

London Borough of Tower Hamlets Headteacher Conference 14 September 2011

Borough Context

History and demography

Tower Hamlets is unique; unparalleled in its history of diversity and growth. Situated at the edge of the City and on the River Thames it has long been a centre of industry, migration and culture: from its internationally significant docks that brought maritime trade to London, to the clothing industry through the industrial ages, to a global financial power house today.

In recent times Tower Hamlets has experienced the largest growth in the country and has been the focal point of regeneration in London. Significant development activities include the 2012 Olympic and Paralympic Games, continued development within the Thames Gateway and the expansion of Canary Wharf.

The borough's Local Economic Assessment, an analysis of the local economy and future economic prospects, shows that the borough's economy has changed from a strong manufacturing base to an economy based primarily on financial services. Other important industries include retail, wholesale, hotels and restaurants. The local economy has been affected by the downturn but is beginning to recover and further growth and employment opportunities are forecast, supported by the planned growth of Canary Wharf and the City Fringe.

Tower Hamlets has historically been home to a mix of communities. Waves of migration to the borough include the Flemings in the 14th century, French Huguenots in the 17th century, the Jewish community, Irish Catholics, Bangladeshis in the mid 20th century and more recently Somali, Chinese and Eastern European communities. The borough's population peaked at the turn of the 19th and 20th century, dropping in the post-war period and increasing again in the 1960s. It now has the fastest growing population in London, estimated to be 242,000 and projected to increase to 316,300 by 2026. This growing population is ethnically diverse, with almost half of the borough's population comprising black and minority ethnic groups, with the largest of these (33%) being the Bangladeshi community. Religion continues to play a prominent role in the lives of many of the borough's population, with 80% of residents claiming a religious belief and Tower Hamlets being home to the largest Muslim population in the country.

The borough also has a relatively young population with 37% of people aged 20-34, compared to 20% across England. Twenty four percent of the population in the borough are aged 0 to 19. Of these residents, 77% are from BME groups (55% from Bangladeshi groups and 22% from other BME groups). The borough's population is expected to grow across all age groups, but growth is strongest in the older age groups which means the profile of the population is likely to change in future years.

The richness of Tower Hamlets is also evident in its physical and cultural assets. The borough's diverse history is reflected in the collection of Hamlets that grew along and around the trade and movement routes between the City of London and the hinterlands of Essex. Tower Hamlets boasts extensive waterways, Victoria and Mile End Park, an assortment of museums and markets, and the Tower of London from which it derives its name. All of these contribute to the borough's unmatched sense of place and identity.

Challenges

Despite improvements and regeneration in the borough, deprivation and poverty continue to be prominent features in the distinct story of Tower Hamlets. The borough's historic challenges - housing, employment, poverty, crime and health inequalities - continue to be key issues and major concerns for local people.

Tower Hamlets remains a place of contrast: immense wealth alongside stark poverty. The average earnings of those living in the borough is £58,000 yet the employment rate is below the London average and the borough has the highest rate of child and pensioner poverty nationally - 57% of children in the borough live in poverty.¹ Health inequality remains a key characteristic of the borough, with the average life expectancy below the London average for both men and women. Despite record levels of housing provision, demand for housing in the borough continues to outstrip supply. Many people remain reliant on social housing and overcrowding continues to be an acute and persistent challenge in the borough, experienced by 8,500 people. All of these issues converge to make Tower Hamlets one of the most deprived boroughs nationally.

The next few years will be challenging for Tower Hamlets. The improved outcomes for local people over the past decade have, in part, been as a result of the level of resources available to public services. We are now experiencing challenging financial times, with the public sector having far less money to spend on services than before. This is happening alongside growing demand on services including a rapidly growing and ageing population.

Other important national policy developments for Tower Hamlets are the changes to social housing provision and tenancies, the new Work Programme for those out of work, changes to education funding and reform of the health service. These pose both challenges and opportunities for the borough in tackling key issues such as affordable housing demand, unemployment, raising aspirations, health inequality and crime.

¹ This data is from 2008 (the most recent available) and uses the National Indicator 116 measure which is the proportion of children who live in families in receipt of out of work means-tested benefits and those families in receipt of tax credits where their reported income is less than 60% of the median income. Although we still have the highest level of child poverty, this figure shows a 6.6% reduction in the proportion of children living in poverty in Tower Hamlets from 2007 - the largest reduction of all local authorities in the country.

The reform of the welfare system will have a strong impact on many residents in the borough. This includes changes to Housing and Council Tax Benefit, Child Benefits, Tax Credits and support for families. The combined effect for many residents will be a drop in household income both immediately and over time. Given the already high levels of poverty and deprivation in the borough, these changes will make it even harder for many households to get by; potentially affecting educational attainment, crime, health and wellbeing in the borough.

(Source: *Tower Hamlets Community Plan, 2011*)

Services for children, young people and families: responding to national and local change

All partners delivering services to children, young people and their families are facing huge changes and there are significant challenges to overcome during 2011-12 and in future years. There are smaller budgets for all partners, including an end to some of the grants that previously funded a number of activities contributing to how we meet our priorities for children and families.

In addition to these financial challenges, partners are responding to national policy change including the following.

- *Education reform* to allow all maintained schools to become academies, a new process for parents, charities and other parts of the community to set up free schools, and a changing role for local authorities in how they deliver services for schools and their involvement in school improvement.
- *Health reform* including responsibility for public health to move from the NHS to local authorities, new Health and Wellbeing Boards, the introduction of GP commissioning and new GP Consortia. Locally, the three East London Primary Care Trusts have merged, and the management of Community Health Services has transferred to Bails and The London NHS Trust.
- *Police reform* including new directly elected Police and Crime Commissioners.
- *Social care review* led by Eileen Munro which has made recommendations to government regarding changes to children's social care. The government has accepted all recommendations in principle.
- *A focus on early intervention* following recent reviews commissioned by the government, including those led by Graham Allen and Eileen Munro.
- *Social housing reform* including giving housing associations the flexibility to offer fixed term tenancies to some new tenants at a rent level higher than social rent - with landlords able to set rents at up to 80 per cent of local market rents.

- *Welfare reform* which will impact on children and families including an end to education maintenance allowance, child trust funds and health in pregnancy grants, freezing child benefit rates, reductions in housing benefit and changes to tax credits.
- *A new Child poverty Strategy* which responds to recommendations from Frank Field's review of child poverty and life chances.

There is also new direction from government on how to approach partnership, including the removal of the statutory guidance on children's trusts and children and young people's plan regulations.

Our Children and Young People's Plan sets out how we will meet the needs of children and families in the borough. Our current plan ends in March 2012 and we are in the process of developing a new plan for 2012-15.