



Haverling

L O N D O N B O R O U G H

JOINT (ALL) OVERVIEW & SCRUTINY COMMITTEE AGENDA

7.30 pm

Monday
8 September 2014

Council Chamber -
Town Hall

Members of each of the Council's Overview & Scrutiny Committees are invited to attend this joint meeting. For practical purposes, the joint meeting is being convened as a single meeting but separate minutes will be taken for each Overview & Scrutiny Committee as if it were a special meeting of each of them.

Members are requested to retain and bring with them to the meeting their copy of the budget report to the Cabinet Meeting on 3 September 2014.

For information about the meeting please contact:

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AGENDA ITEMS

1 MEMBERSHIP AND CHAIRMAN OF MEETING (Pages 1 - 2)

Details of the Memberships of the Committees are attached.

The Committees are asked to agree a Chairman for the meeting.

2 CHAIRMAN'S ANNOUNCEMENTS

The Chairman will announce details of the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

3 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS (IF ANY)

- receive.

4 DISCLOSURE OF PECUNIARY INTERESTS

Members are invited to disclose any interests in any of the items on the agenda at this point of the meeting. Members may still declare an interest in an item at any time prior to the consideration of the matter.

5 THE COUNCIL'S FINANCIAL STRATEGY

Members are asked to retain, and bring with them to the meeting, the report to be considered by Cabinet at its meeting on 3 September.

The Cabinet will consider any concerns etc raised at the joint meeting before formulating its recommendations on the budget and Council Tax for 2014/15 and thus this is the Overview and Scrutiny Committees' opportunity to scrutinise the budget proposals.

RECOMMENDATION

That the Committees, individually and collectively:

1. **Discuss** with the Leader of the Council and senior officers the proposed revenue priorities relevant to the service(s).
2. **Note** the financial position of the Council.
3. **Note** that the report is formally consulting them on the proposed Corporate budget adjustments and that this is the opportunity to scrutinise the budget proposals.
4. **Consider** the proposals and what, if any, representations they wish to make upon them.

Andrew Beesley
Committee Administration Manager

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Agenda Item 1

OVERVIEW & SCRUTINY COMMITTEE MEMBERSHIPS

Committee	Membership <i>Councillors</i>
<p>Children & Learning Overview and Scrutiny Committee (14 members:) (Quorum 6)</p>	<p>Chairman: Gillian Ford (Res) Vice-Chairman: Jason Frost (Con) Members: Joshua Chapman (Con) Philippa Crowder (Con) Carol Smith (Con) Nic Dodin (Res) Reg Whitney (Res) Julie Wilkes (Res) John Glanville (UKIP)</p> <p>Voting co-opted Members:</p> <p>Statutory Members representing the Churches: Phillip Grundy (Church of England) and Jack How (Roman Catholic Church)</p> <p>Statutory Members representing parent governors (3): Vacant</p> <p>Non-voting members representing local teacher unions and professional associations: Margaret Cameron (NAHT), Ian Rusha (NUT) and Keith Passingham (NASUWT).</p>
<p>Crime & Disorder Committee (6 members:) (Quorum 3)</p>	<p>Chairman: David Durant (IRG) Vice-Chairman: John Wood (Res) Members: Garry Pain (Con) Dilip Patel (Con) Linda van den Hende (Res) John Glanville (UKIP)</p>
<p>Environment Overview and Scrutiny Committee (6 members:) (Quorum 3)</p>	<p>Chairman: Ray Morgon (Res) Vice-Chairman: Carol Smith (Con) Members: Garry Pain (Con) Alex Donald (Res) Patricia Rumble (UKIP) Keith Roberts (IRG)</p>

Committee	Membership <i>Councillors</i>
Health Overview and Scrutiny Committee (6 members:) (Quorum 3)	Chairman: Nic Dodin (Res) Vice-Chairman: Dilip Patel (Con) Members: Joshua Chapman (Con) Jason Frost (Con) Gillian Ford (Res) Patricia Rumble (UKIP)
Individuals Overview and Scrutiny Committee (7 members:) (Quorum 3)	Chairman: June Alexander (Res) Vice-Chairman: Philip Hyde (UKIP) Members: Ray Best (Con) Viddy Persaud (Con) Roger Westwood (Con) Darren Wise (Res) Keith Roberts (IRG)
Towns & Communities Overview and Scrutiny Committee (9 members:) (Quorum 4)	Chairman: Lawrence Webb (UKIP) Vice-Chairman: Linda Hawthorn (Res) Members: Jason Frost (Con) Steven Kelly (Con) Robby Misir (Con) Frederick Thompson (Con) Alex Donald (Res) Jody Ganly (Res) Michael Deon Burton (IRG)
Value Overview and Scrutiny Committee (9 members:) (Quorum 4)	Chairman: Clarence Barrett (Res) Vice-Chairman: Philippa Crowder (Con) Members: John Crowder (Con) Steve Kelly (Con) Robby Misir (Con) Barbara Matthews (Res) Barry Mugglestone (Res) David Johnson (UKIP) Graham Williamson (IRG)



CABINET

3 September 2014

Subject Heading:	BACKGROUND TO THE COUNCIL'S FINANCIAL STRATEGY
Cabinet Member:	Cllr Roger Ramsey
CMT Lead:	Andrew Blake-Herbert Group Director Resources
Report Author and contact details:	Mike Stringer Head of Finance & Procurement 01708 432101 mike.stringer@havering.gov.uk
Policy context:	The Council is required to approve an annual budget and to establish a financial strategy and this report sets out the background to the development of that strategy
Financial summary:	This report sets out the financial background to the Council's current financial position as part of the development of a long term financial strategy for the Council
Is this a Key Decision?	No
Is this a Strategic Decision?	No
When should this matter be reviewed?	February 2015
Reviewing OSC:	Value

SUMMARY

The current financial strategy, which addresses a range of national and local issues, comes to an end during 2014/15. This strategy has already enabled the Council to address a significant budget gap, resulting from reduced Government funding as well

as a range of pressures. As previous reports to Cabinet have highlighted, there is likely to be a further significant budget gap in the years following, and although this assessment may depend on the outcome of next year's General Election, the likelihood is that existing austerity measures will continue. The sheer scale of this gap means that it is essential for a new strategy to be put into place as early as practicable.

This report sets out relevant background from the current strategy, together with an update on national developments including the March Budget. It also includes background information on funding for local authorities and the overall scale of the Council's budget, as context to the development of a new budget strategy. Proposals for the Council's future strategy are set out in the accompanying report and these will be referred initially to a joint meeting of Overview & Scrutiny Committees before formal consultation with the public.

Whilst accepting that any forecasts that run to the end of the current decade are open to change, the need for the development of a strategy is quite clear. This report provides Cabinet with background information on the current financial position as a precursor to setting out the Administration's proposed budget strategy.

RECOMMENDATIONS

Cabinet is asked to:

1. Note the impact of the March 2014 budget on the Council's financial position.
2. Note the background to the Council's current financial position and how this has impacted on the development of the future budget strategy.
3. Note the projected budget gap on which the development of the budget strategy has been based.
4. Approve and recommend to Council the adoption of the revenue budget strategy statement set out in Appendix C.

REPORT DETAIL

1. BACKGROUND

- 1.1 The general financial climate has been widely reported nationally during the life of the last Administration and has been reflected in a number of reports to Cabinet previously. This has included both the 2013 National Budget, announced in March, and the subsequent Comprehensive Spending Review (CSR), which followed in late June 2013.

1.2 The current budget strategy ends in the current financial year, 2014/15. The initial assessment of the budget gap for the four period leading up to the current year indicated an overall gap in the region of £40m. This comprised a major reduction in Government funding together with pressures arising from the impact of inflation and service demand; the key elements of this gap were as follows:

- Major reductions in Government funding for both the public sector and particularly for local government,
- With the reduction in mainstream grant of nearly £22m over 4 years
- Removal and reduction of a range of specific grants funding specific services
- Impact of inflation on pay and prices
- Demographic growth particularly amongst the older population.

1.3 The Council chose to take a very pro-active approach to tackling the forecast budget gap. An initial savings plan was agreed by Cabinet in July 2010, with a further range of savings agreed the following July. These savings totalled around £35m, with the remainder of the gap to be found subsequently. Through judicious financial management and some minor changes in the position, it has been possible to not only deal with a very major budget gap, but also rises in Council Tax have been avoided, and the vast majority of savings have not impacted on the services that are important to our local community. One key factor to bear in mind is that there were changes in virtually every element of the final composition of the £40m gap projected in 2010, although the overall bottom line remained the same. This illustrates the need for a long term approach, given the scale of the gap, but also to monitor changes and ensure that their impact is fully assessed, and reflected in subsequent budgets.

1.4 Over this period of time, there have also been substantial changes in the way in which local authorities are funded. Aside from the funding reductions mentioned above – which have affected both mainstream revenue support grant (RSG) and also specific grants – there have been a number of other changes to funding arrangements:

- Localisation of business rates – previously collected nationally then funded through RSG, since April 2013 retained locally – though only 30% is actually retained by the Council
- Localisation of Council Tax benefits – funded nationally but since April 2013, decided and funded locally – though overall funding was reduced by 10% at the point of localisation
- “Rolling up” of various grants into RSG – aside from grant reduction, some grants are now included as part of RSG, though these have been subject to reductions as part of that process
- Introduction of Council Tax freeze grants – though some of these have in fact either ceased or been rolled up
- New Homes Bonus, which is effectively top-sliced out of overall funding, so although this is a new funding source, RSG is lower as a result

- Impact of “damping”, which reduces the equivalent funding some authorities receive.

1.5 Local authorities are now funded through a number of funding streams; these include Government grants, income, Council Tax and business rates. This makes the Council’s budgets very complex to understand. The Council’s general revenue fund budget, which is the area most affected by changes in government funding regimes and the rising costs of providing services to a growing community, comprises two main elements:

- The General Fund, which covers the day to day running costs of the Council, which we call revenue costs, which is in turn funded by Council Tax and business rates as well as Government grant, £167.6m for 2014/15
- The Capital programme, which covers major projects and “one-off” spend, and which is funded by Government grant and capital receipts, £37.4m for 2014/15 (grant £33.5m, receipts £3.9m).

1.6 The General Fund (or revenue budget), includes income from both specific grants and from fees and charges:

- Specific Grants, these are funds given to the Council for a specific National Government policy that have to be spent on the required service area, such as Housing Benefits (£75.6m) and Public Health (£9.1m), total £110.5m for 2014/15
- Fees and Charges, which is income raised by the Council where we have the ability to charge residents for services, some charges set nationally, such as planning, some we cannot make a profit on, such as parking income and some we have local discretion around, although we may be competing with the private sector, such as Crematoria. Total fees and charges £49.7m for 2014/15.

1.7 In addition to the General Fund (revenue budget), the Council’s overall budget responsibilities also include separate funding streams for housing and schools, together with a specific grant for the Public Health function, comprising:

- The Housing Revenue Account (HRA), which covers the running costs of the Council’s housing stock, £55m for 2014/15, broadly funded by rent payments and service charges from tenants, and for which there is a separate capital programme, £46.1m 2014/15 (including Decent Homes funding £23.6m).
- Dedicated Schools Grant (DSG), which funds the running costs of schools plus central Council costs of supporting schools, £123.1m for 2014/15 (after academy recoupment), this is largely passported directly on to schools, although we are still responsible for school place provision.
- Public Health Grant of £9.7m which funds a range of mandated and non-mandated services set out within the terms of the Grant.

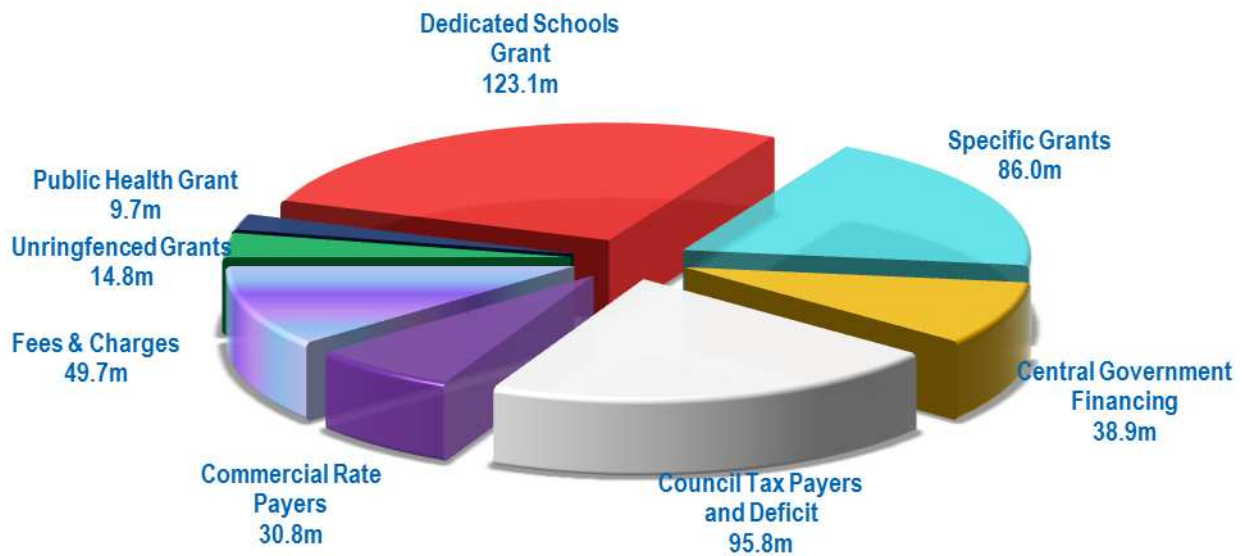
- 1.8 The overall General Fund budget for Havering for 2014/15 is summarised in the table below:

Element	£m
Net Spend on Council Services	167.6
Levies from External Bodies	12.7
Unringfenced Specific Grants from Government	(14.8)
Revenue Support Grant from Government	(38.9)
Business Rates including top-up payment	(30.8)
Collection Fund payments for Council Tax	(95.8)

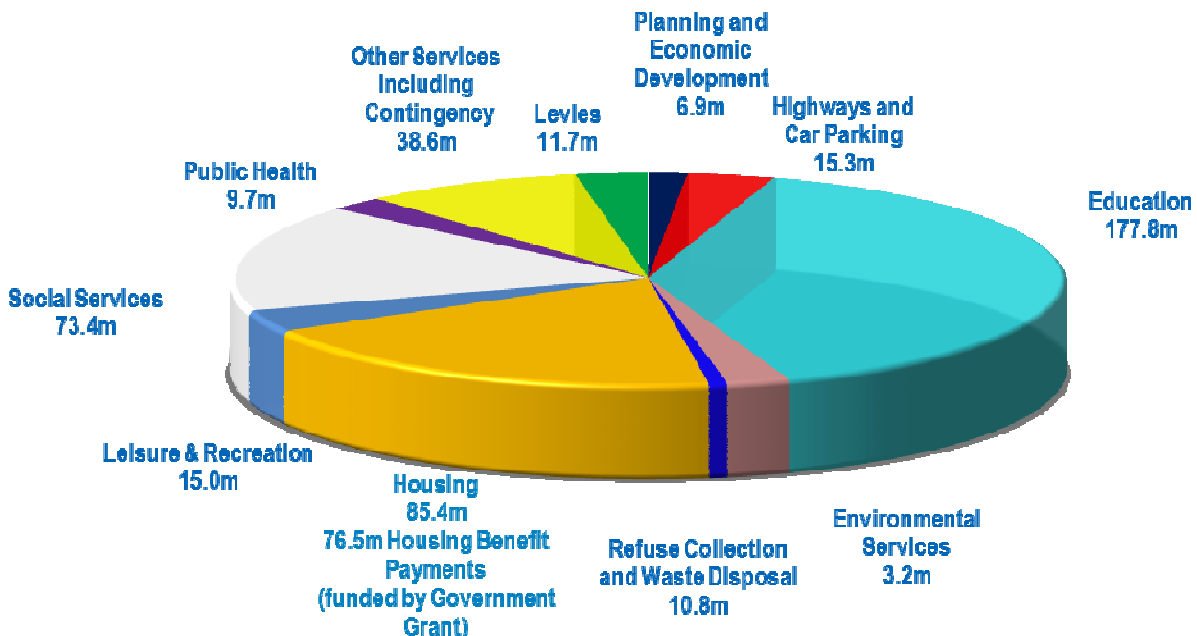
- 1.9 This can be further broken down to indicate how the Council's own spend is made up, this is set out in the table below:

Service Area	Net Spend £m	% Spend
Culture, Community & Economic Development	42.0	23.7
Public Health	9.7	5.5
Children's, Adults & Housing	103.5	58.3
Resources	5.0	2.8
Corporate Financial Matters including Contingency	17.1	9.6
Sub Total	177.3	100.0
Less Public Health specific grant	(9.7)	
Net Spend	167.6	

- 1.10 Further information on the detailed composition of the Council's budget are shown in the pie charts below. The first chart shows the flows of money into the Council. As can be seen, the overall scale of the Council's finances is nearly £450m. In addition, the pie chart does not show the Housing Revenue Account which is the trading account bringing in rents and leaseholder charges and spending it each year on managing the Council's housing stock. Taken all together the Council is a half a billion pound business, which helps explain the complexity of our financial arrangements and the estimates that the budget strategy needs to contain in respect of managing cashflow, contingencies, interest, inflation, and so on.



1.11 The second pie chart shows what the Council spend its money on. The chart demonstrates graphically the great variation in costs and expenditure on the different services the Council provides. It can be seen, for example, that social care costs at £73.4m dwarf expenditure on some universal services such as refuse and waste collection, planning and highways. The housing item is for housing benefits, as the chart indicates, these are currently fully funded by the Government through grant funding.



1.12 Havering is generally a low spending local authority, and receives a low level of grant funding from Government; comparative figures are shown in the table below, with a full list of all London boroughs shown in Appendix B. That said, as can be seen from the pie charts, Government grant is becoming a small proportion of the Council's overall income and is expected to halve over the next four years, to around £23m. There is every prospect that grant funding will

disappear completely by the end of the current decade, leaving local authorities entirely dependent on Council Tax, business rates, and fees & charges – with possibly some specific grants – as their sources of funding.

Authority	Grant Per Head £s
Barking and Dagenham	611.48
Bexley	315.63
Bromley	246.57
Harrow	326.13
Havering	293.63
Newham	709.56
Redbridge	378.66
Richmond Upon Thames	245.38
Sutton	389.86
Outer London Average	418.86
All London Average	532.84

- 1.13 This gives Cabinet some idea how complex the funding system for local authorities is, and both the overall scale of the Council's budget and where the spending on individual services lies. In addition, there are numerous changes occurring virtually every year to the funding system and some of these have major impacts on local authorities and, in turn, their financial planning and budget strategies. The Council is the largest employer in the borough and thus has a major impact on the area, not just through the services we provide to our local community and a wide range of individuals, but also with a substantial workforce and a major relationship with a wide range of providers of goods and services.

2. GOVERNMENT FUNDING AND THE LIKELY FUTURE IMPACT

- 2.1 Previous reports to Cabinet during the last budget setting cycle considered both the annual National Budget for 2013 and the Comprehensive Spending Review. Briefly, the key elements of these were as follows:

- A 1% spending reduction for most Government departments for 2 years
- An exemption for local government from this, with the impact only being felt in 2014/15
- A 10% spending cut for the Department for Communities & Local Government in 2015/16
- The likelihood of additional funding cuts for Havering in that year, with potentially a further reduction arising from changes in the treatment of New Homes Bonus
- Extension of the Council Tax freeze grant for a further two years, based on a 1% rise, together with a continued "cap" on rises at 2%.

2.2 The Chancellor announced his fifth budget to the House of Commons on 19th March 2014, stating improvements to the growth forecasts for the current and forthcoming years. Although very little was announced in terms of local government, growth forecasts and net borrowing figures have improved considerably since last year's Spending Round.

2.3 Despite the improved national picture, the amount of spending reduction is set to continue for the foreseeable future. It has been widely communicated that further public sector spending restraints will continue to the end of the decade with the view that Departmental Expenditure Limits (DEL) will reduce considerably after the next elections. These reductions based on the Government spending projections could possibly see some of the biggest reductions in spending since austerity began. In addition, it was also announced that some departments will continue to be ring-fenced resulting in further reductions to unprotected departments. Assuming the next Government continue to ring-fence the NHS and Education, local government could be a target for significant spending reductions up to 2020. The table below shows the potential reduction in DEL excluding any departmental protection:

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Resource AME		2.50%	2.70%	2.90%	2.90%	2.00%
Resource DEL		-3.20%	-2.50%	-4.50%	-5.30%	-2.90%
Public Sector Current Expenditure	0.00%	-0.70%	0.20%	-1.60%	-2.40%	-0.90%

2.4 More detail of the Budget announcements is set out in Appendix A. From this announcement, it is possible to speculate on the potential impact on Government funding in broad terms, and how this relates to any future possible budget gap. This is not without a degree of variation, as future funding will be determined by the incoming Government, after the 2015 General Election. However, the sheer scale of continued funding cuts means taking action at an early stage is essential.

2.5 The current level of mainstream Government funding, Revenue Support Grant (RSG) for Havering for 2014/15 stands at just below £39m. This reflects not only ongoing funding cuts, but significant changes in funding mechanisms, with the localisation of both business rates and Council Tax support in April 2013. For the purposes of budget planning, an assessment of the likely further reduction over the next 4 years, starting in 2015/16, has been undertaken, and this has been assessed as around £22.5m. This would see Havering's RSG fall to around £16m by 2018/19. It is likely that the funding reduction will be higher in the earlier years, with the brunt falling in 2015/16 and 2016/17, and the budget strategy has been developed with this in mind.

2.6 It is essential to bear in mind that this is an assessment based on national figures, with a degree of localised knowledge. The actual funding gap could be higher or lower. However, the current assessment is felt to be a reasonable one upon which the Council's future strategy should be built.

- 2.7 There are added uncertainties around other elements of the funding system. Further major changes are taking place, with pooled budgets with the NHS being created as part of the Better Care Funding (BCF). The Council also receives New Homes Bonus (NHB), but the long-term future of that funding stream beyond 2015/16 is currently unclear, and a reduction resulting from a top-slice of the overall grant sum is expected for next year. There is also a ring-fenced, specific grant for Public Health and it is understood that the ring-fencing will currently apply until 2015/16. Additionally, the budget currently includes Council Tax freeze grant, which is guaranteed until 2015/16, but not currently beyond. Should the treatment of these funding streams change, it will impact on the overall distribution model. It will therefore be necessary to assess the proposed grant funds for 2015/16 once details of the financial settlement are announced.
- 2.8 It is likely that a further Council Tax freeze grant will be offered for 2015/16. The current grant for 2014/15 stands at 1%, which in Havering equates to around £1.1m (this differs from a 1% tax rise owing to the basis of calculation of the grant), although the level at which a referendum would have to be held has remained at 2%. There are no guarantees that the grant for this year and next will survive future years, or they could be rolled up with the resultant risk that Havering would not receive an equivalent amount, owing to the impact of damping. There is also the loss of the cumulative effect of successive tax rises, which does not happen with the freeze grant. By way of example, four successive rises of 2% (which for the first year equates to around £1.9m) would generate nearly £8m in Council Tax.
- 2.9 Aside from these issues, the incoming Government could decide either to extend protection of funding for what are seen as key areas, education and the NHS, or even to increase their funding. This might lead to larger reductions in other spending areas, and in the past, local government has been more badly affected than any other departments. Should this prove to be the case, then the funding reduction will inevitably be bigger than the one currently projected.
- 2.10 Accepting the degree of risk, it is felt that the current assessment of funding reduction is sufficiently robust on which to build a new budget strategy. It will be necessary to monitor developments and determine the impact of any subsequent announcements. Should the position change materially, further reports will be brought to Cabinet as necessary.

3. REVIEW OF FINANCIAL PROSPECTS

- 3.1 The projected budget gap for the current four year period, ending in 2014/15, was assessed as £40m, as Cabinet will be aware. Given an expectation that Government funding will fall at the rate identified above, it would be reasonable to assume a reduction of at least £22m in funding. This in turn would need to be fed into the overall budget position over the coming four years. This suggests a budget gap at least equivalent – but more likely higher than – the one currently being met through the Council's financial strategy.

3.2 On that basis, for planning purposes, a broad assessment had been undertaken as part of the development of the 2014/15 budget, of the likely budget gap over the subsequent 4 year period. This quantified that, based on the funding reduction set out above, the overall projected budget gap was expected to be in the region of £60m. This sum was based on the following elements:

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	TOTAL £m
Demographic growth	2.0	2.0	2.0	2.0	8.0
Inflation (net)	3.5	3.5	3.5	3.5	14.0
Freedom pass	0.4	0.4	0.4	0.4	1.6
Pensions Fund	1.5	1.5	1.5	1.5	6.0
Levies	1.1	1.1	1.1	1.1	4.4
Interest	-0.9				-0.9
Government grant reductions	10.0	4.5	4.0	4.0	22.5
Transformation costs	1.0	1.0	1.0	1.0	4.0
TOTAL	18.6	14.0	13.5	13.5	59.6

3.3 A short explanation for each of these items is shown in the table below:

Element	Explanation
Demographic growth	Estimated cost arising from changes in demography; population mix and make-up especially the age profile, demand for services, increase in population and number of households
Inflation (net)	Allowance for inflationary rises in pay (2%), goods and services (3%), other costs (1.5%), with a corresponding increase in fees & charges (2%)
Freedom pass	Estimated annual rise in contribution to scheme, to reflect rises in numbers and fare levels – covered further in report below
Pensions Fund	Provision for annual increase in contributions to fund, based on most recent actuarial review, to bridge historic funding deficit – covered further in report below
Levies	Estimated increase in levy levels, largest being ELWA – covered further in report below
Interest	Anticipated rise in interest rates leading to higher level of interest earned
Government grant reductions	Projected impact of ongoing reductions in mainstream grant funding resulting from Government austerity programme and assessments of impact on local funding levels
Transformation costs	Initial assessment of funding needed to deliver a further, extensive programme of services changes and savings plans, including sufficient provision to corporately fund any redundancy costs

- 3.4 In very broad terms, the approach historically has been to align budget savings with reductions in Government funding. It is proposed that this principle will be enshrined in this budget strategy, on the basis that the Government expects authorities to reduce their spending to reflect national funding levels. Over the four years, therefore, a similar level of savings to the grant reduction of £22m would be covered by the strategy.
- 3.5 As previously advised to Cabinet, Government projections over this period currently assume rises of 2% in Council Tax and 3% in business rates. Should these not be achieved, then there is a risk that the budget gap could potentially increase even further. However, the initial assessment of an overall gap of £60m was felt to be a sufficiently robust starting point from which a new four year budget strategy should be developed. The accompanying report sets out the Administration's proposed approach and the planned budget strategy.

4. BUDGET STRATEGY FOR 2015/16 ONWARDS

- 4.1 As part of the previous budget cycle, the overall assessment of the financial position across the next four years was set out. It was proposed that officers would commence work on a new financial strategy, designed to accommodate the projected budget gap, with the intention of bringing these proposals to Cabinet during the second half of 2014. This was to enable sufficient time for robust proposals to be developed, but also to allow for the fact that the funding gap alone for the next financial year would require early action, allowing sufficient time to consult and implement. Financial planning for the period commencing in 2015/16 has therefore been progressed with that scale of gap in mind.
- 4.2 In developing these proposals, it has been borne in mind that the projected gap does carry some degree of risk. However, officers feel that it is inevitable that the gap for the coming four years will be higher than that already dealt with since 2010. With an expected significant funding gap in the first two years, whilst the different elements may change, the scale is not likely to. The strategy has been developed with this in mind. Clearly, with a General Election imminent, there may be shifts in policy and funding; one example being the continued existence of the Council Tax freeze grant. The strategy will therefore inevitably need to be refined as time rolls out, but the basic thrust, i.e. continued austerity and funding cuts, clearly require a further programme of spending reductions within local authorities. The alternative would be Council Tax rises at levels not seen since the early 1990s, which are likely to be completely unacceptable to our local community, let alone affordable in the ongoing economic climate.
- 4.3 There will be some uncertainty until the local government financial settlement for 2015/16 is announced; this will almost certainly not be until Christmas. It is unlikely, given provisional figures were announced as part of the last settlement, and this is the last year under the current CSR, there will be any material shift in funding. It will be necessary to review the position around Council Tax freeze grant, and especially if there is any indication of the long-

term treatment of this funding source. However, what is abundantly clear is that local authorities will continue to become ever more reliant on Council Tax and business rates for the majority of their funding. Given that business rates are set nationally, the only scope afforded councils is their ability to grow their business rates base. As has previously been pointed out to Cabinet, this is extremely difficult, given Havering's historic base.

4.4 Havering has mounted a long campaign over the lack of fairness of the funding system for local authorities, including detailed responses to the various settlements and meetings with Ministers. None of these has seen any material change in the system. Havering has therefore remained a low-funded council, as the table earlier in the report illustrates quite clearly. But with the continual reduction in mainstream grant funding, the Council's focus needs to shift to lobbying where this is still important – in particular, new burdens arising under the Care Act. The Council is also looking to ensure that other income sources are being maximised, in particular:

- Collection rates on Council Tax and business rates are as high as possible
- Economic development activities to assist local businesses, to attract in new businesses where possible, and to get our fair share of the LEP funding.

4.5 Given the potential scale of the budget gap identified during the latter stages of the last budget cycle, officers have been working on a range of proposals, alongside the review of the gap itself. The aim was to establish a series of measures to bridge the gap, for discussion with the incoming Administration post the May 2015 election, and to present these proposals to Cabinet after the Summer break. These proposals are now set out in the accompanying report to Cabinet.

4.6 The Council's revenue budget strategy statement has been amended to reflect this approach. This is attached at Appendix C for Cabinet to recommend for adoption to Council.

5. SCHOOLS AND EDUCATION

Education Services Grant

5.1 The Education Services Grant (ESG) is allocated per pupil to LAs and academies according to the number of pupils on the roll. The grant is intended to fund a range of LA statutory responsibilities which transfer to academies when they convert. Following a consultation by the DfE the grant will reduce in 2015-16. In 2014-15 LAs receive £113.17 per pupil (reduced from £116.46 per pupil in 2013-14) for the number of pupils attending maintained schools and £15 per pupil for all pupils regardless of the whether they attend maintained schools or academies. Academies receive £140 per pupil which includes £27 transitional protection.

In 2015-16 the grant will reduce to £87 per pupil although academies will receive transitional protection to ensure their overall funding does not reduce by more than either 1% or 3% depending on previous ESG payments.

- 5.2 The grant to LBH for 2014-15 is £3,219,159 but on the basis of current pupil numbers will reduce to £2,603,243, a reduction of £615,917 (19%). The final allocation for 2015-16 will be recalculated based on the increased pupil numbers attending LA maintained schools but will also take into account three primary schools that became academies during 2014-15. The net effect will be a further reduction in grant.

DSG

- 5.3 In 2015-16, schools and school related expenditure including Early Years Education and High Needs provision will continue to be funded through a ring-fenced Dedicated Schools Grant. The DfE has decided not to introduce a national funding formula in 2015-16 as previously announced, delaying this until it is able to provide some certainty on schools funding for at least a three year period. The DfE has, however, moved towards a national formula by leveling up the funding that LAs allocate to schools through their funding formulae. Having already funds schools above the newly introduced minimum funding levels so receives no additional funding. DSG funding for 2015-16 will therefore be at the same amount per pupil as in 2014-15 and the previous two years with no increase of inflation. There are likely to be additional pressures on the DSG in 2015-16 particularly in funding in-year growth and meeting increasing costs of High Needs provision.

REASONS AND OPTIONS

Reasons for the decision:

It is essential that the Council's financial strategy takes due account of Government plans, and any other material factors where these are likely to have an impact on the Council's financial position. This report sets out the background to the Council's financial position and the initial budget gap projection, as a precursor to the development of a long term budget strategy. This report is intended to ensure that Cabinet is appropriately aware of the context in which that strategy has been developed.

Other options considered:

None. The Constitution requires this as a step towards setting the Council's budget.

IMPLICATIONS AND RISKS

Financial implications and risks:

The Council's budget process will ensure that financial implications and risks are fully met. There are continuing risks with the potential impact on funding arising from both the Budget and CSR announcements, as highlighted in both this and the previous report to Cabinet. The steps already taken by the Council should mitigate this, but it is evident that a longer term approach now needs to be considered, as the potential scale of the future budget gap could prove to be even bigger than the gap the Council is currently addressing.

As part of this process, Members need to be suitably aware of the background to the Council's current financial position, and the context within which the budget strategy has been developed.

Legal implications and risks:

The Council is subject to a number of duties in relation to revenue, capital and procurement. For instance, as a Best Value Authority the Council is under a duty 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." s 3 Local Government Finance Act 1999. The Council is also under an implied duty to set a balanced budget. Otherwise there are no apparent specific legal risks in adopting the Recommendations set out in the Report.

Human Resources implications and risks:

The Council continues to work closely with its staff and with Trades Unions to ensure that the effects on staff of the savings required have been managed in an efficient and compassionate manner.

Equalities implications and risks:

As this report merely sets the background and context to the Council's Financial Strategy, there are no specific equalities implications or risks at this stage. However any savings that need to be considered following publication of details of the Local Government Financial Settlement may carry equalities implications and risks and accordingly, these will need to be analysed to ensure that mitigating action can be taken to reduce any disproportionate impact on protected characteristics set out in the Equality Act.

Other Risks:

There are no particular other risks arising, but Cabinet is asked to be mindful of the risks inherent with forecasting as well as the general economic background and its volatility over the last 5 or 6 years.

BACKGROUND PAPERS

There are none.

BUDGET 2014

Headlines

- Forecast growth for 2013 rises to 1.4% from 0.6%
- Improved net borrowing forecasts
- Further cuts in departmental expenditure required after 2015/16
- Increases to the personal allowance and tax bands

Detail

The Chancellor of the Exchequer presented his budget to the House of Commons on 19th March 2014. This briefing is to highlight the key announcements from the budget as well as how this affects Local Government.

The Office for Budget Responsibility (OBR) has increased its forecasts for GDP growth this year and next. Britain's economy is now expected to grow by 2.7% for 2014, an increase of 0.3% predicted in the 2013 Autumn Statement. Table 1 shows the revisions to the growth forecast as stated in the Autumn Statement.

Table 1 – GDP growth forecasts for the UK

Announcement	2011	2012	2013	2014	2015	2016	2017
Budget 2014	0.9%	0.2%	1.4%	2.7%	2.3%	2.6%	2.6%
Autumn Statement 2013	0.9%	0.2%	1.4%	2.4%	2.2%	2.6%	2.7%
Budget 2013	0.9%	0.2%	0.6%	1.8%	2.3%	2.7%	2.8%
Emergency Budget 2010	2.3%	2.8%	2.9%	2.7%	2.7%	-	-

In addition to the increase in growth, the Chancellor, based on the OBR's forecasts, predicts the budget to run into a small surplus in 2018/19, however a large majority of the cuts required to reduce the deficit have as yet, not fed through into departmental spend. Table 2 below shows the changes in Public Sector Net Borrowing forecast since the last Autumn Statement and the delay in balancing public sector debt.

Table 2 – Public Sector Net Borrowing forecast for the UK

Announcement	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Budget 2014	£108bn	£95bn	£75bn	£44bn	£17bn	(£5bn)
CSR 2013	£120bn	£108bn	£96bn	£67bn	£43bn	No Forecast
Autumn Statement 2012	£112bn	£99bn	£81bn	£56bn	No Forecast	No Forecast
Emergency Budget	£60bn	£37bn	£20bn	No Forecast	No Forecast	No Forecast

Austerity

Further austerity is set to last until the end of the decade with further indications from Government that the NHS and Education will be protected for the foreseeable future.

The Chief Secretary to the Treasury has asked the Ministers to set out an “ambitious new efficiency programme to deliver savings” from 2016-17 and across the next Parliament, in time for Autumn Statement 2014. Table 3 below shows the real term reduction in Departmental Expenditure Limits (DEL). As can be seen, the 2016-17 and 2017-18 financial years show the biggest reduction in Departmental Expenditure Limits and with Education and NHS protected, unprotected departments could face the biggest reduction in funding seen to date.

Table 3 – Real terms % change on previous year

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Resource AME		2.50%	2.70%	2.90%	2.90%	2.00%
Resource DEL		-3.20%	-2.50%	-4.50%	-5.30%	-2.90%
Public Sector Current Expenditure	0.00%	-0.70%	0.20%	-1.60%	-2.40%	-0.90%

Source: Budget 2014 (Table 2.3)

Income tax / National Insurance

The personal allowance (the amount free from income tax) will rise to £10,500 on 6th April 2014. It had been scheduled to rise from £10,000.

The higher rate tax band will rise to £42,285 next year (£41,825 in 2013/14, a 1% increase in threshold)

The planned increase in National Insurance is set to be rolled out in 2016 which will significantly increase employees and employers contributions and raise £5.4bn to the treasury.

Potholes

£200 million will be available for local authorities to fix potholes in their roads. Local Authorities will be able to bid for the funding.

Other announcements

- From 1st July 2014, cash ISAs and stocks and shares ISA limits will be merged into a single New ISA (NISA) limit that will be raised to £15,000 a year.
- The limit that you can hold in Premium Bonds has been extended to £40,000 from June this year and will rise to £50,000 in 2015. The number of premium bond £1million winners will also be doubled.
- Tax on alcohol will rise in line with inflation except for spirits and cider which will be frozen and Beer duty which will be cut by 1p.
- The escalator on tobacco duty at 2% above inflation will be extended until 2015.
- Fuel duty will remain frozen.

Cabinet, 3 September 2014

- A £7billion package has been announced to cut energy bills for businesses and households. Potential saving to consumers of £15 a year.
- A cap of £119billion in 2015/16 has been set on welfare spending, rising to £127billion in 2018/19 and then will only rise in line with inflation. It will include housing benefit and disability allowance, but exclude pensions and job-seekers allowance.
- The tax-break available under the new child-care system will be extended. From Autumn 2015, for every 80p parents spend on childcare the Government will add another 20p, up to £10,000 a year for each child - up from the £8,000 previously outlined.

2014/15 SETTLEMENT FUNDING PER HEAD OF POPULATION

Authority	Grant Per Head £s
City of London	4,364.91
Barking and Dagenham	611.48
Barnet	329.80
Bexley	315.63
Brent	559.11
Bromley	246.57
Camden	812.40
Croydon	402.97
Ealing	450.42
Enfield	468.91
Greenwich	645.29
Hackney	881.38
Hammersmith and Fulham	663.73
Haringey	632.34
Harrow	326.13
Havering	293.63
Hillingdon	343.37
Hounslow	385.40
Islington	812.38
Kensington and Chelsea	650.77
Kingston Upon Thames	271.89
Lambeth	723.15
Lewisham	675.73
Merton	359.33
Newham	709.56
Redbridge	378.66
Richmond Upon Thames	245.38
Southwark	788.96
Sutton	389.86
Tower Hamlets	856.22
Waltham Forest	536.47
Wandsworth	469.90
Westminster	805.64
Average Outer London boroughs	418.86
Average all London boroughs	532.84

REVENUE BUDGET STRATEGY

The Council will ensure that there is an effective Medium Term Financial Strategy in place to drive forward the financial planning process and resource allocation.

The Council recognises the pressures on its budget, and while seeking to protect and enhance front-line services as far as possible, will aim to contain these pressures within existing resources. Cabinet Members will examine all budget pressures and seek reductions where possible.

The Council will wherever possible seek new funding and explore new ways of working. The Council will continue to look at new methods of service delivery to improve services to the public and the value for money that they provide, including working in connection with a range of other organisations and groups.

By becoming an increasingly 'connected council', Havering will continue to seek to improve efficiency and deliver better value for money. In particular, the Council will aim to identify efficiencies that will not impact on the delivery of key services to local people. Its focus will be on identifying ways to reduce the cost to tax payers of running those services.

The Council will ensure that, given the severe financial pressures it has already faced and is continuing to face, growth will only be supported in priority areas, and only where these are unavoidable. However, the Council will expect the Government to ensure that adequate funding is made available to fund any additional costs arising from new burdens placed on Havering, or from services transferred to it.

The Council will ensure that the most vulnerable members of its community are protected, will continue to lead in the development of social cohesion, and will ensure that the services provided and resources allocated reflect the diverse nature and needs of our local community and our responsibilities to the local environment.

The Council will lobby to ensure that the Government provides adequate funding to take on any new responsibilities and to illustrate the impact of the low funding basis for Havering and its residents. However, it will ensure that, in broad terms, its spending is in line with the basis on which the Government allocates grant funding, and that spending levels will be realigned against any reductions in funding. The Council will therefore continue to reduce its spending where the Government removes funding, in line with the relevant level of reduction.

The Council will engage with its local community, its partners and individual stakeholders in developing financial plans, and will reflect on the outcome of its consultation process in the identification of priorities and the allocation of resources.

While addressing its priorities and setting a balanced and prudent budget, the Council will seek to keep any increase in the Council Tax to the lowest possible level and in line with its stated aspirations whilst maintaining reserves at the minimum level of £10m.

As part of that process, the Council will not utilise those reserves, or any reserves earmarked for specified purposes, to subsidise its budget and reduce Council Tax levels as this is neither a sustainable nor a robust approach.

The Council will seek to ensure that sufficient financial resources are available to enable it to deliver a long-term savings plan within the constraints of funding available to it from both local taxpayers and the Government, and will seek to utilise any unallocated funds with that purpose in mind.

The Council will adopt a prudent capital programme designed to maintain and, where possible, enhance its assets, in line with the Living Ambition.

The Council will finance capital expenditure through a combination of external funding and receipts from the sale of assets that are deemed surplus to requirements, and will only apply prudential borrowing as a last resort, unless a business case can be made to finance investment through borrowing, or where there is an income or savings stream arising from the investment.

The overarching objective of the Council's financial strategy remains to deliver high quality, value for money services to our community, whilst ensuring that the cost of those services is compatible with the level of funding provided to it by the Government.

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CABINET

3 September 2014

Subject Heading:	THE COUNCIL'S FINANCIAL STRATEGY
Cabinet Member:	Cllr Roger Ramsey
CMT Lead:	Andrew Blake-Herbert Group Director Resources
Report Author and contact details:	Mike Stringer Head of Finance & Procurement 01708 432101 mike.stringer@havering.gov.uk
Policy context:	The Council is required to approve an annual budget and to establish a financial strategy and this report forms the initial part of that process. It should be read in conjunction with the accompanying report on the financial background.
Financial summary:	This report sets out specific financial proposals as part of the development of a long term financial strategy for the Council
Is this a Key Decision?	No
Is this a Strategic Decision?	No
When should this matter be reviewed?	February 2015
Reviewing OSC:	Value

The subject matter of this report deals with the following Council Objectives

Ensuring a clean, safe and green borough	<input checked="" type="checkbox"/>
Championing education and learning for all	<input checked="" type="checkbox"/>
Providing economic, social and cultural activity in thriving towns and villages	<input checked="" type="checkbox"/>
Valuing and enhancing the lives of our residents	<input checked="" type="checkbox"/>
Delivering high customer satisfaction and a stable Council tax	<input checked="" type="checkbox"/>

SUMMARY

This report sets out the Council's long term financial strategy to manage the implications of funding reductions and cost pressures over the next four years.

It contains specific proposals to bridge the funding gap for the next two years, with further proposals that would move the Authority towards a balanced four-year budget.

It describes how the Council has developed these proposals, focusing first on organisational costs and new ways of managing the Authority; and then on preserving as many as possible of the most valued local services, and services that support people in need within our community.

Where possible, services will be run in a different and more efficient way in order to keep them available to the public, with more fundamental changes or closures being a last resort, in the absence of other alternatives.

All proposals will be subject to full and proper consultation, with Councillors, staff, service users and the general public before any final decisions are made.

RECOMMENDATIONS

Cabinet is asked to:

1. Note the original and currently projected budget gap and the assumptions upon which these have been based, and the risks associated with them.
2. Agree the long term financial strategy, covering the period from 2015/16 to 2018/19, set out in this report.
3. Note that there is a range of risks and assumptions made as part of the development of this strategy and that updates will be provided to Cabinet should these vary.
4. Note that any alternative proposals from Overview & Scrutiny or opposition groups will need to be subject to a robust review before they can be considered for inclusion in the Council's budget and therefore must be submitted prior to the next meeting of Cabinet on 24th September in order to be considered for inclusion in public consultation.
5. Consider the options available for the Local Council Tax Support Scheme and approve Option 1 (as set out in Appendix B) for consultation with the Greater London Authority, members of the public and other interested parties.

6. Note that a range of corporate strategies will be impacted by the budget strategy and these will need to be updated and approved accordingly.
7. Review the initial proposal to maintain a core capital programme of around £4m a year subject to a detailed review of available receipts.
8. Issue the approved financial strategy and proposed areas for budget reduction to Overview and Scrutiny in order to initiate appropriate consultation.
9. Agree to receive a further report in late September where comments from Overview and Scrutiny will be considered prior to agreeing a final list of proposals for formal consultation with the local community, stakeholders, other interested groups, staff and unions.
10. Note the advice of the Section 151 Officer in setting a robust budget.

REPORT DETAIL

1. STRATEGIC APPROACH

- 1.1 As set out in the previous report, the Council has identified the impact of further funding reductions, cost inflation and service pressures over the next four years. As reported, the projected budget gap across the next four years amounted to approximately £60 million.
- 1.2 Faced with such an unprecedented budget gap, and given the increasing impact on the Council's budgets of demographic growth, and an ageing population, it is essential that the Council sets out a long-term strategy for tackling this. This report is the first step in that process.
- 1.3 The strategy to develop proposals that would resolve the initial £60 million budget requirement has been based on reducing the need for cuts to frontline public services as far as practicable. There have been a number of steps to the strategy.
- 1.4 The first step was to challenge robustly all of the corporate cost assumptions that underpinned the projected budget gap and work to reduce their impact on the Council's bottom line.
- 1.5 The second step was to feed into the budget the impact of decisions already taken to reduce the Council's overheads or implement new and more efficient ways of working. These include the oneSource partnership with the London Borough of Newham.

- 1.6 That was followed by a thorough review of corporate provisions and financial matters – such as contingency levels – to ascertain whether these could be prudently revised to release more funding for frontline services.
- 1.7 The fourth step was to examine the scope for further efficiency savings – ie, cuts to the Council’s bureaucracy that do not impact on frontline service delivery. Despite the very significant measures undertaken over the past four years, these proposals include a number of further initiatives to save money through reductions in back-office costs, smarter commissioning, merging management and staff teams and doing some things differently whilst continuing to deliver similar services.
- 1.8 Finally, once these options had been exhausted, the Cabinet have assessed the practicality of service reductions. Where possible, services have been re-designed to deliver savings through a different operating model – as an alternative to closure of the service. That way, more valued services can be kept available for customers.
- 1.9 Where service reductions have been considered, careful attention has been paid to the balance between maintaining key universal services – many of which are very popular with residents – and the Council’s responsibility to the most vulnerable members of the community, who rely on targeted and personal social services in order to live a full and rewarding life.

2. RE-ASSESSING COST PROJECTIONS

- 2.1 Though it is essential to have a prudent budget strategy, it is also important that services are not reduced unless this is absolutely necessary, that being the case, the growth assumptions in the budget have been retested and scrutinised by the Cabinet. This has resulted in them being reduced by £15m over the 4 year period. The details are contained in the Appendix A and it is important to understand that these decisions and revised assumptions have not been taken lightly.
- 2.2 The largest adjustment is in assumptions about the amount of money the Council needs to build into its future budgets because of the pressure of a growing older population. The original assumptions contained pressure of £2m each year. These have been reduced from a total of £8m to £3m on the basis that they have not been completely called down from contingency over the last two years and that part of the organisational strategy in this area is to reduce demand where possible through focused efforts to intervene early with families in need and with older people on the cusp of needing expensive support services.
- 2.3 Reductions in assumptions for contracts and staff wage inflation have also been reduced along with assumptions about keeping levy costs as low as possible. These are set out in full in Appendix A.
- 2.4 There are a number of risks inherent in the adoption of this lower level as the basis on which to develop the future budget strategy. Pay awards are set

nationally and there has been an almost blanket pay freeze since the commencement of the austerity drive, which is likely to lead to claims for rises being made by the unions. Inflation rises in contracts and for other products and services are driven by a number of factors and these cannot all be controlled locally. Demand for services, which reflect both need and demographic changes can be difficult to predict, with the needs of individuals having a potentially significant financial effect. The general economic conditions impact on returns made on investments and that affects not only interest rates, but also pension funds. Finally, with a General Election in 2015, Government spending plans are difficult to predict, although all the signs are that austerity will continue until the end of the current decade.

- 2.5 Therefore, whilst the lower sum on which the budget strategy has now been set is felt to be robust, circumstances may change. It will be necessary to monitor developments, for example, around pay negotiations, and should the forecast position change materially and not be containable, further reports will be brought back to Cabinet. In broad terms, a change for the worse would in all likelihood necessitate additional savings having to be found, or to seek to negotiate around pay levels, contract service levels, and so on, as an alternative. If there are material rises in service demand, for example due to rapid population growth in the borough, impacting on social care, freedom passes, and so on, then this would have to be reviewed to determine whether reductions in service availability or other savings would be required in the absence of other funding mechanisms.
- 2.6 It is evident that older people's demography and the Care Act can be seen to have a big influence on the Council's budget. As the borough with the most elderly population in London, we are carefully monitoring the new guidelines which are only now emerging on the Care Act and we will be strongly lobbying in order to try to ensure Havering gets a fair deal on any increased burdens that fall on the Council.
- 2.7 The immediate impact of this is that the gap on which the future budget strategy, and in particular the savings proposals and approach to Council Tax levels, is to be based has now been refined to be in the region of £45m, as set out in the revised table below.

	TOTAL £m
Demographic growth	3.0
Inflation (net)	10.4
Freedom pass	1.2
Pensions Fund	5.2
Levies	3.5
Interest	-0.9
Government grant reductions	22.5
Transformation costs	0.0
TOTAL	44.9
Note : the transformation item will be built up over 2 years and then removed from the base budget	

3. DECISIONS ALREADY TAKEN

3.1 As a result of decisions taken already, there are three areas where savings have effectively already been approved; these are:

- oneSource shared service with LB Newham; the business case for this was approved by Council in November 2013. The creation of the shared service was expected to generate savings in the region of £10m in total, of which around £4m would fall to Havering. The majority of this saving, around £3.4m, falls on the General Fund so can be taken as a budget saving. Clearly, there are risks around achieving this level of savings over a range of services and an extended period of time, but it is now believed a higher level of savings will be delivered as the services and processes they follow are harmonised across the two Councils, and to reflect the general reduction in the overall scale of operations across the Council. As a result of this, an additional £800k has been included within the budget strategy, spread equally over 2016/17 and the following year, making around £4.2m in total.
- CEME; as part of the corporate office property strategy, the Council's training facilities have been relocated to the Town Hall site from the CEME building in Rainham. A net saving of £100k arises from this relocation.
- Refuse contract; the award of the waste and recycling collection contract was agreed by Cabinet in January 2014. There are annual savings of around £180k arising as a result of this contract award.

3.2 In overall terms, these three items reduce the revised budget gap of £45m by around £4.5m over the four years, to just over £40m.

4. REVIEW OF COPORATE PROVISIONS AND FINANCIAL MATTERS

4.1 There are a small number of budget reductions now proposed that are not specifically service-related:

4.2 Contingency: the budget includes a risk-assessed contingency fund, which is subject to an annual review. The fund has stood at £2m for a number of years. There have been a significant number of budget risks, not the least being the scale of the current savings programme and the fundamental changes in local authority funding, but given these are now bedding in, a review of the contingency fund is appropriate. At this early stage, it is felt reasonable to allow for a reduction of £1m in the size of the fund, leaving £1m within the base budget, subject to a full review as part of the budget setting cycle.

4.3 Council Tax base: historically, a prudent approach has been taken to the calculation of the Council Tax base and the resultant impact on Council Tax revenue yield. There is strong evidence that the number of properties generating Council Tax within Havering is growing. It is therefore now felt

prudent to build this into the budget strategy and an annual increase of 0.5%, equating to around £500k a year, or £2m in total across the 4 years, is being reflected in the strategy.

- 4.4 Interest: it is anticipated that interest rates will finally start to rise again, although speculation has gone on for some time about when this will occur, and the extent to which rates will rise. An additional sum has already been included in the base budget gap calculation, and it is felt that further, smaller sums are achievable in 2015/16 and 2016/17, of £300k in each year, or £600k in total, to be achieved through the management of funds through a new treasury management strategy linked to a Council owned housing company.
- 4.5 Adjustment to Recharges: Where the Council's recharges are applied they normally have no impact unless applied to external bodies. The recharges to the Housing Revenue Account (HRA) have been reviewed in light of the service supplied following Homes in Housing coming back in house. An additional £465k needs to be applied to the HRA to ensure it is truly funding the service provided to it.
- 4.6 In overall terms, these items would deliver an overall reduction of around £4m over the four years, reducing the remaining budget gap of £40m to around £36.5m. This is the remaining gap that needs to be bridged by a range of savings proposals, or rises in Council Tax, or a combination of the two. The Council needs to set a balanced budget over the next two years and so the remainder of this budget strategy concentrates on the gap over 2015/16 and 16/17 which, after all of the adjustments taken above, remains at £22.5m.

5. FURTHER ORGANISATIONAL EFFICIENCIES

- 5.1 Over the last 4 years the Council has taken a range of actions to preserve front line services despite the twin pressures of government grant reduction and the pressures of dealing with a growing and ageing population. Considerable savings have been achieved while the community has noticed little if any differences in frontline services.
- 5.2 This has been delivered through a wide range of internal organisational changes such as:
- Better use of IT with many more automated systems
 - More efficient use of office space and IT-enabled remote working
 - Reductions in managerial levels
 - Reorganisations and staff savings
 - New 24/7 online payment and service request systems
 - Renegotiating contracts to save money.

Inside the Council this has meant that 250 staff have been made redundant.

- 5.3 Despite the wide-ranging nature of the Council's efficiency reforms to date, further back office efficiency savings are being proposed to the sum of an additional £4.4m, bringing the total reductions through efficiency and

organisational changes to £23.1m. The specific saving items are set out in more detail in Appendix B.

5.4 The further efficiencies fall into the broad categories of:

- restructuring to reduce staffing and management costs and reviews of terms and conditions;
- contractual renegotiation, revised commissioning arrangements or alternative use of assets.

5.5 A thorough review of how we deliver our front line services, including demand management strategies, revised assessment and commissioning arrangements has also taken place. Proposals are brought forward for consideration under these headings to the value of £6.5m. This is a significant number as it includes some changes in the way the Council delivers social care which is the Council's largest spending area. Savings are set out in the table in Section 8 below and more detail is given of all of the proposals in Appendix B. An explanation of the strategies to be adopted in older people's and younger adults' services is set out in the following paragraphs as they make up a substantial amount of the savings identified.

Older and Vulnerable People

5.6 The Council needs to retain capacity to help those most in need – it is a priority for the community that we do so. We also need to retain capacity to help people help themselves. We need to integrate our services with NHS services to offer more appropriate and joined up responses to local people's needs. We also need to respond to the requirements of the new Care Act. Our services must also be personalised to the individual's needs. The Council does not provide all of these services themselves and will be seeking to build a more resilient voluntary, community and private sector local market for personalised care.

5.7 The proposals in this area have therefore been reached after careful conversations and advice from the Council's professional officers about how we can make better use of the Better Care Fund, assess people more appropriately, give them support to help themselves and make savings by integration with health. The most vulnerable will be protected but some changes in the support services on offer and the level at which the Council will intervene are inevitable particularly given the new Care Act requirements, its new criteria and means test and the pressure on the Council's budget. All of these factors are very difficult to assess at present as the guidelines for the Care Act are still in consultation.

5.8 There are risks in the savings proposed because the Care Act has only just been passed and this is very new territory. However, the Cabinet believes that these reductions are possible and that they will safeguard the most vulnerable in our community.

Younger Adults

- 5.9 The Council spends a significant amount on younger adults, though the service quality and level of personalisation is not always as high as it should be as evidenced by a recent Health Watch report. The service is operating to a more traditional and old fashioned model than the majority of local authorities. The proposals here are to individually review the needs of all of the service users and establish revised care packages that are more tailored to those individual needs. We believe that once these reviews have been undertaken and the local market stimulated, individuals will receive much more appropriate and personalised services. However, it is recognised that some users and carers dislike changed arrangements and therefore these reviews will be undertaken with care and over time.
- 5.10 Taking all of the budget assumptions and organisational and back office and service efficiency reductions together Cabinet have been able to bridge approximately £34m of the original £60m budget gap and £12m of the two year gap.

6. PRIORITISATION OF KEY SERVICES

- 6.1 Having taken all possible savings from organisational and service efficiency proposals, the Cabinet have reluctantly turned to the options for making changes to the way in which services are provided, in order to be in a position of setting a legal budget.
- 6.2 In considering where to make further proposals, Cabinet has been mindful of a number of factors. First, the community of Havering has already been clear in its prioritisation of the services that they hold most dear. Having a safe, clean and well-maintained public realm has consistently been highlighted as top priorities in recent public consultation and surveys, including the two “*Your Council, Your Say*” surveys in 2011 and 2013 and the “Spring Clean” survey of 2012.
- 6.3 Bearing this in mind, the Cabinet is not making proposals that will alter the level of street cleansing currently in place or that will reduce the level of maintenance in our parks and open spaces, or our weekly refuse collections. The most recent “*Your Council Your Say*” survey in 2013 showed a marked improvement in public perception of cleanliness in Havering and it remains a clear priority of the Council.
- 6.4 The Council invests in CCTV to help combat crime and again, given the strength of public feeling about community safety, the Cabinet is not proposing any changes to reduce CCTV coverage in the Borough. Likewise, the schools crossing patrols are a very highly-valued service for parents across Havering and there are no proposals to change this service.
- 6.5 Refuse collection consistently returns satisfaction scores of around 85% in public surveys and the Cabinet wish to maintain high satisfaction levels. The Council has recently re-let the refuse collection contract and is committed to

- maintaining weekly refuse collections for everyone and this is part of the new refuse collection contract.
- 6.6 Surveys have also shown us that local people do worry about how older people are treated and about health and hospital services and again, though the Council will need to change how it delivers these services because of the new Care Act, Cabinet have been mindful that we must target what resources we have on the most vulnerable in our community.
- 6.7 The complex nature of the Council's budget arrangements has been spelt out in the accompanying technical budget report. The way local services are delivered is not always clear to local people and the funding for schools is a case in point. The Council does receive a dedicated schools budget to provide education in Havering and passes the majority of that money straight out to our schools to deliver education. In agreement with the schools an element is retained to provide Local Authority support to the schools at their request. The Council will continue to pass funding direct to schools and there are no proposals that relate to any reduction in direct school funding. The Council will also continue to fulfil its statutory obligation to provide school places for Havering's children.
- 6.8 Cabinet has reviewed the Statutory Services that the Council is required to provide by law. However, the statutory requirement is not always explicitly spelt out in terms of level of service and so there is some room for interpretation. However, there are some services that the Council must provide and so cannot reduce funding too far. A good example of this is Children's Services, where the Council has an absolute duty to safeguard children and to look after children when their home environment becomes unsafe.
- 6.9 In considering statutory services however, Cabinet has also been mindful of the need to help people before they fall into a position of dependency. Good examples of this are the interventions the Council makes to troubled families and troubled teenagers. If the Council can provide an early intervention that assists a young person or their family get back on track, then it not only leads to a better quality of life for that child, but also saves the Council the costs of taking a child into care. Cabinet has therefore been minded to strike the right balance between the level of statutory services and the early intervention services that can lead to an enhanced quality of life for residents and reduce demand for statutory social services.
- 6.10 This balance is particularly challenging, given that targeted social services – largely children's and adults' social care, housing policy and homelessness, and help to children with special needs – represents around 60% of the Borough's revenue budget. For example: it costs £24,000 a year for an older person to be supported by the Council in a residential care home and we have 700 older people placed in care homes at the moment. The bill for their placements comes to £17m a year. By comparison, the cost of nearly all of the Council's universal services (parks, culture and leisure, refuse collection and disposal, highways maintenance and street lighting, and libraries) is around £31m. So spend on these residential placements alone is more than half of the

Council's spend on services that impact on every resident and business in the borough.

- 6.11 Cabinet is mindful both that the balance of potential savings presented must be fair for both the general population and for those in most need and has attempted to find the right balance in the savings that are proposed for consultation and set out below. In total, approximately £7.1m worth of savings relate to potential service reductions. Though Cabinet would rather not propose any such savings, these are proposed for consideration after all of the organisational and efficiency savings have been taken as set out in the report above.

7. PROPOSED REDUCTIONS TO UNIVERSAL SERVICES

- 7.1 Proposals are set out in detail within Appendix B and summarised in the table in Section 8, however the headlines are provided here.
- 7.2 StreetCare, highways and the parks services are preserved with only efficiency savings being taken. Cultural Services do provide popular universal services and therefore proposing reductions in this area is very challenging. However, options have been prepared which seek to preserve services as much as possible by taking a different and more cost-effective approach to their delivery.
- 7.3 Many councils are making decisions to close libraries. Having considered carefully both the value of the libraries themselves and the role they play as community facilities within neighbourhoods, the Cabinet is consulting on a proposition that all 10 libraries remain open, however their opening hours will be changed. The Council will consult on a proposition that the 4 core libraries of Romford, Hornchurch, Rainham and Harold Hill will remain open 6 days a week so there will always be a library open in each quadrant of the borough, with the remaining libraries operating on a reduced hours basis as set out in the relevant template. The consultation will also review the strong contribution that volunteers and communities make to the service and put forward an option for more volunteer involvement both during and outside the new core hours. This would facilitate libraries remaining open longer.
- 7.4 The Queens Theatre trust receives £400,000 a year from the Council, our highest voluntary sector grant. The trust gives enjoyment to thousands of people and is a much loved service. There have been a wide range of changes in the theatre sector and it is proposed that the theatre works with the Council to review its operating model and reduce its reliance on grant support over the next two years, whilst preserving its valuable contribution to the cultured life of the Borough.
- 7.5 Fairkytes Arts Centre is a well-used and respected arts centre. The proposition here is to move towards cost recovery with a range of increases in charges. The Arts service also provides limited grant support to a number of smaller arts organisations and this is being reviewed.

- 7.6 Parking services – there will be a review of the fees, charges and operational model for parking services and bring charging and business operation into line with new legislative requirement and services elsewhere. This will take due account of the outcome of the DCLG’s consultation on parking strategy that will lead to legislative changes. The impact of these changes is reflected in the proposals set out in the relevant template and these will in turn be reflected in a new Council parking strategy.
- 7.7 Our Regulatory Services are effective and innovative in their approach. They are a mixture of statutory and non-statutory provision. Nevertheless, our trading standards service operates above statutory minimum level and it is proposed to reduce the number of trading standards officers to better align with such levels. Consumer Advice is provided on line through national portals.

8. PROPOSED REDUCTIONS IN TARGETED SERVICES

Services for Children and Young People

- 8.1 Care needs to be taken in proposing savings for children’s services because of the statutory duties placed on Councils with respect to Safeguarding Children. However, the Government has withdrawn its funding for Children’s Centres and the Council must respond. Options being explored include income generation, co-location and improved partnership working, maximising the potential of the Troubled Families programme (which is grant-funded), increasing the number of volunteers, the possible closure of some children centres, splitting the service to under 12s and over 12s, and closer working with the voluntary sector and local communities (including the potential use of Community Interest Companies).
- 8.2 It is proposed to consult on a merger of the early intervention work undertaken by the Youth Service, to keep young people out of serious trouble, into the Early Help and Troubled Families service within Children’s Adults and Housing. The service will target vulnerable young people, to prevent growth of gang related activity, sexual exploitation, growth of extremism and diversion from drug and alcohol abuse. It is proposed that current users of the Youth Service would be directed to the wide range of alternative provision in the borough. A proposal has been put forward by a member of staff for an employee led mutual to take on aspects of the services work. This proposal will need to be worked through in detail during the budget consultation process to establish if it is viable.

9. LOCAL COUNCIL TAX SUPPORT SCHEME

- 9.1 At a Full Council meeting In January 2013, Council Members approved the Local Council Tax Support Scheme (CTS) which replaced the National Council Tax Benefit Scheme and came into effect on 1 April 2013.
- 9.2 In 2013/14 financial year, the CTS scheme received a 10% reduction in its funding from Central Government which was offset by savings from the Council Tax Reforms.

- 9.3 The CTS grant has since rolled into the Settlement Funding Allocation (SFA), which has been reduced in 14/15 in-line with the core funding reduction. For 14/15 budget no amendments were made to the CTS scheme; instead this was covered as part of the Council's financial strategy.
- 9.4 Indicative figures suggest further reduction in RSG for 15/16 and beyond which includes the rolled in CTS grant. The level of reduction will not be known until December 2014 at the earliest, however the precise figures may not be exemplified in full but grouped with the core funding. As a result, a review of the CTS scheme is now required as a consequence of these reductions.
- 9.5 The review has highlighted options for change in line with other surrounding Councils' existing schemes which have duly considered and protected claimants of pensionable age in accordance with law. Therefore the proposals for change only affect working age applicants.
- 9.6 After much consideration, eight options have been put forward which propose changes that will reduce expenditure by varying degrees. These options are set out in the relevant template in Appendix B and members are requested to approve one option.
- 9.7 Officers recommend Option 1 for consultation because it evenly distributes the 15% reduction in CTS and does not disproportionately impact any single vulnerable group. This option also proposes the removal of Second Adult Rebate which provides rebates of up to 25% of the Council tax liability for the second adult, where the taxpayer's income is too high to qualify for CTS. Finally Option 1 reduces the capital limit for working age applicants who would no longer qualify for Council Tax Support where their capital exceeds £6,000.
- 9.8 The net savings in each proposal assumes a bad debt provision of 10% and passes on 20% to the Greater London Authority.
- 9.9 Following Members' approval of an option to revise the CTS scheme in 2015, the Council will consult with the Greater London Authority in advance of members of the public and other interested parties. The consultation period is planned for six weeks commencing September 2014 in readiness for December 2014 Cabinet.

10. VOLUNTARY SECTOR

- 10.1 The Council is reviewing its strategic and funding relationship with the voluntary sector to ensure that the investments it makes into community projects and voluntary sector services address need, reduce demand and provide value for money. This will include reviewing the grants and contracts currently in place with community groups and voluntary sector organisations, including infrastructure services. The review will aim to save the Council at least £1m. It will also result in a new voluntary sector strategy being developed by March 2015. The review may also result in changes to the way infrastructure support is provided to the voluntary sector.

10.2 In 2013/14, the Council spent approximately £8.7m funding services from the voluntary and community sector, including:

- Core funding grants to organisations (e.g. HAVCO and Citizens Advice Bureau)
- Small grants for community projects
- Larger contractual arrangements for specific commissioned services (mainly in social care).

10.3 Not all the £8.7m comes from the Council's general fund – £1.2m of this is external funding for specific purposes (eg. MOPAC grant) that it uses to commission voluntary sector providers to deliver specific services. As well as grants and other funding arrangements, historically, the Council has also provided subsidies to the voluntary sector, by way of:

- “equitable rents”, set at one-third of open market commercial rents, amounting to a subsidy of £300,000 per annum, to 19 community organisations renting Council premises.
- £223,802 in discretionary rate relief to 94 organisations with charitable status.

11. SUMMARY OF SAVINGS PROPOSALS FOR CONSULTATION

11.1 Appendix B provides more detail of each of the proposals. However this table lists them for ease of reference.

Summary Table	15/16	16/17	Total
Customer Services	(0.100)	(0.300)	(0.400)
Terms and Conditions	0.000	(0.500)	(0.500)
Street Care Efficiencies	(0.200)	(0.150)	(0.350)
SLM contract renegotiation	0.000	(0.250)	(0.250)
Youth Service	(0.250)	(0.616)	(0.866)
Regulatory Services	(0.160)	(0.010)	(0.170)
Corporate Policy & Community	(0.100)	0.000	(0.100)
Business and Performance	0.000	(0.250)	(0.250)
Communciations	(0.045)	(0.030)	(0.075)
Adults	(3.200)	(0.710)	(3.910)
Income Generation	(0.450)	(0.150)	(0.600)
Staffing Efficiencies	(0.610)	(0.500)	(1.110)
Adults Commissioning	(1.000)	(1.450)	(2.450)
Housing Commissioning	(0.561)	0.000	(0.561)
Council Tax Support	(1.244)	0.000	(1.244)
Culture and Leisure	(0.400)	(0.400)	(0.800)
Childrens Services	(0.300)	(0.300)	(0.600)
Parking	(1.000)	0.000	(1.000)
Libraries	0.000	(1.138)	(1.138)
Voluntary Sector	(0.045)	(1.100)	(1.145)
Total	(9.665)	(7.854)	(17.519)

12. PUBLIC HEALTH

- 12.1 The Council assumed responsibility for Public Health on 1 April 2013 when the Service and a Ring Fenced Grant of £8.8m for 2013/14 and £9.17m for 2014/15 were transferred to the Council.
- 12.2 On 12th February 2014, Cabinet considered a report on the Council's Budget Strategy 2014/15 and agreed the following priorities for Public Health funding:
- Children's health and wellbeing including reducing inequalities
 - Support for older people and people with long term conditions
 - Tackling lifestyle priorities that are fuelling poor health outcomes particularly for diabetes, cancer and COPD
 - Wider considerations.
- 12.3 The Integrated Care Joint Health and Social Care Coalition for Barking Havering and Redbridge has produced a draft 5 year Strategic Plan. This includes a section on Health Prevention and Promotion Priorities for the coalition which is reflected in the work programmes of all of the public health teams. The priorities in the strategy are in line with those agreed by Cabinet.
- 12.4 Areas covered by these priorities have been reviewed and where appropriate prioritised for spending from the Public Health Grant. The impact of these decisions taken together is that there is a high degree of confidence that the grant spend matches priorities and that as a consequence approximately £1.65m of General Fund has been released.
- 12.5 It had previously been agreed that the spending plan should be developed in conjunction with the Health and Wellbeing Board and delegated to the Cabinet Members for Value and Individuals to sign off and this is currently being progressed.
- 12.6 There is a guarantee that the grant will be ring-fenced until 2015/16. However, the future of the grant beyond that point is uncertain. If the functions remain with local authorities, then it is clear that the associated costs and service expectations do so as well. It is possible that the grant will become un-ring-fenced, or be rolled up into the mainstream funding system. There are risks that Havering would not then receive an equivalent sum, owing to the operation of current damping arrangements. This means this will need to be kept under review following the General Election and the subsequent CSR announcements.

13. IMPLICATIONS FOR COUNCIL TAX

- 13.1 The savings proposals in this report total £17.5m over the first two years. As can be seen, along with the other budget adjustments this still does not bridge the total funding gap and so further consideration may be required in respect of finding additional savings or raising Council Tax. Given the scale of reductions proposed in this report, at this stage Cabinet are minded to recommend an

increase in Council Tax of around 2% each year in order to balance the budget although this would be subject to the final settlement announcement. The alternative to this is to identify further reductions. Cabinet believe they have pushed the efficiency and organisational changes to the limit of its appetite for risk. However, this is a matter that will be further considered during discussions with Overview and Scrutiny and in the budget consultation period.

14. THE PACKAGE OF SAVINGS

14.1 Taken together, the Cabinet believe that this package of savings finds the right balance in these challenging financial times. Details of each proposal are set out in the Appendix at the end of this report. Cabinet proposals will:

- Challenge corporate assumptions by reducing projected increases in costs
- Take the maximum efficiencies we believe is prudent and possible
- Protect Havering's most vulnerable residents
- Preserve the services that residents consistently tell us they value most
- Seek to keep as many services open as possible, by doing things differently
- Make carefully considered reductions to services, based on an assessment of what are the least-worst options

15. CONSULTATION, ALTERNATIVE PROPOSALS AND LOBBYING

15.1 If agreed by Cabinet, these proposals will be issued for consultation to a specially-convened joint session of Overview & Scrutiny on 8th September. A Cabinet meeting on 24th September will then consider feedback from Overview & Scrutiny, before authorising public consultation on the final proposals.

15.2 Given the overall scale of the budget gap and the need to develop and implement proposals effective from 2015/16, should any of the proposals be rejected, either at the joint OSC meeting or the subsequent Cabinet meeting, alternative proposals will need to be put forward. The proposals currently before Cabinet have been through a thorough and robust review process, including, where appropriate equalities impact assessments, and it will be necessary to ensure that any alternatives are subject to a similar review. This will apply equally to any proposals submitted as part of the formal budget setting process in February 2015. This is now essential to ensure the detailed proposals included in the budget for 2015/16 have been properly evaluated, scrutinised and assessed. Officers are available to discuss the detailed proposals set out in this report and any alternatives that Members may wish to identify.

15.3 The public consultation programme will take a number of forms, including comprehensive communication of the proposals; public meetings; meetings with affected groups and individuals and significant online engagement. The individual strands of consultation, as they relate to specific service proposals, will be undertaken with due regard to legislation and best practice guidance and in accordance with our duties under the Equalities Act.

- 15.4 Reports to Cabinet over a number of years have highlighted the relatively low funding levels Havering receives as a result of the various national funding systems that have been in place. The same principles have also affected funding for both Public Health and the new Better Care Funding stream. The Administration intends to mount a campaign to lobby for a more proportionate level of funding, reflective of the needs of our community, in the coming months. However, the strategy now proposed can only reflect the funding Havering receives; any improvement in the position would obviously reduce the pressures on the Council's budget, but are unlikely to significantly impact on the proposals already before Cabinet.

16. SPECIFIC BUDGET ISSUES

- 16.1 There are a small number of specific issues which have a significant impact on the budget, which are addressed below. These have been highlighted in previous reports to Cabinet, but are raised here so Cabinet is aware of them in the context of the development of the future budget strategy.

Pension Fund

- 16.2 The position with the Pension Fund was covered at some length as part of the last budget setting cycle. Cabinet agreed to make a cash investment in the Fund in response to discussions with the Council's actuaries, and this took place prior to the previous year end. This was reflected in the outcome of their review. There remains a significant funding gap which the current budget strategy has sought to address and this is still the case.
- 16.3 The projected budget gap assumes an annual contribution of £1.5m a year over the next 4 years – although with a reduced contribution in the first year, 2015/16, resulting from the cash investment. Whilst the funding gap has reduced over the last year, there is still an historic deficit which the annual contribution is designed to reduce. This is part of the funding plan agreed with the Council's actuaries.

Freedom Pass

- 16.4 The Council's current contribution to the concessionary fares scheme stands at just below £8m. Havering has seen lower rises than other boroughs, due to our comparative usage figures, and this is reflected in the proposed future strategy. A sum of £300k per year is now being included, rather than the original £400k. There remains a risk that a significant rise in usage could affect Havering's contribution, but it is currently felt that this can be contained within the sum set out in the detailed schedule.

Levies

- 16.5 There are a number of levies raised on Havering, the largest of which is East London Waste Authority (ELWA). The overall levies budget is just under £13m, of which the biggest element, ELWA, is around £12m. The ELWA levy is

predominantly made up of the Shanks contract. The budget strategy is based on the most recent forward plan for the Authority and these figures are reflected in the schedules. There are risks associated with waste tonnages, as the levy reflects these, so a disproportionate rise will affect the distribution between the constituent Councils.

Impact on Council Strategies

- 16.6 The budget strategy and the savings proposals will impact on a number of strategies previously agreed by the Council, through either Cabinet or Cabinet member delegation, not the least because of the sheer scale of the budget gap to be bridged. On the assumption that Cabinet agrees the proposals, after considering the views of the joint Overview & Scrutiny Committees, these proposals will then be subject to a formal consultation process. It will be necessary to undertake a concurrent review of any strategies affected and to submit these for approval, and any necessary consultation process, over the coming months. Cabinet is asked to note this.

17. CAPITAL PROGRAMME

- 17.1 The report to Cabinet in February set out the programme for 2014/15, including detailed schemes, with the intention of revisiting long term plans as part of the broader development of the budget strategy. This would take into account any remaining capital receipts and the future priorities of the Council. The programme has historically relied on a mix of receipts and grant funding to finance expenditure, although it has always been expected that a transition to prudential borrowing as a means of funding capital investment would become necessary.
- 17.2 The core programme for 2014/15 comprises an overall programme of around £4m, made up of the following elements:

Programme Area	£000
Parks, Libraries, Leisure & Cemeteries	1,000
Street Environment	2,000
Protection of Assets and Health and Safety	500
Regeneration	100
Disabled Facilities Grant (Council element only)	300
Total	3,900

- 17.3 The current core programme is funded exclusively from capital receipts generated from the disposal of assets. The projected budget gap makes no allowance for any cost arising from prudential borrowing. Should there be insufficient receipts to finance capital spend, it would either need to be reduced to fit within the available receipts, or funded through borrowing; the latter measure would then need to be taken into account as part of the overall budget strategy, as it would increase the existing budget gap.
- 17.4 A further review of available receipts is currently underway and once completed, an assessment will be taken of the overall sum available. From

this, proposals for a long term core capital programme will be drawn up for consideration as part of the formal budget setting cycle during January and February. This will include detailed schemes within each element of the core programme. As part of this, the potential to generate additional receipts from the disposal of surplus properties will be identified, should this be needed to continue to deliver a similar programme in future years.

17.5 Aside from these core areas, there are two other areas that will require investment to enable the savings proposals within this report to be taken forward; these are:

- Street lighting – a report will be presented to the late September Cabinet meeting to approve going forward with Phase 2 of the LED street light replacement programme. It will also need to go to Full Council for approval, as it will require £2.1million capital expenditure, which will enable the Council to buy 8000 more energy saving streetlights. There is potentially grant funding available to finance this and any submission would need to be made in October. Should this not prove successful, it is likely the Council would seek a combination of Salix / TFL funding as it has done previously.
- Parking strategy; as part of the review of budget proposals and subsequent consultation, options will be identified and where these have capital implications, these will be assessed and costed accordingly. Once a final strategy has been developed, funding options will be determined and appropriate approvals sought accordingly.

17.6 The estimated costs for these are currently being determined in detail and this will form part of the detailed capital programme brought before Cabinet as part of the formal budget setting process. Funding for these will be reviewed as part of the overall assessment of available receipts.

17.7 At this stage, Cabinet is asked to agree the principle of an overall core annual programme of £4m a year, and to comment on the core elements set out in the table above. This will enable officers to draw up detailed schemes for later in the budget setting cycle.

18. BUDGET ROBUSTNESS

18.1 The Council is required to set a balanced budget, taking into account a range of factors, and including appropriate consultation and equality impact assessments. A key factor is to ensure that Cabinet are made aware of the advice of the Council's Chief Finance Officer (CFO) in making decisions relating to the Council's budget.

18.2 The Local Government Act 2003 sets out requirements in respect of Financial Administration, and in particular to the robustness of the budget and the adequacy of General Fund reserves. The Act requires the CFO to report to an authority when it is making the statutory calculations required to determine its Council tax or precept. The Act also suggests the advice should be given prior to the formal statutory calculation. This advice has therefore been given to both

Cabinet in formulating proposals and to members of Overview and Scrutiny in considering the proposals, as part of previous budget setting cycles.

- 18.3 The advice of the CFO was set out at some length in the report to Cabinet in February 2014, in Appendix H of that report. Cabinet is asked to be mindful of this advice in reviewing the proposals currently put forward by the Administration, and when these are subsequently scrutinised by the Overview & Scrutiny Committees, and in then considering any alternative proposals. In particular, the need to set a balanced budget within the context of a long term financial strategy is a prime responsibility for the CFO.

REASONS AND OPTIONS

Reasons for the decision:

It is essential that the Council's financial strategy takes due account of Government plans and any other material factors where these are likely to have an impact on the Council's financial position. This report sets out proposals for the Council's budget strategy for the next four years and reflects the expected continued Government approach of reduced levels of funding. The scale of these means consideration of detailed proposals, followed by consultation and implementation at an early stage following the local elections, is essential.

Other options considered:

None. The Constitution requires this as a step towards setting the Council's budget.

IMPLICATIONS AND RISKS

Financial implications and risks:

The Council's budget process will ensure that financial implications and risks are fully met. There are continuing risks with the potential impact on funding arising from both the Budget and CSR announcements, as highlighted in both this and the previous report to Cabinet. The steps already taken by the Council should mitigate this, but it is evident that a longer term approach now needs to be considered, as the potential scale of the future budget gap could prove to be even bigger than the gap the Council is currently addressing.

There are considerable risks in the medium to longer term, with the continuing economic uncertainty as well as the likely impact of further funding changes. There are also considerable uncertainties stemming from the Care Act and the Children & Families Act, and although the Government has given an undertaking that new

burdens will be funded, it remains to be seen what effect these will have locally and whether there will be any adverse financial impact. The Council therefore needs to maintain a prudent approach over its financial management and the budget setting process. It is essential that the Council puts a strategy in place to deal with the potential scale of gap facing it, especially with anticipated ongoing reductions in Government funding.

The Council is required to set a balanced budget and the proposals that are made as part of that process need to be robustly reviewed, challenged and scrutinised, and consulted on wherever appropriate. The advice of the Section 151 Officer must be taken due account of within the budget setting process and that applies to all budget proposals, whenever they are put forward. This will mean a much more robust process will have to be applied to any alternative proposals put forward to those being made by the Administration; this could potentially necessitate formal consultation with the local community. All such proposals will be reviewed by the Section 151 Officer before they can be considered by Cabinet and Council.

Legal implications and risks:

The Council is subject to a number of duties in relation to revenue, capital and procurement. For instance, as a Best Value Authority the Council is under a duty 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." s 3 Local Government Finance Act 1999. The Council is also under an implied duty to set a balanced budget. Otherwise there are no apparent specific legal risks in adopting the Recommendations set out in the Report, providing appropriate consultation is carried out at all stages, as referred to in recommendation 8.

Section 13 of this report outlines the proposed consultation on the budget process, and this is legally sound. There is no specific process or timescale for consulting on the Council's proposed budget, however the Cabinet wishes to provide opportunity for debate with the local community, stakeholders, other interested groups, staff and unions.

In addition to the general consultation on the budget proposals, some of the proposals included will require specific, statutory consultations, which will be the subject of separate reports and individual consultations, such as the changes required in respect of library provision. Following the specially convened joint meeting of the Overview and Scrutiny Committee on 8th September, there will be a further meeting of the Cabinet on 24th September 2014, at which a final list of proposals for formal consultation will be agreed. Once the final proposals are agreed the consultation requirements of any specific proposal can be finalised.

Human Resources implications and risks:

The Council continues to work closely with its staff and with Trades Unions to ensure that the effects on staff of the savings required have been managed in an efficient and compassionate manner.

All savings proposals or changes to the funding regime that impact on staff numbers, will be managed in accordance with both statutory requirements and the Council's Managing Organisational Change & Redundancy policy and associated guidance.

Equalities implications and risks:

This report sets out the Council's long term financial strategy to manage the implications of funding reductions and cost pressures over the next four years, so that it is able to operate with a balanced budget and ensure the continued running of the most valued, and statutory, public services.

The Council faces significant challenges in achieving a balanced budget, not only in terms of funding reductions, but also in terms of the rising demand for services, brought about by Havering's increasing older demographic, as well as major national policy pressures such as the implications of the Care Act.

This report sets out a commitment to retain capacity to help those most in need, and to improve the level of personalised services vulnerable people are able to access, which includes a new approach to working with the voluntary and community sector to build the capacity needed to do that.

Where possible, services will be run in a different and more efficient way in order to keep them available to the public, with more fundamental changes or closures being a last resort, in the absence of other alternatives.

Where proposals affect staff, service users, or indeed the wider population, they will be thoroughly analysed for disproportionate negative impact, with mitigating actions identified to minimise any negative impact. All proposals will be subject to full and proper consultation with Councillors, staff, service users and the general public before any final decisions are made.

Appended to this report are the Equality Impact Assessment (EIA) Check Lists for all the proposed savings outlined in this report that are likely to have an impact on people with "protected characteristics, as set out" in the Equality Act 2010. There are some saving proposals which are deemed to have no impact on the protected characteristics and the EIA Check Lists clearly state why a full EIA is not required.

Where relevant, full draft EIAs are being produced and will be completed for inclusion in the final Cabinet report on 24th September to support consultation and decision making. Those EIAs will be revised following consultation, before any proposals are finalised.

Other Risks:

There are no particular other risks arising, other than a very short timescale to properly analyse the LGFS announcements whenever they eventually occur. This is being planned for but much of the detail will have to await the final announcements and publication.

BACKGROUND PAPERS

There are none.

RE-ASSESSMENT OF COST PROJECTIONS

Element	Outcome of Review
Demographic growth	On a balance of risk, estimates have been reduced from £2m per year to £500k in the first 2 years and then £1m thereafter. The largest element of demographic growth is for growth in older people services. The reductions proposed are based on the fact that this provision has not been required in its entirety over the last 2 years. Adult services are managing increases in demand through a range of measures including early assistance, improved integrated working with health, and investment in proactive demand management strategies using the Better Care Fund. However, this reduced assumption will have to be carefully monitored because of the as yet unknown impact of the Care Act
Inflation (net)	Provision for pay award in the first two years capped at 1% in line with current Government policy, thereafter rising at 2% as previously allowed for. Provision for contracts held at 2% rather than 3%, to reflect recent inflation indices, and for all other costs, reduced from 2% to 1%
Freedom pass	Assumes a lower level of annual increase, as set out in the report
Pensions Fund	Small reduction following the recent cash investment into the Fund, as set out in the report
Levies	Small reduction in estimated levy increases, as set out in the report
Interest	Anticipated rise in interest rates leading to higher level of interest earned – also covered in this report
Government grant reductions	No change – figures are felt to be reasonably robust, though not without risk
Transformation costs	Provision to be built up in early years and then reduced in later years, no net overall impact

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Papers Received Thursday 21st August 2014

Temp- late No.	Service	HoS		15/16	16/17	Total
EFFICIENCIES						
1	Economic Development	T Dobrashian	Development Company	0.000	0.000	0.000
1	Economic Development	T Dobrashian	Other Savings	0.000	0.000	0.000
1	Economic Development Template Total			0.000	0.000	0.000
2	Streetcare	R Wenman	Street Lighting	(0.150)	(0.100)	(0.250)
2	Streetcare	R Wenman	Efficiencies Programme	(0.050)	(0.050)	(0.100)
2	Streetcare Template Total			(0.200)	(0.150)	(0.350)
3	Communications	M Leech	Events	(0.045)	0.000	(0.045)
3	Communications	M Leech	Communications: Staffing & Structure	0.000	(0.030)	(0.030)
3	Communications Template Total			(0.045)	(0.030)	(0.075)
4	Corporate Policy & Community	C Thompson	Policy & Performance Team	(0.100)	0.000	(0.100)
4	Business and Performance	P Brent-Isherwood	Policy & Community	0.000	(0.250)	(0.250)
4	Corporate Policy & Community Template Total			(0.100)	(0.250)	(0.350)
5	Corporate & Customer Transformation	C Woolf	Information Kiosk	(0.100)	0.000	(0.100)
5	Corporate & Customer Transformation	C Woolf	Channel Shift	0.000	(0.300)	(0.300)
5	Corporate & Customer Transformation Template Total			(0.100)	(0.300)	(0.400)
6	Culture & Leisure	S Parkinson	Retender Sports Leisure Mgt Contract	0.000	(0.200)	(0.200)
6	Asset Management	M Butler	Stubbers	0.000	TBA	0.000
6	Culture & Leisure	S Parkinson	Music School	(0.100)	(0.100)	(0.200)
6	Culture & Leisure	S Parkinson	My Place Efficiencies	0.000	(0.050)	(0.050)
6	Culture & Leisure Template Total			(0.100)	(0.350)	(0.450)
7	Housing	S Witherspoon	CCTV	(0.045)	0.000	(0.045)
7	Housing	S Witherspoon	Support People Commissioning	(0.516)	0.000	(0.516)
7	Housing Template Total			(0.561)	0.000	(0.561)
8	Housing	S Witherspoon	Private Sector Leasing	(0.350)	(0.150)	(0.500)
8	Learning & Achievement	M Pattinson	Catering (Schools & Meals on Wheels)	(0.100)	0.000	(0.100)
8	Income Generation Template Total			(0.450)	(0.150)	(0.600)
9	Adults	B Nicholls	Better Care Funding	(2.500)	0.000	(2.500)
9	Adults	B Nicholls	Older People	(0.500)	(0.500)	(1.000)
9	Adults	B Nicholls	Royal Jubilee Court	(0.200)	(0.210)	(0.410)
9	Adults Template Total			(3.200)	(0.710)	(3.910)
10	Adults	B Nicholls	Adult Social Care	(0.100)	0.000	(0.100)
10	Children's Services	K Bundred	Children's Social Care	(0.100)	(0.100)	(0.200)
10	Learning & Achievement	M Pattinson	Children & Adults Disability (CAD)	0.000	(0.400)	(0.400)
10	Homes & Housing	S Witherspoon	Disabled Facilities Grant	(0.110)	0.000	(0.110)
10	Adults	B Nicholls	Workforce Development	(0.300)	0.000	(0.300)
10	Staffing Template Total			(0.610)	(0.500)	(1.110)
11	Adults	B Nicholls	Younger Adults	(1.000)	(1.450)	(2.450)
12	oneSource HR&OD	C Nugent	Terms & Conditions	0.000	(0.500)	(0.500)
13	oneSource Exchequer & Transactional	S Bryant	Council Tax Support Options	(1.244)	0.000	(1.244)
EFFICIENCIES TOTAL				(7.610)	(4.390)	(12.000)
SERVICES						
14	Streetcare	R Wenman	Parking	(1.000)	0.000	(1.000)
15	Regulatory Services	P Keyes	Public Protection: Trading Services	(0.150)	0.000	(0.150)
15	Regulatory Services	P Keyes	Pet Cemetery	(0.010)	(0.010)	(0.020)
15	Regulatory Services Template Total			(0.160)	(0.010)	(0.170)
16	Corporate Policy & Community	C Thompson	HAVCO, Accounting for Community	(0.045)	0.000	(0.045)
16	Corporate Policy & Community	C Thompson	Enterprise Grant	0.000	(1.100)	(1.100)
16	Corporate Policy & Community	C Thompson	Voluntary Sector Review	0.000	(1.100)	(1.100)
16	Corporate Policy & Community Template Total			(0.045)	(1.100)	(1.145)
17	Culture & Leisure	S Parkinson	Library Service	0.000	(1.138)	(1.138)
17	Culture & Leisure	S Parkinson	Parks	(0.100)	(0.200)	(0.300)
17	Culture & Leisure	S Parkinson	Queens Theatre	(0.100)	(0.100)	(0.200)
17	Culture & Leisure	S Parkinson	Fairkytes	(0.100)	0.000	(0.100)
17	Culture & Leisure Template Total			(0.300)	(1.438)	(1.738)
18	Culture & Leisure	S Parkinson	Youth Service Redesign	(0.250)	(0.616)	(0.866)
19	Children's Services	K Bundred	Early Help & Troubled Families	(0.300)	(0.300)	(0.600)
SERVICES TOTAL				(2.055)	(3.464)	(5.519)
OVERALL TOTAL				(9.665)	(7.854)	(17.519)

BUDGET SAVINGS: INITIATIVE TEMPLATE

Service & Service Head	Description of Service Area
Economic Development – Tom Dobrashian	Economic Development includes Regeneration, inward investment, Employment and skills, Infrastructure investment, town centre support, and business development services

Current Budget Information		
Activity	Subj Type	FY Revised Budget
AB7630 Economic Regeneration	Expenditure	1,550,050
	Income	-28,100
	Non-Controllable	1,154,790
AB7630 Economic Regeneration Total		2,676,740
AB7670 Environmental Service	Expenditure	-7,950
AB7670 Environmental Service Total		-7,950
Grand Total		2,668,790

Savings Last 4 Years			
11/12: 85K	12/13: 210K	13/14: 205K	14/15: 268K

Main Savings Items Description	
<ul style="list-style-type: none"> • Development company – establish this and generate an income stream • Other savings- staffing and other savings as the business development offer becomes established 	
What is protected within service	<p>Capacity to deliver a vibrant town centre in Romford</p> <ul style="list-style-type: none"> • Securing an estimated £400m of public and private investment by 2020, through delivery of 1000 new homes (300 started by 2017), 2000 new jobs (800 in office sector by 2017), 1000 square metres of reconfigured retail space (250 square metres by 2017) and £5m public realm improvements. • Bring £2m of external funding into the borough from LEP/GLA and EU over the next two years. • Deliver a new Cross rail station and environment. <p>Capacity to deliver London Riverside and Rainham</p> <ul style="list-style-type: none"> • Deliver high quality housing and improve the economic base in London Riverside through achieving planning permission for 4000 new homes (initiating build on 1000 by 2017) and attracting 20 new businesses, bringing in over £1000m of secured investment by 2020. To include a new Beam Park station. • Improve transport links in the borough and improve traffic flows, to include securing a new bus service in the London Riverside by 2017. <p>Capacity to improve smaller town centres and the green and blue infrastructure</p> <ul style="list-style-type: none"> • Support Havering town centres, develop partnerships, attract funding and deliver an annual programme of events, including Christmas activities, attracting 10,000 people across 7 centres to maintain footfall at 2014 levels and keep retail vacancy rates below 10%. • Successfully attract £3m of new investment in Havering's green and blue infrastructure (in the next 3 years) that will promote growth and inward investment, support the visitor and leisure economy, increasing the ability of residents to have access to open space and the built and natural heritage

	<p>Business development</p> <ul style="list-style-type: none"> • Support the development of a strong business base in the borough by 2020: encouraging businesses to invest and expand by giving targeted support to 300 existing businesses (50 in first 2 years) to yield a 30% increase in turnover and establish 50 new businesses by 2017. • Attracting in businesses across Havering with an emphasis on Romford and London Riverside. • Improve the skills levels of Havering residents through improving the match of skills provision to business needs and implement a Harold Hill employment/skills programme which will reduce unemployment by 10% over the next two years.
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Savings proposals				
Saving		Value of Saving and Year(s)		
Development company		TOTAL £300k		
<p>A proposition to establish a council led development company is being developed by Regeneration, Resources and Housing staff. This is an arms-length body which would develop housing for sale. It is anticipated that if the business case is approved it will deliver a revenue stream by 2018.</p>		15/16	16/17	17/18
				300k
Other savings		TOTAL £200K		
<p>This is a mixture of staffing and other savings as the service refocuses following recent restructure and the business development offer becomes more established. This includes ‘charging’ officer time in the delivery of capital & other projects</p>		15/16	16/17	17/18
				50k
TOTAL SAVINGS BY YEAR		TOTAL 500k		
		15/16	16/17	17/18
				50k
				450k

Reasons for recommending proposals	<p>Development company</p> <ul style="list-style-type: none"> • This is a good opportunity for the Council to shape the delivery of development to the benefit of the Council and local residents and secure a revenue return • Similar companies have been established in neighbouring boroughs and elsewhere have taken advantage of investment opportunities. <p>Staffing and other savings</p> <ul style="list-style-type: none"> • There are currently a wide range of opportunities to secure investment into this area and to support local businesses by securing London wide funding. Major projects include making the most of Crossrail regeneration & development opportunities, inward investment around London Riverside, securing early delivery of Beam Park station, supporting Havering Businesses to grow and European and LEP funding opportunities Over time the staffing required to do this should reduce and/ or be chargeable to projects or capital funding. Funding for events is also being reduced.
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Identified Risks	
Development company	
<ol style="list-style-type: none"> 1. The risk that the business case is not agreed and the development company is not established 2. The risk that the development company does not make the anticipated rate of return 3. The risk of another economic downturn or major change to the housing market 	
Staffing and other savings	
<ol style="list-style-type: none"> 1. The risk that demand for support from the council increases rather than stabilises and becomes self-supporting. 2. The risk that no other capital funding is available. 3. The risk that funders resist the ability to charge officer time to the delivery of projects. 	

Number of FTE in area	18 FTE Development company N/A
Anticipated reduction in FTE as a result of proposals	3 FTE – this is a current estimate and is subject to further review and consultation. Development company N/A

BUDGET SAVINGS: INITIATIVE TEMPLATE

Service & Service Head	Description of Service Area
Streetcare - Robert Wenman	Streetcare LED & Efficiencies

Current Budget Information			
Activity	Subj Type	FY Revised Budget	
Street Cleansing	Expenditure	4,231,120	
	Income	-139,343	
	Non-Controllable	640,855	
Street Cleansing Total		4,732,633	
Waste Collection	Expenditure	6,036,950	
	Income	-2,476,053	
	Non-Controllable	59,930	
Waste Collection Total		3,620,828	
Highways including streetlighting	Expenditure	7,798,404	
	Income	-1,582,087	
	Non-Controllable	3,614,665	
Highways Total		9,830,983	Includes notional accounting entries
Parking & Road Safety Services	Expenditure	2,619,995	
	Income	-3,867,973	
	Non-Controllable	1,305,125	
Parking Total		57,148	Includes notional accounting entries
Grand Total		18,241,591	

Savings last 4 Years			
11/12: 3853K	12/13: 910K	13/14: 1,060K	14/15: 1,123K

Main Savings Items Description
<ul style="list-style-type: none"> Street lighting – Survey the rest of the street-lighting columns and roll out more LED lighting Efficiencies – Realise efficiencies in the waste and highways area through reduced vehicles and improved operational practices

<p>What is protected within service</p>	<p>Street Cleansing Statutory universal front line service and key contributor to the clean and green and business agenda. Spend reduced last savings round</p> <p>Highways</p> <ul style="list-style-type: none"> • Predominately a statutory service covering street lighting, and general highways and pavements schemes and maintenance, including permits for utilities works on highways. Cross borough and London wide contacts for some services. Efficiency savings target identified
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Savings proposals												
Saving	Value of Saving and Year(s)											
<p>Street Lighting We propose to extend the current street lighting replacement programme to the whole of the Council’s street lighting stock. Savings would be made because the LED lights are more energy efficient. This will require a business case, and capital funding and it may be possible to attract external grant funding</p>	<p>TOTAL: £250k</p> <table border="1" data-bbox="1023 824 1511 913"> <tr> <td>15/16</td> <td>16/17</td> <td>17/18</td> <td>18/19</td> </tr> <tr> <td>£150k</td> <td>100k</td> <td></td> <td></td> </tr> </table>				15/16	16/17	17/18	18/19	£150k	100k		
15/16	16/17	17/18	18/19									
£150k	100k											
<p>Efficiencies programme This is a review of elements of the highways and waste services designed to deliver out efficiencies, resulting in a reduction in vehicles and fuel usage, reduced construction waste, reduced staffing and small scale reductions in contract payments.</p>	<p>TOTAL: £100k</p> <table border="1" data-bbox="1023 1070 1511 1160"> <tr> <td>15/16</td> <td>16/17</td> <td>17/18</td> <td>18/19</td> </tr> <tr> <td>£50k</td> <td>50k</td> <td></td> <td></td> </tr> </table>				15/16	16/17	17/18	18/19	£50k	50k		
15/16	16/17	17/18	18/19									
£50k	50k											
<p>TOTAL SAVINGS BY YEAR</p>	<p>TOTAL: £350k</p> <table border="1" data-bbox="1023 1283 1511 1373"> <tr> <td>15/16</td> <td>16/17</td> <td>17/18</td> <td>18/19</td> </tr> <tr> <td>200k</td> <td>150k</td> <td></td> <td></td> </tr> </table>				15/16	16/17	17/18	18/19	200k	150k		
15/16	16/17	17/18	18/19									
200k	150k											

<p>Reasons for recommending proposals</p>	<p>Street- lighting</p> <ul style="list-style-type: none"> • Business case proved and currently being rolled out for 6000 street lights, therefore viable proposition for remainder although some risks and requires capital • Energy costs volatile and likely to increase – this reduces costs and maintenance longer term <p>Efficiencies programme</p> <ul style="list-style-type: none"> • Programme driven by changing working practices to minimise highways waste creation • Reduces cost in the service and paid for tonnage under the ELWA contract
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Identified Risks	
Street-lighting	
<ol style="list-style-type: none"> 1. Business case requires capital funding 2. Survey of existing street lighting stock may identify areas not suitable for this treatment 3. Volatility on utilities prices may reduce savings although this will still mitigate total costs for council 	
Efficiencies programme	
<ol style="list-style-type: none"> 1. Risk that efficiencies will not be achievable or delayed 	
Number of FTE in area	Street lighting _ N/A Efficiencies Programme
Anticipated reduction in FTE as a result of proposals	Street lighting _ N/A Efficiencies Programme

BUDGET SAVINGS: INITIATIVE TEMPLATE

Service & Service Head	Description of Service Area
Communications – Mark Leech	External and Internal Communications and campaigns; Media relations; social media and online communication, major event management , Design and Production of publications including <i>Living in Havering</i> Magazine

Current Budget Information			
Activity	Subj Type	FY Revised budget	
AB6200 Communications Holding Account	Expenditure	773,080	
	Income	-80,300	
	Non-Controllable	95,720	
AB6200 Communications Holding Account Total		788,500	
Savings Last 4 Years			
11/12: 100	12/13: 100	13/14: 130k	14/15: 208k

Main Savings Items Description	
<ul style="list-style-type: none"> Event management – reduce the cost of events managed by Communications and Culture & Leisure Staffing levels- reduce the size and change the composition of the Communications Team 	
What is protected within service	<p>Communications team</p> <p>For the next four years, the team maintains the capacity to deliver a robust and proactive communications and reputation management programme.</p> <p>Living in Havering magazine will continue to be published every quarter, while electronic and social media channels will continue to be developed ahead of a major reduction in budget in 18/19.</p> <p>Events</p> <p>The Borough’s major public event, the Havering Show, will continue and will remain free to attend.</p> <p>Other major events are protected, including Remembrance Sunday, Armed Forces Day, Borough-wide Christmas switch on events and the annual Langtons concert.</p> <p>The events officer also provides advice on the safe management of public outdoor events</p>

	<p>prior to licencing applications being agreed.</p> <p>Web</p> <p>The Communications team also plays an important role in the presentation of the Havering website and other online forms of communications, including social media and e-updates to subscribing residents. The team works closely with the Web Editorial team in Customer Services to align corporate messages.</p>
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Savings proposals												
Saving		Value of Saving and Year(s)										
Events		TOTAL £45k										
<p>The Council currently funds a range of events and a review has been undertaken with a view to reducing the overall budget for events, while maintaining as many of the popular events as possible.</p> <p>This saving will be achieved by reducing the overall budget for the annual <u>Havering Show</u>, but ensuring that the event continues and remains free to attend. Events contingency – funding one-off events will be removed.</p> <p>Other significant annual events will be subject to efficiency savings and a renewed drive for sponsorship, but will continue to run. These are:</p> <p>Langtons Concert Armed Forces Day Holocaust Memorial Day Havering Mela Older People’s Xmas Party (partnership event)</p> <p><u>Xmas lights events</u> These will continue. Sponsorship opportunities will be explored to reduce costs.</p>		<table border="1"> <tr> <td>15/16</td> <td>16/17</td> <td>17/18</td> <td>18/19</td> </tr> <tr> <td>£45k</td> <td></td> <td></td> <td></td> </tr> </table>			15/16	16/17	17/18	18/19	£45k			
15/16	16/17	17/18	18/19									
£45k												
<p>Communications team – staffing and structure</p> <p>The current priorities for the team include internal and external communications, supporting the Havering Show and continuing to produce Living magazine. The team will focus on effectively communicating the Council’s new priorities and engaging with public and staff around the budget savings.</p> <p>The timing of the savings reflects the need to support the budget process over the coming years, with a small reduction to remove central campaign funding from the team in 16/17 (meaning campaigns will need to be funded by the relevant service or corporate budget).</p>		<p>TOTAL £ 270k</p> <table border="1"> <tr> <td>15/16</td> <td>16/17</td> <td>17/18</td> <td>18/19</td> </tr> <tr> <td></td> <td>£30k</td> <td></td> <td>£240k</td> </tr> </table>			15/16	16/17	17/18	18/19		£30k		£240k
15/16	16/17	17/18	18/19									
	£30k		£240k									

<p>This will be followed in 2018/19, with a major reduction in the cost of the communication service and its staffing levels – which will also impact on its capacity. However, the exact nature of the changes and resulting restructure will be informed by a review of communications methods and channels as technology develops.</p>									
<p>TOTAL SAVINGS BY YEAR</p>	<p>TOTAL £315k</p> <table border="1" data-bbox="1029 600 1501 745"> <thead> <tr> <th data-bbox="1029 600 1145 678">15/16</th> <th data-bbox="1145 600 1267 678">16/17</th> <th data-bbox="1267 600 1386 678">17/18</th> <th data-bbox="1386 600 1501 678">18/19</th> </tr> </thead> <tbody> <tr> <td data-bbox="1029 678 1145 745">£45k</td> <td data-bbox="1145 678 1267 745">£30k</td> <td data-bbox="1267 678 1386 745"></td> <td data-bbox="1386 678 1501 745">£240k</td> </tr> </tbody> </table>	15/16	16/17	17/18	18/19	£45k	£30k		£240k
15/16	16/17	17/18	18/19						
£45k	£30k		£240k						

<p>Reasons for recommending proposals</p>	<p>Staffing</p> <ul style="list-style-type: none"> This proposal steps down resources over a period of time reflecting the likely volume of press and consultation activity resulting from the budget programme. Changes in technology and methods of communication will inform the final shape of the team in 2018/19. <p>Events</p> <ul style="list-style-type: none"> The Council runs a range of popular events designed to engage with the public and strengthen community links. Making the events more efficient allows more of them to continue.
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Identified Risks	
<p>Staffing</p> <ol style="list-style-type: none"> Reputational risk- High demand for communications activity to manage issues and proactively promote the Council's activities may continue beyond 2018 and exceed resources available <p>Events</p> <ol style="list-style-type: none"> By maintaining almost all annual events, reputational risks are very limited. 	
<p>Number of FTE in area</p>	<p>Staffing (including events): 14</p>
<p>Anticipated reduction in FTE as a result of proposals</p>	<p>Staffing: 5 These are current estimates and are subject to further review and consultation</p>

BUDGET SAVINGS: INITIATIVE TEMPLATE

Service & Service Head	Description of Service Area
Corporate Policy & Community Manager – Claire Thompson	The Corporate Policy and Community Service provides the council with strategic policy, performance and intelligence support, as well as being the corporate lead for community safety, community engagement and the relationship with the voluntary sector. The service consists of 4 sections: Corporate Policy & Diversity, Community Safety, Energy Strategy and Community Engagement.
Childrens and Adults Business and Performance – Pippa Brent-Isherwood	The Business and Performance Service provides the Children, Adults and Housing Directorate with policy and analytical support, complaints management and ICT systems development. The Service is a new function of the directorate.

Current Budget Information		
Activity	Subj Type	FY Revised Budget
AB7140 Corporate Policy and Community	Expenditure	1,172,630
	Income	-30,000
	Non-Controllable	-52,430
AB7140 Corporate Policy and Community Total		1,090,200
AL1340 Community Safety	Expenditure	324,290
	Income	0
	Non-Controllable	71,070
AL1340 Community Safety Total		395,360
Grand Total		1,485,560

Service	Subjective	FY Revised Budget
AE4000 Business & Performance	Expenditure Total	1,443,680
	Income Total	0
	Non-Controllable Total	346,240
AE4000 Business & Performance Total		1,789,920

CAH Business and Performance	Salaries Total	1,274,050
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Savings Last 4 Years (from the Corporate Policy and Community Service)			
11/12: 200K	12/13: 200K	13/14: 305K	14/15: 451K

Main Savings Items Description	
<ul style="list-style-type: none"> Restructure to combine and streamline the Council's policy performance and data analysis capacity 	
What is protected within service	<p>Policy performance and data analysis capacity</p> <p>Core capacity to produce data and analysis for statutory purposes and to provide a more direct role in the intelligence-led commissioning and provision of services across the Council, specifically with demand reduction and behaviour change in mind.</p>

Savings proposals				
Saving			Value of Saving and Year(s)	
<p>Policy performance and data analysis capacity</p> <p>The Council currently has policy, performance and data analysis staff in three main locations:</p> <ul style="list-style-type: none"> The Corporate Policy and Community Service – which prepares the JSNA jointly with Public Health, and includes crime intelligence, as well as customer insight analysis and demographic research CAH which includes capacity and resources to support Children’s and Adults services with the generation of data for statutory frameworks and inspections and the commissioning of services Public Health to support health analytics, the JSNA, the CCG in its commissioning. <p>Work is already underway to rationalise and merge the Council’s data resources and corporate intelligence and it is proposed to combine these teams and create a single central corporate data and policy resource. The review would also examine the role of staff embedded within services to ensure this is the most appropriate location for them.</p>			TOTAL £350k	
			15/16	16/17
			17/18	18/19
			100k	250k
TOTAL SAVINGS BY YEAR			TOTAL £350k	
			15/16	16/17
			17/18	18/19
			£100k	£250k

Reasons for recommending proposals	<p>Policy Performance and data capacity</p> <ul style="list-style-type: none"> The Council needs these functions, to ensure it is making the most efficient use of its resources and to meet the needs of its customers, but cannot afford to spend any more than is absolutely necessary on them. This restructure removes any risk of duplication that can occur with a decentralised policy and analytical support model, whilst still retaining capacity necessary to discharge its statutory functions and produce business intelligence required by the Council to inform its decision making
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Identified Risks	
<p>Policy performance and data capacity</p> <p>1. The new-look, smaller corporate intelligence function will need to have robust SLAs in place with services to ensure intelligence is being used to drive improvement more efficiently. There is a risk that a significantly smaller corporate team will not have sufficient capacity to meet the needs of the organisation, which may pose a risk to decision making and external inspections. This can be mitigated somewhat in the early design stages in consultation with Group Directors and Heads of Service.</p>	
Number of FTE in area	<p>Policy performance and data capacity</p> <p>22 in Corporate Policy and Community, 44 in Children Housing & Adults Business & Performance</p>
Anticipated reduction in FTE as a result of proposals	<p>Policy performance and data capacity</p> <p>Approx 7 FTE</p> <p>These are current estimates and are subject to further review and consultation.</p>

BUDGET SAVINGS: INITIATIVE TEMPLATE

Service & Service Head	Description of Service Area
Corporate & Customer Transformation – Caroline Woolf	Provision of face to face, telephone and web customer contact services

Current Budget Information		
Activity	Subj Type	FY Revised Budget
AB2330 CRM	Expenditure	2,909,886
	Income	-28,380
	Non-Controllable	928,560
AB2330 CRM Total		3,810,066

Savings Last 4 Years – NB CST programme			
11/12	12/13	13/14	14/15
£1.3m	£2.3m	£2.6m	£2.6m

Main Savings Items Description	
<p>The savings up to £2.6m above have been delivered via a Council wide transformation programme, covering front and back office. New proposals are:-</p> <ul style="list-style-type: none"> Information Kiosk in Romford Town Centre- close Reduction in agency worker posts Channel Shift – reduce staffing to reflect customer channel shift to using the web and other value channels 	

What is protected within service	Change management
	<ul style="list-style-type: none"> Services are still being added to customer services and capacity is required to facilitate that <p>Front line service capacity</p> <ul style="list-style-type: none"> For some customers and services face to face and telephone contacts will always be a more appropriate way of doing business. We will aim to streamline the delivery of face to face and continue to optimise telephony technology. Therefore sufficient resource will be retained to deliver these.

Savings proposals					
Saving		Value of Saving and Year(s)			
Information Kiosk		TOTAL: £100k			
<p>The kiosk was opened to assist in the promotion of the borough during the Olympics. Current information about utilisation is that the bulk of the enquiries are about signposting the location of shops in the town centre. Also, numbers are dwindling. It is proposed to continue to work with the Town centre partners to promote Romford as a shopping destination but to close the Kiosk and re-let it</p>		15/16	16/17	17/18	18/19
		100k			
Reduction in agency worker covered posts					
<p>Whilst we embed our previous restructure we are holding some agency workers in established posts to ensure new ways of working are embedded.</p>					

These staff will be removed once the processes are finalised									
<p>Channel Shift</p> <p>The customer services strategy is based on a self- service model for those customers and areas where that is the most appropriate form of service delivery. This moves customers from the most expensive forms of communication (face to face followed by telephone) to the much more cost effective self serve model whereby they can transact with us online. This is similar to a retail online model and therefore many customers are already familiar with the concept.</p> <p>In order to assist customers move to online, we have kiosks in the PASCs where they can be assisted by staff and also access in libraries where help is available. In addition, many customers are already knowledgeable about online communications or have families who can assist them.</p> <p>For those customers who are less able to adapt, the current channels will remain for the time being. However, we must endeavour to be digital by default as far as practicable and therefore to obtain better value for money for the Council.</p> <p>The service currently has a channel shift target of 20% and this restructure will realise savings from that move.</p> <p>The PASC and Contact Centre currently occupies leased premises. It is proposed that as the service contracts it moves into mainstream council accommodation.</p>	<p>TOTAL £300k</p> <table border="1" data-bbox="1029 353 1505 506"> <thead> <tr> <th>15/16</th> <th>16/17</th> <th>17/18</th> <th>18/19</th> </tr> </thead> <tbody> <tr> <td></td> <td>£300k</td> <td></td> <td></td> </tr> </tbody> </table>	15/16	16/17	17/18	18/19		£300k		
15/16	16/17	17/18	18/19						
	£300k								
TOTAL SAVINGS BY YEAR	<p>TOTAL £400k</p> <table border="1" data-bbox="1029 1211 1505 1361"> <thead> <tr> <th>15/16</th> <th>16/17</th> <th>17/18</th> <th>18/19</th> </tr> </thead> <tbody> <tr> <td>100k</td> <td>£300k</td> <td></td> <td></td> </tr> </tbody> </table>	15/16	16/17	17/18	18/19	100k	£300k		
15/16	16/17	17/18	18/19						
100k	£300k								

<p>Reasons for recommending proposals</p>	<p>Kiosk</p> <ul style="list-style-type: none"> Whilst Customer Services provide staff and support for the Kiosk, it has served its initial purpose and there are more important priorities for funding <p>Agency workers</p> <ul style="list-style-type: none"> We wish to reduce the reliance on agency workers in favour of embedding skills in permanent staff <p>Channel shift</p> <ul style="list-style-type: none"> The strategy is designed to deliver channel shift to most cost effective channels and to realise savings from it. It should be possible to relocate the service to council owned accommodation.
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Identified Risks	
<p>Kiosk</p>	<ol style="list-style-type: none"> That the town centre partnership does not provide sufficient information on shopping destinations to secure shopper visits to Romford That it is not possible to re-let the part of the Kiosk used by the Council

Channel Shift

1. That customers do not change to using on line and automated channels
2. That easier availability of services increases customer expectation and demand
3. That inability to respond to demand in the back offices leads to increased face to face or telephone demand in the front office and impacts potential savings achievement or leads to diminished levels of customer service
4. That insufficient space is freed up elsewhere to facilitate a relocation

Number of FTE in area	Kiosk 2 Channel Shift 91
Anticipated reduction in FTE as a result of proposals	Kiosk 2 Agency workers 2.5 Channel shift c. 16 tbc These are current estimates and are subject to further review and consultation.

BUDGET SAVINGS: INITIATIVE TEMPLATE

Service & Service Head	Description of Service Area
Culture & Leisure – Simon Parkinson	Sports and Leisure Contract retendering, Stubbers Outdoor Activity Centre ,MyPlace Management and Music School

Current Budget Information

Activity	Subj Type	FY Revised Budget
AB1010 Allotments.	Expenditure	5,000
	Income	(15,380)
	Non-Controllable	670
AB1010 Allotments. Total		(9,710)
AB1020 Arts Services	Expenditure	361,810
	Income	(128,790)
	Non-Controllable	177,680
AB1020 Arts Services Total		410,700
AB1030 Entertainments	Income	0
AB1030 Entertainments Total		0
AB1040 Indoor Sports & Recreation	Expenditure	460,921
	Non-Controllable	1,631,439
AB1040 Indoor Sports & Recreation Total		2,092,360
AB1050 Parks & Outdoor Sports	Expenditure	2,430,590
	Income	(453,850)
	Non-Controllable	824,170
AB1050 Parks & Outdoor Sports Total		2,800,910
AB1060 Queen's Theatre	Expenditure	535,275
	Non-Controllable	127,240
AB1060 Queen's Theatre Total		662,515
AB1070 Historic Buildings	Expenditure	77,200
	Non-Controllable	12,390
AB1070 Historic Buildings Total		89,590
AB1080 Grounds Maintenance DSO	Expenditure	3,626,520
	Income	(3,023,250)
	Non-Controllable	250,130
AB1080 Grounds Maintenance DSO Total		853,400
AB1090 Social Halls & Comm Ctrs	Expenditure	1,030
	Income	(32,020)
	Non-Controllable	53,140
AB1090 Social Halls & Comm Ctrs Total		22,150
AB1100 Sports Dev & Outdoor Ctrs	Expenditure	146,230
	Income	(11,710)
	Non-Controllable	92,420
AB1100 Sports Dev & Outdoor Ctrs Total		226,940

AB1105 My Place Centres	Expenditure	445,080
	Income	(183,600)
	Non-Controllable	56,270
AB1105 My Place Centres Total		317,750
AB1110 Supervision Management & Supp	Expenditure	165,630
	Non-Controllable	45,060
	AB1110 Supervision Management & Supp Total	
AB1125 Health and Wellbeing	Expenditure	109,840
	Non-Controllable	32,190
	AB1125 Health and Wellbeing Total	
AB1135 Policy, Marketing and Administration	Expenditure	290,920
	Non-Controllable	71,810
	AB1135 Policy, Marketing and Administration Total	
AB1160 Countryside Services	Expenditure	172,500
	Income	(14,380)
	Non-Controllable	38,460
AB1160 Countryside Services Total		196,580
AE2150 Music Services	Expenditure	652,330
	Income	(567,800)
	Non-Controllable	144,100
AE2150 Music Services Total		228,630
Grand Total		8,607,265

Savings Last 4 Years

11/12: OK	12/13: 50K	13/14: 265K	14/15: 338K
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Main Savings Items Description

<ul style="list-style-type: none"> • Re tender of the Sports and Leisure Management contract • Moving Stubbers onto a market rent • New business model -Music school • My place savings

Savings proposals

Saving	Value of Saving and Year(s)								
<p>Re-tender of the Sports and Leisure management contract</p> <p>This is underway and will be let part way through 16/17. Opportunity to make savings given improved performance of the current contract and by facilitating a more commercial approach from Contractors. The saving proposal assumes the inclusion of RLD to achieve £200k of the savings.</p>	<p>TOTAL: £500k</p> <table border="1"> <tr> <td>15/16</td> <td>16/17</td> <td>17/18</td> <td>18/19</td> </tr> <tr> <td></td> <td>£200k</td> <td>£300k</td> <td></td> </tr> </table>	15/16	16/17	17/18	18/19		£200k	£300k	
15/16	16/17	17/18	18/19						
	£200k	£300k							
<p>Market rent – Stubbers Outdoor Centre</p> <p>The rent on this facility has been at peppercorn level for the last 18 years. This proposal is to renegotiate for a market rent for the facility when the lease runs out in 2015/16and/or take the facility back in house and manage it via the leisure centre contract</p>	TBA – Commercial in confidence								

<p>Music School The music school has introduced a new business model that has been successfully trialled in schools and is being rolled out. Opportunity to reduce overhead costs and increase income further. The service would then recover its controllable costs</p>	<p>TOTAL: £200k</p> <table border="1"> <thead> <tr> <th>15/16</th> <th>16/17</th> <th>17/18</th> <th>18/19</th> </tr> </thead> <tbody> <tr> <td>£100k</td> <td>£100k</td> <td></td> <td></td> </tr> </tbody> </table>	15/16	16/17	17/18	18/19	£100k	£100k		
15/16	16/17	17/18	18/19						
£100k	£100k								
<p>My place efficiencies These are efficiencies in the management of my place ahead of including it in the sports and leisure management retender</p>	<p>TOTAL: £100k</p> <table border="1"> <thead> <tr> <th>15/16</th> <th>16/17</th> <th>17/18</th> <th>18/19</th> </tr> </thead> <tbody> <tr> <td></td> <td>£50k</td> <td>£50k</td> <td></td> </tr> </tbody> </table>	15/16	16/17	17/18	18/19		£50k	£50k	
15/16	16/17	17/18	18/19						
	£50k	£50k							
<p>TOTAL SAVINGS BY YEAR</p>	<p>TOTAL: £1.6m</p> <table border="1"> <thead> <tr> <th>15/16</th> <th>16/17</th> <th>17/18</th> <th>18/19</th> </tr> </thead> <tbody> <tr> <td>£100k</td> <td>£350k</td> <td>350k</td> <td>0</td> </tr> </tbody> </table>	15/16	16/17	17/18	18/19	£100k	£350k	350k	0
15/16	16/17	17/18	18/19						
£100k	£350k	350k	0						

<p>What is protected within service</p>	<p>Arts and Sports Development core teams</p> <ul style="list-style-type: none"> These are very small teams which manage contracts and networks <p>Allotments</p> <ul style="list-style-type: none"> The small cost centre for this service recovers its costs
<p>Reasons for recommending proposals</p>	<p>Re-tender of the Sports and Leisure management contract</p> <ul style="list-style-type: none"> This is an opportunity to save money through the tendering of the sports and leisure management contract. <p>Music school</p> <ul style="list-style-type: none"> This is an opportunity based on the successful introduction of a new business model for the music service, which enables it to both increase its music tuition offer and cover its controllable costs. <p>MyPlace efficiencies</p> <ul style="list-style-type: none"> This is non-statutory provision for young people and these efficiencies reduce the cost of running the facility prior to including it in the contract retender and externalising its management. This is judged to be the most cost effective way of managing the centre in the future. <p>Stubbers Outdoor centre</p> <ul style="list-style-type: none"> This is applying the Council's current policy at the end of the existing lease;

Identified Risks
<p>Retender of the Sports and leisure management contract</p> <ol style="list-style-type: none"> RLD development is not on site and therefore income estimates are notional Competition and / or the market for these services changes Contract does not deliver savings

Music school <ol style="list-style-type: none"> 1. Roll out of new model falters and income targets not met 2. New service for adults does not prove to be sustainable
My place efficiencies <ol style="list-style-type: none"> 1. Increased income may not materialise 2. Leisure contract may not realise further savings
Stubbers outdoor centre <ol style="list-style-type: none"> 1. Current tenant may not renew lease on proposed terms 2. No detail available on potential yield as a further part of the Leisure contract if that fall back utilised

Number of FTE in area	Retender of the sports and leisure management contract : None in relation to leisure centres as TUPE applies. Music school : 92 staff (not clear how many FTE equivalentents) My Place efficiencies: 7 FTEs
Anticipated reduction in FTE as a result of proposals	Retender of the sports and leisure management contract: N/A Music school : None My Place efficiencies: 1–2 FTEs These are current estimates and are subject to further review and consultation.

BUDGET SAVINGS: INITIATIVE TEMPLATE

Service & Service Head	Description of Service Area
Housing, Sue Witherspoon	Housing General Fund

Current Budget Information					
Cost Centre	Subjective	FY Revised Budget	Cost Centre	Subjective	FY Revised Budget
A53500 CCTV Control Room	Expenditure Total	452,130	A34000 Supporting People Administration	Expenditure Total	225,240
	Income Total	0		Non-Controllable Total	63,040
	Non-Controllable Total	0		A34000 Supporting People Admin Total	288,280
A53500 CCTV Control Room Total		452,130	A34010 Supporting People	Expenditure Total	2,497,890
				Non-Controllable Total	38,970
			A34010 Supporting People Total		2,536,860
			Supporting People Total		2,825,140

Savings Last 4 Years			
11/12	£256k	12/13	£0k

Main Savings Items Description			
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- CCTV Merger.
- Supporting People Review – Review funding and provision of Mobile Support Service.

What is protected within service	<p>CCTV in Romford Town Centre</p> <ul style="list-style-type: none"> • CCTV for the Town centres to aid crime reduction and detection. <p>Supporting People Review</p> <ul style="list-style-type: none"> • The Housing Service is implementing a series of other preventative initiatives this year such as a Good Neighbour Scheme, Befriending Schemes and Job Clubs. • Mobile Support Service for vulnerable adults if alternative methods of funding are identified.
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Savings proposals				
Saving	Value of Saving and Year(s)			
<p>CCTV</p> <p>We will merge the CCTV for the town centres with the CCTV covering the housing estates at Waterloo Road. This will produce a saving on the management costs.</p>	TOTAL: £45k			
	15/16	16/17	17/18	18/19
	£45k			
<p>Supporting People Review</p> <p>Funding for Supporting People is no longer ring fenced, and is part of the Council's overall General Fund resources. The review of the Mobile Support Service will examine what the needs of the current clients are, and look for a more cost effective way of providing that support. The service is currently paid for out of the Adults' budget.</p>	TOTAL: £516k			
	15/16	16/17	17/18	18/19
	£516k			

TOTAL SAVINGS BY YEAR	TOTAL: £561k			
	15/16	16/17	17/18	18/19
	£561k			

Reasons for recommending proposals	<p>CCTV in Romford Town Centre</p> <ul style="list-style-type: none"> The service is popular with the public and fear of crime is still high on their priority list despite being a low crime borough. Co-location saves £45k. <p>Supporting People Review</p> <ul style="list-style-type: none"> Funding for Supporting People is no longer ring fenced, and is part of the Council's overall General Fund resources. The Housing Service is implementing a series of other preventative initiatives this year that could help mitigate the impact from disbanding this service.
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Identified Risks
<p>CCTV in Romford Town Centre</p> <ol style="list-style-type: none"> Any reduction in service could harm our reputation with our residents, partners (e.g. Police, local businesses) who have a vested interest in crime prevention and tackling the fear of crime.
<p>Supporting People Review</p> <ol style="list-style-type: none"> Disbanding the Mobile Support Service could impact on our ability to successfully deliver the (proposed) Early Help, Intervention and Prevention Strategy (due in December) and our demand management savings targets. There could be criticism from families and recipients of the Mobile Support Service if the service is not replaced with something that adequately supports and protects these vulnerable adults.

Number of FTE in area	<p>CCTV: 2 FTE Senior officers, and 17 FTE operatives</p> <p>Telecare: 1 Manager + 15 Installers and Responders + 0.4 support FTEs</p> <p>Supporting People Review: Mobile Support 1 FTE Manager + 6 FTE front line officers</p>
Anticipated reduction in FTE as a result of proposals	<p>CCTV in Romford Town Centre: Approx. 3 FTEs</p> <p>Supporting People Review: Until the review is complete it is not possible to give exact numbers.</p> <p>These are current estimates and are subject to further review and consultation.</p>

BUDGET SAVINGS: INITIATIVE TEMPLATE

Service & Service Head	Description of Service Area
Housing, Sue Witherspoon; Learning and Achievement, Mary Pattinson	Income Generation

Current Budget Information		
Activity	Subjective	FY Revised Budget
AE7630 Borough Catering Total	Expenditure Total	5,316,970
	Income Total	-5,741,290
	Non-Controllable Total	769,420
AE7630 Borough Catering Total		345,100

NB. Private Sector Leasing - this service aims to cover its costs

Savings Last 4 Years			
11/12	£0k	12/13	£0k

Main Savings Items Description	
	<ul style="list-style-type: none"> Private Sector Leasing (PSL) – Manage more properties and increase activities. Catering – Review the current operating and financial model.

What is protected within service	Private Sector Leasing
	<ul style="list-style-type: none"> N/A.
	Catering
	<ul style="list-style-type: none"> In-house service / staff. Current services for existing service users.

Savings proposals									
Saving	Value of Saving and Year(s)								
<p>Private Sector Leasing</p> <p>There is scope to increase the activity in the private rented sector. We currently directly lease and manage 895 properties, and have a managing agent role in respect of a further 150 properties. To reduce the impact of housing need and ensure costs of housing activities are covered, we would look to increase the number of units we manage – which would also allow us to provide direct assistance for more residents to secure rented accommodation.</p>	<p>TOTAL: £500k</p> <table border="1"> <thead> <tr> <th>15/16</th> <th>16/17</th> <th>17/18</th> <th>18/19</th> </tr> </thead> <tbody> <tr> <td>£350k</td> <td>£150k</td> <td></td> <td></td> </tr> </tbody> </table>	15/16	16/17	17/18	18/19	£350k	£150k		
15/16	16/17	17/18	18/19						
£350k	£150k								
<p>Catering</p> <p>The Meals on Wheels service delivers approx. 110,000 meals per year. A change of service provider (which would involve a procurement exercise, a costly process, and a loss of internal staff and control) might only deliver a small amount of savings. We will review the current operating and financial model, with a savings target of £100k. We will also explore the idea of using volunteers to assist the paid staff.</p>	<p>TOTAL: £100k</p> <table border="1"> <thead> <tr> <th>15/16</th> <th>16/17</th> <th>17/18</th> <th>18/19</th> </tr> </thead> <tbody> <tr> <td>£100k</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	15/16	16/17	17/18	18/19	£100k			
15/16	16/17	17/18	18/19						
£100k									

TOTAL SAVINGS BY YEAR	TOTAL: £600k			
	15/16	16/17	17/18	18/19
	£450k	£150k		

Reasons for recommending proposals	<p>Private Sector Leasing</p> <ul style="list-style-type: none"> • There is sufficient scope (supply and demand) for expanding this service to help meet more of the borough's housing need, and ensure all costs are recovered • Unlike other savings proposals, this initiative does not lead to a reduction in service for Havering residents, and therefore income generation is a much better way of addressing a savings target. • Any increase in the Private Sector Solutions Team will be funded within the increase in activities, and therefore is not an additional budget pressure. <p>Catering</p> <ul style="list-style-type: none"> • Demand for Meals on Wheels is reducing (as are the number of routes) and therefore it is essential and timely to undertake a full review of the service to ensure that it is sustainable in the longer term. • Outsourcing the service would have many negative connotations (not least an additional strain on Havering's pension fund) and should be considered the least favoured way of meeting the savings target.
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Identified Risks

Private Sector Leasing	<ol style="list-style-type: none"> 1. The Council needs to ensure that the activity falls within legal requirements, and meets a social need, and is not purely for a commercial purpose. 2. With rent prices rising above Local Housing Allowance (LHA) limits it will become increasingly difficult to find properties with rents within the LHA limits. 3. Volume of complaints will increase as the number of properties increases. 4. There may come a point at which we will have to exit from the activity, especially as the market is so volatile, and therefore the activity should not be relied upon indefinitely.
Catering	<ol style="list-style-type: none"> 1. Increasing the charge for meals might lead to a disproportionate reduction in demand that would actually result in a net reduction in income. 2. Demand for the Meals on Wheels service continues to reduce over time which would likely result in a budget pressure for the Catering Service. 3. Undertaking a full review of the operating and financial model of the Catering Service is very complex, and will require expertise and an in-depth understanding of the many variables associated with the service.

Number of FTE in area	<p>Private Sector Leasing: No staff are at threat of redundancy. There will be an expansion in this team, if this proposal goes ahead. Current team is 1 Manager and 15 FTEs.</p> <p>Catering : 18 part-time staff.</p>
Anticipated reduction in FTE as a result of proposals	<p>Private Sector Leasing: 0 FTEs.</p> <p>Catering (Schools and Meals on Wheels): 0 FTEs.</p>

BUDGET SAVINGS: INITIATIVE TEMPLATE

Service & Service Head	Description of Service Area
Adults – Barbara Nicholls	Older Adults

Current Budget Information						
Cost Centre	Subjective	FY Revised Budget	Cost Centre	Subjective	FY Revised Budget	
A34120 NHS Support for Social Care (BCF)	Expenditure Total	4,609,380	A31910 Royal Jubilee Court	Expenditure Total	256,916	
	Non-Controllable Total	70,980		Income Total	-25,000	
	A34120 NHS Support for Social Care Total	4,680,360		Non-Controllable Total	27,300	
			A31910 Royal Jubilee Court Total		259,216	
Service	Subjective	FY Revised Budget	Family Mosaics	Expenditure Total	150,784	
AE6000 Adult Services	Expenditure Total	66,628,228	Family Mosaics RJC Reablement Total			150,784
	Income Total	-10,575,624	Royal Jubilee Court Total			410,000
	Non-Controllable Total	3,292,560				
AE6000 Adult Services Total		59,345,164				

NB. The Adult Services budget includes a £17m net budget for older people commissioning.

Savings Last 4 Years			
11/12	£1,037k	12/13	£760k
13/14	£3,641k	14/15	£875k
Main Savings Items Description			
<ul style="list-style-type: none"> Better Care Fund (BCF) – £2.5m health-related spend into the Better Care Fund. Older People – Introduce a cap on the total cost of a care package / personal budget that is not more than the average cost of residential and nursing care. Royal Jubilee Court (RJC) – Closure of the reablement service and possible re-use of building. 			
What is protected within service	<p>Better Care Fund</p> <ul style="list-style-type: none"> Joint Commissioning and integrated services with health. Reablement / enablement. Assistive technology. Sign-posting services. <p>Older People</p> <ul style="list-style-type: none"> Statutory services for older people and their carers. 		

Savings proposals				
Saving	Value of Saving and Year(s)			
<p>Better Care Fund</p> <p>In 2015/16 the new Better Care Fund will launch. This pooled budget is aimed at supporting health and social care integration, through transforming services to work more closely together in local areas. The focus will be on enabling improved collaboration work, joint commissioning, better data-sharing, seven-day working across health and social care services, and the protection of social care services.</p> <p>For the Council this means that some services will be funded via the Better</p>	TOTAL: £2,500k			
	15/16	16/17	17/18	18/19
	£2,500k			

<p>Care Fund to help achieve these aims. These services include the new Joint Assessment and Discharge, and Integrated Cluster Community teams, reablement / enablement, assistive technology, and sign-posting services. The fund will also be used to support the implementation of the Care Act through sustainable service delivery models.</p>									
<p>Older People We will review our operating model for older people, and ensure that we are receiving maximum value for money and that services are outcomes-focussed. In addition, we will look to introduce a cap on the total cost of a care package / personal budget that is not more than the average cost of residential and nursing care. This may be necessary in order to both deliver the savings and help mitigate against future demand pressures from an ageing population.</p> <p>The successful realisation of these savings are, in part, reliant on other savings items such as the Voluntary Sector Review, the Better Care Fund, and Royal Jubilee Court.</p>	<p>TOTAL: £1,000k</p> <table border="1" data-bbox="1038 506 1501 595"> <thead> <tr> <th>15/16</th> <th>16/17</th> <th>17/18</th> <th>18/19</th> </tr> </thead> <tbody> <tr> <td>£500k</td> <td>£500k</td> <td></td> <td></td> </tr> </tbody> </table>	15/16	16/17	17/18	18/19	£500k	£500k		
15/16	16/17	17/18	18/19						
£500k	£500k								
<p>Royal Jubilee Court Royal Jubilee Court provides sheltered housing, retirement housing, and supported housing for older people. There is also a reablement and step-down service that is provided through a contract with an external provider.</p> <p>We are proposing to close the reablement element of this Council-run service and will look at alternative uses for Royal Jubilee Court. People who would have accessed reablement through RJC will access this instead from the community teams.</p>	<p>TOTAL: £410k</p> <table border="1" data-bbox="1038 972 1501 1061"> <thead> <tr> <th>15/16</th> <th>16/17</th> <th>17/18</th> <th>18/19</th> </tr> </thead> <tbody> <tr> <td>£200k</td> <td>£210k</td> <td></td> <td></td> </tr> </tbody> </table>	15/16	16/17	17/18	18/19	£200k	£210k		
15/16	16/17	17/18	18/19						
£200k	£210k								
<p>TOTAL SAVINGS BY YEAR</p>	<p>TOTAL: £3,910k</p> <table border="1" data-bbox="1038 1330 1501 1420"> <thead> <tr> <th>15/16</th> <th>16/17</th> <th>17/18</th> <th>18/19</th> </tr> </thead> <tbody> <tr> <td>£3,200k</td> <td>£710k</td> <td></td> <td></td> </tr> </tbody> </table>	15/16	16/17	17/18	18/19	£3,200k	£710k		
15/16	16/17	17/18	18/19						
£3,200k	£710k								

<p>Reasons for recommending proposals</p>	<p>Better Care Fund</p> <ul style="list-style-type: none"> • Central Government drive towards integrated health and social care services. • Maximising tax payer money through integration. • Improved outcomes for service users and patients. • Services that add the most value in terms of keeping people independent. <p>Older People</p> <ul style="list-style-type: none"> • Increasing demographic pressures mean that the current operating model is unsustainable in the future. For example: <ul style="list-style-type: none"> ○ Havering has the highest proportion of older people in London; ○ People are living longer and are entering the system with more complex needs; ○ Havering's population is predicted to rise by 13.5% by 2021, and is growing at a faster rate than the England average; ○ The 65+ population in Havering is expected to grow the fastest overall in the future, increasing by 16% by 2021. The fastest growth is in the 90+ age, expected to increase by 70% by 2021; ○ We are anticipating an increase in the numbers of people requiring a statutory
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	<p>assessment of need with the introduction of the Care Act in April 2015.</p> <p>Royal Jubilee Court</p> <ul style="list-style-type: none"> Better Care Fund integrated services could lead to a drop in demand at RJC.
Identified Risks	
<p>Better Care Fund</p> <ol style="list-style-type: none"> The Trust's Improvement Plan could put their BCF commitments at risk. Integration is difficult and complex, and requires long-term commitment from all agencies. Additional demand resulting from the Care Act could deflect attention and resources away from this agenda. The function and composition of the Health and Wellbeing Board is being reviewed in order to move it towards being a key driver of positive change and transformation within the health and social care economy. If this is not successfully achieved then future integration plans and more innovative joint solutions with health and the community might be at risk. <p>Older People</p> <ol style="list-style-type: none"> The proposed cap is a reputational risk for the Council. Improving services for carers is a theme within the Care Act, and this could lead to additional financial pressures for the Council. The increased demand due to demographic pressures could negate any savings made from the item. <p>Royal Jubilee Court</p> <ol style="list-style-type: none"> If no alternative use for the properties at RJC is identified by Adult Social Care, they will revert to their original use as sheltered accommodation. Demand for RJC increases as a result of the Care Act and/or an ageing population. If unmet from alternative provision, this demand would lead to an increase in residential and nursing care spend (putting additional pressure on the 'Older People' savings item). This would have a negative impact on the personalisation agenda and outcomes for service users. 	

Number of FTE in area	<p>Better Care Fund: N/A as FTEs are counted elsewhere in Staffing template.</p> <p>Older People: N/A as FTEs are counted elsewhere in the Staffing template.</p> <p>Royal Jubilee Court: 3.83 FTEs.</p>
Anticipated reduction in FTE as a result of proposals	<p>Better Care Fund: 0 FTEs.</p> <p>Older People: N/A as FTE savings are counted elsewhere in the Staffing template, and the savings here are likely to be on the commissioning side.</p> <p>Royal Jubilee Court: 3.83 FTEs.</p> <p>These are current estimates and are subject to further review and consultation.</p>

administrative burden on the qualified staff. As in adults the budget saving is cashable but the service is also absorbing increasing demand.									
<p>Children and Adults with Disabilities (CAD)</p> <p>With the new Children and Families Act we are required to look at integrated services and improving the life journey of young people into adulthood. We are proposing to merge disabled children's and adults services to include social workers, nurses and education staff such as psychologists. We will develop the role of key working, building on the expertise that exists within the team. It is anticipated that by introducing a revised structure and new roles we will be able to reduce spend.</p>	<p>TOTAL: £400k</p> <table border="1"> <thead> <tr> <th>15/16</th> <th>16/17</th> <th>17/18</th> <th>18/19</th> </tr> </thead> <tbody> <tr> <td></td> <td>£400k</td> <td></td> <td></td> </tr> </tbody> </table>	15/16	16/17	17/18	18/19		£400k		
15/16	16/17	17/18	18/19						
	£400k								
<p>Disabled Facilities Grant</p> <p>Currently, adaptations to properties for disabled people are undertaken by two separate teams, one within housing and one within adult social care. This can lead to confusion for disabled people and is not the most efficient way to provide the service. We are proposing that we review the two teams.</p>	<p>TOTAL: £110k</p> <table border="1"> <thead> <tr> <th>15/16</th> <th>16/17</th> <th>17/18</th> <th>18/19</th> </tr> </thead> <tbody> <tr> <td>£110k</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	15/16	16/17	17/18	18/19	£110k			
15/16	16/17	17/18	18/19						
£110k									
<p>Workforce</p> <p>The Directorate is proposing to introduce the role of Principal Social Worker to support changes needed in social work practice arising from the Care Act 2014 and Children & Families Act 2014. This function will include quality assurance of practice and workforce development commissioning. Central Government funding for workforce development is no longer ring-fenced, and this has led to an increased budget pressure within the Directorate. We will review workforce development requirements and may create a workforce development commissioner who will oversee all related spend. Training spend will need to be absorbed within team budgets.</p>	<p>TOTAL: £300k</p> <table border="1"> <thead> <tr> <th>15/16</th> <th>16/17</th> <th>17/18</th> <th>18/19</th> </tr> </thead> <tbody> <tr> <td>£300k</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	15/16	16/17	17/18	18/19	£300k			
15/16	16/17	17/18	18/19						
£300k									
TOTAL SAVINGS BY YEAR	<p>TOTAL: £1,110k</p> <table border="1"> <thead> <tr> <th>15/16</th> <th>16/17</th> <th>17/18</th> <th>18/19</th> </tr> </thead> <tbody> <tr> <td>£610k</td> <td>£500k</td> <td></td> <td></td> </tr> </tbody> </table>	15/16	16/17	17/18	18/19	£610k	£500k		
15/16	16/17	17/18	18/19						
£610k	£500k								

Reasons for recommending proposals	<ul style="list-style-type: none"> In order to protect front line services for the most vulnerable we have to develop the most efficient working practices. There is a national shortage of social workers and we are currently carrying high numbers of agency staff. We therefore need to focus this scarce resource on the key areas that need qualified staff such as safeguarding.
Identified Risks	
<ol style="list-style-type: none"> The trade unions may challenge the proposals. Staff may be opposed to the change in their job roles and become disaffected and disengaged. The new models may not be popular leading to recruitment difficulties. Failure to recruit suitably qualified and skilled staff could lead to safety issues. Enabling disabled people to be as independent as possible requires skilled and assertive key-working. If the skill mix is wrong it could lead to people accessing more expensive services. Potential for reduced resilience and business continuity as services become leaner in terms of staffing resource. 	

Number of FTE in area	Adult Social Care: 82.44 FTEs Children's Social Care: 150 FTEs Children and Adults with Disabilities: N/A as FTEs included elsewhere Disabled Facilities Grant: 6.2 FTEs (Adult Social Care) 2.5 FTEs (Housing) Workforce: 0 FTEs (posts covered by agency)
Anticipated reduction in FTE as a result of proposals	Approx. 15 FTEs This is a current estimate and is subject to further review and consultation.

BUDGET SAVINGS: INITIATIVE TEMPLATE

Service & Service Head	Description of Service Area
Adults – Barbara Nicholls	Younger Adults

Current Budget Information		
Cost Centre	Subjective	FY Revised Budget
AE6000 Adult Services	Expenditure Total	66,628,228
	Income Total	-10,575,624
	Non-Controllable Total	3,292,560
AE6000 Adult Services Total		59,345,164

NB. The majority of spend on younger adults is on learning disability commissioning (£16m net for 2014/15). The Council also spends £4m on physical disability services, and £3m on mental health services.

Savings Last 4 Years			
11/12	£298k	12/13	£480k
13/14	£1,445k	14/15	£700k

Main Savings Items Description	
<ul style="list-style-type: none"> Younger Adults – Review services, with a view to shaping more cost effective services and/or meeting statutory requirements through personalised services. 	
What is protected within service	<ul style="list-style-type: none"> Statutory services for younger adults and their carers. Outcomes-focussed, personalised services.

Savings proposals				
Saving		Value of Saving and Year(s)		
Younger Adults		TOTAL: £4,450k		
Services for younger adults (between the ages of 18 and 64) are very traditional, expensive and do not offer the personalised provision required. We will review all areas of spend (e.g. residential care, care packages, respite and day care) to ensure that we are receiving maximum value for money and that services are outcomes-focussed.		15/16	16/17	17/18
We will re-commission where necessary to meet statutory requirements through personalised services, and will look to apply the minimum statutory levels of service using the new national eligibility criteria within the Care Act.		£1,000k	£1,450k	£1,000k
As we complete person centred plans, move to personal budgets and strictly apply eligibility criteria it is likely that we will not require some of the current provision. We will ensure any changes to how services are offered will include full consultation and impact assessment prior to any recommendations being finalised, and ensure viable alternatives are available.		£1,000k	£1,000k	£1,000k

<p>Havinging spends relatively more on services for younger adults compared to other local authorities. The review will particularly focus on high cost placements and services, as well as services where unit costs are much higher than average.</p> <p>The successful realisation of these savings is, in part, reliant on other savings items such as the Voluntary Sector Review, Children and Adults with Disabilities, and the Better Care Fund.</p>									
<p>TOTAL SAVINGS BY YEAR</p>	<p>TOTAL: £4,450k</p> <table border="1" data-bbox="1038 613 1484 703"> <tr> <td>15/16</td> <td>16/17</td> <td>17/18</td> <td>18/19</td> </tr> <tr> <td>£1,000k</td> <td>£1,450k</td> <td>£1,000k</td> <td>£1,000k</td> </tr> </table>	15/16	16/17	17/18	18/19	£1,000k	£1,450k	£1,000k	£1,000k
15/16	16/17	17/18	18/19						
£1,000k	£1,450k	£1,000k	£1,000k						

<p>Reasons for recommending proposals</p>	<ul style="list-style-type: none"> • The current operating model is very traditional, expensive and does not offer the personalised provision required. • Comparative spend and unit costs are high relative to other local authorities. • Demand for learning disability services will continue to increase as more children with disabilities reach adulthood, carers become older, and adults with a learning disability continue to live longer.
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<p>Identified Risks</p>	
<ol style="list-style-type: none"> 1. There is likely to be a strong and vocal campaign to keep the status-quo. 2. Re-provision could cost more than anticipated which would reduce the net saving from this item. 3. Improving services for carers is a theme within both the Care Act and the Children and Families Act, and this could lead to additional financial pressures for the Council. 4. Enabling disabled people to be as independent as possible requires skilled and assertive key-working. If the skill mix is wrong it could lead to people accessing more expensive services. 5. Further savings on non-statutory services could lead to an exponential increase in demand (over and above demographic forecasts) for statutory services which would lead to a net increase in budget pressures. 6. Our current operating model is very traditional and will require a radical change in working practices. Such a shift will be difficult to achieve and could result in good staff leaving during a time of instability and ambiguity. 	

<p>Number of FTE in area</p>	<p>N/A as FTEs are counted elsewhere in the Staffing template.</p>
<p>Anticipated reduction in FTE as a result of proposals</p>	<p>N/A as FTE savings are counted elsewhere in the Staffing template, and the savings here are likely to be on the commissioning side.</p>

BUDGET SAVINGS: INITIATIVE TEMPLATE

Service & Service Head	Description of Service Area
oneSource HR & OD Caroline Nugent	Strategic/Operational HR & OD

Current Budget Information			
<ul style="list-style-type: none"> Current corporate (non-schools) paybill c £80m pa 			
Savings Last 4 Years			
11/12 £0k	12/13 £0k	13/14 £0k	14/15 £0k
Main Savings Items Description			
<ul style="list-style-type: none"> Changes to (non-schools) employee pay and variable payments/allowances 			
What is protected within service	Pay and payments covered by Part 2 of the NJC Agreement for Local Government Services		

Savings proposals				
Saving	Value of Saving and Year(s)			
Changes to (non-schools) employee basic pay and variable payments/allowances. This will include moving to a new working week, encompassing working days and hours, and standardised payments outside of this so they are consistent across the Council.	TOTAL: £500k			
	15/16	16/17	17/18	18/19
	0	500	0	0
TOTAL SAVINGS BY YEAR	TOTAL: £500k			
	15/16	16/17	17/18	18/19
	0	£500	0	0

Reasons for recommending proposals	To modernise the Council's approach to Pay & Recognition and to reduce the overall paybill by £500k.
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Identified Risks	
<ol style="list-style-type: none"> Reduced productivity due to lower employee morale/industrial action Increased number of Employment Tribunal claims Proposals compromised by changes in national/provincial t&cs Proposals do not satisfy equalities/equal value obligations Increase in employer contribution rate to pension fund 	
Number of FTE in area	Corporate employee (non-schools) FTE 2190
Anticipated reduction in FTE as a result of proposals	Nil

BUDGET SAVINGS: INITIATIVE TEMPLATE

Service & Service Head	Description of Service Area
oneSource Exchequer and Transactional Services Sarah Bryant	Council Tax Support

Current Budget Information			
Savings Last 4 Years			
11/12	£0k	12/13	£0k
13/14	£0k	14/15	
Main Savings Items Description			
<u>Council Tax Support (CTS) Options</u>			
<p>At a Full Council meeting In January 2013, Council Members approved the Local Council Tax Support Scheme (CTS) which replaced the National Council Tax Benefit Scheme and came into effect on 1 April 2013. We received a 10% reduction in its funding from Central Government which was offset by savings from the Council Tax Reforms.</p> <p>The CTS grant has since rolled into the Settlement Funding Allocation (SFA), which has been reduced in 14/15 in-line with the core funding reduction. For 14/15 budget no amendments were made to the CTS scheme; instead this was covered as part of the Council's financial strategy.</p> <p>The review has highlighted options for change in line with other surrounding Councils existing schemes which have duly considered and protected claimants of pensionable age in accordance with law. Therefore the proposals for change only affect working age applicants.</p> <p>After much consideration, eight options have been put forward which propose changes that will reduce expenditure by varying degrees.</p> <p>Option 1 is recommended for consultation because it evenly distributes the 15% reduction in CTS and does not disproportionately impact any single vulnerable group. This option also proposes the removal of Second Adult Rebate which provides rebates of up to 25% of the Council tax liability for the second adult, where the taxpayer's income is too high to qualify for CTS. Finally Option 1 reduces the capital limit for working age applicants who would no longer qualify for Council Tax Support where their capital exceeds £6,000.</p> <p>The net savings in each proposal assumes a bad debt provision of 10% and passes on 20% to the Greater London Authority.</p> <p>Following Members' approval of an option to revise the CTS scheme in 2015, the Council will consult with the Greater London Authority in advance of members of the public and other interested parties. The consultation period is planned for six weeks commencing September 2014 in readiness for December 2014 Cabinet.</p>			

What is protected within service	Claimants of pensionable age will not be affected by any of the proposed changes.
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Savings proposals	
Saving	Value of Saving and Year(s)
Option 1 (Recommended)	
<ul style="list-style-type: none"> a) Reduce Council Tax liability for Working Age claimants by 15%. b) Abolish Second Adult Rebate (2AR). c) Reduce capital amount for Working Age claimants from £16,000 to £6,000. 	
<p>Net Savings £1,244, 384 GLA element £311,096 BDP £172,831 Gross Savings £1,728,311</p>	
<p><u>Who is affected:</u></p> <ul style="list-style-type: none"> a) All working age claimants will be affected by the 15% reduction. 6534 JSA(Job Seeker's Allowance)/Income Support claimants: £993,195 Average £152 per year/£3 p/w per claimant 3964 All other working age claimants: £610,315 Average £154 per year/£2.96 p/w per claimant Scheme adopted by Greenwich, Barking & Dagenham. b) 177 working age claimants are affected by the removal of 2AR. Gross saving £44,649. 2AR is awarded to the claimant but based on the circumstances of the 'second adult' (Non Dependant). This would be an opportunity to streamline the CTS scheme as this is a complicated calculation that affects a minimal amount of claimants. Neighbouring boroughs Newham & Thurrock have adopted as part of their schemes. c) 89 Non JSA/Income Support claimants only affected. Gross saving £80,152. This option does not generate significant savings but alters the scheme so the calculation is no longer aligns with Housing Benefit. Greater complication for administering & conveying to customers. It is fair top slice because extra income and higher premiums are already awarded for vulnerable groups. Used by Thurrock in conjunction with 25% reduction in maximum liability. 	
Option 2	
Reduce Council Tax liability for Working Age claimants by 20%	
<p>Net Saving: £1,537,728 GLA element £384,431 BDP £ 213,573</p>	

<p>Gross Savings £2,135,732</p> <p>Who is affected: All working age claimants (Pension age protected) 6534 JSA/Income Support claimants: £1,327,775 Average £203 per year/£3.90 p/w per claimant 3964 All other working age claimants: £807,957 Average £203 per year/£3.90 p/w per claimant Scheme adopted by Newham, Bromley & Brentwood (Thurrock 25%)</p>	
<p>Option 3</p> <p>Baseline reduction. Calculate CTS entitlement and then reduce every working age claimant's award by 20%.</p> <p>Net Saving: £1,362,367 GLA element £340,591 BDP £189,217 Gross Savings £1,892,175</p> <p><u>Who is affected:</u> All working age claimants 6534 JSA/Income Support claimants: £1,291,093,175 Average £197 per year/£3.78 p/w per claimant 3964 All other working age claimants: £601,082 Average £151 per year/£2.90 p/w per claimant</p>	
<p>Option 4</p> <p>Baseline reduction. Calculate CTS entitlement and then reduce every working age claimant's award by 15%.</p> <p>Net Saving: £1,018,916 GLA element £254,728 BDP £141,515 Gross Savings £1,415,159</p> <p><u>Who is affected:</u> All working age claimants 6934 JSA/Income Support claimants: £966,106 Average £139 per year/£2.68 p/w per claimant. 3964 All other working age claimants: £449,053 Average £113 per year/£2.18 p/w per claimant.</p>	
<p>Option 5</p> <p>All Working Age calculated for CTS as occupying a Band B property</p> <p>Saving: £976,360 GLA element £244,089 BDP £135,605 Gross Savings £1,356,054</p> <p>Who is affected: 6521 working age households living in bands C, D, E, F, G & H (Pension age protected). Will generally affect families in larger properties compared to single households.</p>	

Option 6	
Reduce Council Tax liability for Working Age claimants by 10%	
Saving: £771,685 GLA element £192,920 BDP £107,178 Gross Savings £1,071,783	
Who is affected: All working age claimants (Pension age protected): 6534 JSA/Income Support claimants: £661,925 Average £101 per year/£1.95 p/w per claimant 3964 All other working age claimants: £409,858 Average £103 per year/£1.99 p/w per claimant Scheme adopted by Bexley	
Option 7	
Baseline reduction. Calculate CTS entitlement and then reduce every working age claimant's award by 10%.	
Saving: £678,520 GLA element £169,630 BDP £94,238 Gross Savings £942,388	
Who is affected: All working age claimants (Pension age protected): 6534 JSA/Income Support claimants: £643,617 Average £98 per year/£1.90 p/w per claimant 3964 All other working age claimants: £298,771 Average £75 per year/£1.45 p/w per claimant	
Option 8	
All Working Age calculated for CTS as occupying a Band C property	
Saving: £350,670 GLA element £87,667 BDP £48,704 Gross Savings £487,041	
Who is affected: 2820 working age households living in bands D, E, F, G, & H (Pension age protected). Will generally affect families in larger properties compared to single households.	

Reasons for recommending proposals	Indicative figures suggest further reduction in RSG for 15/16 and beyond which includes the rolled in CTS grant. The level of reduction will not be known until December 2014 at the earliest, however the precise figures may not be exemplified in full but grouped with the core funding. As a result, a review
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	of the CTS scheme is now required as a consequence of these reductions.
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Identified Risks	

Number of FTE in area	N/A
Anticipated reduction in FTE as a result of proposals	

BUDGET SAVINGS: INITIATIVE TEMPLATE

Service & Service Head	Description of Service Area
Streetcare - Robert Wenman	Parking

Current Budget Information

Activity	Subj Type	FY Revised Budget	
Parking & Road Safety Services	Expenditure	2,619,995	
	Income	(3,867,973)	
	Non-Controllable	1,305,125	Includes notional accounting entries
Parking Total		57,148	
Grand Total		57,148	

Savings last 4 Years

11/12: 903K	12/13: 1,609K	13/14: 1,809K	14/15: 1,899K
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Main Savings Items Description

- Parking services – To review the fees, charges and operational model for parking services and bring charging and business operation into line with new legislative requirements and services elsewhere.

What is protected within service

- The car parking service remains in place. No changes are proposed to the number of static car parks
- We have proposed changes in all areas up to and including the 3hr tariff. No changes proposed above 3hrs given the consistency of tariffs.

Savings proposals

Saving	Value of Saving and Year(s)								
<p>Parking strategy</p> <p>The Council will consult on a new Parking Strategy in September 2014. It will address issues raised by the DCLG's legislative changes to the existing parking regime, other parking priorities and a revised set of charges for the main elements of the parking regime .</p> <p>The proposals include :</p> <ul style="list-style-type: none"> • Redesign of the enforcement service to meet new legislative requirements and enforce effectively . • Revision to charges for permits to bring them into line with other 	<p>TOTAL:</p> <table border="1"> <thead> <tr> <th>15/16</th> <th>16/17</th> <th>17/18</th> <th>18/19</th> </tr> </thead> <tbody> <tr> <td>£1m</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	15/16	16/17	17/18	18/19	£1m			
15/16	16/17	17/18	18/19						
£1m									

<p>charges in Outer East London</p> <p>Resident permits increase:</p> <ul style="list-style-type: none"> • 1 car from £20 to £25 • 2 car from £25 to £50 • 3 car from £60 to £75 <p>Other permits increase:</p> <ul style="list-style-type: none"> • Visitor permits from £10 to £12.50 • Business permit from £71.05 to £106.58 • Amended permit from £15 to £22.50 • Health & Home Care from (Business sector) £36 to £54 • Home Care (Non Business) stays same @ £36 • Waiver permit from £12.70 to £20 • Commuter from £300 to £450 per yr <p>Outlying car parks tariff</p> <ul style="list-style-type: none"> • A new charging regime for the first 3 hours 20 mins + 10mins grace free 30mins to 1hr = £1 1-2 hrs = £1.50 2-3 hrs = £2.00 <p>On street Pay & Display</p> <ul style="list-style-type: none"> • A new charging regime for the first 3 hours: 20 mins + 10mins grace free 30mins to 1hr = £1 1-2 hrs = £1.50 2-3 hrs = £2.00 <p>Romford town charging</p> <ul style="list-style-type: none"> • Proposals to follow <p>Adoption of the Moving Traffic Offences powers</p> <ul style="list-style-type: none"> • To enable the Borough to enforce for moving traffic offences <p>Additional schemes</p> <ul style="list-style-type: none"> • The development of 26 Pay and Display locations, 10 CPZ's and 5 Extensions 									
<p>TOTAL SAVINGS BY YEAR</p>	<p>TOTAL: £1m</p> <table border="1"> <thead> <tr> <th>15/16</th> <th>16/17</th> <th>17/18</th> <th>18/19</th> </tr> </thead> <tbody> <tr> <td>£1m</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	15/16	16/17	17/18	18/19	£1m			
15/16	16/17	17/18	18/19						
£1m									

Reasons for recommending proposals	Parking strategy <ul style="list-style-type: none"> • Reviews of fees and charges demonstrate that charging in this area is substantially below that in adjacent boroughs • Latent demand exists for P and D schemes and CPZ extensions • Moving traffic offences powers not adopted at moment • Risk mitigation on potential DCLG changes is to remodel the CEO and challenge operation – work underway
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Identified Risks

Parking strategy <ol style="list-style-type: none"> 1. DCLG publish further requirements which make some current and proposed elements of this strategy untenable 2. Political risk – despite current low levels of charges increases may be deemed to be unacceptable 3. Utilisation risk- risk that customers will be deterred by an increase in charging 4. P and D and CPZ extensions all subject to consultation and then consideration by HAC and Cabinet member agreement – risk of non- agreement 5. Revised business model for enforcement - cost comparison underway but not complete yet .

Number of FTE in area	Parking strategy N/A
Anticipated reduction in FTE as a result of proposals	Parking strategy N/A

BUDGET SAVINGS: INITIATIVE TEMPLATE

Service & Service Head	Description of Service Area
Regulatory Services Patrick Keyes	Strategic Planning and Transportation team, Development & Building Control services, Emergency Planning, Public Protection, and Registration and Bereavement Services

Current Budget Information			
Activity	Subj Type	FY Revised Budget	
AB2320 Births Deaths & Mrgs	Expenditure	584,730	
	Income	-663,540	
	Non-Controllable	392,910	
AB2320 Births Deaths & Mrgs Total		314,100	
AB3420 Crematorium & Cems	Expenditure	1,841,730	
	Income	-3,339,370	
	Non-Controllable	500,270	
AB3420 Crematorium & Cems Total		-997,370	
AB3510 Trading Standards	Expenditure	676,193	
	Income	-148,990	
	Non-Controllable	182,370	
AB3510 Trading Standards Total		709,573	
AB3620 Environmental Health	Expenditure	1,533,552	
	Income	-257,310	
	Non-Controllable	360,090	
AB3620 Environmental Health Total		1,636,332	
AB7660 Development Planning	Expenditure	438,010	
	Income	-91,340	
	Non-Controllable	115,180	
AB7660 Development Planning Total		461,850	
AF9450 Development Control Svs	Expenditure	1,965,590	
	Income	-1,624,660	
	Non-Controllable	446,740	
AF9450 Development Control Svs Total		787,670	
AF9620 Corp & Comm Response	Expenditure	108,360	
	Non-Controllable	26,670	
AF9620 Corp & Comm Response Total		135,030	
Grand Total		3,047,185	
Savings Last 4 Years			
11/12 £197k	12/13 £237k	13/14 £340k	14/15 £353k

Main Savings Items Description	
<ul style="list-style-type: none"> To reduce staffing in trading standards by £150k To develop a pet cemetery 	
What is protected within service	Strategic Planning and Development & Building Control <ul style="list-style-type: none"> Within Development & Building Control the Planning Service is responsible for processing Major, Minor and Other applications (42 Majors decisions issued in 13/14). It is a demand led service, statutory in role and the Council, via Regulatory Services Committee and powers delegated to officers is the only body able to decide planning applications. In October 2103, the Government introduced new requirements to meet quality and timescales with penalties in terms of return of fees and loss of control over major

decision-making should an authority be designated as poor performing. This service and Strategic planning team are under review to meet current demand pressures.

Emergency Planning

- This 2 person team provides the emergency planning function

Public Protection - Environmental Health

- Environmental Health meets statutory responsibilities for inspection of private sector housing, food, noise, pollution and health and safety in businesses, as well as supporting the Licencing process

Registration and Bereavement Services

- Statutory services with fixed fees and processes carrying out Births Death and Marriage registrations, civil partnerships, and citizenship ceremonies. Cost pressures against existing income targets
- Management of the crematorium and the Council's cemeteries. It is a large income generator for the Council. Income pressures from new Cemetery and Crematorium at Brentwood.

Savings proposals				
Saving		Value of Saving and Year(s)		
Public Protection (Trading standards). This is reducing the service to statutory minimum operational and enforcement activities. Whilst the current range of preventative activities do help prevent fraud they are not as essential as other statutory activities in this area.		TOTAL: £150k		
		15/16	16/17	17/18
		£150k		
Pet Cemetery /Crematory This is a proposal to develop a business case for a pet cemetery/or possible crematory to be established. Such facilities are run successfully elsewhere. It will require capital investment.		TOTAL: £20k		
		15/16	16/17	17/18
		£10k	£10k	
TOTAL SAVINGS BY YEAR		TOTAL: £170k		
		15/16	16/17	17/18
		£160k	£10k	

Reasons for recommending proposals	Trading Standards <ul style="list-style-type: none"> • The work undertaken by the advisory arm of trading standards is very beneficial but not statutory. • The pet cemetery/possible crematory is a standalone initiative and could generate an income stream for the borough. There is no similar facility here.
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Identified Risks
<p>Trading Standards</p> <ol style="list-style-type: none"> 1. No proactive advisory work would be undertaken 2. This would mean relying on national and regional advisory services for consumer complaints 3. Resources would no longer be able to support preventative initiatives such as the Buy with Confidence scheme and Operation Scaffold which tackles rogue builders.
<p>Pet Cemetery/Crematory</p> <ol style="list-style-type: none"> 1. The detailed business case may not support proceeding with the initiative. 2. Once established the Council would need to maintain the facility. 3. Same reputational risks as with all burials

Number of FTE in area : Trading standards	11
Anticipated reduction in FTE as a result of proposals	5 – this is a current estimate and is subject to further review and consultation.

BUDGET SAVINGS: INITIATIVE TEMPLATE

Service & Service Head	Description of Service Area
Corporate Policy & Community Manager – Claire Thompson Head of Adult Social Care and Commissioning – Barbara Nicholls Head of Childrens Services – Kathy Bundred	Voluntary Sector grants and commissioning budgets are held both corporately and at a service level. The review of the grants and contracts in place with the voluntary sector will be led by the Corporate Policy & Community Manager and the Head of Adults Social Care and Commissioning. The CCG will also be involved in the review.

Current Budget Information

In 2013/14, the Council spent approximately £8.7m funding services from the voluntary and community sector, including:

- Core funding grants to organisations (eg. HAVCO and Citizens Advice Bureau)
- Small grants for community projects
- Larger contractual arrangements for specific commissioned services (mainly in children’s and adults social care)

Not all the £8.7m comes from the Council’s general fund - £1.2m of this is external funding that comes into the Council to be spent on specific purposes or projects (eg. MOPAC grant).

Total General fund	7,250,816
Total Earmarked reserve	10,136
Total HRA	12,400
Total External funding	1,028,288
GRAND TOTAL	8,743,786

The council also supports the voluntary sector by ways of subsidised “equitable rents”, set at one-third of open market commercial rents, to 19 community organisations renting Council premises, amounting to £300,000 per annum.

The Council also provides discretionary rate relief to 94 organisations with charitable status. This amounted to a subsidy of £223,802 in 2013/14.

It is recognised that these initiatives provide vital subsidy to community organisations and therefore they will not be included as part of the review at this time.

The council does recognise that it can support the voluntary and community sector through assistance with accommodation and back office services and proposes to review whether it can provide more such support in the future as part of a new model of working together.			
Savings Last 4 Years			
Over the last four years, the Council has largely managed to cushion the impact of its budget reductions on the voluntary and community sector, and as such its overall investment figure has remained roughly the same.			
11/12 £0k	12/13 £37k	13/14 £37k	£14/15 £50k
Main Savings Items Description			
<ul style="list-style-type: none"> Redesign of the approach to funding voluntary and community organisations - moving away from grant dependency towards outcomes-led commissioning, ensuring services are outcomes-focussed, and are adding maximum value in terms of both early help, prevention and demand management. Removal of the budget set aside for the grant to HAVCO for the Community Accountancy Service, which has now closed 			
What is protected within service	Funding Voluntary and Community Sector Organisations – Corporate Funding		
	Voluntary sector organisations that add the greatest value in terms of ROI, improving outcomes, and demand management.		

Savings proposals					
Saving		Value of Saving and Year(s)			
Withdrawal of the grant to HAVCO for the Community Accountancy Service HAVCO decided to stop providing their accountancy service to the voluntary sector in 2013/14. This is therefore a straightforward saving with no impact on staff or Council services.		TOTAL £45k			
		15/16	16/17	17/18	18/19
		£45k			
Voluntary Sector Review The Council is in the process of reviewing its arrangements for working with the voluntary and community sector to build community resilience, which includes moving away from organisations being reliant on grants from the Council towards commissioning arrangements to bring about tangible improvements in outcomes and reduced demand on Council services. We will review voluntary sector spend to ensure we are receiving value for money, services are outcomes-focussed, and are adding maximum value in terms of both early help, intervention and prevention, and demand management. Effective spend in the voluntary sector helps alleviate demand on our front-line services. We will not be seeking to make the savings by simply de-commissioning services, as this would have a damaging impact on the community, and this would likely lead to exponentially increased demand on our front-line services. The review will likely lead to a significant change in spending patterns to allow for proper consideration of cost avoidance savings. For example, one		TOTAL: £1100k			
		15/16	16/17	17/18	18/19
			£1100k		

<p>provider may deliver against the same outcome as another, but it has a higher impact and is more efficient and effective. Therefore, investing proportionally more into this provider could reduce overall demand for our front-line services. Cost avoidance savings could therefore result in a base-budget reduction within our front-line services.</p> <p>The aim of the review is to improve the way that we spend money in the voluntary sector. We will look to prioritise investment that either:</p> <ul style="list-style-type: none"> • Adds the greatest value to Havering’s outcomes and indicators; • Provides the greatest value for money and ROI; and/or • Clearly mitigate against future demand pressures on our services. <p>The review will also look at how we provide infrastructure support services to the voluntary sector, which will involve consultation being carried out to establish what the sector actually needs, and which model</p>									
<p>TOTAL SAVINGS BY YEAR</p>	<p>TOTAL £1,145,000</p> <table border="1" data-bbox="1029 817 1508 965"> <thead> <tr> <th>15/16</th> <th>16/17</th> <th>17/18</th> <th>18/19</th> </tr> </thead> <tbody> <tr> <td>£45k</td> <td>£1100k</td> <td></td> <td></td> </tr> </tbody> </table>	15/16	16/17	17/18	18/19	£45k	£1100k		
15/16	16/17	17/18	18/19						
£45k	£1100k								

<p>Reasons for recommending proposals</p>	<ul style="list-style-type: none"> • The Council needs to move to a new model for working with the community and community organisations, away from grant dependency, which is not sustainable, towards improved commissioning that brings tangible outcomes for local people, where it is most needed, and which allows the voluntary sector to thrive in new markets. • It has been 13 years since the Council last reviewed infrastructure provision in Havering. Since then, much has changed and it is an opportune time to review the provision of infrastructure services in Havering, in terms of what the sector actually needs and how it is provided. • The community accountancy service has been closed by HAVCO and the budget for this service can therefore become an immediate saving
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Identified Risks
<p>The key risk in this saving is ensuring that throughout the process, proposals and decisions are consulted on with voluntary organisations and their users, and are robustly analysed for equality impact. Failure to do this could result in a legal challenge which carries reputational and financial risks for the Council.</p> <p>There is also a risk to future budgets if the proposed ‘demand avoidance’ investment in preventative voluntary sector-led services does not bring about the required reductions on demand for council services.</p> <p>A robust cost avoidance financial model is urgently needed as cost avoidance savings are difficult to calculate, track and evidence. There is a danger that the Council will revert to more traditional ways of saving money if this is not addressed or if there is a lack of confidence in the model.</p> <p>That a large proportion of the spend is locked in to / continues to be committed irrespective of value for money or relative impact on outcomes and indicators.</p>

Number of FTE in area	<p>Voluntary sector It is difficult to quantify how many people are employed by the voluntary sector in Havering, but recent research suggests over 600 people, with potentially 1000s more giving their time for free.</p>
Anticipated reduction in FTE as a result of proposals	<p>Voluntary sector No staffing implications on LBH but reductions in funding may bring about job losses in the voluntary sector organisations whose funding is stopped as a result of the review.</p>

BUDGET SAVINGS: INITIATIVE TEMPLATE

Service & Service Head	Description of Service Area
Culture & Leisure – Simon Parkinson	Libraries, Parks, Queens Theatre and Fairkytes

Current Budget Information

Activity	Subj Type	FY Revised Budget
AB1010 Allotments.	Expenditure	5,000
	Income	(15,380)
	Non-Controllable	670
AB1010 Allotments. Total		(9,710)
AB1020 Arts Services	Expenditure	361,810
	Income	(128,790)
	Non-Controllable	177,680
AB1020 Arts Services Total		410,700
AB1030 Entertainments	Income	0
AB1030 Entertainments Total		0
AB1040 Indoor Sports & Recreation	Expenditure	460,921
	Non-Controllable	1,631,439
AB1040 Indoor Sports & Recreation Total		2,092,360
AB1050 Parks & Outdoor Sports	Expenditure	2,430,590
	Income	(453,850)
	Non-Controllable	824,170
AB1050 Parks & Outdoor Sports Total		2,800,910
AB1060 Queen's Theatre	Expenditure	535,275
	Non-Controllable	127,240
AB1060 Queen's Theatre Total		662,515
AB1070 Historic Buildings	Expenditure	77,200
	Non-Controllable	12,390
AB1070 Historic Buildings Total		89,590
AB1080 Grounds Maintenance DSO	Expenditure	3,626,520
	Income	(3,023,250)
	Non-Controllable	250,130
AB1080 Grounds Maintenance DSO Total		853,400
AB1090 Social Halls & Comm Ctrs	Expenditure	1,030
	Income	(32,020)
	Non-Controllable	53,140
AB1090 Social Halls & Comm Ctrs Total		22,150
AB1100 Sports Dev & Outdoor Ctrs	Expenditure	146,230
	Income	(11,710)
	Non-Controllable	92,420
AB1100 Sports Dev & Outdoor Ctrs Total		226,940
AB1105 My Place Centres	Expenditure	445,080

	Income	(183,600)	
	Non-Controllable	56,270	
AB1105 My Place Centres Total			317,750
AB1110 Supervision Management & Supp	Expenditure	165,630	
	Non-Controllable	45,060	
AB1110 Supervision Management & Supp Total			210,690
AB1125 Health and Wellbeing	Expenditure	109,840	
	Non-Controllable	32,190	
AB1125 Health and Wellbeing Total			142,030
AB1135 Policy, Marketing and Administration	Expenditure	290,920	
	Non-Controllable	71,810	
AB1135 Policy, Marketing and Administration Total			362,730
AB1160 Countryside Services	Expenditure	172,500	
	Income	(14,380)	
	Non-Controllable	38,460	
AB1160 Countryside Services Total			196,580
AE2150 Music Services	Expenditure	652,330	
	Income	(567,800)	
	Non-Controllable	144,100	
AE2150 Music Services Total			228,630
Grand Total			8,607,265
AB1300 Library Service	Expenditure		2,840,779
	Income		(343,770)
	Non-controllable		673,060
AB1300 Library Service Total			3,170,069
Savings Last 4 Years			
11/12: 108K	12/13: 609K	13/14: 766K	14/15: 819K

Main Savings Items Description	
<ul style="list-style-type: none"> • Redesign of Library service • Reduction in Queens Theatre Grant • Fairkytes removal of subsidy and reduction in the outreach programme • Events (see Communications template) 	
What is protected within service	<p>Libraries</p> <ul style="list-style-type: none"> • All 10 buildings will remain open. • Budgets to run the computer systems, including links to the London Library Consortium <p>Operational Parks services: parks client officers, parks protection team and the majority of the grounds maintenance operations</p> <ul style="list-style-type: none"> • This is a key frontline service delivered in 108 parks and open spaces

	<p>Arts and Sports Development core teams</p> <ul style="list-style-type: none"> These are very small teams which manage contracts and networks <p>Allotments</p> <ul style="list-style-type: none"> The small cost centre for this service recovers its costs
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Savings proposals					
Saving		Value of Saving and Year(s)			
<p>Library Service</p> <p>This is a statutory service and proposals will require formal consultation. A number of savings options have been considered. This option retains all 10 libraries with reduced opening hours and a greater use of volunteers, to increase the core opening hours, manage a reduced Reader Development offer, the Local Studies and Family History Centre and the Housebound Service. The proposal also includes the introduction of charges for computers in Libraries. Other options for a redesign of the service within the new budget envelope could be considered.</p>		TOTAL: £1.138m			
		15/16	16/17	17/18	18/19
			£1.138m		
<p>Parks</p> <p>These reflect an increase in both the charges for car parking and the number of car parks it applies to; an increase in income arising from recent capital investments and achieving efficiencies through reorganising grounds maintenance operations (eg more local composting and reduced transport costs).</p>		TOTAL: £300k			
		15/16	16/17	17/18	18/19
		£100k	£200k		
<p>Queens Theatre</p> <p>This is a phased grant reduction for the theatre. Other options have been considered and this may include a formal review of Trust against other theatre management business models.</p>		TOTAL: £200k			
		15/16	16/17	17/18	18/19
		£100k	£100k		
<p>Fairkytes removal of subsidy and reduction in the outreach programme</p> <p>This is a change to the business operation of Fairkytes resulting in increased charges (up to 20% increase -5% youth services 10% & 20% room hire) and an enhanced programme, linked to planned capital investment. The proposal also includes reducing support to a number of arts organisations delivering outreach programmes in the borough. This will be managed as part of the Voluntary Sector Review.</p>		TOTAL: £100k			
		15/16	16/17	17/18	18/19
		£100k			
TOTAL SAVINGS BY YEAR		TOTAL: £1.738m			
		15/16	16/17	17/18	18/19
		£300k	£1.438m		0

Reasons for recommending proposals	<p>Libraries</p> <ul style="list-style-type: none"> This is a statutory service but it is provided at a level above that which we have assessed the statutory minimum provision to be. This reduces it to that level whilst preserving a geographical spread of provision and avoids any building closures. Volunteers will be encouraged to increase library opening hours and run other library services that will be reduced
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	<p>Parks income and efficiencies</p> <ul style="list-style-type: none"> The Council has a very large network of parks and open spaces and these proposals are a way of reducing spend pressure without impacting on the quality of the parks provision. Car Parking charges will be introduced in all Parks and Open spaces car parks. <p>Queens theatre</p> <ul style="list-style-type: none"> This is a grant to an important but non statutory body. This reduces the grant over two years. <p>Fairkytes removal of subsidy and reduction of the outreach programme</p> <ul style="list-style-type: none"> This is well used non-statutory provision and this moves it to a point where it recovers a greater percentage of its controllable costs. A reduction in the arts outreach programme will also be required to achieve the full saving.
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Identified Risks	
Libraries service	<ol style="list-style-type: none"> Reputational risk – current service well used and enjoys high levels of customer satisfaction Process risk- ultimate risk is that secretary of state upholds challenges to the process Volunteering risk- current large volunteer contingent become dissatisfied and stop volunteering
Parks income and efficiencies	<ol style="list-style-type: none"> Reputational risk –parking charges Risk that additional income may not materialise Efficiencies risk if grounds maintenance operations cannot be reorganised
Queens theatre	<ol style="list-style-type: none"> Reputational Risk – QT popular facility Income risk – reduction in Council grant may impact on Arts Council funding Theatre trust cannot cover the income loss and closes Theatre needs to move new business model to continue trading
Fairkytes removal of subsidy	<ol style="list-style-type: none"> Reputational risk- services valued by those who use them Market will not sustain higher charges

Number of FTE in area	<p>Libraries: 94 staff (includes a lot of part time staff)</p> <p>Parks income and efficiencies: 86</p> <p>QT: None as all staff are employed by the Trust</p> <p>Fairkytes removal of subsidy: 4 FTEs</p>
Anticipated reduction in FTE as a result of proposals	<p>Libraries: 50 staff</p> <p>Parks income and efficiencies: 1-2 FTEs</p> <p>QT: N/A</p> <p>Fairkytes removal of subsidy: None</p> <p>These are current estimates and are subject to further review and consultation.</p>

BUDGET SAVINGS: INITIATIVE TEMPLATE

Service & Service Head	Description of Service Area
Culture & Leisure – Simon Parkinson	Youth Service

Current Budget Information			
Activity	Subj Type	FY Revised Budget	
AB1115 Youth Facilitation	Expenditure	910,617	
	Income	-73,290	
	Non-Controllable	188,810	
AB1115 Youth Facilitation Total		1,026,137	
Grand Total		1,026,137	
Savings Last 4 Years			
11/12: 0 k	12/13: 0 k	13/14: 600 k	14/15: 600 k

Main Savings Items Description									
<ul style="list-style-type: none"> Redesign of Youth Service 									
What is protected within service	The Youth Facilitation Service is primarily a universal service although it does currently work with some vulnerable young people . The new over 12's service within Children's Services will focus on early intervention with vulnerable young people								
Savings proposals									
Saving	Value of Saving and Year(s)								
Youth Service redesign This is a complete redesign of the youth service. The proposal will result in the youth facilitation service transferring to Children's Services where the it will be integrated with existing services. Children's services will also make 100k savings. A proposal has been put forward by a member of staff for an employee led mutual to take on aspects of the services work. This proposal will need to be worked through in detail during the budget consultation process to establish if it is viable	TOTAL: £866k <table border="1"> <thead> <tr> <th>15/16</th> <th>16/17</th> <th>17/18</th> <th>18/19</th> </tr> </thead> <tbody> <tr> <td>£250k</td> <td>£616k</td> <td></td> <td></td> </tr> </tbody> </table>	15/16	16/17	17/18	18/19	£250k	£616k		
	15/16	16/17	17/18	18/19					
£250k	£616k								
TOTAL SAVINGS BY YEAR	TOTAL: £866k <table border="1"> <thead> <tr> <th>15/16</th> <th>16/17</th> <th>17/18</th> <th>18/19</th> </tr> </thead> <tbody> <tr> <td>£250k</td> <td>£616k</td> <td></td> <td></td> </tr> </tbody> </table>	15/16	16/17	17/18	18/19	£250k	£616k		
15/16	16/17	17/18	18/19						
£250k	£616k								

Reasons for recommending proposals	<p>Youth Service Redesign</p> <p>This is non-statutory youth service provision. The proposal results in the transfer of the Youth Facilitation service to Children’s Services and it’s integration back into a new offer. The focus of the support would be on early intervention.</p>
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Identified Risks
<p>Youth service redesign</p> <ol style="list-style-type: none"> 1. Reputational risk – services valued by those who use them 2. Displacement risk – service users do not find other positive activities to participate in 3. Commissioning risk – ensuring right mix of activities commissioned in future

Number of FTE in area	Youth services: 33 staff (not clear how many FTE equivalents)
Anticipated reduction in FTE as a result of proposals	Youth services: 28 staff (not clear how many FTEs) – this is a current estimate and is subject to further review and consultation.

BUDGET SAVINGS: INITIATIVE TEMPLATE

Service & Service Head	Description of Service Area
Children Services, Kathy Bundred	Prevention – Children

Current Budget Information		
Activity	Subjective	FY Revised Budget
Early Help and Troubled Families	Expenditure	3,654,977
	Income	0
	Non-Controllable	133,120
Early Help and Troubled Families Total		3,788,097

NB. We will receive £156k grant for Troubled Families this year, including £100k for a co-ordinator post.
NB. The Early Help and Troubled Families budget is a part of the overall Children Services budget.

Savings Last 4 Years			
11/12	£0k	12/13	£100k
		13/14	£1,748k
		14/15	£0k

Main Savings Items Description	
<ul style="list-style-type: none"> Early Help and Troubled Families – Review service for ways of maximising resources and possible closure of some children centres. 	
What is protected within service	<ul style="list-style-type: none"> Troubled Families programme. Minimum of three children centres. Statutory services for children. Some respite for disabled children. Support for children not in education, employment or training. Careers advice in schools.

Savings proposals				
Saving			Value of Saving and Year(s)	
Early Help and Troubled Families			TOTAL: £900k	
<p>We now only have six children centres (reduced from 13) in the borough and the service has just undergone a restructure. However, further savings will need to be found through a combination of maximising Council (and partner) assets (e.g. co-location, use during out-of-hours etc.), clearly evidenced cost-avoidance savings, improved partnership working in the children centres and across other services, maximising potential through the Troubled Families programme which is grant-funded, closer working with the Voluntary and Community Sector and the community, exploring ways of generating income (e.g. nursery places), and increasing the number of volunteers. It should be noted that 50% of these services are non-statutory, but they do have the potential to provide immense value in terms of managing demand, early help, intervention and prevention, and strengthening communities. Therefore, any savings must be fully understood and mapped out to minimise the relative fallout and social impact.</p>			15/16	16/17
			17/18	18/19
			£300k	£300k
			£300k	

<p>The Early Help service aims to support children and families through the delivery of universal services, through to the social care threshold. The service encompasses the Government's Troubled Families outcomes of addressing school absence, anti-social behaviour, and worklessness.</p> <p>Future use of the children centres will be considered following an internal review of Council assets during this year.</p>									
<p>TOTAL SAVINGS BY YEAR</p>	<p>TOTAL: £900k</p> <table border="1" data-bbox="1038 613 1501 698"> <tr> <td>15/16</td> <td>16/17</td> <td>17/18</td> <td>18/19</td> </tr> <tr> <td>£300k</td> <td>£300k</td> <td>£300k</td> <td></td> </tr> </table>	15/16	16/17	17/18	18/19	£300k	£300k	£300k	
15/16	16/17	17/18	18/19						
£300k	£300k	£300k							

<p>Reasons for recommending proposals</p>	<ul style="list-style-type: none"> • 50% of these services are non-statutory, and we must aim to protect statutory services for children where possible. Hence this is a trade-off between making savings on non-statutory services or on statutory services. • The Troubled Families programme has been very successful and building on this best practice work could lead to even better outcomes, as well as additional grant from central Government.
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Identified Risks	
<ol style="list-style-type: none"> 1. Further reductions in the number of children centres could impact on our ability to successfully deliver the (proposed) Early Help, Intervention and Prevention Strategy (due in December) and our demand management savings targets. 2. Savings on non-statutory services could lead to exponentially increased demand (over and above the demographic trends) for statutory services which would lead to a net increase in budget pressures. 3. The service has just gone through a restructure and further changes to the service might lead to good staff leaving and/or change fatigue. 4. Aspirations relating to increased partnership working and income generation would be impacted if the number of children centres is reduced. 5. Savings relating to utilising / increasing the number of volunteers will not be made if there are insufficient numbers of (suitable) volunteers. 6. There is no guarantee that the Troubled Families Grant will continue beyond 2015/16. 	

<p>Number of FTE in area</p>	<p>81.45 FTEs.</p>
<p>Anticipated reduction in FTE as a result of proposals</p>	<p>25 FTEs. This is a current estimate and is subject to further review and consultation.</p>

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1. Equality Impact Assessment Checklist

The Equality Impact Assessment (EIA) is a tool to ensure that your activity meets the needs of individuals and groups that use your service. It also helps the Council to meet its legal obligation under the Equality Act 2010 and the Public Sector Equality Duty.

Please complete the following checklist to determine whether or not you will need to complete an EIA. Please ensure you keep this section for your audit trail. If you have any questions, please contact the Corporate Policy and Diversity Team at diversity@havering.gov.uk

About your activity

1	Title of activity	Channel Shift review
2	Type of activity	Budget proposal
3	Scope of activity	<p>The scope of the proposal is to identify efficiencies by reviewing the customer contact report/apply/pay channel access.</p> <p>We will be aiming to rebalance the channels offered to customers by moving more people to self service and assisted service in order to reduce the one-to-one (face-to-face) contact within the PASC. This will allow us to focus efforts on vulnerable residents and those people who need assistance rather than those who do not.</p> <p>Currently the exact means to do this is unclear as we are introducing new technology in the next few months which will allow customers to transact further online with the Council, particularly where there is high volume of activity within the PASC (e.g. parking permits).</p> <p>There are no plans currently to close any channels.</p> <p>Once this technology is embedded we will assess the customer take-up and feedback and identify the most effective methods which will optimise the technology and customer experience.</p>
4a	Is the activity new or changing?	Yes - it is an addition to what is already offered
4b	Is the activity likely to have an impact on individuals or groups?	Yes but until technology is embedded and proposals are drafted we do not know what this impact will be. It is envisaged that the proposal will focus assistance on vulnerable residents and those people who need it most whilst encouraging and supporting others to self-serve.

5	If you answered yes:	A full EIA will be carried out as part of drafting plans to ensure that we understand the impact of the proposals on customers and how we ensure we mitigate any potential negative impact or unforeseen consequences. This is likely to be in 2015.
6	If you answered no:	N/A

Completed by:	Caroline Woolf, Programme Director, Corporate & Customer Transformation, Culture, Community & Economic Development
Date:	August 2014

1. Equality Impact Assessment Checklist

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Please complete the following checklist to determine whether or not you will need to complete an EIA. Please ensure you keep this section for your audit trail. If you have any questions, please contact the Corporate Policy and Diversity Team at diversity@havering.gov.uk

About your activity

1	Title of activity	Proposal to amend the Council Tax Support Scheme 2015
2	Type of activity	Budget proposal
3	Scope of activity	<p>This is a scheme which provides assistance to people on low incomes to help them pay their Council Tax. Many people on low incomes can get Council Tax Support to help them pay their Council Tax bills.</p> <p>The Council Tax Support Scheme is mainly funded by the Government although the Council help pay towards the scheme as well.</p> <p>The Government plans to reduce the money to pay for the scheme from 2015/16. The Council's budget cannot cover a further shortfall in Government funding. This means changes must be made to the current scheme to help bridge the funding gap.</p> <p>The proposed scheme will continue to protect pensioners who will get the same level of Council Tax Support as they do now.</p> <p>The proposals for 2015/16 are to:</p> <ul style="list-style-type: none"> • Reduce Council Tax Support for working age claimants by 15%. This means that every working age household would have to pay a minimum charge of 15% of their Council Tax Bill. • Reduce the amount of savings and investments people are allowed to have and still be entitled to claim from £16,000 to £6,000. • Abolish Second Adult Rebate. Second Adult

		Rebate supports working age tax payers whose income is too high in their own right for Council Tax Support but who have other adults living in the household whose income is low.
4a	Is the activity new or changing?	Yes – changing
4b	Is the activity likely to have an impact on individuals or groups?	Yes
5	If you answered yes:	A draft EIA is being produced and will be completed for inclusion in the final report to support consultation and decision making.

Completed by:	Chris Henry, Council Tax & Benefits Manager, Exchequer & Transactional Services, oneSource
Date:	August 2014

1. Equality Impact Assessment Checklist

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About your activity

1	Title of activity	<p>Early Help and Troubled Families (EH&TF) proposals for:</p> <ul style="list-style-type: none"> • Universal service at cost • Reviewing commissioning priorities • Savings in staffing budgets • Property review
2	Type of activity	Budget proposals
3	Scope of activity	<p>This activity focuses on year one savings only, as follows:</p> <p>Universal service at cost - to increase the universal offer and start to charge for attendance at some groups. A business case for this is currently being developed. Two new posts were created in the restructure to increase the universal offer and footfall at the children's centres.</p> <p>Reviewing commissioning priorities - the children's centres are increasing their inclusivity: previously the nature of the buildings did not embrace opportunity for promoting children with disabilities into our centres. Therefore we will review our externally commissioned contracts with a view to bringing some services back in-house. In addition, children with disabilities and their families will be able access the wide-range of universal, inclusive and integrated services (such as health visitors, midwives, school nurses and soon a dentist) available at the centres. Anecdotal feedback from relevant families on this proposal has been positive.</p> <p>Savings in staffing budgets – it is anticipated that the contract with the London Borough of Barking and Dagenham for the Youth Offending Service will be terminated and that relevant posts will be incorporated within the EH&TF service. Other savings in staffing budgets (such as realigning budgets to actual staffing costs post-restructure) are also being explored which will have no impact on Council's staff or our services. The</p>

		<p>EH&TF service is also looking to realign services to under 12s and over 12s, in order to be consistent with school transition ages as well as the social work teams in Children's Services.</p> <p>Property review - the Directorate will be undertaking a review of all properties and assets this year. Relevant options being explored include moving to the Housing offices in Chippenham Road, moving to the community centre in Collier Row, and reviewing options at Ingrebourne. The options being considered are aimed at further increasing opportunities to improve the universal offer and getting more health staff into the buildings.</p> <p>Further saving proposals beyond 2015/16 will be articulated once plans and business cases have been produced and will be subject to full Equality Impact Assessments.</p>
4a	Is the activity new or changing?	Yes - changing
4b	Is the activity likely to have an impact on individuals or groups?	<p>Universal service at cost – No Reviewing commissioning priorities – No Staffing savings – No Property review – No</p>
5	If you answered yes:	N/A
6	If you answered no:	<p>It is anticipated that none of the proposals for the year one (2015/16) savings will have an impact on individuals or groups with protected characteristics. None of the proposals will result in a loss of service; indeed the proposals will improve the services currently on offer, and will increase the universal offer by making services more inclusive, integrated and consistent. However, if it appears during the course of this year that some of the proposals (as they develop and are communicated) may indeed have an impact on individuals or groups with protected characteristics, we will undertake an equality impact assessment at the earliest opportunity.</p> <p>Universal service at cost – The income generation target is small and should be achieved with little or no impact on individuals or groups with protected characteristics. The majority of our services will remain free at the point of contact, and the proposed nominal charges (predominately for new activities) will be reviewed regularly to ensure that attendances are high and individuals are not disadvantaged. It is anticipated that the two new posts in the EH&TF structure will add</p>

	<p>significant impetus in expanding the universal offer.</p> <p>Reviewing commissioning priorities – Some of our externally commissioned contracts are likely to be surplus to requirements as they can now be provided in-house at the children’s centres. For instance, we have been facilitating a couple of local mums of children with disabilities who have set-up a group for parents with children with learning and physical disabilities called 'Us Mums'. This group is expanding exponentially and feedback from this group suggests that externally commissioned services are not meeting the needs of all parents. Re-providing some services in-house is likely to be welcomed by service users and parents.</p> <p>Savings in staffing budgets – The proposed termination of the contract with the London Borough of Barking and Dagenham for the Youth Offending Service will see relevant posts incorporated within the EH&TF service, and no loss of service. Other savings in staffing budgets (such as realigning budgets to actual staffing costs post-restructure) and realigning services to under 12s and over 12s (in order to be consistent with school transition ages as well as the social work teams in Children’s Services) will also have no impact on individuals or groups with protected characteristics.</p> <p>Property review - The options being considered are aimed at further increasing opportunities to improve universal services and getting more health staff into the buildings. There will be no loss of service or negative geographical impact from any of the proposals.</p>
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Completed by:	Kathy Bundred, Head of Children’s Service, Children, Adults and Housing
Date:	August 2014

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About your activity

1	Title of activity	Budget proposals for Fairkytes Arts Centre 2014
2	Type of activity	Budget proposals
3	Scope of activity	Budget proposals for Fairkytes Arts Centre in order for them to move towards a Cost Recovery business model (receiving no subsidy from the Council). Whilst several changes are proposed, the existing offer to the community will be preserved as much as possible and savings realised through wholesale reductions in services are not being considered.
4a	Is the activity new or changing?	Yes - changing
4b	Is the activity likely to have an impact on individuals or groups?	Yes
5	If you answered yes:	A draft EIA is being produced and will be completed for inclusion in the final report to support consultation and decision making.
6	If you answered no:	N/A

Completed by:	Kayleigh Pardoe, Policy, Marketing and Administration Manager, Culture and Leisure, Culture, Community and Economic Development
Date:	August 2014

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About your activity

1	Title of activity	Housing General Fund proposals for: <ul style="list-style-type: none"> • CCTV • Supporting People Review
2	Type of activity	Budget proposals
3	Scope of activity	<ul style="list-style-type: none"> • CCTV – Merger • Supporting People Review - Review funding and provision of Mobile Support Service
4a	Is the activity new or changing?	Yes - changing
4b	Is the activity likely to have an impact on individuals or groups?	CCTV – No Supporting People Review - No
5	If you answered yes:	N/A
6	If you answered no:	<p>It is anticipated that none of the proposals will have an impact on clients with protected characteristics, nor will they result in a loss of service.</p> <p>CCTV – We will look to merge the CCTV for the town centres with the CCTV covering the housing estates at Waterloo Road.</p> <p>Supporting People Review – Central Government funding for Supporting People is due to be withdrawn in March 2015. The review of the Mobile Support Service will examine what the needs of the current clients are, and look for a more cost effective way of providing that support. The service is currently paid for out of the Adults' budget.</p> <p>The impact of individual proposals on staff with protected characteristics will be subject to a separate EIA.</p>
Completed by:		Sue Witherspoon, Head of Homes and Housing, Children, Adults and Housing
Date:		August 2014

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About your activity

1	Title of activity	Income Generation proposals for: <ul style="list-style-type: none"> • Private Sector Leasing • Catering
2	Type of activity	Budget proposals
3	Scope of activity	<ul style="list-style-type: none"> • Private Sector Leasing - Manage more properties and increase activities • Catering - Review the current operating and financial model
4a	Is the activity new or changing?	Yes - changing
4b	Is the activity likely to have an impact on individuals or groups?	Private Sector Leasing – No Catering - No
5	If you answered yes:	N/A
6	If you answered no:	<p>It is anticipated that none of the proposals will have an impact on service users with protected characteristics, nor will they result in a loss of service.</p> <p>Private Sector Leasing – There is scope to increase the activity in the private rented sector. We currently directly lease and manage 895 properties, and have a managing agent role in respect of a further 150 properties. To reduce the impact of housing need and ensure costs of housing activities are covered, we would look to increase the number of units we manage, which would also allow us to provide direct assistance for more residents to secure rented accommodation.</p> <p>Catering – The Meals on Wheels service delivers approx. 110,000 meals per year. We will review the current operating and financial model, and will also explore the idea of using volunteers to assist the paid staff.</p>

	The impact of individual proposals on staff with protected characteristics will be subject to a separate EIA.
Completed by:	Mary Pattinson, Head of Learning and Achievement, Children, Adults and Housing Sue Witherspoon, Head of Homes and Housing, Children, Adults and Housing
Date:	August 2014

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About your activity

1	Title of activity	Budget proposals for the Library Service 2014
2	Type of activity	Budget proposals
3	Scope of activity	<p>A proposal for a new delivery model for Library Services in a context of significant budget reductions. Changes may include a reduction in staffing and opening hours for libraries, introduction of a 50p charge per half hour for the use of computers and a greater use of volunteers to deliver services including the Local Studies and Family History Service, the Housebound Service and the work of the Reader Development team.</p> <p>New ways to generate income will also be explored as part of the new model, such as new membership arrangements, philanthropy, donations and sponsorship.</p>
4a	Is the activity new or changing?	Yes - changing
4b	Is the activity likely to have an impact on individuals or groups?	Yes
5	If you answered yes:	A draft EIA is being produced and will be completed for inclusion in the final report to support consultation and decision making.
6	If you answered no:	N/A

Completed by:	Kayleigh Pardoe, Policy, Marketing and Administration Manager, Culture and Leisure, Culture, Community and Economic Development
Date:	August 2014

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About your activity

1	Title of activity	Budget proposals for the Music School
2	Type of activity	Budget proposals
3	Scope of activity	<p>Havering Music School has revised and refreshed the way it operates and a new charging policy has been successfully trialled in schools. The policy offers the same tuition packages wherever lessons take place but charges all parents directly (historically schools have collected parental fees). This presents an opportunity to reduce overhead costs and increase income further. Following the trial, the model is now being rolled out across the borough.</p> <p>It is proposed that the new model is now rolled out to all schools in the Borough.</p>
4a	Is the activity new or changing?	Yes - changing
4b	Is the activity likely to have an impact on individuals or groups?	Yes
5	If you answered yes:	A draft EIA is being produced and will be completed for inclusion in the final report to support consultation and decision making.
6	If you answered no:	N/A

Completed by:	Kayleigh Pardoe, Policy, Marketing and Administration Manager, Culture and Leisure, Culture, Community and Economic Development
Date:	August 2014

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About your activity

1	Title of activity	Older Adults (Better Care Fund, Older Adults and Royal Jubilee Court)
2	Type of activity	<p>Better Care Fund - Protection of adult social care spending in areas that support the delivery of improved health-related outcomes.</p> <p>Older Adults – Ensure that we are receiving maximum value for money and that services are person-centred and outcome-focused. Also, we will look to introduce a cap on the total cost of a care package / personal budget that is not more than the average cost of residential and nursing care.</p> <p>Royal Jubilee Court - Closure of the reablement and step-down service.</p>
3	Scope of activity	<p>Better Care Fund - In 2015/16 the new Better Care Fund will launch. This pooled budget is aimed at supporting health and social care integration, through transforming services to work more closely together in local areas. The focus will be on enabling improved collaboration work, joint commissioning, better data-sharing, seven-day working across health and social care services, and the protection of social care services.</p> <p>For the Council this means that some services will be funded via the Better Care Fund to help achieve these aims. These services include the new Joint Assessment and Discharge, and Integrated Cluster Community Teams, reablement / enablement, assistive technology, and sign-posting services. The fund will also be used to support the implementation of the Care Act through sustainable service delivery models.</p> <p>Older Adults - We will review our operating model for older adults, and ensure that we are receiving maximum value for money and that services are person-centred and outcomes-focussed. In addition, we will look to introduce a cap on the total cost of a care package / personal</p>

		<p>budget that is not more than the average cost of residential and nursing care. This may be necessary in order to both deliver savings and help mitigate against future demand pressures from an ageing population.</p> <p>Royal Jubilee Court - Royal Jubilee Court (RJC) provides sheltered housing, retirement housing, and supported housing for older adults. There is also a reablement and step-down service that is provided through a contract with an external provider.</p> <p>We are proposing to close the reablement element of this Council-run service and will look at alternative uses for Royal Jubilee Court. People who would have accessed reablement through RJC will access this instead from the community teams.</p> <p>Also, it should be noted that improved integrated services resulting from the Better Care Fund could result in a drop in demand for Royal Jubilee Court.</p>
4a	Is the activity new or changing?	Yes - changing
4b	Is the activity likely to have an impact on individuals or groups?	<p>Better Care Fund – No</p> <p>Older Adults – Yes</p> <p>Royal Jubilee Court – No</p>
5	If you answered yes:	A draft EIA is being produced and will be completed for inclusion in the final report to support consultation and decision making.
6	If you answered no:	<p>Better Care Fund - Health-related spend will be funded via the Better Care Fund. It is anticipated that this activity will have no impact on individuals or groups.</p> <p>Royal Jubilee Court - People who would have accessed reablement through Royal Jubilee Court will access this instead from the community teams i.e. they will still receive the same level of service but not at this setting. For instance, they might receive reablement at their own home. It is anticipated that this activity will have no impact on individuals or groups.</p>
Completed by:		Barbara Nicholls, Head of Adult Services, Children, Adults and Housing
Date:		August 2014

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About your activity

1	Title of activity	Parking charges review
2	Type of activity	Budget proposal
3	Scope of activity	<p>Parking spaces are provided to accommodate either long or short stay parking suitable for each specific area e.g. long stay commuter parking or short stay shopping either on or off street.</p> <p>Short stay parking charges are designed to promote the responsible use of the available parking spaces by shoppers to ensure turnover of space and to promote the local economy.</p> <p>Permit parking reserves spaces for specific parts of the community e.g. local business or residents who would otherwise be unable to have reasonable access to parking close to their properties if space was not controlled through means of a permit system due to commuter or retail activities.</p> <p>Currently Blue Badges issued to disabled persons may be used without charge on all bays in the Borough with the exception of specific voucher bays which are specifically signed. There is no anticipated change to the existing arrangements at this time.</p> <p>It is proposed to review parking charges and the payment mechanisms through upgrading existing pay and display equipment and to consider the introduction of cashless parking facilities for all that use parking facilities within the Borough.</p> <p>Increases in charges will ensure the costs of providing the services are met.</p>

4a	Is the activity new or changing?	Yes - changing
4b	Is the activity likely to have an impact on individuals or groups?	Yes
5	If you answered yes:	A draft EIA is being produced and will be completed for inclusion in the final report to support consultation and decision-making.
6	If you answered no:	N/A

Completed by:	Bob Wenman, Head of Streetcare, Culture, Community and Economic Development
Date:	August 2014

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About your activity

1	Title of activity	Budget proposals for the Parks Service 2014
2	Type of activity	Budget Proposals
3	Scope of activity	The budget proposals for the Parks Service include the proposal to increase the charges for car parking and the number of car parks this applies to in the Borough.
4a	Is the activity new or changing?	Yes - changing Yes
4b	Is the activity likely to have an impact on individuals or groups?	Yes
5	If you answered yes:	A draft EIA is being produced and will be completed for inclusion in the final report to support consultation and decision making.
6	If you answered no:	N/A

Completed by:	Kayleigh Pardoe, Policy, Marketing and Administration Manager, Culture and Leisure, Culture, Community and Economic Development
Date:	August 2014

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About your activity

1	Title of activity	Budget proposals for the Queens Theatre 2014
2	Type of activity	Budget proposals
3	Scope of activity	In light of the significant budget reductions, the level of existing grant to the Theatre cannot be maintained and a grant reduction in the region of 20% (£100,000 per annum) is proposed. A review of the theatre business model may also be considered.
4a	Is the activity new or changing?	No
4b	Is the activity likely to have an impact on individuals or groups?	No
5	If you answered yes:	N/A
6	If you answered no:	<p>A grant reduction to the Queens Theatre is not likely to impact the community at this stage. The primary community facing activity at the Queens Theatre is the Education and Outreach Programme. However, this is a very small part of the existing budget. Therefore there will be little or no impact on the local community.</p> <p>Grant reductions are more likely to lead to a back office review and cost saving measures such as:</p> <ul style="list-style-type: none"> • Restructuring pay to arrest rising expenditure • Renew artistic policy in light of a decrease in audience numbers • Initiating new and productive commercial operation of the venue

		<ul style="list-style-type: none"> • Instigating immediate and effective cost-cutting measures and reassign resources to more productive channels (e.g. audience development, co-production, touring) <p>In light of the above, an Equality Impact Assessment is therefore not required at this stage.</p>
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Completed by:	Kayleigh Pardoe, Policy, Marketing and Administration Manager, Culture and Leisure, Culture, Community and Economic Development
Date:	August 2014

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About your activity

1	Title of activity	Staffing review of: <ul style="list-style-type: none"> • Adult Social Care • Children's Social Care • Children and Adults with Disabilities • Disabled Facilities Grant • Workforce
2	Type of activity	Budget proposals
3	Scope of activity	Reduction in staff numbers through the introduction of more efficient working practices.
4a	Is the activity new or changing?	Yes - changing
4b	Is the activity likely to have an impact on individuals or groups?	Adult Social Care - No Children's Social Care - No Children and Adults with Disabilities - No Disabled Facilities Grant - No Workforce - No
5	If you answered yes:	N/A
6	If you answered no:	<p>It is anticipated that none of the proposals will have an impact on service users with protected characteristics, nor will they result in a loss of service.</p> <p>Adult Social Care – We will be reviewing the working practices in this area in order to improve efficiency in preparation of the Care Act 2014. This review includes a comprehensive review of business processes to ensure we are maximising existing resources and freeing up capacity.</p> <p>Children's Social Care – We will be reviewing the working practices in this area in order to improve efficiency as well as recruitment and retention. This review includes a comprehensive review of business</p>

	<p>processes and systems to ensure we are maximising existing resources and freeing up capacity.</p> <p>Children and Adults with Disabilities – This new integrated team has been established in response to the Children and Families Act, and the aim of improving the life journey of young disabled people into adulthood. We will develop the role of key working building on the expertise that exists with the team. It is anticipated that we will be able to reduce spend by introducing a revised structure and new roles.</p> <p>Disabled Facilities Grant – Currently, adaptations to properties for disabled people are undertaken by two separate teams, one within housing and one within adult social care. This can lead to confusion for disabled people and is not the most efficient way to provide the service. We are proposing that we review the two teams.</p> <p>Workforce – The Directorate is proposing to introduce the role of Principal Social Worker to support changes needed in social work practice arising from the Care Act 2014 and Children & Families Act 2014. This function will include quality assurance of practice and workforce development commissioning. Central Government funding for workforce development is no longer ring-fenced, and this has led to an increased budget pressure within the Directorate. We will review workforce development requirements and may create a workforce development commissioner who will oversee all related spend. Training spend will need to be absorbed within team budgets.</p> <p>The impact of individual proposals on staff with protected characteristics will be subject to separate Equality Impact Assessment(s).</p>
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<p>Completed by:</p>	<p>Barbara Nicholls, Head of Adult Services, Children, Adults and Housing Kathy Bundred, Head of Children’s Services, Children, Adults and Housing Mary Pattinson, Head of Learning and Achievement, Children, Adults and Housing Sue Witherspoon, Head of Homes and Housing, Children, Adults and Housing</p>
<p>Date:</p>	<p>August 2014</p>

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About your activity

1	Title of activity	Voluntary and Community Sector (VCS) Review
2	Type of activity	Budget proposal
3	Scope of activity	<p>The Review will incorporate the development of a new strategy, a review of Council's VCS grants allocation arrangements and also a review of its commissioning practices.</p> <p>It is likely that the review will incorporate four workstreams addressing the following:</p> <ol style="list-style-type: none"> 1. A new Voluntary Sector Strategy – this will set out the outcomes the Council wants to achieve in terms of how it works with the VCS 2. A review of Infrastructure (support provided to the voluntary sector for capacity building, funding, training, strategic engagement, etc.) – outputs will include a recommendation on how infrastructure services are provided in future, and to what specification 3. A review of the Council's VCS grants allocation arrangements 4. A review of the Councils' VCS commissioning arrangements (mainly within social care where services are commissioned the most). <p>The review needs to achieve savings of £1.145m (as set out in the Cabinet report of 3rd September 2014).</p> <p>The review will not seek to change the discretionary rate relief or equitable rents policy at this time.</p>
4a	Is the activity new or changing?	Yes - changing
4b	Is the activity likely to have an impact on individuals or groups?	Yes

5	If you answered yes:	A draft EIA is being produced and will be completed for inclusion in the final report to support consultation and decision making.
Completed by:	Claire Thompson, Corporate Policy and Community Manager, Culture, Community & Economic Development	
Date:	August 2014	

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About your activity

1	Title of activity	Younger adults - minimum statutory levels of service for younger adults (18-64)
2	Type of activity	Statutory review of current service provision for younger adults (18-64)
3	Scope of activity	<p>We will review services for younger adults, with a view to shaping more cost effective services and/or meeting statutory requirements through personalised services.</p> <p>Services for younger adults (between the ages of 18 and 64) are very expensive and do not offer the personalised provision required. We will review all areas of spend (e.g. residential care, care packages, respite and day care) to ensure that we are receiving maximum value for money and that services are person centred and outcomes-focussed.</p> <p>We will re-commission where necessary to meet statutory requirements through personalised services, and will look to apply the minimum statutory levels of service using the new national eligibility criteria within the Care Act.</p> <p>As we complete person centred plans, move to personal budgets and strictly apply eligibility criteria it is likely that we will not require some of the current provision. We will ensure any changes to how services are offered will include full consultation and impact assessment prior to any recommendations being finalised, and ensure viable alternatives are available.</p> <p>Havering spends relatively more on services for younger adults compared to other local authorities. The review will particularly focus on high cost placements and services, as well as services where unit costs are much higher than average.</p>

4a	Is the activity new or changing?	Yes - changing
4b	Is the activity likely to have an impact on individuals or groups?	Yes
5	If you answered yes:	A draft EIA is being produced and will be completed for inclusion in the final report to support consultation and decision making.
6	If you answered no:	N/A

Completed by:	Barbara Nicholls, Head of Adult Services, Children, Adults and Housing
Date:	August 2014

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About your activity

1	Title of activity	Budget proposals for the Youth Facilitation Team
2	Type of activity	Budget proposals
3	Scope of activity	<p>As part of the budget savings, it is proposed that this team transfers to the Children and Young People's Service. The number of staff will be significantly reduced and a small number of new posts will be created focusing specifically on targeted services for young people in the Borough rather than providing universal youth services.</p> <p>Staff have expressed a view that the Council should consider a small employee led mutual focused on the prevention agenda.</p>
4a	Is the activity new or changing?	Yes - changing
4b	Is the activity likely to have an impact on individuals or groups?	Yes
5	If you answered yes:	A draft EIA is being produced and will be completed for inclusion in the final report to support consultation and decision making.
6	If you answered no:	N/A

Completed by:	Kayleigh Pardoe, Policy, Marketing and Administration Manager, Culture and Leisure, Culture, Community and Economic Development
Date:	August 2014

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