



Financial Intelligence Toolkit

2016/17 Subscription

Financial Benchmarking - Unit Costs

Tower Hamlets

Overview

This report compares unit costs between local authorities in England, using budgeted expenditure from authorities' Revenue Account (RA) returns for 2016/17. The report is intended to act as an initial guide for further investigation into areas where unit costs differ to those of similar authorities and where there may potentially be scope for savings.

Contents

Summary of Key Points	3
1 Methodology	4
■ Unit Cost Calculations	4
■ Comparator Authorities	5
2 Potential Savings	6
3 Change in Unit Costs 2015/16 to 2016/17	8
4 Overview of Unit Costs	9
■ Nearest Neighbour Comparison	9
■ England Comparison	11
5 Detailed Unit Costs by Service	13
■ Education	13
■ Adult Social Care	15
■ Children's Social Care	17
■ Public Health	19
■ Highways & Transport	21
■ Housing Services (General Fund)	23
■ Cultural & Related Services	25
■ Environmental & Regulatory Services	27
■ Planning & Development Services	29
■ Central Services	31
Annex A - Denominator Data Sources	33

Summary of Key Points

Potential Savings

- Overall, Tower Hamlets would generate notional savings of £160.1m if it set its unit costs in each service area to the bottom 20% of comparable authorities in England. Setting unit costs to the median would generate notional savings of £100.9m, while setting unit costs to the top 20% would generate notional savings of £29.7m.

Overall Unit Costs

- Overall, Tower Hamlets' unit costs (excluding schools) are 22.7% higher than the nearest neighbour average, and are ranked the highest out of the 16 authorities.
- Compared nationally, Tower Hamlets' unit costs are 26.7% above average, and are ranked 5th highest out of 123 comparable authorities.
- Tower Hamlets' overall unit costs decreased by 3.6% between 2015/16 and 2016/17. Compared to its nearest neighbours, its unit cost ranking remained unchanged at highest in the group.

Unit Costs by Service

- Education (excluding schools) - Tower Hamlets' unit costs are 61.4% higher than the nearest neighbour average, and are ranked 2nd highest out of the 16 authorities. Nationally, its unit costs are 96.7% above average, and ranked 6th highest out of 123 comparable authorities.
- Adult Social Care - Tower Hamlets' unit costs are 7.6% higher than the nearest neighbour average, and ranked 5th highest out of 16 authorities. Nationally, its unit costs are 3.9% higher than average, and ranked 47th highest out of 123 comparable authorities.
- Children's Social Care - Tower Hamlets' unit costs are 6.7% lower than the nearest neighbour average, and ranked 9th highest out of 16 authorities. Compared nationally, its unit costs are 5.1% lower than average, and ranked 69th highest out of 123 comparable authorities.
- Public Health - Tower Hamlets' unit costs are 26.0% higher than the nearest neighbour average, and ranked 3rd highest out of 16 authorities. Nationally, its unit costs are 43.5% higher than average, and ranked 11th highest out of 123 authorities.
- Highways & Transport - Tower Hamlets' unit costs are 12.4% higher than the nearest neighbour average, and ranked 12th highest out of 16 authorities. Compared nationally, its unit costs were 100.1% higher than average, and ranked 17th highest out of 123 comparable authorities. Please note that unit costs exclude levies for Integrated Transport Authorities (paid by metropolitan districts), and transport costs borne by the Greater London Authority, which may affect national comparisons.
- Housing Services (General Fund only) - Tower Hamlets' unit costs are 43.5% lower than the nearest neighbour average, and ranked 15th highest out of 16 authorities. Nationally, its unit costs are 9.5% lower than average, and ranked 58th highest out of 123 authorities.
- Cultural & Related Services - Tower Hamlets' unit costs are 30.3% higher than the nearest neighbour average, and ranked 3rd highest out of 16 authorities. Compared nationally, its unit costs are 4.3% higher than average, and ranked 52nd highest out of 123 comparable authorities.
- Environmental & Regulatory Services - Tower Hamlets' unit costs are 34.4% higher than the nearest neighbour average, and ranked 3rd highest out of 16 authorities. Nationally, its unit costs are 29.6% higher than average, and ranked 20th highest out of 123 authorities.
- Planning & Development Services - Tower Hamlets' unit costs are 48.2% higher than the nearest neighbour average, and ranked 3rd highest out of 16 authorities. Nationally, its unit costs were 83.8% higher than average, and ranked 13th highest out of 123 comparable authorities.
- Central Services - Tower Hamlets' unit costs are 186.9% higher than the nearest neighbour average, and ranked the highest out of 16 authorities. Nationally, Tower Hamlets' unit costs are 233.3% above average, and ranked highest out of 123 comparable authorities.

1. Methodology

Unit Cost Calculations

Unit costs are based on local authorities' planned expenditure for 2016/17, as reported in Revenue Account (RA) forms. **Expenditure on Fire and Rescue services is excluded from this report**, so as to enable a like-for-like comparison between authorities with otherwise identical functions and responsibilities.

When estimating unit costs, **expenditure is first deflated by the Area Cost Adjustment (ACA)**. This controls for geographical variations in the cost of providing services due to differences in wage and salary costs. These adjustments are based on the ACA figures for 2013/14 as published by DCLG.

To calculate unit costs, deflated expenditure is divided by relevant cost drivers; for example, the number of local residents, social care clients or weighted road length. The latest available data is used for these denominators, which varies from year to year. Details on each denominator are provided in Annex A.

Unit costs are based on Net Current Expenditure (NCE), which is comprised of expenditure on employees and running expenses, net of sales, fees and charges, internal recharges and other income. NCE excludes levies paid to Waste Disposal Authorities and Integrated Transport Authorities, and this should be borne in mind when making any comparisons between authorities where their costs may be recorded differently, due to differing structural arrangements for such services.

Relative Expenditure Bands

In parts of this report, your authority's unit cost is assigned to one of five colour-coded bands. Unless stated otherwise, each band is based on the percentage of authorities who have lower unit costs than your authority. For example, an authority is assigned to the highest band (red) if its unit costs are higher than 80% or more of other authorities. The colour codes used, and a description of its corresponding ranking, is described in the table below.

Table 1 - Bands used in this report

Band	Description of your authority's unit cost ranking	Simplified description
●	Higher than 80% or more of other authorities	Top 20% of authorities
●	Higher than 60% - 79% of other authorities	...
●	Higher than 40% - 59% of other authorities	Middle 20% of authorities
●	Higher than 20% - 39% of other authorities	...
●	Higher than 0% - 19% of other authorities	Bottom 20% of authorities

Note that each band described above can be loosely described as ranging from the top 20% of authorities (the red band) to the bottom 20% of authorities (the green band). This is a simplified description, as in some cases the number of authorities in the group cannot be exactly divided by five.

Comparator Authorities

For benchmarking purposes, two sets of comparator groups are used in this analysis: (a) Tower Hamlets' Nearest Neighbour group, and (b) all comparable authorities across England. These comparator groups are explained below.

(a) Nearest Neighbour Group

To enable a like-for-like comparison, this analysis makes use of CIPFA's statistical Nearest Neighbour groups. These identify councils with similar economic and social characteristics and groups them on a statistical basis. These groupings were last updated in late 2014.

For Tower Hamlets, the Nearest Neighbour group is shown in the table below:

Table 2 - Nearest Neighbour Group

■ Tower Hamlets	■ Hammersmith & Fulham
■ Hackney	■ Newham
■ Southwark	■ Brent
■ Lambeth	■ Waltham Forest
■ Islington	■ Wandsworth
■ Lewisham	■ Ealing
■ Greenwich	■ Camden
■ Haringey	■ Hounslow

(b) National Comparator Group

When making national comparisons, it is necessary to consider the services provided by each authority. Unit costs should only be compared among authorities with similar functions and responsibilities.

It is not possible to simply compare all authorities with expenditure in a given service area. For example, both shire counties and shire districts provide Environmental and Regulatory services, but the precise nature of the services provided will differ between the two tiers.

To enable national comparisons, authorities are therefore categorised into three groups, according to whether they provide (1) both upper-tier and lower-tier services, (2) exclusively upper-tier services, or (3) exclusively lower-tier services.

As a London Borough, Tower Hamlets falls into Group 1, as shown in the table below. All national comparisons in this report are made with reference to this grouping of 123 authorities.

Table 3 - National Comparator Groups

Group	Authority Type	Lower tier	Upper tier	Fire*	No.
Group 1	Metropolitan districts, London boroughs and unitaries without fire responsibilities	✓	✓		120
	Unitaries with fire responsibilities	✓	✓	✓	3
Group 2	Shire counties with fire responsibilities		✓	✓	11
	Shire counties without fire responsibilities		✓		16
Group 3	Shire districts	✓			201

* Expenditure on fire and protective services is excluded from this report, so does not affect comparisons.

2. Potential Savings

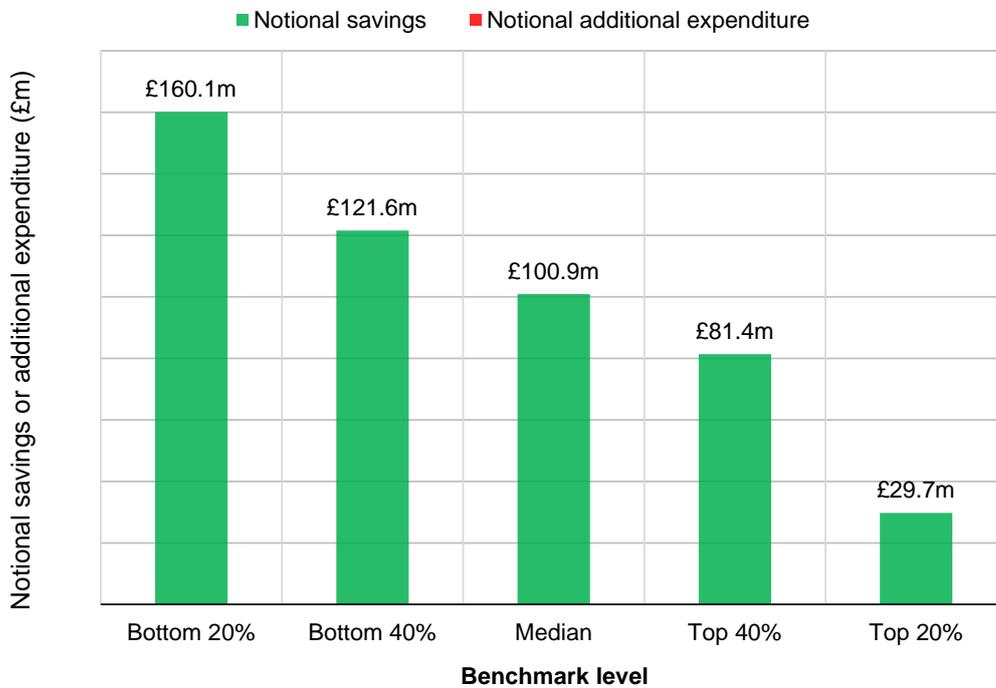
Overview of Potential Savings

This section considers the notional savings that could be achieved by setting your authority's unit costs to certain levels relative to other councils in England.

Benchmark unit costs were defined based on the cut-off point for the top 20% of authorities, the top 40% of authorities, the median, the bottom 40% of authorities, and the bottom 20%.

The chart below illustrates the theoretical savings that would result if Tower Hamlets set its unit costs to these benchmarks for every service. For example, setting its unit costs to the bottom 20% of all comparable authorities* in England, within every major service, would generate notional savings of £160.1m. Setting its unit costs to the top 20% of all comparable authorities would generate notional savings of £29.7m.

Chart 1 - Potential savings from alternative unit costs (£m)



* The 123 authorities with similar functions as Tower Hamlets, as described in Table 3 above.

The table below provides a breakdown of these potential savings (or additional expenditure) by service. Tower Hamlets' greatest potential savings are in Central Services (£48.6m). This reflects both the relatively high unit costs in this service area, and its significant share of the overall budget.

Table 4 - Potential savings by major service

Notional savings  Additional expenditure

Service	Bottom 20%	Bottom 40%	Median	Top 40%	Top 20%
Education (excluding schools)	£31.2m	£26.3m	£24.0m	£22.1m	£16.9m
Adult Social Care	£15.9m	£9.4m	£4.7m	£0.3m	£-9.1m
Children's Social Care	£8.3m	£0.9m	£-2.3m	£-5.6m	£-13.7m
Public Health	£19.4m	£14.7m	£12.4m	£9.3m	£3.4m
Highways & Transport	£5.9m	£4.9m	£4.3m	£3.7m	£1.2m
Housing Services (GFRA only)	£3.4m	£1.6m	£0.2m	£-1.1m	£-5.1m
Cultural & Related Services	£5.1m	£2.5m	£0.9m	£-0.5m	£-3.4m
Environmental & Regulatory Services	£15.3m	£10.4m	£8.2m	£6.7m	£2.6m
Planning & Development Services	£7.1m	£5.6m	£4.7m	£4.0m	£1.7m
Central Services	£48.6m	£45.4m	£43.9m	£42.6m	£35.2m
Total (excluding schools)	£160.1m	£121.6m	£100.9m	£81.4m	£29.7m

Negative figures indicate increased expenditure. Your authority would incur additional expenditure if its unit costs are currently below the relevant benchmark level.

3. Change in Unit Costs 2015/16 to 2016/17

This section highlights the change in Tower Hamlets' unit costs, compared to its nearest neighbours, between 2015/16 and 2016/17.

In 2016/17, Tower Hamlets' overall unit costs (excluding schools) decreased by 3.6%. Its ranking, relative to the nearest neighbour group, remained unchanged at highest in the group. The change for each major service is presented in the table below.

Table 5 - Change in Unit Costs Relative to the Nearest Neighbour Group

Service Area	Unit Costs (£ per unit)			Nearest Neighbour Ranking (1 = high)			Units
	2015/16	2016/17	Change	2015/16	2016/17	Change	
Education (exc. schools)	194.20	121.32	●	1st	2nd	●	Residents (all)
Adults' Social Care	14,761.61	15,740.39	●	8th	5th	●	Adult Clients (all)*
Children's Social Care	7,912.27	9,315.06	●	15th	9th	●	Children in Need*
Public Health	101.40	102.61	●	3rd	3rd	●	Residents (all)
Highways & Transport	9,499.50	12,839.60	●	12th	12th	●	Road length
Housing (General Fund)	69.81	28.98	●	5th	15th	●	Residents (all)
Cultural & Related Services	48.51	40.80	●	3rd	3rd	●	Residents (all)
Environmental & Regulatory Services	93.07	96.63	●	3rd	3rd	●	Residents (all)
Planning & Development Services	19.27	26.73	●	8th	3rd	●	Residents (all)
Central Services	132.44	161.39	●	1st	1st	●	Residents (all)
Total Expenditure (exc. Schools)	1,035.11	997.56	●	1st	1st	●	Residents (all)

Key:

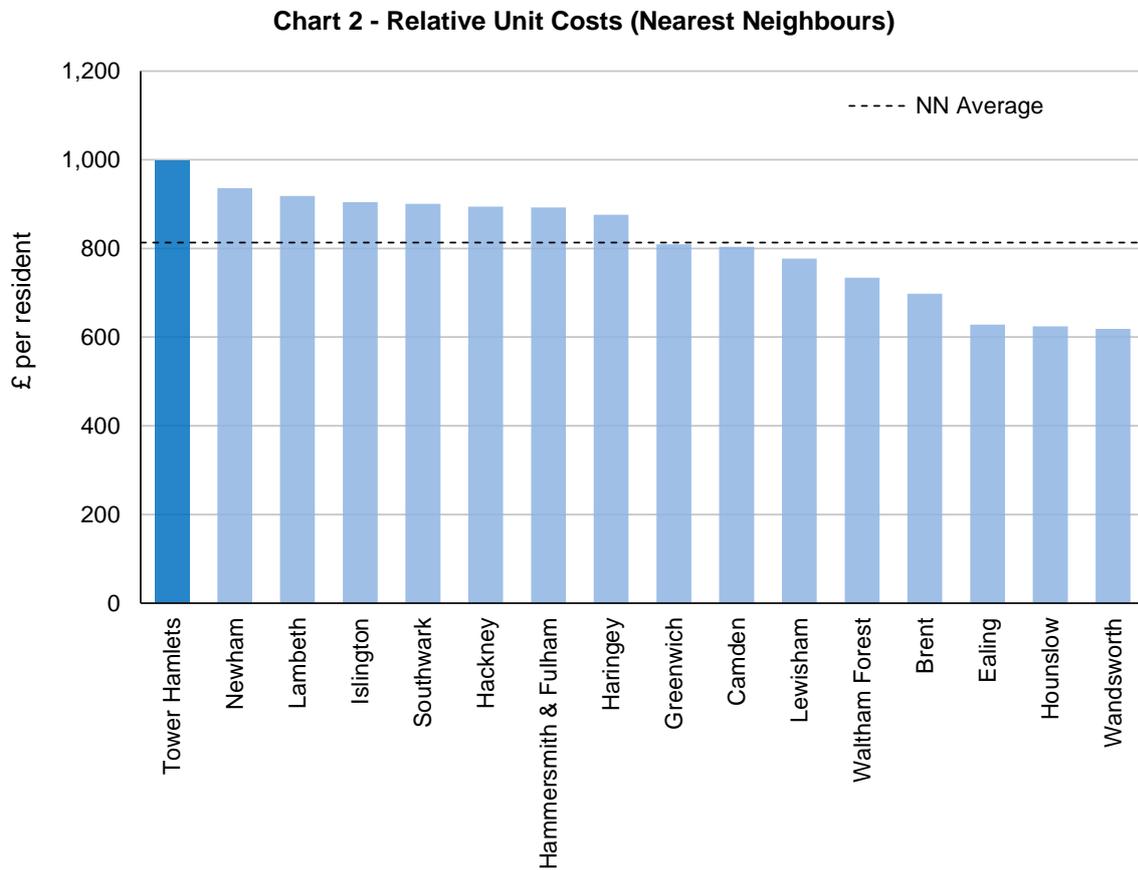
- Decreased unit costs / improved rank
- Unchanged unit costs / unchanged rank
- Increased unit costs / worsened rank

* Figures are based on client numbers in 2014/15, projected forward in line with population growth.

4. Overview of Unit Costs

Nearest Neighbour Comparison

In 2016/17, Tower Hamlets' expenditure per resident was 22.7% higher than the nearest neighbour average (excluding schools). It was ranked highest out of the 16 authorities in the group, as shown below.



The table below shows Tower Hamlets' unit costs, in each major service area, relative to its nearest neighbours. As can be seen, the biggest difference, measured in percentage terms, was in Central Services.

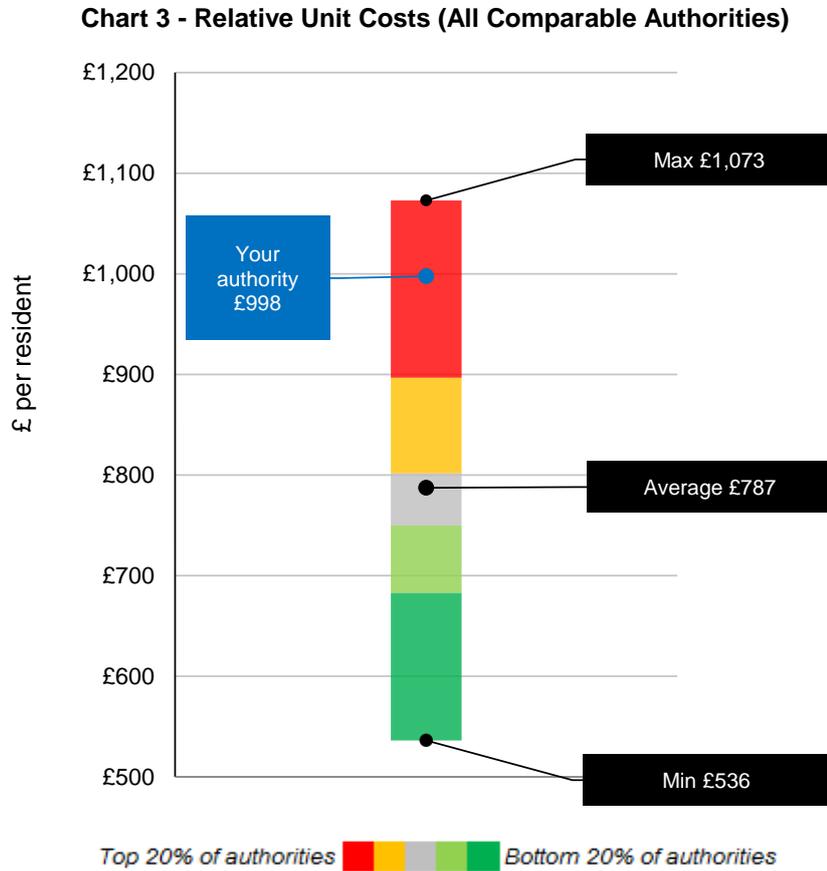
Table 6 - Unit Costs compared to Nearest Neighbours

Service Area	Budget 2016/17 (£m)	Unit cost*		Difference from average		Rank out of 16 (1=high)	Units
		Your authority (£ per unit)	NN average (£ per unit)	(%)	(Band)		
Education (excluding schools)	45.993	121.32	75.18	61.4%	●	2nd	Residents (all)
Adult Social Care	89.134	15,740.39	14,623.94	7.6%	●	5th	Adult Clients (all)
Children's Social Care	54.957	9,315.06	9,982.69	-6.7%	●	9th	Children in Need
Public Health	37.331	102.61	81.44	26.0%	●	3rd	Residents (all)
Highways & Transport	7.988	12,839.60	11,420.35	12.4%	●	12th	Road length
Housing Services (General Fund)	10.750	28.98	51.27	-43.5%	●	15th	Residents (all)
Cultural & Related Services	15.136	40.80	31.32	30.3%	●	3rd	Residents (all)
Environmental & Regulatory Services	35.850	96.63	71.88	34.4%	●	3rd	Residents (all)
Planning & Development Services	9.917	26.73	18.03	48.2%	●	3rd	Residents (all)
Central Services	59.875	161.39	56.25	186.9%	●	1st	Residents (all)
Other Service Expenditure	0.000						
Total (excluding schools)	366.931	997.56	813.25	22.7%	●	1st	Residents (all)
Total (including schools)	708.151	1,897.63	1,455.94	30.3%	●	2nd	Residents (all)

* In this report, unit costs are based on budgeted expenditure **deflated by the Area Cost Adjustment**, which reflects geographical differences in the costs of providing local services due to wage and salary costs. Values are left blank for 'Other Service Expenditure' (which varies widely between authorities) and for services where your authority does not have primary responsibility.

England Comparison

Relative to all comparable authorities across England, Tower Hamlets' unit costs were 26.7% higher than average, and ranked 5th highest out of 123 comparable authorities. Its relative position is illustrated in the chart below.



The table below provides details of Tower Hamlets' unit costs relative to all comparable authorities across England.

Table 7 - Unit Costs compared to England Average*

Service Area	Budget 2016/17 (£m)	Unit cost		Difference from average		Rank out of 123 (1=high)	Units
		Your authority (£ per unit)	England average (£ per unit)	(%)	(Band)		
Education (excluding schools)	45.993	121.32	61.69	96.7%	●	6th	Residents (all)
Adult Social Care	89.134	15,740.39	15,156.23	3.9%	●	47th	Adult Clients (all)
Children's Social Care	54.957	9,315.06	9,813.64	-5.1%	●	69th	Children in Need
Public Health	37.331	102.61	71.49	43.5%	●	11th	Residents (all)
Highways & Transport	7.988	12,839.60	6,415.03	100.1%	●	17th	Road length
Housing Services (General Fund)	10.750	28.98	32.02	-9.5%	●	58th	Residents (all)
Cultural & Related Services	15.136	40.80	39.11	4.3%	●	52nd	Residents (all)
Environmental & Regulatory Services	35.850	96.63	74.57	29.6%	●	20th	Residents (all)
Planning & Development Services	9.917	26.73	14.54	83.8%	●	13th	Residents (all)
Central Services	59.875	161.39	48.42	233.3%	●	1st	Residents (all)
Other Service Expenditure	0.000						
Total (excluding schools)	366.931	997.56	787.29	26.7%	●	5th	Residents (all)
Total (including schools)	708.151	1,897.63	1,344.25	41.2%	●	2nd	Residents (all)

* In this report, unit costs are based on budgeted expenditure **deflated by the Area Cost Adjustment**, which reflects geographical differences in the costs of providing local services due to wage and salary costs. Values are left blank for 'Other Service Expenditure' (which varies widely between authorities) and for services where your authority does not have primary responsibility.

Section 5 provides additional details on each of these services.

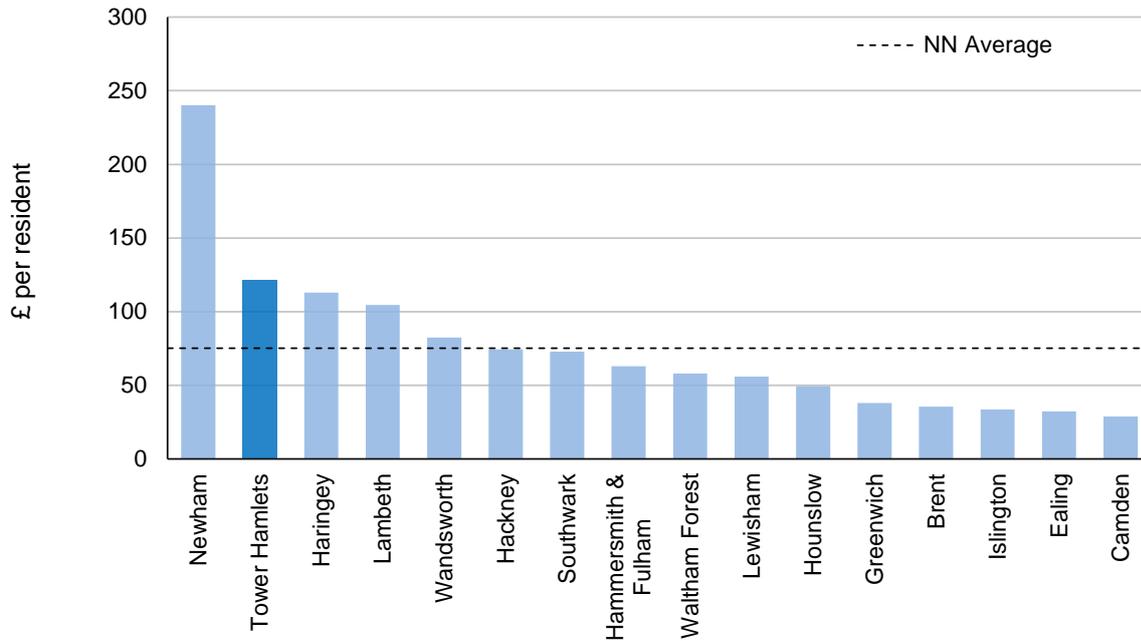
5. Detailed Unit Costs by Service

Education

Nearest Neighbour Comparison

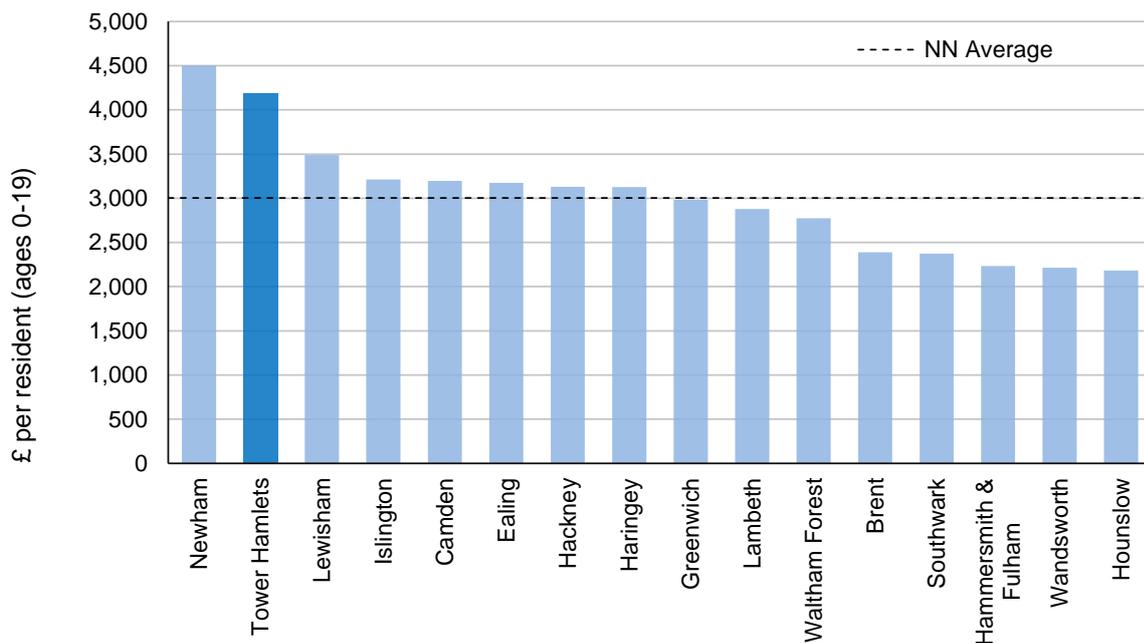
Excluding schools, Tower Hamlets' unit costs were 61.4% higher than the nearest neighbour average, and ranked 2nd highest in the group.

Chart 4 - Unit Costs for Education, Excluding Schools (NN Group)



Including schools, Tower Hamlets' unit costs were 39.6% higher than the nearest neighbour average, and ranked 2nd highest in the group.

Chart 5 - Unit Costs for Education, Including Schools (NN Group)



The table below provides a breakdown of Tower Hamlets' unit costs for Education, both including and excluding schools.

Table 8 - Unit Costs for Education (NN Group)

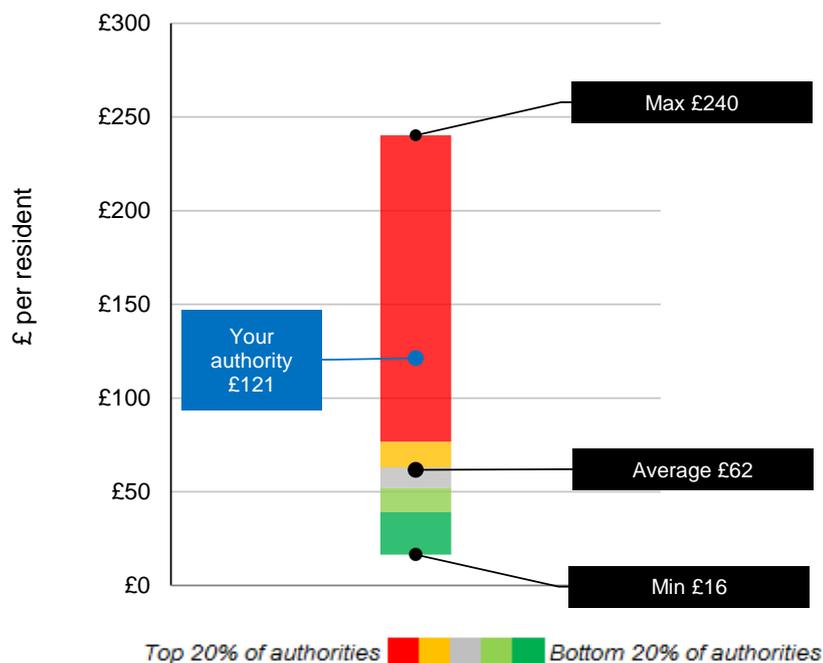
Service Area	Budget 2016/17 (£m)	Unit cost		Difference from average		Rank (1=high)	Units
		Your authority (£ per unit)	Group average (£ per unit)	(%)	(Band)		
Post-16 Provision	17.170	1,072.29	289.29	270.7%	●	1st / 16	Residents (16-19)
Other Education & Community	28.823	76.03	63.25	20.2%	●	4th / 16	Residents (all)
Early Years*	35.280	1,226.53	862.13	42.3%	●	3rd / 16	Residents (0-4)
Primary Schools*	149.104	5,058.71	4,855.19	4.2%	●	6th / 16	Pupils (primary)
Secondary Schools*	114.711	6,040.78	6,644.68	-9.1%	●	12th / 16	Pupils (secondary)
Special Schools*	42.125	71,999.01	38,224.07	88.4%	●	2nd / 16	Pupils (special schools)
Total (excluding schools)	45.993	121.32	75.18	61.4%	●	2nd / 16	Residents (all)
Total (including schools)	387.212	4,191.38	3,003.17	39.6%	●	2nd / 16	Residents (0-19)

* School functions

England Comparison

Compared to other authorities across England, Tower Hamlets' unit costs (excluding schools) were 96.7% higher than average. Overall, its unit costs were ranked 6th highest out of 123 comparable authorities, as illustrated below.

Chart 6 - Unit Costs for Education, Excluding School (All Comparable Authorities)



Including schools, Tower Hamlets' unit costs were 63.7% higher than average, and ranked 3rd highest out of 123 authorities.

Adult Social Care

Adult social care unit costs are based on client numbers in 2014/15 (the latest available), projected forward to 2016/17, in line with official population projections.

Nearest Neighbour Comparison

For Adult Social Care, Tower Hamlets' unit costs were 7.6% higher than the nearest neighbour average, and ranked 5th highest in the group.

Chart 7 - Unit Costs for Adult Social Care (NN Group)

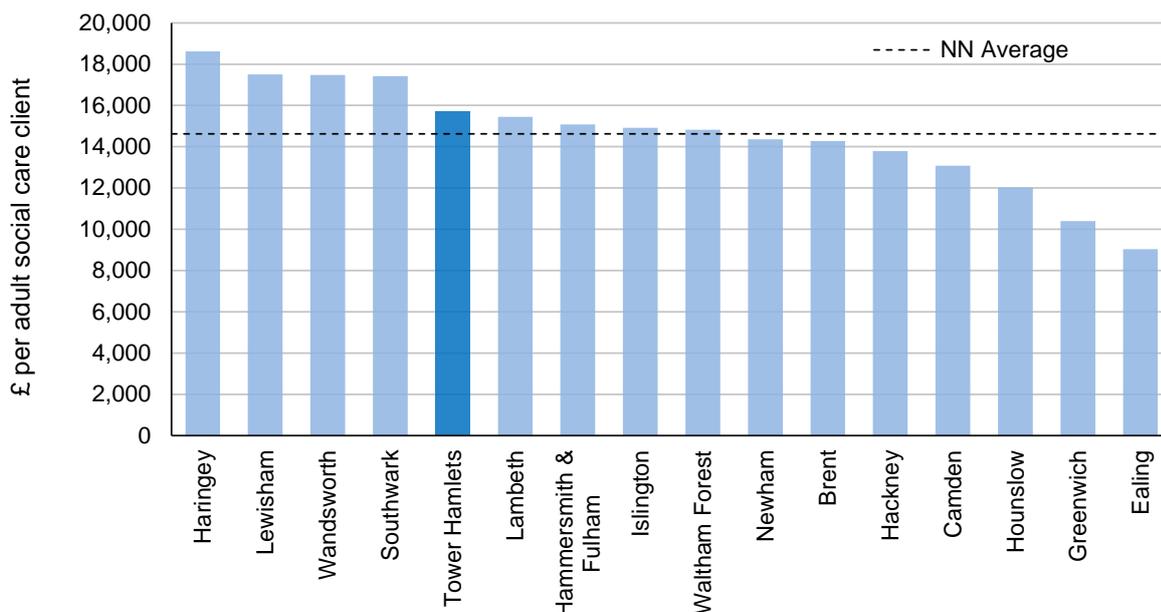


Table 9 provides a detailed breakdown of Tower Hamlets' unit costs for Adult Social Care.

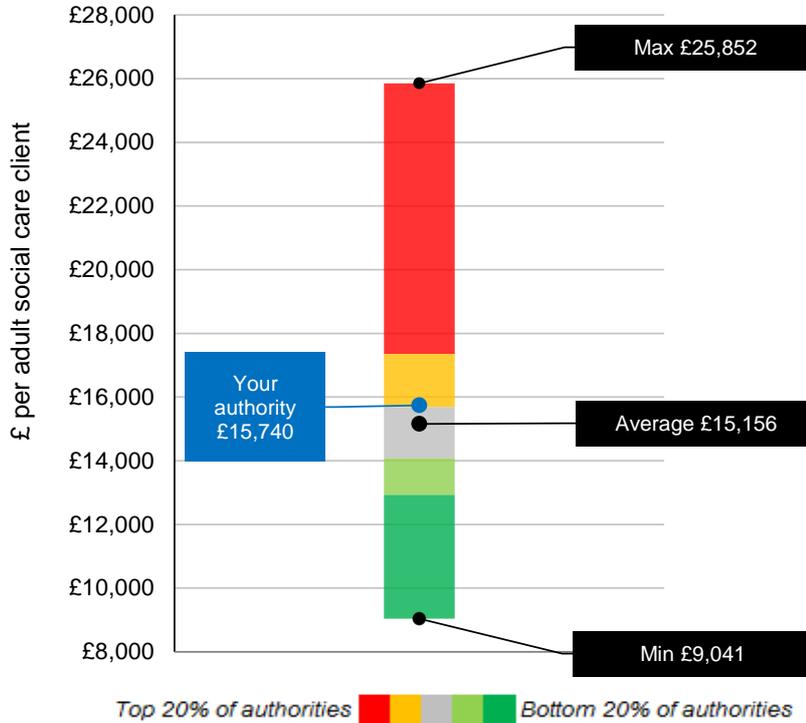
Table 9 - Unit Costs for Adult Social Care (NN Group)

Service Area	Budget 2016/17 (£m)	Unit cost		Difference from average		Rank (1=high)	Units
		Your authority (£ per unit)	Group average (£ per unit)	(%)	(Band)		
Older Adult Social Care	47.700	14,514.74	8,008.60	81.2%	●	1st / 16	Clients - Older Adults
Younger Adults - Physical & Sensory	4.256	5,298.01	10,906.21	-51.4%	●	16th / 16	Clients - Younger Adults (PS)
Younger Adults - Mental Health & Cognition	5.925	7,321.08	13,093.98	-44.1%	●	11th / 16	Clients - Younger Adults (MH)
Younger Adults - Learning Disabilities	6.214	8,412.39	31,491.19	-73.3%	●	16th / 16	Clients - Younger Adults (LD)
Commissioning and Service Delivery	6.837	1,207.36	954.89	26.4%	●	6th / 16	Clients - All
Social Care Activities	8.919	1,575.03	1,434.73	9.8%	●	8th / 16	Clients - All
Other Adult Social Care	9.283	1,639.31	723.94	126.4%	●	1st / 16	Clients - All
Total	89.134	15,740.39	14,623.94	7.6%	●	5th / 16	Clients - All

England Comparison

Compared to other authorities across England, Tower Hamlets' unit costs were 3.9% higher than average. Overall, its unit costs were ranked 47th highest out of 123 comparable authorities. This relative position is illustrated in the chart below.

Chart 8 - Unit Costs for Adult Social Care (All Comparable Authorities)



Children's Social Care

For Children's Social Care, unit costs are based on the projected population and projected client numbers in 2016/17. The latter is based on the number of Children in Need and Looked After Children during 2014/15, projected forward to 2016/17, in line with official population projections.

Nearest Neighbour Comparison

For Children's Social Care, Tower Hamlets' unit costs were 6.7% lower than the nearest neighbour average, and ranked 9th highest in the group.

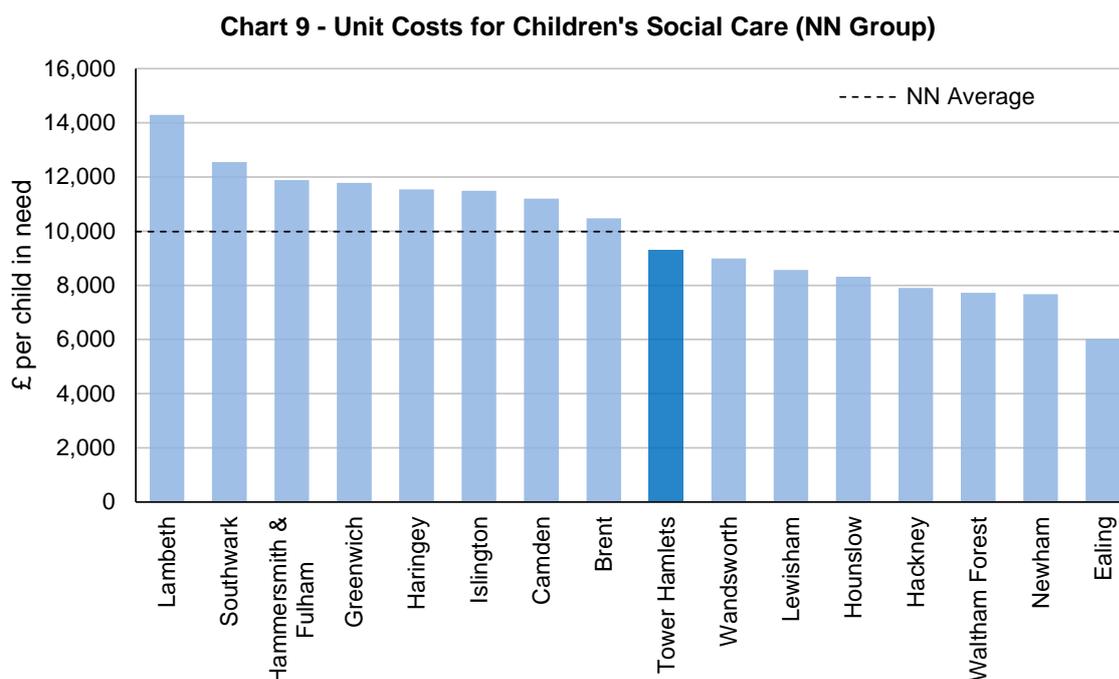


Table 10 provides a detailed breakdown of your authority's unit costs for Children's Social Care.

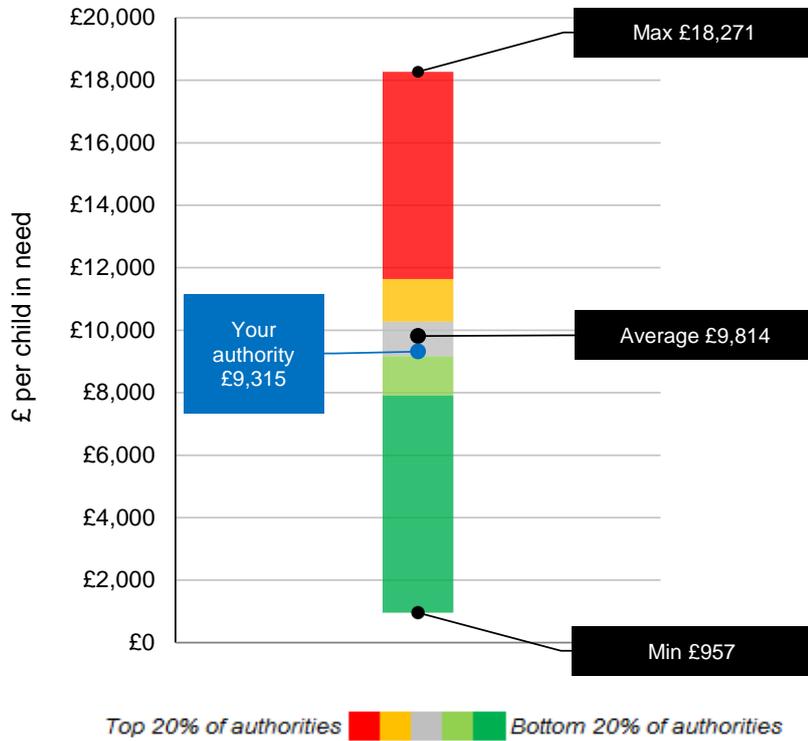
Table 10 - Unit Costs for Children's Social Care (NN Group)

Service Area	Budget 2016/17 (£m)	Unit cost		Difference from average		Rank (1=high)	Units*
		Your authority (£ per unit)	Group average (£ per unit)	(%)	(Band)		
Children Looked After	20.894	33,757.04	36,547.06	-7.6%	●	11th / 16	Looked After Children
Safeguarding, Commissioning and Strategy	1.991	337.47	1,779.05	-81.0%	●	16th / 16	Children in Need
Sure Start and Early Years	9.229	334.33	189.14	76.8%	●	3rd / 16	Residents (0-4)
Young People's Services	6.992	266.01	155.94	70.6%	●	4th / 16	Residents (13-19)
Family Support Services	9.126	1,546.83	1,368.28	13.0%	●	6th / 16	Children in Need
Youth Justice	1.470	49.44	78.49	-37.0%	●	11th / 16	Residents (10-17)
Other Children's and Families Services	5.255	890.71	711.34	25.2%	●	4th / 16	Children in Need
Total	54.957	9,315.06	9,982.69	-6.7%	●	9th / 16	Children in Need

England Comparison

Compared to other authorities across England, Tower Hamlets' unit costs were 5.1% lower than average. Overall, its unit costs were ranked 69th highest out of 123 comparable authorities. Its relative position is illustrated in the accompanying chart.

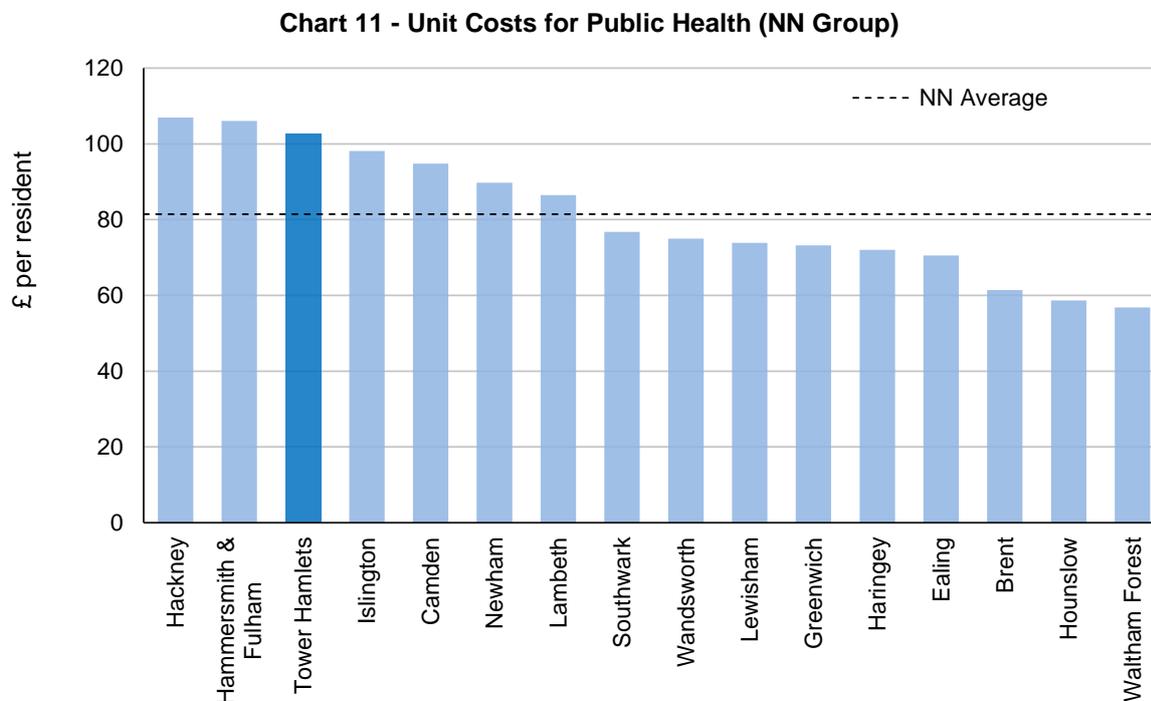
Chart 10 - Unit Costs for Children's Social Care (All Comparable Authorities)



Public Health

Nearest Neighbour Comparison

For Public Health, Tower Hamlets' unit costs were 26.0% higher than the nearest neighbour average, and ranked 3rd highest in the group. This is illustrated in Chart 11.



A more detailed breakdown of Tower Hamlets' unit costs are presented in the table below.

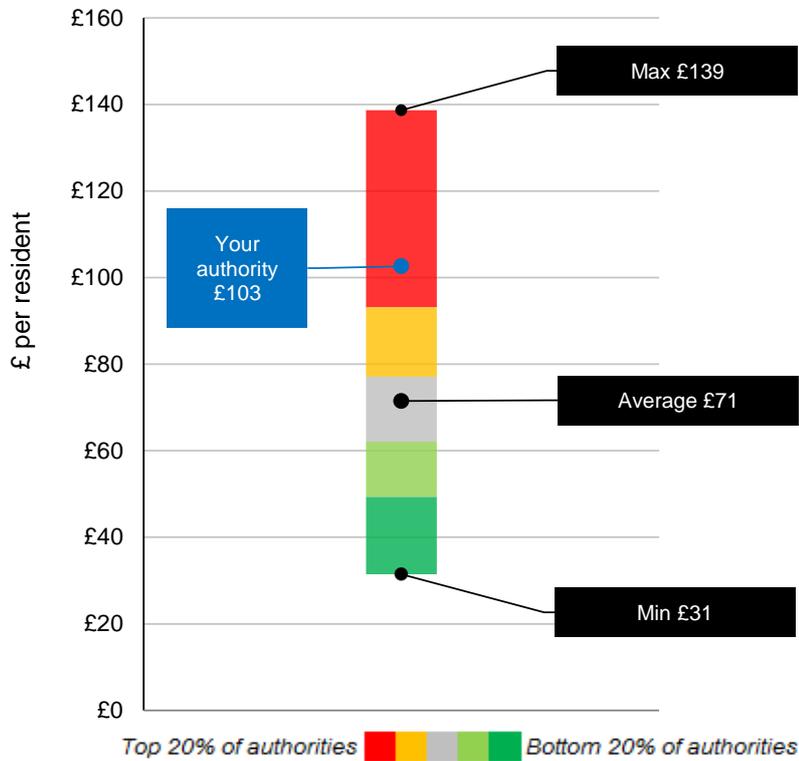
Table 11 - Unit Costs for Public Health (NN Group)

Service Area	Budget 2016/17 (£m)	Unit cost		Difference from average		Rank (1=high)	Units
		Your authority (£ per unit)	Group average (£ per unit)	(%)	(Band)		
Children 5-19 Public Health Programmes	4.748	77.77	27.98	178.0%	●	1st / 16	Residents (5-19)
NHS Health Check Programme	0.220	2.42	3.53	-31.5%	●	13th / 16	Residents (40-74)
Obesity	1.173	27.93	19.37	44.2%	●	6th / 16	Obese persons (estimated)
Public Health Advice	0.081	0.22	0.96	-76.8%	●	12th / 16	Residents (all)
Sexual Health Services	8.021	28.64	27.49	4.2%	●	7th / 16	Residents (13-64)
Smoking and Tobacco	0.986	15.72	12.55	25.3%	●	6th / 16	Smokers (estimated)
Substance Misuse	9.789	34.51	21.86	57.9%	●	1st / 16	Residents (18+)
Other Public Health Services	12.313	33.84	32.48	4.2%	●	8th / 16	Residents (all)
Total	37.331	102.61	81.44	26.0%	●	3rd / 16	Residents (all)

England Comparison

Compared to other authorities across England, Tower Hamlets' unit costs were 43.5% higher than average. Overall, its unit costs were ranked 11th highest out of 123 comparable authorities. Its relative position is illustrated in the chart below.

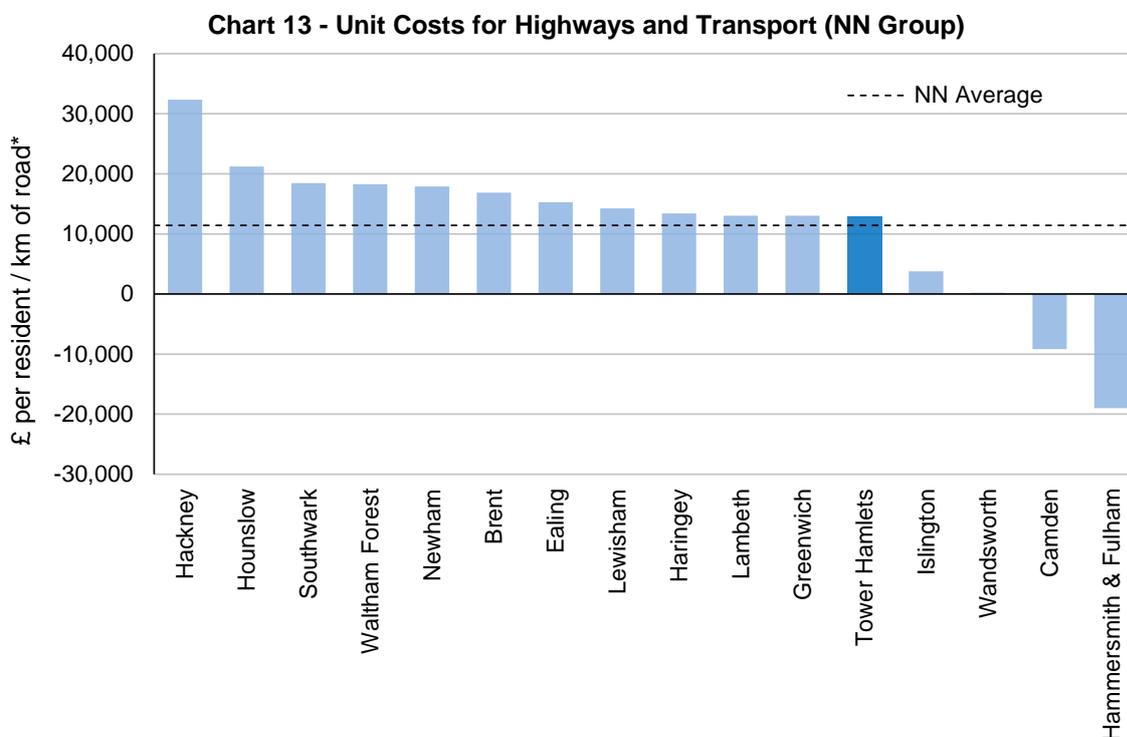
Chart 12 - Unit Costs for Public Health (All Comparable Authorities)



Highways and Transport

Nearest Neighbour Comparison

For Highways and Transport, Tower Hamlets' unit costs were 12.4% higher than the nearest neighbour average, and ranked 12th highest in the group. This is illustrated below.



The following table provides more details on Tower Hamlets' relative unit costs for this service.

Table 12 - Unit Costs for Highways and Transport (NN Group)

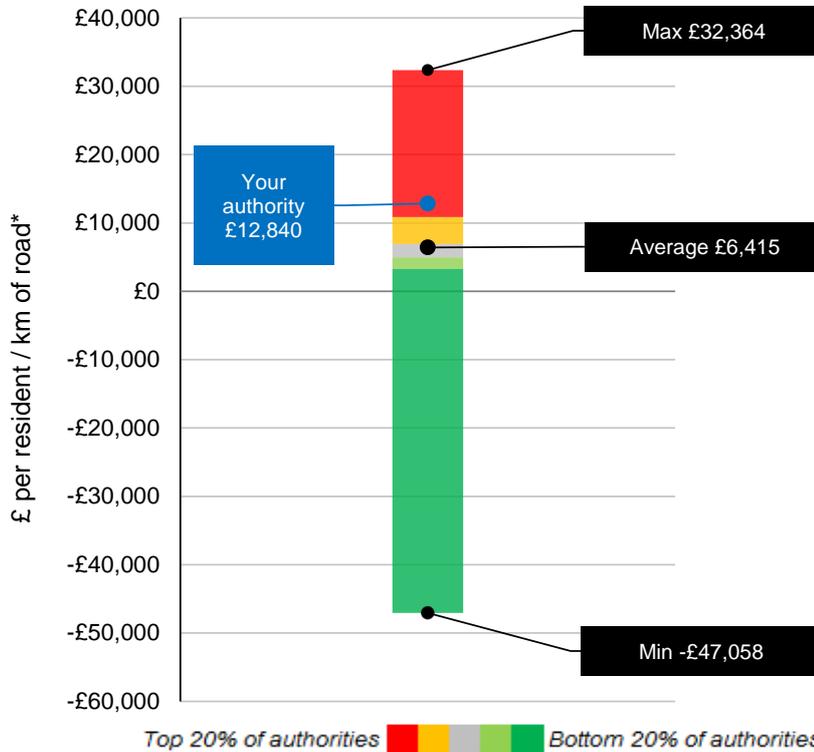
Service Area	Budget 2016/17 (£m)	Unit cost		Difference from average		Rank (1=high)	Units
		Your authority (£ per unit)	Group average (£ per unit)	(%)	(Band)		
Highways Maintenance	5.468	8,789.05	6,091.60	44.3%	●	3rd / 16	Road Length
Parking Services	-8.604	-18.47	-32.65	43.4%	●	5th / 16	Daytime Population
Street Lighting	1.141	1,834.00	2,367.12	-22.5%	●	10th / 16	Road Length
Transport Planning, Policy and Strategy	0.915	1,470.74	991.43	48.3%	●	5th / 16	Road Length
Winter Service	0.150	241.10	231.00	4.4%	●	7th / 16	Road Length
Traffic Management and Road Safety	0.216	347.19	503.29	-31.0%	●	7th / 16	Road Length
Public Transport	8.701	13,985.65	17,224.63	-18.8%	●	13th / 16	Road Length
Other Highways and Transport Services	0.000	0.00	0.00		●	1st= / 16	Road Length
Total	7.988	12,839.60	11,420.35	12.4%	●	12th / 16	Road Length

* For shire districts, the denominator is resident population, and for all other authorities the denominator is weighted road length. This is because road length data is not available for shire districts.

England Comparison

Compared to other authorities across England, Tower Hamlets' unit costs were 100.1% higher than average. Overall, its unit costs were ranked 17th highest out of 123 comparable authorities. Its relative position is illustrated in the chart below.

Chart 14 - Unit Costs for Highways and Transport (All Comparable Authorities)



It should be noted that national comparisons of unit costs are heavily influenced by the inclusion of three London boroughs (Westminster, Hammersmith & Fulham and Kensington & Chelsea), which generate significant net income from parking, and so have large negative unit costs for this service area.

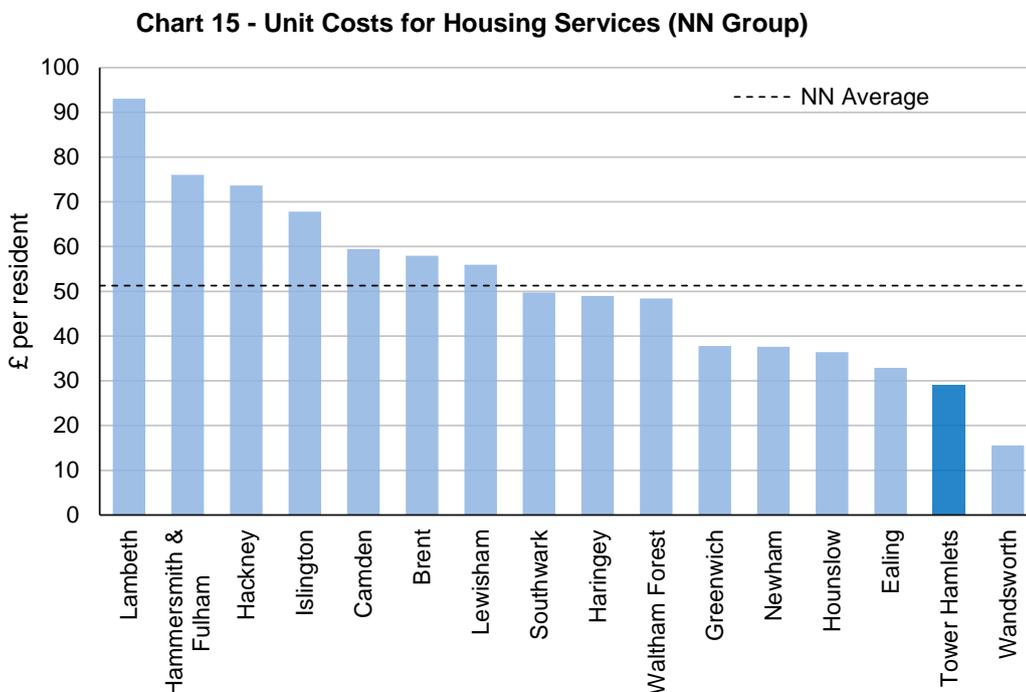
Two caveats relate to Highways and Transport unit costs. First, Net Current Expenditure (which is used to calculate unit costs) excludes local authorities' expenditure on Integrated Transport Authorities. This will affect the relative unit costs of the Metropolitan Districts. Second, expenditure by the Greater London Authority means unit costs for the London boroughs are likely to be lower than the costs for other unitary authorities, all else being equal. These caveats should be borne in mind when interpreting the unit costs presented above.

* For shire districts, the denominator is resident population, and for all other authorities the denominator is weighted road length. This is because road length data is not available for shire districts.

Housing Services (General Fund)

Nearest Neighbour Comparison

For Housing Services, Tower Hamlets' unit costs were 43.5% lower than the nearest neighbour average, and ranked 15th highest in the group. This is shown in the chart below.



A detailed breakdown of unit costs relative to the nearest neighbour average, is provided in the table below.

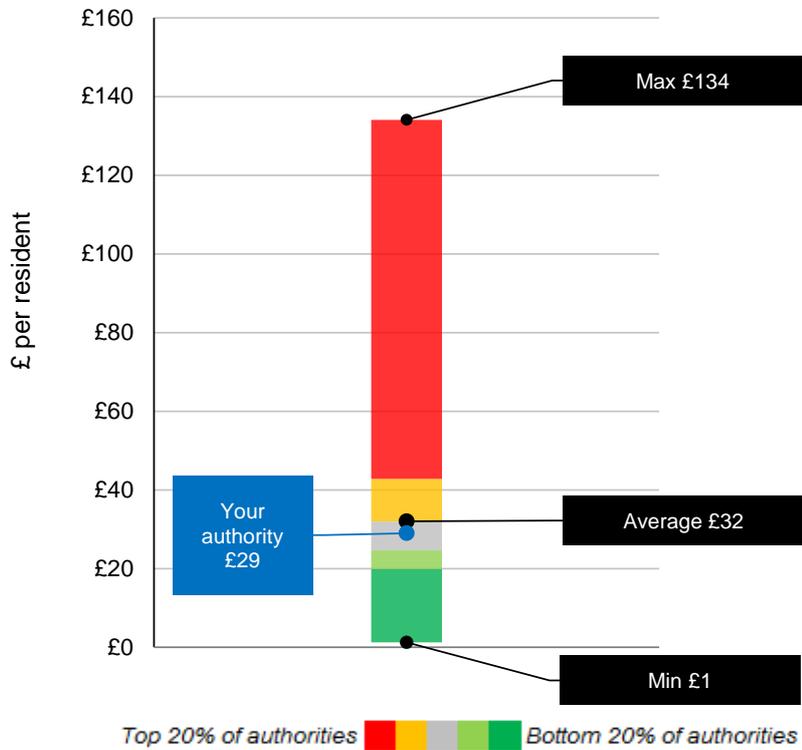
Table 13 - Unit Costs for Housing Services (NN Group)

Service Area	Budget 2016/17 (£m)	Unit cost		Difference from average		Rank (1=high)	Units
		Your authority (£ per unit)	Group average (£ per unit)	(%)	(Band)		
Homelessness	1.604	679.89	4,094.33	-83.4%	●	16th / 16	Households in temporary accommodation
Housing Benefits Administration	2.643	60.52	92.42	-34.5%	●	13th / 16	Housing Benefit Claimants
Housing Benefits: Rent Allowances and Rebates	5.246	120.13	31.79	277.9%	●	1st / 16	Housing Benefit Claimants
Housing Strategy, Advice, Advances etc.	1.245	3.36	4.92	-31.9%	●	10th / 16	Residents (all)
Housing Welfare: Supporting People	0.000	0.00	15.37	-100.0%	●	13th= / 16	Residents (all)
Other Housing Services	0.011	0.03	0.51	-94.1%	●	8th / 16	Residents (all)
Total	10.750	28.98	51.27	-43.5%	●	15th / 16	Residents (all)

England Comparison

Compared to other authorities across England, Tower Hamlets' unit costs were 9.5% lower than average. Overall, its unit costs were ranked 58th highest out of 123 comparable authorities. Its relative position is illustrated in the chart below.

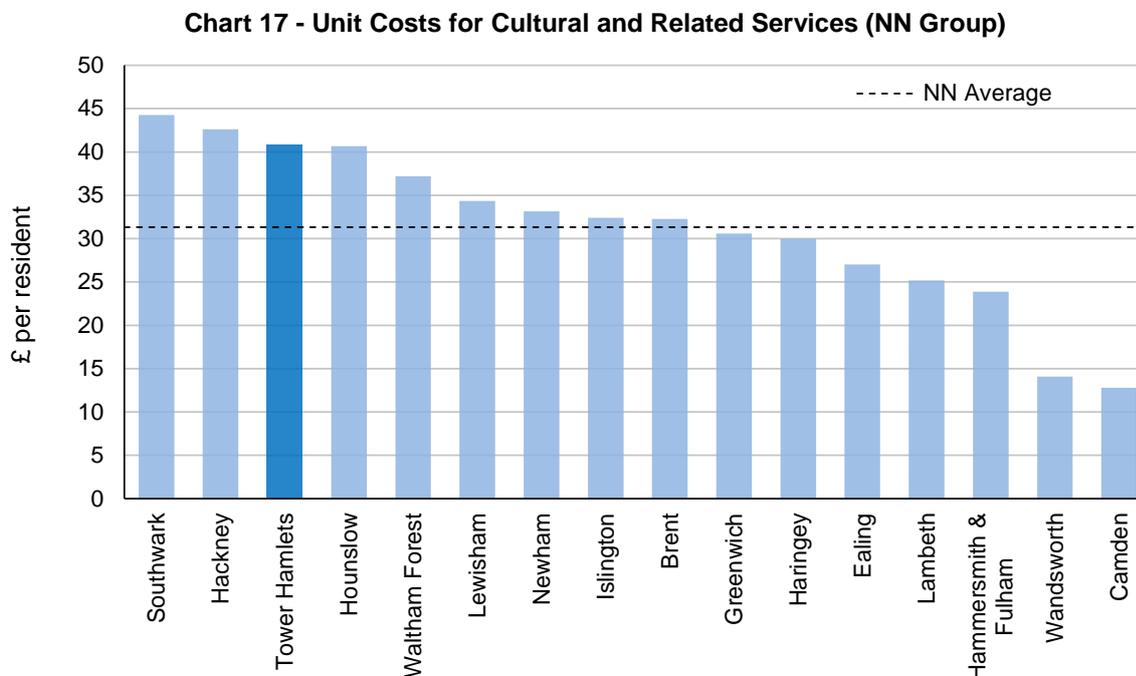
Chart 16 - Unit Costs for Housing Services (All Comparable Authorities)



Cultural and Related Services

Nearest Neighbour Comparison

For Cultural and Related Services, Tower Hamlets' unit costs were 30.3% higher than the nearest neighbour average, and ranked 3rd highest in the group.



A detailed breakdown of unit costs relative to the nearest neighbour average, is provided in the table below.

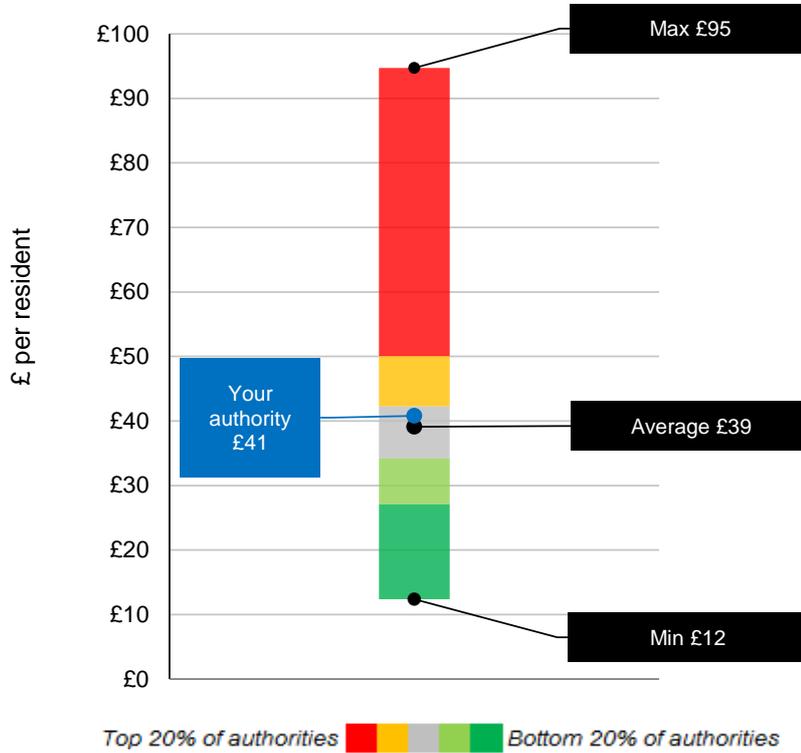
Table 14 - Unit Costs for Cultural and Related Services (NN Group)

Service Area	Budget 2016/17 (£m)	Unit cost		Difference from average		Rank (1=high)	Units
		Your authority (£ per unit)	Group average (£ per unit)	(%)	(Band)		
Culture and Heritage	1.210	3.26	2.09	55.7%	●	4th / 16	Residents (all)
Library Service	6.963	18.77	13.59	38.1%	●	3rd / 16	Residents (all)
Open Spaces	4.048	1,675.83	1,054.41	58.9%	●	4th / 16	LA Area (Hectares)
Recreation and Sport	2.916	7.86	4.89	60.8%	●	5th / 16	Residents (all)
Other Cultural and Related Services	0.000	0.00	0.36	-100.0%	●	10th= / 16	Residents (all)
Total	15.136	40.80	31.32	30.3%	●	3rd / 16	Residents (all)

England Comparison

Compared to other authorities across England, Tower Hamlets' unit costs were 4.3% higher than average. Overall, its unit costs were ranked 52nd highest out of 123 comparable authorities, with its relative position illustrated below.

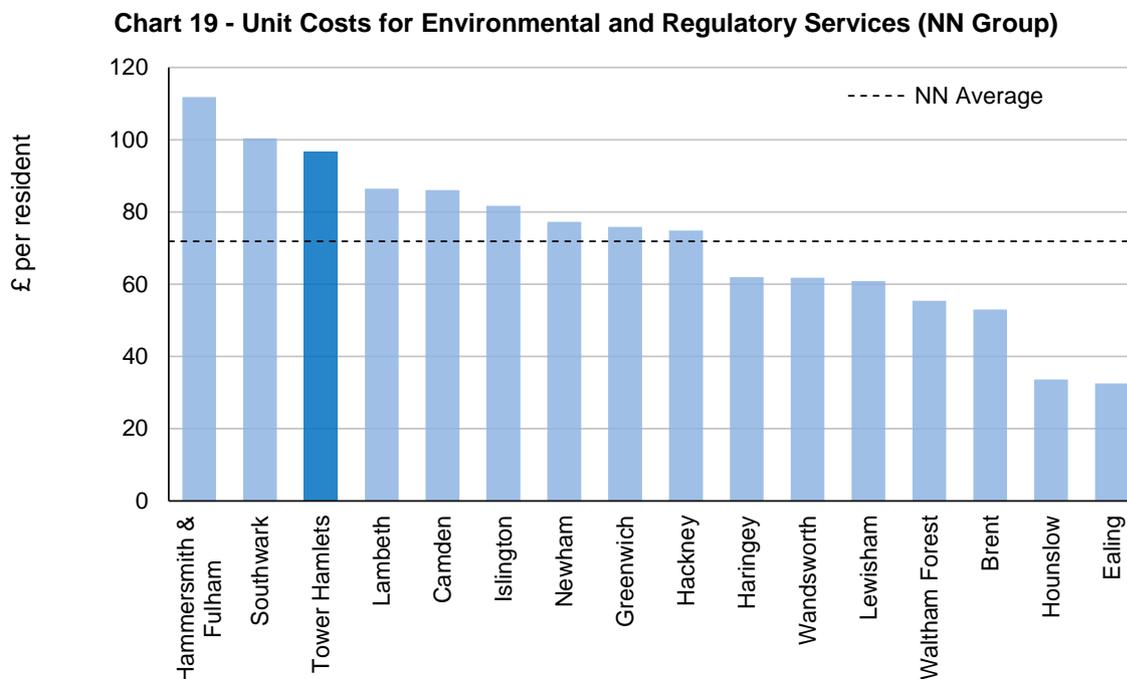
Chart 18 - Unit Costs for Cultural and Related Services (All Comparable Authorities)



Environmental and Regulatory Services

Nearest Neighbour Comparison

For Environmental & Regulatory Services, Tower Hamlets' unit costs were 34.4% higher than the nearest neighbour average, and ranked 3rd highest in the group.



A detailed breakdown of unit costs relative to the nearest neighbour average, is provided in the table below.

Table 15 - Unit Costs for Environmental and Regulatory Services (NN Group)

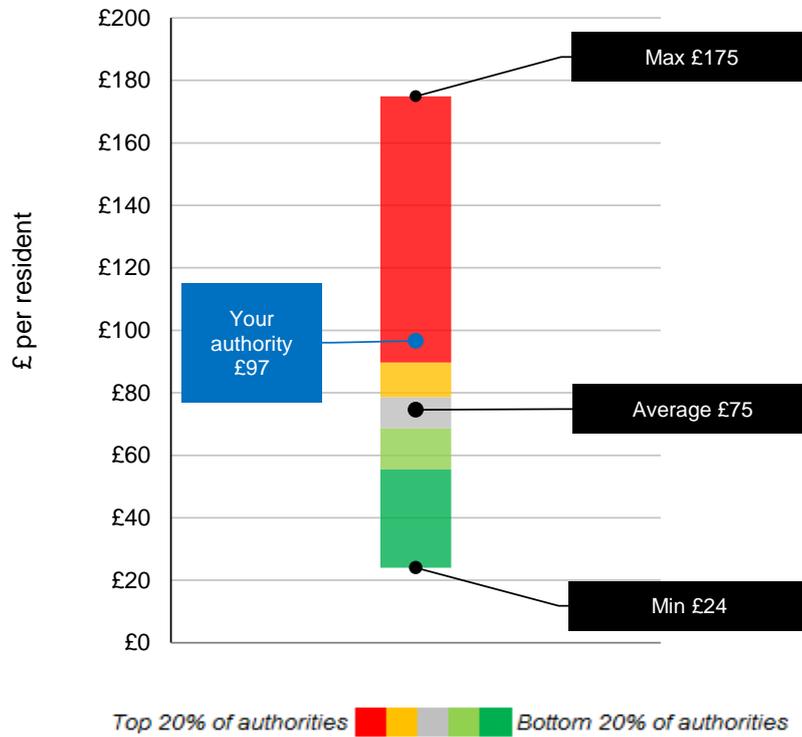
Service Area	Budget 2016/17 (£m)	Unit cost		Difference from average		Rank (1=high)	Units
		Your authority (£ per unit)	Group average (£ per unit)	(%)	(Band)		
Cemetery, Cremation and Mortuary Services	0.211	0.57	-0.09	702.7%	●	5th / 16	Residents (all)
Community Safety	4.114	11.09	7.36	50.7%	●	4th / 16	Residents (all)
Regulatory Services	4.574	12.33	9.56	28.9%	●	4th / 16	Residents (all)
Street Cleansing	6.545	13.13	19.23	-31.7%	●	13th / 16	Daytime Population
Waste Collection	5.094	33.51	35.01	-4.3%	●	7th / 16	Number of Households
Waste Disposal & Recycling*	17.598	201.19	62.31	222.9%	●	1st / 16	Waste Collected (Tonnes)
Other Environmental and Regulatory Services	-2.286	-6.16	0.40	-1650.4%	●	16th / 16	Residents (all)
Total	35.850	96.63	71.88	34.4%	●	3rd / 16	Residents (all)

* Net Current Expenditure (used to calculate unit costs) excludes levies paid to Integrated Waste Authorities, which will affect relative unit costs for Waste Disposal and Recycling.

England Comparison

Compared to other authorities across England, Tower Hamlets' unit costs were 29.6% higher than average. Overall, its unit costs were ranked 20th highest out of 123 comparable authorities. Its relative position is illustrated in the chart below.

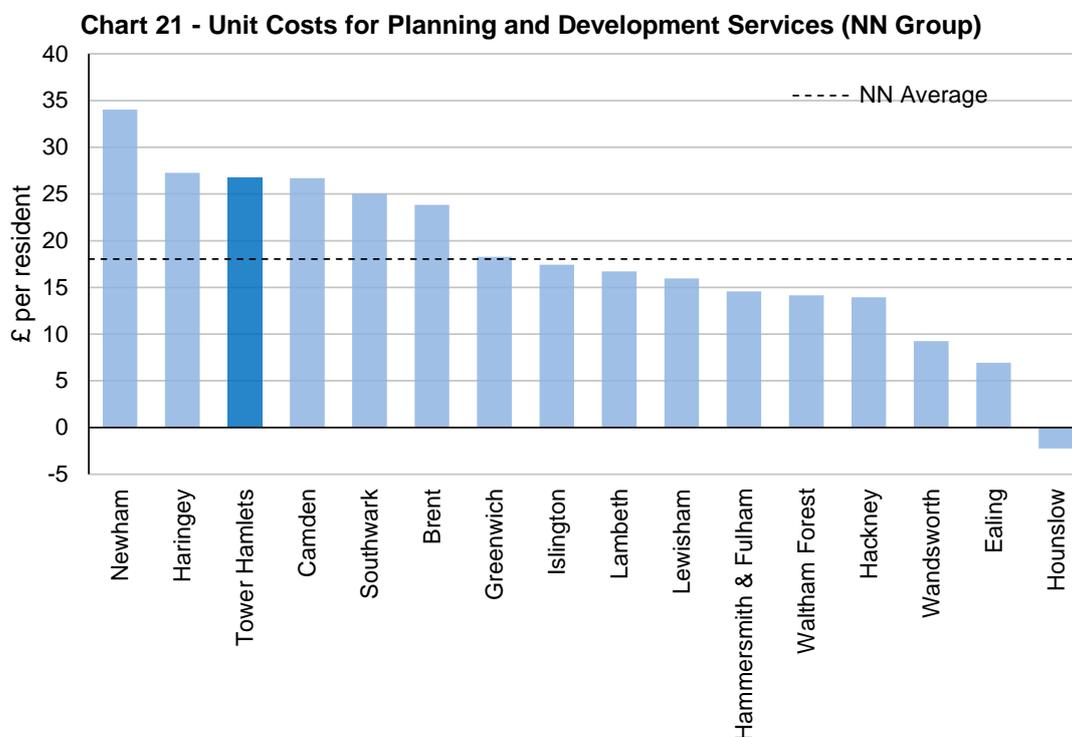
Chart 20 - Unit Costs for Environmental and Regulatory Services (All Comparable Authorities)



Planning and Development Services

Nearest Neighbour Comparison

For Planning & Development Services, Tower Hamlets' unit costs were 48.2% higher than the nearest neighbour average, and ranked 3rd highest in the group.



More detailed unit costs for Tower Hamlets are presented in the table below.

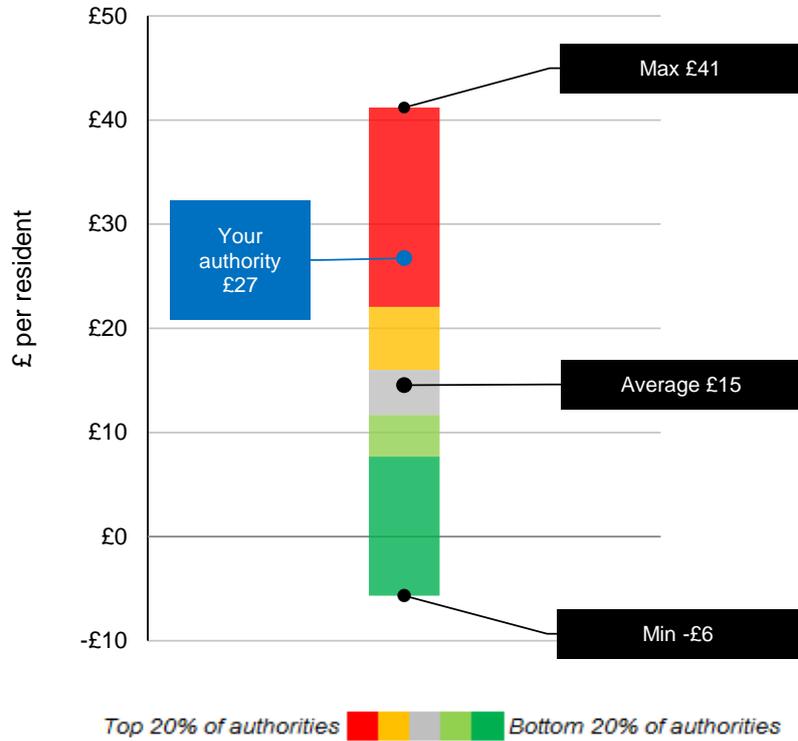
Table 16 - Unit Costs for Planning and Development Services (NN Group)

Service Area	Budget 2016/17 (£m)	Unit cost		Difference from average		Rank (1=high)	Units
		Your authority (£ per unit)	Group average (£ per unit)	(%)	(Band)		
Building Control	0.181	95.78	33.61	185.0%	●	3rd / 16	Planning Applications
Business Support	0.000	0.00	8.23	-100.0%	●	5th= / 16	Number of Businesses
Community Development	4.838	13.04	6.03	116.3%	●	3rd / 16	Residents (all)
Economic Research and Development	2.379	6.41	6.79	-5.5%	●	7th / 16	Residents (all)
Planning Policy	2.078	5.60	2.37	135.9%	●	1st / 16	Residents (all)
Environmental Initiatives	0.000	0.00	0.71	-100.0%	●	7th= / 16	Residents (all)
Development Control	0.440	232.83	237.36	-1.9%	●	6th / 16	Planning Applications
Total	9.917	26.73	18.03	48.2%	●	3rd / 16	Residents (all)

England Comparison

Compared to other authorities across England, Tower Hamlets' unit costs were 83.8% higher than average. Overall, its unit costs were ranked 13th highest out of 123 comparable authorities. Its relative position is illustrated below.

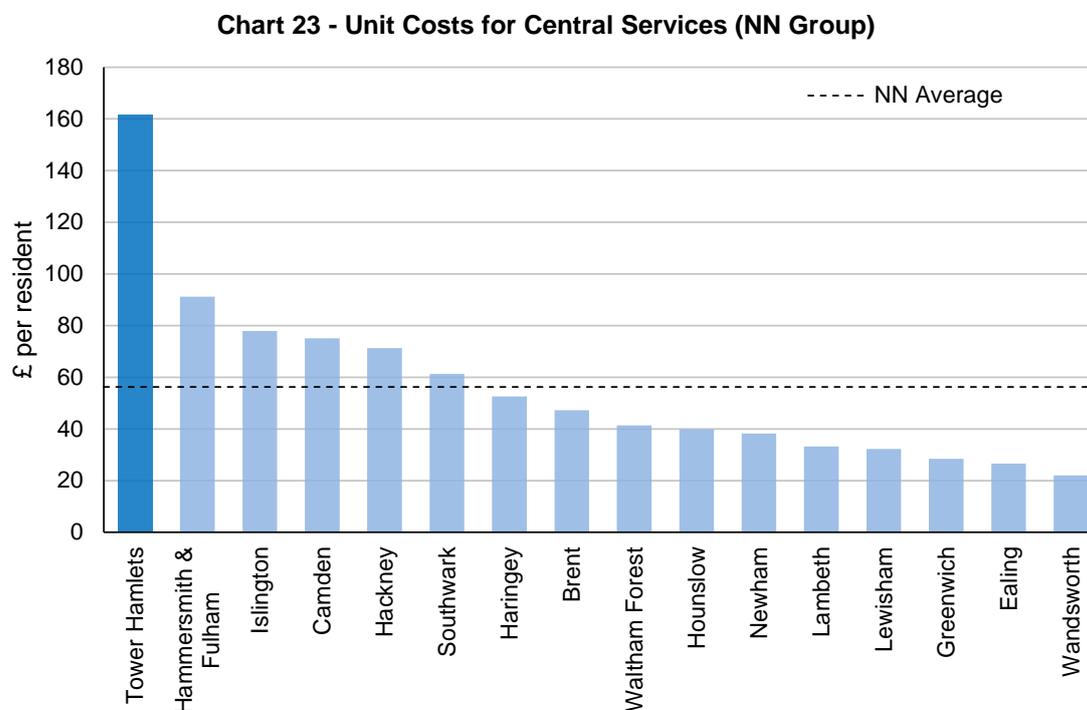
Chart 22 - Unit Costs for Planning and Development Services (All Comparable Authorities)



Central Services

Nearest Neighbour Comparison

Within Central Services, Tower Hamlets' unit costs were 186.9% higher than the nearest neighbour average, and ranked highest in the group.



The following table provides more details on Tower Hamlets' unit costs for this service.

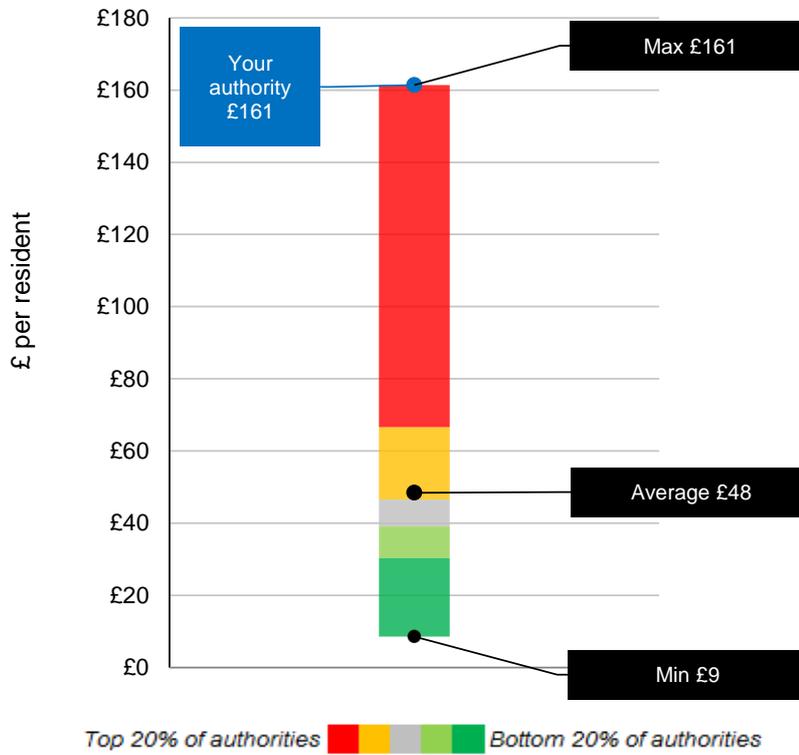
Table 17 - Unit Costs for Central Services (NN Group)

Service Area	Budget 2016/17 (£m)	Unit cost		Difference from average		Rank (1=high)	Units
		Your authority (£ per unit)	Group average (£ per unit)	(%)	(Band)		
Coroners Court Services	0.311	0.84	0.78	8.0%	●	6th / 16	Residents (all)
Corporate and Democratic Core	36.832	99.28	18.50	436.8%	●	1st / 16	Residents (all)
Emergency Planning	0.121	0.33	0.58	-43.5%	●	13th / 16	Residents (all)
Local Tax Collection	0.655	4.12	29.96	-86.3%	●	15th / 16	Taxable properties
Non-Distributed Costs	21.581	58.17	21.91	165.6%	●	1st / 16	Residents (all)
Other Central Services	0.376	1.01	2.09	-51.5%	●	10th / 16	Residents (all)
Total	59.875	161.39	56.25	186.9%	●	1st / 16	Residents (all)

England Comparison

Compared to other authorities across England, Tower Hamlets' unit costs were 233.3% higher than average. Overall, its unit costs were ranked highest out of 123 comparable authorities. Its relative position is illustrated below.

Chart 24 - Unit Costs for Central Services (All Comparable Authorities)



Annex A - Denominator Data Sources

Then following table provides details on the data used to calculate unit costs in this report (presented in alphabetical order).

Table A1 - Data Sources

Denominator / Unit	Source	Description
Adult Clients (all categories)	HSCIS	Projected number of clients receiving long-term services during the period 2016/17. Based on the 2014/15 Short- and Long-Term (SALT) returns, projected forward by population growth. PS = Physical & Sensory, LD = Learning Disabilities, and MH = Mental Health Needs, and Older = Older Adults.
Children in Need	DfE	Projected Children in Need for 2016/17. The number of children referred to the local authority and been assessed as being in need of services in 2014/15, projected forward by population growth. (Source: Characteristics of Children in Need, DfE).
Day time population	CLG	The projected resident population in 2016, based ONS's population projections, plus (i) estimated net in-commuters and (ii) estimated overnight visitors, based on historical rates published by CLG. For shire districts, data is available for net in-commuters only.
Households in temporary accommodation	CLG	Number of households temporarily accommodated by the local authority to 31 March 2014. Average of the four quarters. (Source: Live Tables on Homelessness, CLG)
Housing Benefit Recipients	DWP	Housing benefit caseload by local authority, average for the 12 months to Feb 2016. (Source: DWP Stat-Xplore).
LA Area (hectares)	ONS	Size of the local authority in hectares, from the UK Standard Area Measurement (SAM). (Source: ONS).
Looked After Children	DfE	Projected number of Looked After Children, based on children looked after in 2014/15, projected forward by population growth. (Source: Outcomes for Children Looked After, DfE).
Number of businesses	ONS	Count of active enterprises in the year to December 2014. (Source: ONS, Business Demography 2014).
Number of households	ONS	Projected number of households for 2016. (Source: Live Tables on Household Projections, ONS).
Obese Persons (estimated)	Public Health England	Proportion of obese adults and children in the three years to January 2015 (source: Public Health England website), multiplied by the projected resident population in 2015.
Planning Applications	CLG	Number of planning applications decided by the district level planning authority in the year to March 2016. (Source: Live Tables on Planning Application Statistics, CLG).
Pupils (primary, secondary and special)	DfE	Number of pupils in state-funded primary, secondary and special schools as at January 2015. Primary and secondary school pupil numbers exclude those in academies. (Source: Schools, Pupils and their Characteristics, DfE).

Continued over page

Table A2 - Data Sources (continued)

Denominator / Unit	Source	Description
Residents (all age categories)	ONS	2014-based Sub-national Population Projections (SNPP) for 2016. These take the 2011 census as the baseline.
Road Length	CLG	Index in which built-up roads carry twice as much as non-built up roads (as published by CLG in the calculation of Formula Grant).
Smokers (estimated)	Public Health England	Smoker prevalence rates, based on 2014 survey (source: Public Health England website), multiplied by the projected resident population aged 18 and over in 2015.
Taxable Properties	CLG	The sum of (i) chargeable dwellings for Council Tax purposes in 2015 and (ii) the number of businesses (hereditaments) on the rating list as at September 2014. (Sources: Council Taxbase 2014 in England; Central and Local Rating Lists).
Waste collected (tonnes)	DEFRA	Total waste collected (tonnes) in the year to 31 March 2015. (Source: Local Authority Collected Waste Statistics, DEFRA).