6	147.2
Tariff	(5.5)	(6.6)	(6.3)
Levy	(1.6)	(1.6)	(1.6)
Adjusted Income	131.4	134.4	139.3

3.5.14. Table 6 is based on an updated assessment of the Business Rate taxbase in 2016-17 (separate from any revaluation effects) which suggests that the estimated growth in taxbase from that assumed in February 2016 has been exceeded. However, there are significant concerns that the 4.7% allowance in the multiplier for appeals will not be sufficient for Tower Hamlet's situation and therefore the apparent increase in 2017-18 yield is likely to be overstated. A further detailed analysis is being completed in time to inform the January 2017 MTFS report.

3.5.15. In the future, as a Tariff authority, the Council will also be subject to a levy on all future Business Rate growth and an estimate of this over the MTFS planning period will also be reflected in the January 2017 report.

3.6. Budget Consultation and Scrutiny

3.6.1. The Council must undertake statutory budget consultation with Business Rate payers in the borough and it is also good practice to consult with

Council Tax payers and a broad range of other stakeholders. In addition meaningful consultation must take place with service users before any changes to service provision are implemented and the Council's budget framework sets out the need for Scrutiny of the budget by the Council's Overview and Scrutiny Committee.

- 3.6.2. The council launched the Your Borough Your Future campaign on Tuesday, 11 October 2016. Your Borough Your Future aims to provide the council with an overarching brand identity for all future consultations around budget setting, transformation and service re-design. In the first instance, and for the purposes of this report, Your Borough Your Future relates to the general consultation run during October and November 2016 which sought to provide residents with details of the financial challenges the Council currently faces and requested feedback on priorities in terms of Council services and whether the Council should consider its approach in light of the budgetary pressures it faces.
- 3.6.3. A campaign narrative was agreed with the CMT, the Mayor and Cabinet which identified and articulated the key drivers for the Council's approach via Your Borough Your Future. The key messages in this narrative are:
- Significant government funding cuts and growing pressures on services mean the council has to find £58m of savings by 2020.
 - That is the equivalent of £1 for every £6 spent, and it is on top of £138.3m already saved since 2010.
 - To make the most of the money it has, the Council is proposing to set a three year budget that focuses on delivering the best outcomes over the long term, rather than an annual budget that has been plugging holes, year on year, made by continued government funding cuts.
 - For residents to get involved by giving their views on what matters to them, and suggesting ways in which Tower Hamlets can do things differently to help make savings.
- 3.6.4. The campaign aimed to engage as many residents as possible during a six week consultation period. It also aimed to ensure representative views were sought (i.e. there was opportunity for people from all parts of the borough and from different age groups and ethnicities, to take part). To that end, the council employed a dual approach of self-selection (opting-in to the online consultation) and targeted outreach (via a telephone survey, face-to-face interviews and a focus group with partners).
- 3.6.5. The consultation on the general Your Borough Your Future consultation closed on 20 November. 461 responses to the consultation were received.
- 3.6.6. This report provides a summary of the resident engagement, outreach and communications activity undertaken as part of this campaign and provides an initial analysis of the feedback received as part of this consultation.
- Your Borough Your Future – promoting the consultation**
- 3.6.7. The Your Borough Your Future consultation sought residents' views about the priorities the council should focus on as it plans for future service delivery. The campaign was supported by promotional material which was

titled 'Join the Conversation' and aimed to be inclusive, accessible and engaging.

- 3.6.8. The campaign was launched on 11 October with an online consultation, available via the council's website. The following channels were used (the summary below includes analysis of how each channel promoted the consultation):
- 3.6.9. The campaign featured prominently on the council's website. A web banner on the council's home page 'carousel' ran for the duration of the consultation period. This provided a direct link through to the consultation pages, including the survey itself. In addition, there were pages setting out relevant information for residents, including how the council currently spends money and what savings have been achieved so far. These were presented in the form of infographics, to ensure the information was easy to understand and accessible.
- 3.6.10. The council's e-newsletter is distributed to just under 10,000 residents on a fortnightly basis. Residents were invited to 'join the conversation' and complete the online survey in all three of the last corporate e-newsletters issued. In addition to the regular e-newsletters, a special edition version highlighting the Your Borough Your Future consultation, the consultation on the Council Tax Reduction Scheme and the consultation on the Local Plan was issued on 15 November 2016.
- 3.6.11. A news story promoting the launch of the consultation and encouraging residents to visit the campaign was published in the news section of the council's website on 11 October. This achieved 946 page visits with 126 people opening the survey as a result of viewing the news story.
- 3.6.12. The total number of visits to the join the conversation webpage was 737 and the total number of people who went on to open the survey was 461 (62.6 per cent).
- 3.6.13. There were over 500 referrals to the webpages as a result of this digital outreach work.

Referrals from newsletter 13 to webpages	225
Referrals from newsletter 14 to webpages	47
Referrals from newsletter 15 to webpages	253
Total referrals from e-newsletter	525

- 3.6.14. There was a regular schedule of promotion via the council's social media accounts throughout the consultation period, including tweets via Twitter. A total of 35 tweets were issued which resulted in 38,578 impressions (the number of times a user saw the tweets). In addition there were 1,049 engagements (people clicking on clicks or hashtags, liking or re-tweeting).

- 3.6.15. Twenty-three posts were published to Facebook (FB), reaching 8,701 people and resulting in 115 engagements. The posts received 10 likes and 2 shares.
- 3.6.16. Three posts were published to Instagram, receiving 23 likes from the 726 people who saw the posts.

Referrals from Twitter to webpages	138 (5.3%)
Referrals from FB to webpages	41 (1.6%)
Referrals from LinkedIn to webpages	18 (0.7%)
Referrals from Instagram to webpages	4 (0.2%)
Total referrals from social media	201

- 3.6.17. A press release was issued to all local and BME media outlets at the launch of the budget consultation campaign (including a version translated into Bengali). Coverage was achieved in Weekly Desh, the Bangla Post and Janomot newspapers as well as on the London BD news website.
- 3.6.18. In addition, quarter page adverts promoting the consultation and pointing people to the website to complete the survey, were placed in several local media outlets, including the East London Advertiser, Surma, Weekly Desh, Potrika, Bangla Post, Bangla Time, Bangla Mirror and Janomot.
- 3.6.19. Posters using the Your Borough Your Future branding and inviting residents to 'join the conversation', directing them to the online consultation event were on display around the borough during the consultation period.
- 3.6.20. This included displays on council-owned Community Information sites from 18 October to 20 November, adverts on 25 phone boxes and 8 bus stop shelters.
- 3.6.21. In addition, in-app adverts were published on smartphone mobile apps to smartphone users that were geo-located within the borough, through a service known as Exads. This achieved 202,368 adverts/ impressions with 1,032 click/ visits to the link within the borough only.
- 3.6.22. An eight page leaflet using the infographics and campaign narrative as it appeared on the council's website was produced and distributed to 120,000 households (the distribution for Our East End).
- 3.6.23. Following a competitive tendering process, an external organisation was commissioned to undertake a telephone survey of a representative group of 1,065 borough residents.
- 3.6.24. This company also undertook 200 face to face interviews with residents at Idea Stores located around the borough over the course of several days during the consultation period.

3.6.25. The particular value of this element of the outreach work was that it ensured the sample returned was representative of the wider population of the borough and that a representative spread in terms of geography, age, gender and ethnicity was achieved. It also provided balance to the digital survey, which was self-selecting and therefore not necessarily representative of the borough.

Engaging with partners

3.6.26. On 3 November over one hundred representatives of the council's partner organisations, including housing providers, health services, emergency service representatives and education providers, attended an event to discuss how to better support residents in light of the cuts to public funds. The event was attended by the Mayor, Lead Member, Resources, Chief Executive and Corporate Director, Resources.

3.6.27. Presentations on budget issues and opportunities were delivered by Mayor Biggs, Councillor Edgar and Superintendent Pete Turner from the Metropolitan Police. Attendees were given hard copies of the Your Borough Your Future booklets, which set out an overview of the budget and council spend, with details of savings that need to be made over the next three years. Attendees were encouraged to post ideas about new ways of working with partners on an Ideas Board and those attending were asked:

- How do we meet our funding challenges by changing the way services are delivered?
- How can we work together to achieve the best outcomes for residents?
- Are there income generation opportunities?

3.6.28. Attendees recommended the consideration of joint procurement; 'investment to save' through employment services; better commissioning with the community sector and for the borough to avoid duplication of services.

3.6.29. Key proposals arising from the event included:

- The need for a partnership approach to sharing outcomes and co-production
- The need to better share community intelligence to achieve better outcomes
- The need for better communication across all partners when sharing:
 - Learning
 - Investment
 - Back office functions
 - Data
- The need to introduce a greater focus on outcomes rather than outputs from services
- Consideration should be given to generating income by selling/ marketing council services.

3.6.30. More detailed feedback from this event is included at Appendix 2 below.

Consultation with businesses

3.6.31. The statutory element of the council's budget consultation activities relate to effectively consulting with business rate payers.

- 3.6.32. The council has proactively written to all 18,000 business rate-payers in the borough, setting out details of the consultation and inviting them to complete the online survey.
- 3.6.33. In addition, business representatives have been invited to attend an engagement event which will be held on Friday, 2 December. This will enable them to raise and share their views on what the council's priorities should be

Residents' feedback

- 3.6.34. Feedback from residents has been analysed by the council's Corporate Research Unit and a summary of the findings can be seen in Appendix 1 and below.
- Respondents were asked to choose their top two solutions for minimising the impact of budget savings from a list of six options. The top response in all three groups of respondents was to 'make council services more efficient';
 - When asked about savings options the preferred option was to 'reduce spending on temporary agency staff';
 - Respondents were given three options about how the council could make savings and the preferred response was through 'protecting frontline services' from all three groups of respondents;
 - Respondents were asked their views on an increase in Council Tax. While residents most commonly said that they supported the measure, respondents to the business consultation most commonly said that they did not support it;
 - Residents were asked which service their household used or benefited from the most. The most common response was 'parks and open spaces', followed by 'libraries' and 'historic places / museums'.
 - Residents were asked to respond to the question 'In your opinion, which council service(s) have the biggest impact on your life?' Businesses were asked a similar question: 'In your opinion which council services have the greatest impact on your organisation achieving its objectives?' The question was open-ended. Responses have yet to be analysed in depth, but:
 - The services mentioned most often by residents were: waste collection, street cleaning, health, education, transport, parks, libraries, parking, road maintenance and housing.
 - The services mentioned most often by businesses were: business rates, waste collection and street cleaning.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1. The financial implications are included within the main body of this report.

5. LEGAL COMMENTS

- 5.1. The report proposes consideration of a revised medium term financial plan. This is a matter that informs the budget process and may be viewed as a related function. It is, in any event, consistent with sound financial

management and the Council's obligation under section 151 of the Local Government Act 1972 for the Council to adopt and monitor a medium term financial plan.

- 5.2. The report provides information about risks associated with the medium term financial plan and the budget. This is, again, consistent with the Council's obligation under section 151 of the Local Government Act 1972 to make proper arrangements for the management of its financial affairs. It is also consistent with the Council's obligation under the Accounts and Audit Regulations 2015 to have a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk. The maintenance and consideration of information about risk, such as is provided in the report, is part of the way in which the Council fulfils this duty.
- 5.3. The Council is a best value authority within the meaning of section 1 of the Local Government Act 1999. As such the Council is required under section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (the best value duty). The setting of a medium term financial plan is one of the ways in which the Council can achieve best value.
- 5.4. The Council is required to consult for the purposes of deciding how to fulfil its best value duty. It must consult with representatives of council tax payer, business rates payers, persons likely to use services and persons appearing to have an interest in any area within which the Council carries out functions. As the adoption of a medium term financial plan is one of the Council's existing arrangements, it is arguable that consultation is not required prior to its amendment. However, best value consultation will likely be required at the time of preparing the 2017-2018 budget.
- 5.5. When considering the medium term financial plan, any savings proposals and the strategic plan, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector equality duty). A proportionate level of equality analysis is required to inform the consideration required by the public sector equality duty. The report provides the borough equality analysis and sets out how equality impacts are addressed in relation to savings proposals. To the extent that savings proposals involve service changes which impact on individuals, consultation may be required to understand the impacts on those people.
- 5.6. Any consultation carried out for the purposes of either the best value duty or the public sector equality duty will need to comply with the following requirements: (1) it should be at a time when proposals are still at a formative stage; (2) the Council must give sufficient reasons for any proposal to permit intelligent consideration and response; (3) adequate time must be given for consideration and response; and (4) the product of consultation must be conscientiously taken into account. The duty to act fairly applies and this may require a greater deal of specificity when consulting people who are

economically disadvantaged. It may require inviting and considering views about possible alternatives.

6. ONE TOWER HAMLETS CONSIDERATIONS

6.1. The development of a rolling three year Medium Term Financial Strategy will support the more effective delivery of One Tower Hamlets priorities.

7. BEST VALUE (BV) IMPLICATIONS

7.1. The Council is required to consider the value for money implications of its decisions and to secure best value in the provision of all its services. In considering the budget, it is critical to demonstrate that resources are allocated in accordance with priorities and that full value is achieved.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1. The sustainable action for a greener environment implications of individual proposals in the budget will be set out in the papers relating to those proposals.

9. RISK MANAGEMENT IMPLICATIONS

9.1. Managing financial risk is of critical importance to the Council and maintaining financial health is essential for sustaining and improving service performance. Setting a balanced and realistic budget is a key element in this process. Specific budget risks will be reported to Cabinet as the budget process develops.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1. The crime and disorder implications of individual proposals in the budget will be set out in the papers relating to those proposals.

11. SAFEGUARDING IMPLICATIONS

11.1. The safeguarding implications of individual proposals in the budget will be set out in the papers relating to those proposals.

Linked Reports, Appendices and Background Documents

Linked Report

- None.

Appendices

- **Appendix 1 – Results of the Budget consultations and quantitative surveys**
- **Appendix 2 – Detailed feedback from the stakeholder engagement event held at Mile End Park Ecology Pavilion on November 3**

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- None.

Officer contact details for documents:

Neville Murton (Service Head Finance and Procurement)
020 7364 4915

Results of the Budget consultations and quantitative surveys Corporate Research Unit

This appendix provides headline analysis of the council's Budget survey and consultations. The council used three different methods to obtain the views of residents and businesses in the borough about the Budget:

1. **Resident survey:** A statistically robust survey was conducted with 1,300 residents (through telephone interviews with 1,100 and face-to-face interviews with 200). The survey was designed to collect responses from a group of residents who are broadly representative of the borough's population.
2. **Resident consultation:** An open consultation for all residents in the borough was available online and received 442 responses from individuals. The nature of an online consultation means that respondents are a self-selecting group and does not allow for a representative sample.
3. **Business consultation:** An open consultation for all businesses in the borough was available online and received 97 responses. In addition, 16 responses to the resident consultation were done on behalf of an organisation and have been added to the business consultation where possible. Again, the nature of an online consultation means that respondents are a self-selecting group and does not allow for a representative sample of businesses in the borough.

Despite different methodologies, the questions posed to respondents were broadly similar and results have been reported side by side where possible. However, in some instances the wording of the questions and options given to businesses were different to those given to residents, and therefore the results have been reported in separate tables.

Please note that not all questions were answered by every respondent, particularly in the online consultations. This means that the total number of respondents in a table will often be lower than the overall size of the sample.

Respondent profile: residents

The table below compares the demographic profile of respondents of the resident survey and resident consultation with the 2011 Census. It shows:

- The resident survey is broadly representative of the borough population, except for tenure. Social tenants are over-represented in the survey sample and private tenants are under-represented.
- The resident consultation is not representative of the borough population:
 - Groups who are under-represented include: young people under 25, Bangladeshi residents, social and private tenants, and those who are economically inactive.
 - Groups who are over-represented include: White British residents, owner/occupiers, and those working full-time.

Profile of residents responding to the quantitative survey and consultation						
	2011 Census*		Resident Survey		Resident Consultation	
	Count	%	Count	%	Count	%
Gender						
Female	98,585	48%	680	52%	184	51%
Male	105,368	52%	620	48%	175	49%
Age						
16-24	42,781	21%	245	19%	5	1%
25-34	73,185	36%	418	32%	111	32%
35-44	37,217	18%	299	23%	103	30%
45-54	21,514	11%	141	11%	74	21%
55-64	13,686	7%	103	8%	36	10%
64-74	8,169	4%	51	4%	15	4%
75+	7,401	4%	43	3%	5	1%
Ethnicity						
White British	71,861	35%	416	33%	185	56%
Any Other White Background	33,618	16%	147	12%	79	24%
Mixed / Dual Heritage	6,582	3%	44	3%	8	2%
Bangladeshi	52,629	26%	369	29%	27	8%
Any Other Asian or Asian British Background	20,573	10%	69	5%	19	6%
Black or Black British	13,856	7%	205	16%	13	4%
Any Other Ethnic Background	4,834	2%	22	2%	0	0%
Tenure						
Owner/occupier	50,235	25%	272	22%	195	59%
Social tenant	77,936	39%	706	56%	67	20%
Private tenant	72,043	36%	272	22%	66	20%
Work status						
Working full time (30+ hours per week)	79643	39%	467	36%	223	64%
Working part-time (< 30 hours per week)	24525	12%	214	17%	42	12%
Self-employed	17076	8%	78	6%	26	8%
Economically inactive	66330	33%	456	36%	49	14%
Unemployed	16379	8%	69	5%	6	2%
Disability						
Day-to-day activities not limited	171,616	84%	1145	88%	323	90%
Day-to-day activities limited	32,337	16%	154	12%	35	10%
Carers						
Does not provide unpaid care	185,164	91%	1194	92%	317	88%
Provides unpaid care	18,789	9%	104	8%	42	12%
Total	203,953	100%	1,300	100%	442	100%

*These figures are for the 16+ population.

Note: The sum of all items within each category may be less than the total size of the sample because some respondents did not give an answer.

Respondent profile: businesses

The table below compares the size of the businesses that responded to the business consultation with the size of all businesses in the borough. It shows that 'micro-businesses' with fewer than 10 employees are under-represented in the sample while larger businesses are over-represented.

Profile of businesses responding to the consultation				
	IDBR*		Business consultation	
	Count	%	Count	%
Organisation size				
0-9 employees	14,195	90%	60	62%
10-50 employees	1,220	8%	24	25%
51-250 employees	265	2%	7	7%
Over 250 employees	85	1%	6	6%
Total	15,765	100%	97	100%

Note: This profile applies to respondents to the business consultation, but does not include those who responded to the resident consultation on behalf of an organisation.

* IDBR refers to the Inter Departmental Business Register, accessed via NOMIS.

In addition to business size, the table below provides information about the type of organisations that responded and the respondent's role within the organisation. No data is available to determine how representative the sample is on these characteristics.

Profile of businesses responding to the consultation		
	Count	%
Organisation type		
Private sector	62	64%
Voluntary / community	10	10%
Public sector	6	6%
Other	19	20%
Role in the organisation		
Owner	29	33%
Director	32	36%
Employee	22	25%
Volunteer	0	0%
Other	6	7%
Total	97	100%

Note: This profile applies to respondents to the business consultation, but does not include those who responded to the resident consultation on behalf of an organisation.

Views on how the council should find savings

Respondents were asked to choose their top two solutions for minimising the impact of budget savings from a list of six options. The table below shows that the top response in all three methods was to 'make council services more efficient'.

However, the ranking of the second and third most common responses varied:

- Resident survey: the second most common response was 'council to work with voluntary and community organisations to deliver services', and the third most common was 'council to share services with neighbouring boroughs'.
- Resident consultation: the second most common response was 'council to share services with neighbouring boroughs', and the third most common was 'create a three year budget, rather than annual budget, to improve outcomes from services'.
- Business consultation: the second most common response was 'create a three year budget, rather than annual budget, to improve outcomes from services' and the third most common was 'council to share services with neighbouring boroughs'.

Q: Almost half of the savings will need to be found in the first year of the budget. We are exploring a range of solutions to minimise the impact of the savings the council is required to make. If we had to pursue just two, what would be most important to you?

	Resident Survey		Resident Consultation		Business Consultation	
	Count	%	Count	%	Count	%
Make council services more efficient	717	55%	202	55%	53	57%
Council to work with voluntary and community organisations to deliver services	596	46%	103	28%	27	29%
Council to share services with neighbouring boroughs	452	35%	170	46%	36	39%
Create a three year budget, rather than annual budget, to improve outcomes from services	380	29%	166	45%	38	41%
Use the council's reserves to delay savings	178	14%	36	10%	10	11%
Outsource services to the private sector	107	8%	29	8%	11	12%
Other	20	2%	49	13%	5	5%
Total Respondents	1,294	100%	366	100%	93	100%

Note: Respondents could select more than one option so percentages will not sum to 100.

Respondents were also asked to rank a list of five savings options on a scale of one to five, with lower scores indicating their more preferred options. The average scores from all three methods are ranked in the same order, with the most preferred option being 'reduce spending on temporary agency staff'.

Q: We have identified some areas where Tower Hamlets spends much more than most other councils, and budgets could be reduced so they are more in line with average spending. (Please put them in your preferred order from 1-5, with your most preferred option as 1)

	Average score (Lower score indicates more preferred)		
	Resident Survey	Resident Consultation	Business Consultation
Reduce spending on temporary agency staff	2.01	1.59	1.73
Reduce spending on internal council services	2.51	2.19	2.17
Reduce the budget for substance misuse services to bring it into line with others	3.00	3.29	3.37
Reduce the youth services budget to bring it into line with others	3.51	3.78	3.70
Reduce spending on extra support to schools	3.94	4.05	3.96
Total respondents	1,286	367	91

Note: Respondents who responded to the resident consultation on behalf of an organisation have been included in the business consultation cohort.

Finally, respondents were given three different options about how the council could make savings. There are differences in the responses across the three methods. While responses to the resident survey and resident consultation are broadly similar, a greater proportion of businesses felt that the council should 'reduce budgets across all services by the same proportion'.

Q: Would you prefer that the council:						
	Resident Survey		Resident Consultation		Business Consultation	
	Count	%	Count	%	Count	%
Protect front line services	541	43%	151	42%	41	46%
Continue to invest resources in services that are council priorities	522	42%	159	44%	25	28%
Reduce budgets across all services by the same proportion	190	15%	50	14%	24	27%
Total respondents	1,253	100%	360	100%	90	100%

Note: Respondents who responded to the resident consultation on behalf of an organisation have been included in the business consultation cohort.

Views on increasing Council Tax

Respondents were asked their views on an increase in Council Tax. While residents in the resident survey and resident consultation most commonly said that they supported the measure, respondents to the business consultation most commonly said that they did not support it.

Q: The government has said councils can add a 1.99 per cent increase in council tax every year for three years to cover additional responsibilities in adult care. The government has also said it expects councils to increase their council tax rate by an additional 1.75 per cent every year to cover inflation. The inflationary increase would raise an additional £8.4m and increase the cost of council tax per property by 31 pence per week. Do you support an additional increase in council tax?

	Resident Survey		Resident Consultation		Business Consultation	
	Count	%	Count	%	Count	%
Yes	628	48%	213	58%	31	34%
No	489	38%	125	34%	41	45%
Don't know / Other *	183	14%	28	8%	19	21%
Total respondents	1,300	100%	366	100%	91	100%

Note: The business consultation allowed respondents to submit free-text comments which have been coded as 'other' due to ambiguity.

Views on what the impact of savings will be

Both residents and businesses were asked what they think the impact of savings in the borough would mean, though businesses had a slightly different list of options to choose from. Among residents, responses varied between the resident survey and consultation. While respondents to the resident survey most commonly said that they thought the 'council will be more efficient', respondents to the resident consultation most commonly said 'fewer services will be available'.

Q: Do you think the impact of these savings on the borough will mean:

	Resident Survey		Resident Consultation	
	Count	%	Count	%
Council will be more efficient	374	29%	97	27%
Fewer services will be available	279	22%	123	34%
Service quality will go down	246	19%	110	31%
Service quality will improve	132	10%	10	3%
More services will be available	132	10%	3	1%
Council will be less efficient	128	10%	17	5%
Total Respondents	1,291	100%	360	100%

Among businesses, the most common response was that ‘councils will be more efficient’, closely followed by ‘no impact on my organisation achieving its objectives’.

Q: Do you think the impact of these savings on the borough will mean:

	Business Consultation	
	Count	%
Council will be more efficient	21	27%
No impact on my organisation achieving its objectives	20	26%
A negative impact on my organisation achieving its objective	15	19%
Service quality will go down	12	15%
Council will be less efficient	6	8%
Service quality will improve	4	5%
Total Respondents	78	100%

Note: Residents who took part in the resident consultation on behalf of an organisation (rather than responding to the business consultation) have been excluded from this table as they were given a different set of options.

Services which residents use or benefit from most

Residents were asked which service their household used or benefited from the most. The most common response in both the resident survey and resident consultation was ‘parks and open spaces’. However, the second most common response differed between the two methods. Respondents to the resident survey said that ‘libraries’ were the second most used service, while respondents to the resident consultation said ‘historic places / museums’.

Q: Which of the following, if any, do you or other members of your household use or benefit from? (Please tick all those that are relevant)

	Resident Survey		Resident Consultation	
	Count	%	Count	%
Parks and open spaces	992	80%	322	91%
Libraries	903	73%	194	55%
Sports and swimming facilities	594	48%	175	49%
Historic places / museums	541	43%	202	57%
Arts / events	449	36%	158	45%
Primary schools	378	30%	87	25%
Playgrounds	348	28%	102	29%
Secondary schools	291	23%	48	14%
Council Tax Reduction Scheme	272	22%	49	14%
Youth service	193	16%	28	8%
Services for under 5s	189	15%	60	17%
Total Respondents	1,244	100%	354	100%

Notes: Respondents could select more than one option so percentages will not sum to 100.

Services which businesses want to be involved in

Businesses were asked which services they would like to be involved in discussions about. The most common response was ‘the Council Tax Reduction Scheme’, closely followed by ‘parks and open spaces’.

Q: Would you like to be involved in discussions regarding possible changes in each of the following areas?

	Business Consultation	
	Count	%
The Council Tax Reduction Scheme	17	33%
Parks and open spaces	16	31%
Arts/Events	13	25%
Libraries and Idea Stores	9	17%
Other	9	17%
Secondary schools	9	17%
Public health services	9	17%
Youth services	8	15%
Leisure facilities	7	13%
Primary schools	6	12%
Council Housing managed by Tower Hamlets Homes	5	10%
The Housing Benefit service	4	8%
Adult Social Services such as homecare and residential care	4	8%
Social Housing managed by Housing Associations	3	6%
Services for the under 5s	3	6%
Total Respondents	52	100%

Notes: Respondents could select more than one option so percentages will not sum to 100.

Residents taking part in the representative survey and consultation were given different question and set of options than those completing the business consultation. As a result, respondents completing the resident consultation on behalf of an organisation have been excluded on this question.

Council services which have had the biggest impact

Residents were asked to respond to the question 'In your opinion, which council service(s) have the biggest impact on your life?' Businesses were asked a similar question: 'In your opinion which council services have the greatest impact on your organisation achieving its objectives?' The question was open-ended. Responses have yet to be analysed in depth, but key themes emerging are:

- Residents named a wide range of services. The services mentioned most often by residents were: waste collection, street cleaning, health, education, transport, parks, libraries, parking, road maintenance and housing.
- Many residents named services that are not provided by the council, such as 'NHS' and 'public transport', indicating that they are not clear on the role of the council.
- Residents responded with services that had both negative and positive impacts on their lives. For example, two residents both said 'repairs' but one had a negative experience, saying the council did not help when they complained, and another had a positive experience, saying that the council has always carried out repairs for them.
- The services mentioned most often by businesses were: business rates, waste collection and street cleaning.

Detailed feedback from the stakeholder engagement event held at Mile End Park Ecology Pavilion on November 3.

Summary of responses to the questions

How do we meet our funding challenges by changing the way services are delivered?

- Considering public money as a whole rather than as individual organisations
- Lobbying central government about funding locally,
- Relationship with THCVS is about measuring output and not measuring outcome. This needs to change.
- Partnership approach to sharing outcomes; co production rather than passing on the duty to the THCVS,
- Voluntary doesn't mean free; there is a need to invest in voluntary organisations,
- Business rates and the impact on the voluntary sector; the policy is being enforced without discretion. This is causing issues.
- Culture change and more trust. We need adult to adult conversations about co-production with commissioning,
- Effective communication about the impact of cuts and reasons for decisions
- There is a role to be played by RSL's and the VCS in delivering local priorities. They need to be more actively involved.
- Local communities should be engaged through VCS to promote behaviour change and reduce dependency on services.
- Explore opportunities such as incentivising communities through council tax rebates where they can demonstrate they are supporting the council to achieve savings by reducing burden on services or being more self-sufficient,
- Planning for more mix-use developments (commercial and residential),
- Maximising commercial opportunities and taking a more longer term view on developments and community benefits.
- Re-allocation of resources and services that meets the needs of vulnerable residents.
- Better sharing of information and community intelligence to achieve better outcomes,
- Proactive and early interventions in tackling low level issues like ASB and fly tipping before they become bigger problems,
- New strategies need to be developed in a more joined up way. For example joint strategies could be agreed by multiple agencies that could deliver efficiency saving by developing collective strategies and policies that share resources.
- Peer review of all services provided by different agencies within the borough to identify good practice and good practice should be shared.
- Residents should to be educated how things they do can impact the cost of the services. For example if rubbish could be left at collections points, what saving could be made?
- Focus on Priorities and those areas that address multiple issues
- Housing Improvement assists with many problems including:
 - Overcrowding

- Health issues
- ASB
- Employment.

How can we work together to achieve the best outcomes for residents?

- We need partnership agreement on what outcomes should be - what is the achievement you want?
- We want people to be less dependent on the services as a council or use them less/in an efficient way.
- We need to stop silo working for a common achievement, and actually work together at the different stages of service user going through the support pathway.
- Looking at sharing the pot of monies that all organisations have.
- We need to know what's in each organisation's pot and work together rather than feel like we are competing.
- How do we give organisations the confidence to hand over to another organisation that can help with the next step?
- The council can have an enabler role rather than a leading role.
- Improve our sharing of intelligence across partners including more real time collaboration rather than occasional or scheduled sharing of information.
- More analysis of mistakes and forums to reflect and learn from them across partners.
- Join up investment and commissioning to reduce duplication and benefit from greater economies of scale.
- Use enforcement powers across agencies to achieve better outcomes e.g. Police and LA Enforcement officials to tackle ASB, Waste etc..
- Join up our conversations with residents and stakeholders.
- Explore joining up functions between partners such as LA, CCG.
- Look beyond Tower Hamlets to explore cross-borough working where appropriate.
- Work more closely with SME's and harness CSR activities to support strategic priorities.
- More innovations in design and delivery of local services.
- Clear systems / protocols of information sharing and referral mechanisms.
- Focussing more on developing and maintaining grassroots partnerships and collaborations.
- Providing more clarity and emphasis on shared priorities.
- Improving knowledge and understanding of local services and community groups.
- Accessibility of information and data and clear communication leads.
- Agencies need to share more data to enable that data to be used to its fullest potential and create more efficiency. For example anti-social behaviour and crime data could be shared by the council/police/housing associations to build up intelligence.
- Front line staff should be given training to spot warning signs for other services e.g. possible ASB issues could identify possible vulnerable adults or children, domestic violence etc. A toolkit could be developed to signpost people to contacts across key services.

- Co-production of services and key performance indicators for procurement of services should be focused on outcomes rather than outputs.
- Integrated Services as a way forward.
- Change in mindset needed from residents and politicians – Council is not here to do everything for everyone.
- Health and Social care joint commissioning needs to be extended.
- Community Development
 - Empower and assist to reduce dependency
 - Improve community resilience
 - Engagement with THVCS.

Are there income generation opportunities?

- Better communication with private organisations and businesses about what resources they can invest.
- Are there services in the council that should be charged? And could the council offer them to the CVS?
- Work with partners to jointly invest in early intervention and prevention in order to save in the long run.
- Work with voluntary and charity sector through incentives to set up enterprises that can collect and resell unwanted furniture/goods – could it reduce council spend on waste management?
- Grant giving organisations; how do they understand the work of our voluntary organisations and their impact?
- Should the council take a brokering role rather than a grant giving role?
- THCVS – could the council write the bids on their behalf? At the moment some consultants charge for it.
- Council has a subscription to grant finder. Information like this should be better communicated to those that can benefit.
- Explore opportunities on how data can be used for or by commercial entities providing the council an additional income source.
- Sell services to other local authorities e.g. support for back office functions/legal caseload management etc..
- Explore alternative options to selling council assets for cash e.g. exchanging land for residential or commercial properties which provide a longer term income solution rather than just selling.
- Deflect more costs of waste management associated with fast food outlets to reduce council spend.
- Encourage more commercial and residential developments.
- Promote and support business growth.
- Develop and promote digital services to save money and ensure service efficiency.
- Develop a local congestion charge for the A13.
- More open discussion and joined up business planning with local CVS and SME's
- Better use of community buildings and maximising revenue generating opportunities.
- Set up trading companies (that offer expert knowledge, skills and services) for profit.

- The council needs to look at what marketable resources it has and if income can be generated by providing services to other local authorities/agencies.

Ideas Board:

- Smarter commissioning. Focus on outcomes and value for money.
- We need a single electronic database across providers to inform key outcomes.
- Introduce a VCS consortium for joint delivery of a single contract.
- Prevention work needs to be prioritised. It is squeezed at the moment
- Invest more in employment services.
- Reduce dependency. Allow others to say no to residents.