



# CABINET

<b>7.30 pm</b>	<b>Wednesday 4 October 2023</b>	<b>Council Chamber - Town Hall</b>
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Members 9: Quorum 3

Councillor Ray Morgon (Leader of the Council), Chairman

	<b>Cabinet Member responsibility:</b>
Councillor Keith Darvill	Lead Member for Climate Change
Councillor Gillian Ford	Lead Member for Adults and Health
Councillor Oscar Ford	Lead Member for Children and Young People
Councillor Paul McGearry	Lead Member for Housing
Councillor Paul Middleton	Lead Member for Corporate, Culture and Leisure Services
Councillor Barry Mugglestone	Lead Member for Environment
Councillor Christopher Wilkins	Lead Member for Finance and Transformation
Councillor Graham Williamson	Lead Member for Development and Regeneration

**Zena Smith**  
**Head of Committee and Election Services**

**For information about the meeting please contact:**

**Bernadette Lynch tel: 01708 434849**

**e-mail: [bernadette.lynch@haverling.gov.uk](mailto:bernadette.lynch@haverling.gov.uk)**



**Please note that this meeting will be webcast.  
Members of the public who do not wish to appear  
in the webcast will be able to sit in the balcony,  
which is not in camera range.**

***Under the Committee Procedure Rules within the Council's Constitution the Chairman of the meeting may exercise the powers conferred upon the Mayor in relation to the conduct of full Council meetings. As such, should any member of the public interrupt proceedings, the Chairman will warn the person concerned. If they continue to interrupt, the Chairman will order their removal from the meeting room and may adjourn the meeting while this takes place.***

***Excessive noise and talking should also be kept to a minimum whilst the meeting is in progress in order that the scheduled business may proceed as planned.***

### **Protocol for members of the public wishing to report on meetings of the London Borough of Havering**

Members of the public are entitled to report on meetings of Council, Committees and Cabinet, except in circumstances where the public have been excluded as permitted by law.

Reporting means:-

- filming, photographing or making an audio recording of the proceedings of the meeting;
- using any other means for enabling persons not present to see or hear proceedings at a meeting as it takes place or later; or
- reporting or providing commentary on proceedings at a meeting, orally or in writing, so that the report or commentary is available as the meeting takes place or later if the person is not present.

Anyone present at a meeting as it takes place is not permitted to carry out an oral commentary or report. This is to prevent the business of the meeting being disrupted.

Anyone attending a meeting is asked to advise Democratic Services staff on 01708 433076 that they wish to report on the meeting and how they wish to do so. This is to enable employees to guide anyone choosing to report on proceedings to an appropriate place from which to be able to report effectively.

Members of the public are asked to remain seated throughout the meeting as standing up and walking around could distract from the business in hand.

DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF



## AGENDA

### 1 ANNOUNCEMENTS

On behalf of the Chairman, there will be an announcement about the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

### 2 APOLOGIES FOR ABSENCE

(if any) - receive

### 3 DISCLOSURES OF INTEREST

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

### 4 MINUTES (Pages 1 - 4)

To approve as a correct record the minutes of the meeting held on **13<sup>th</sup> September 2023**, and to authorise the Chairman to sign them.

### 5 EXTENSION OF ROMFORD TOWN CENTRE PUBLIC SPACE PROTECTION ORDER (Pages 5 - 38)

### 6 BUDGET MONITORING REPORT - PERIOD 4 JULY 2023 AND MTFS FINANCE UPDATE (Pages 39 - 68)

### 7 PROVISIONAL ITEM: REQUISITION OF EXECUTIVE DECISION: ACCEPTANCE OF £6.3M FUNDING FROM THE GLA REFUGEE HOUSING PROGRAMME

Provisional agenda item only.

# Public Document Pack Agenda Item 4



**MINUTES OF A CABINET MEETING**  
**Council Chamber - Town Hall**  
**Wednesday, 13 September 2023**  
**(7.30 - 8.15 pm)**

**Present:**

Councillor Ray Morgon (Leader of the Council), Chairman

Councillor Keith Darvill

Councillor Gillian Ford

Councillor Oscar Ford

Councillor Paul McGeary

Councillor Paul Middleton

Councillor Barry Mugglestone

Councillor Christopher Wilkins

**Cabinet Member responsibility:**

Lead Member for Climate Change

Lead Member for Adults and Health

Lead Member for Children and  
Young People

Lead Member for Housing

Lead Member for Corporate, Culture  
and Leisure Services

Lead Member for Environment

Lead Member for Finance and  
Transformation

**114 ANNOUNCEMENTS**

Members were advised of the Fire Safety procedures in the Council Chamber.

**115 APOLOGIES FOR ABSENCE**

Apologies received from Councillor Graham Williamson.

**116 DISCLOSURES OF INTEREST**

There were no disclosures of interests.

**117 MINUTES**

The minutes of the meeting held on **9<sup>th</sup> August 2023**, were agreed as a correct record and the Chair signed them.

**118 ADVERTISING AND SPONSORSHIP POLICY**

**Advertising and Sponsorship Policy**

The report was introduced by the Leader of the Council, Cllr Ray Morgon

The Council currently does not have an advertising and sponsorship policy and relies on the policies of contractors to determine what is seen on advertising panels and billboards across the borough and for service based judgements for other assets and sponsorship agreements.

**The Cabinet:**

**Agreed and adopted** the borough-wide advertising and sponsorship policy attached at Appendix One.

**119 HOME TO SCHOOL TRANSPORT POLICY**

**Report: Home to School Transport Policy Consultation**

The report was introduced by **Cllr Oscar Ford**, Cabinet Member for Children's Services.

In recent years, Havering has experienced a significant and continued increase in the number of requests for an Education Health and Care Plan (EHCP) and the number of EHCPs being issued. The number has increased from 1,328 in 2017/18 to 2,189 in 2021/22, a cumulative increase of 861, or 62% based on 2017/18 levels. This increase is forecast to increase further, and we expect to have over 3,200 by 2025/26.

This increase in EHCPs has also resulted in a significant increase in demand for transport assistance, and spend has exceeded budgets for a number of years, despite various mitigations being introduced. The pandemic impacted on spend as travel was disrupted due to the various periods of lockdown, which meant that spend was suppressed in 2020/21 and 2021/22, but spend in 2022/23 was £5.5m, against a budget of £2.7m – an overspend of £2.8m.

The DfE has recently launched new Home-to-school travel statutory guidance, which requires the Local Authority to review its existing policies.

We currently support around 600 individuals up to 25 years old with Special Educational Needs and Disabilities. It tends to be parents applying for young people up to 16 then individuals post 16 up to 25 subject to individual's capacity and ability.

The aim of the project is ultimately to deliver a more personalised transport assistance service, whilst delivering savings of £1.4m over four years as a minimum. We aim to introduce new policies to meet the new statutory guidance from the DfE for the relevant age groups.

Cabinet **agreed** to consult on the attached draft Home to School Transport policy

**120 REPORT FROM PEOPLE OSSC ADULT PROVISIONS TOPIC GROUP**

**Title: Report into Adults with Disabilities Provisions Topic Group**

The report was presented by **Cllr Gillian Ford**, Cabinet Member for Adult Social Care & Health

This report contains the findings and recommendations that have emerged after the Topic Group scrutinised the topic selected by the Committee in December 2022.

Cabinet:

1. **Noted** the report and recommendation of the adults with disabilities provisions Topic Group (attached):
2. Cabinet **agreed** in principle that, subject to sufficient funding being available, Havering to employ a specialist Supported Employment Adviser for adults with disabilities to work alongside day provision and support transition to internships and paid employment. If agreed, authorisation to create this post will be delegated to the Strategic Lead – People. The job role to include:
  - a) Improving employability opportunities and the delivery of such routes ensuring accessibility for all with the Council engaging with adults with disabilities by supporting and signposting these opportunities, and creating relationships with local businesses to employ adults with disabilities.
  - b) Creating an action plan/recommendations aligned to actions in the All Age Autism Strategy
  - c) Developing schemes with local businesses to help provide employment opportunities for adults with disabilities over the age of 25
  - d) Encouraging employers to complete the Oliver McGowan mandatory training in line with national legislation passed July 2022
  - e) Expanding Council operated services for jobs i.e. Avelon Day Centre, explore options around social enterprise schemes
3. **Agreed** that a review be undertaken of Havering's local offer (covering ages 16-25) and amended, following the statutory requirements, to ensure that it is a comprehensive and detailed with signposting to identify current apprenticeships available for young adults with disabilities.
4. **Agreed** that the Council should create "Quality Standards" for providers within Havering, including frequency of monitoring and inspection and then monitor and inspect providers for compliance with them, following benchmarking against other North East London boroughs. These Quality Standards should address the quality of provisions and their individual, tailored offer to service users. Agrees that the Council should provide, if resources permit, a specialised meaningful set of activity programs for 25+ residents with disabilities - with person-specific requirements to help improve the quality of the services provided for this group.

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**Chairman**





## CABINET

**Subject Heading:**

Extension of Romford Town Centre Public Space Protection Order

**Cabinet Member:**

Cllr Barry Mugglestone

**SLT Lead:**

Neil Stubbings

**Report Author and contact details:**

Diane Egan  
01708432927  
Diane.Egan@havering.gov.uk

**Policy context:**

On 20th October 2014, the Government overhauled the tools and powers available to local authorities and the Police to tackle anti-social behaviour under the ASB Crime and Policing Act 2014.

PSPOs are one of the tools available under the 2014 Act. These are wide-ranging and flexible powers for local authorities, which recognise that councils are often best placed to identify the broad and cumulative impact that ASB can have. The Act gives councils the authority to draft and implement PSPOs in response to the particular issues affecting their communities, provided certain criteria and legal tests are met. Councils can use PSPOs to prohibit specified activities, and/or require certain things to be done by people engaged in particular activities, within a defined public area. PSPOs differ from other tools introduced under the Act as they are council-led, and rather than targeting specific individuals or properties, they focus on the identified problem behaviour in a specific location.

On 23 October 2017, the Council introduced a Public Space Protection Order (PSPO) for Romford Town Centre, replacing the previous Designated Public Places Order

with a condition to control alcohol related nuisance within the town centre.

On 14 October 2020 the PSPO was extended for a further 3 years and is due to expire on 23rd October 2023. It is proposed to extend the PSPO with the same conditions for a further 3 years **(please refer to appendices 1 & 2)**

**Financial summary:**

The cost of communicating the extension of the PSPO will be met from current resources and is anticipated to be no more than £0.010m.

**Is this a Key Decision?**

Yes

**When should this matter be reviewed?**

April 2026

**Reviewing OSC:**

Places

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

People - Things that matter for residents X

Place - A great place to live, work and enjoy X

Resources - A well run Council that delivers for People and Place.

**1. SUMMARY**

Romford Town Centre has a vibrant and busy daytime/night-time economy with many licenced premises within the town centre selling alcohol and alcohol related products to local residents, businesses, members of the public and visitors.

Previously, alcohol related nuisance was dealt with under the Romford Town Centre Drinks Banning Order (DPPO), which covers a smaller area of the town centre. The Anti-Social Behaviour, Crime and Policing Act 2014 required that this was converted into a Public Space Protection Order - PSPO .

With the introduction of the Public Space Protection Order (PSPO) legislation, Police and partners of the Local Authority wished to introduced a method of enforcement against alcohol related nuisance. The existence of the legislation and introduction of the PSPO specifically in this area means the Police now have the power to approach, advise, warn and seize alcohol, or otherwise disperse offenders which in turn removes the related congregation and subsequent nuisance. As a last resort the Police and authorised officers can issue a fixed penalty notice or even instigate a prosecution for breach of the PSPO, however, the threat of this usually sees compliance and as a result no FPNs have needed to be issued.

The Current PSPO was introduced in September 2017 and extended in October 2020. Romford Town Centre remains a hotspot for Crime and Disorder and continues to require the additional powers provided by the PSPO to tackle alcohol related offending.

The police advise that without a PSPO in existence street drinkers would not be challenged and would most likely congregate drinking openly in larger increased numbers participating in ASB and Crime. This would have a huge negative impact and will see a reduction in the quality of life of residents and visitors coming to Romford and see an increase in crime and disorder including offences of violence against woman and girls (VAWG) and ASB related incidents.

Romford Town has a dedicated Town Centre team who are very proactive in tackling crime and disorder such as offences of knife crime during the day and disorder associated with the night-time economy but can only do so much and resources are at times stretched. If the PSPO was lifted this would without doubt place an even bigger burden on the team and the emergency services as a whole including an increase in call volumes.

With the above in mind, Community Safety is seeking to continue a PSPO for Romford Town Centre for an additional 3 years (October 2026), to provide continued methods of controlling alcohol related nuisance.

## **2. RECOMMENDATIONS**

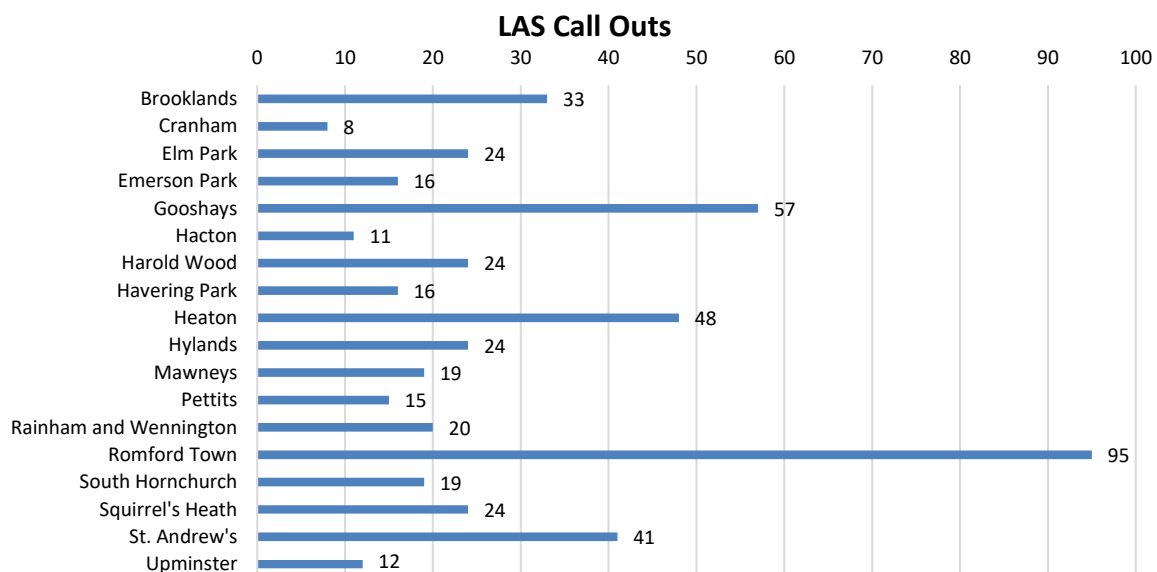
That the Cabinet, do approve:

- The Extension of the RTC PSPO with the proposed publication and notification of the PSPO and the associated conditions below (**see appendix 1 & 2 for previous PSPO for area map**);
  - Persons must not be in possession of an open container of alcohol in a public place within the Alcohol Control Area (except on licensed premises);
  - Persons must not consume alcohol in a public place within the Alcohol Control Area (except on licensed premises);
- the procurement, replacement and display of appropriate signage

## **3. REPORT DETAIL**

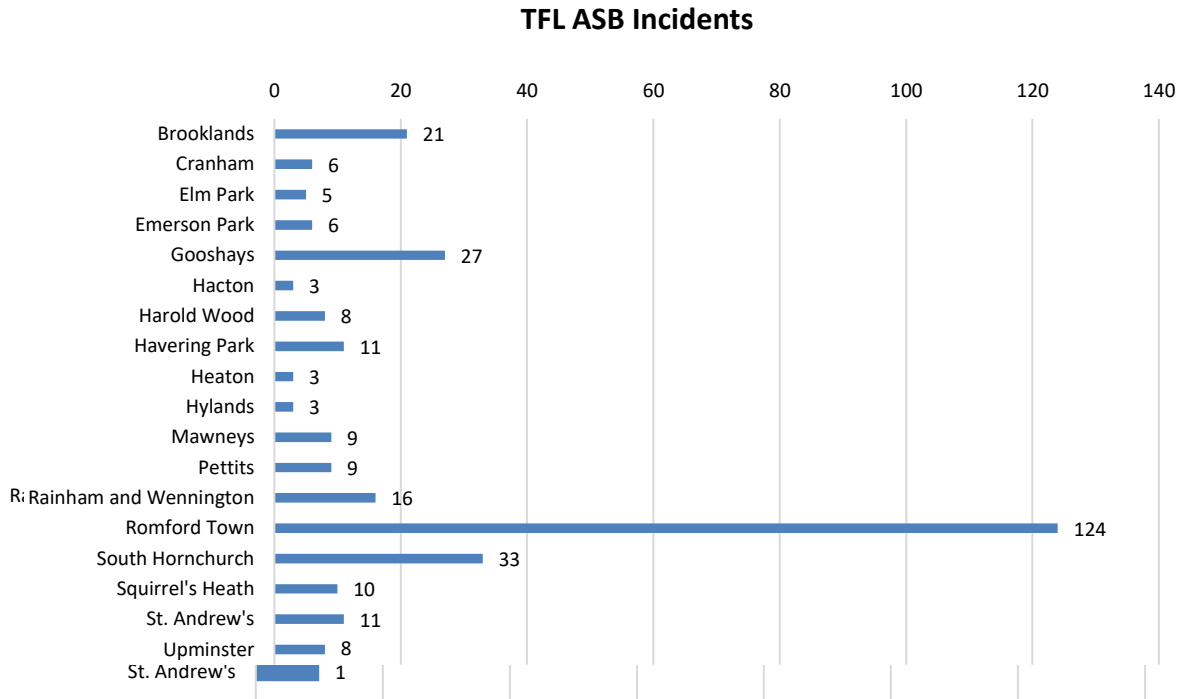
Romford Town Centre has a vibrant and busy daytime/night-time economy with many licenced premises within the town centre selling alcohol and alcohol related products to local residents, businesses, members of the public and visitors.

3.1 Figures were obtained from the SafeStats Datastore; which are from Transport for London and London Ambulance Service regarding alcohol-related incidents. Between July 2022 and January 2023 Romford Town Centre had logged 21% of all alcohol related callouts by LAS and TFL in

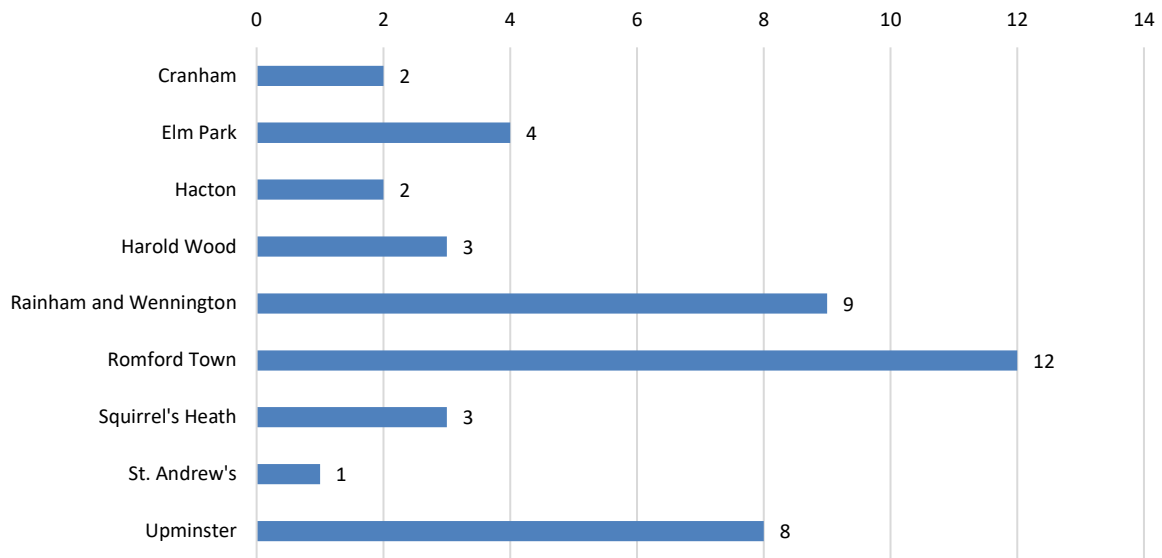


Havering. Comparisons have been made against all other Havering wards, which can be seen below, supporting that Romford Town had the highest number of logged incidents within the borough.

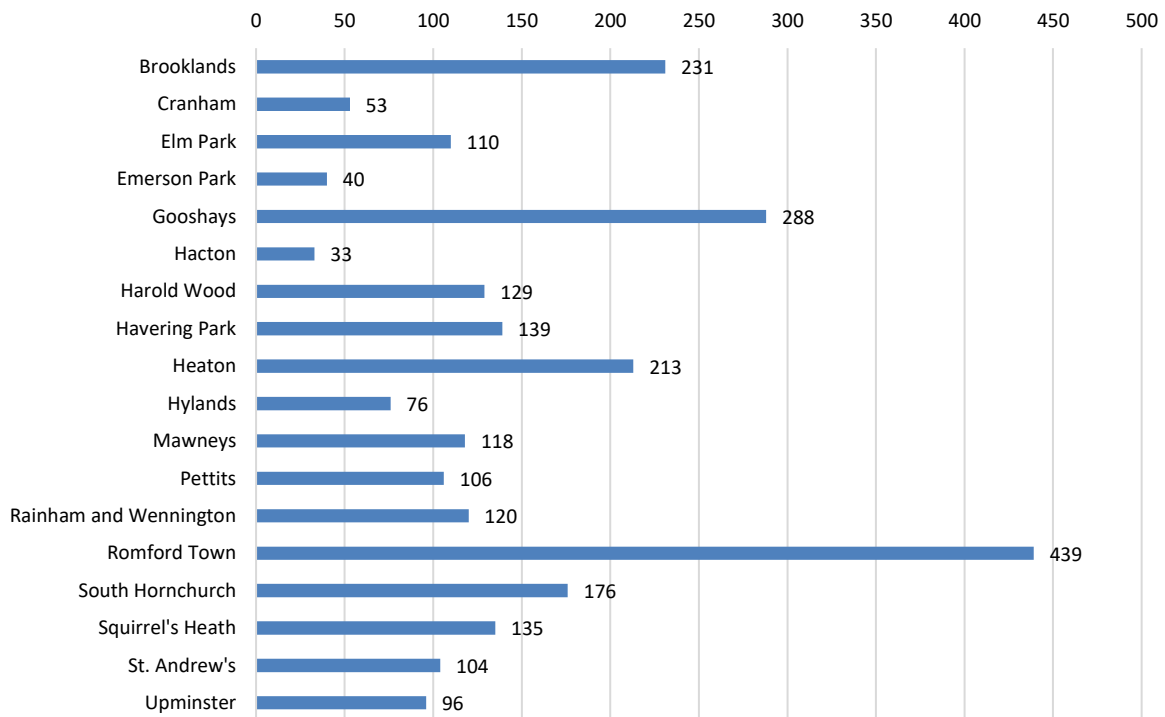
3.2 Additionally, figures were obtained from the SafeStats Datastore which are from Transport for London, British Transport Police and the Metropolitan Police Service regarding Anti-Social Behaviour incidents. Between July 2022 and January 2023 Romford Town Centre had logged 38% of all ASB related incidents recorded by BTP and TFL in Havering. Between July 2022 and June 2023 Romford Town Centre had logged 17% of all ASB related incidents recorded by the MPS in Havering. Comparisons have been made against all other Havering wards, which can be seen below, supporting that Romford Town had the highest number of logged incidents within the borough.



**BTP Incidents**



**MPS Incidents**



3.3 Furthermore, The London Borough of Havering Community Safety Strategic Assessment 2023 identifies alcohol and drugs as 'significant enhancers contributing to violence and serious acquisitive crimes'. Section 3.2.5 of the Assessment evidences the role of alcohol and drugs in violent and serious crime and states;

- 3.4 Substance misuse – alcohol is a significant factor in violence whilst drug use remains to be prevalent among those who commit high volumes of theft offences.

Local data for the Tri-Borough regarding the extent to which substance misuse is a factor in offending was unavailable at the time of completing the SA. As a proxy, information was used from the Crime Survey for England and Wales (CSEW). Over the last ten years in the CSEW, the victim perceived the perpetrator to be under the influence of alcohol in 47% of all violent crimes, compared to 21% for perpetrators perceived to be under the influence of drugs. There has been no significant change in the proportion of offences where drugs were identified since 2007. However, for violence there has been an overall reduction from over 50% prior to 2014 to just 39% in the most recent CSEW.

Alcohol related violence rates vary when considering different characteristics of the offences. In the most recent year stranger violence (49% alcohol, 24% drugs) was most likely to mention the use of alcohol whilst for domestic violence it had the lowest likelihood (31% alcohol, 15% drugs). Alcohol use was also associated with more severe injuries being sustained (52% of offences where a wounding occurred involved alcohol).

- 3.5 Probation and Community Rehabilitation Company offender assessment data was not available at the time of completing the SA. Research from the Ministry of Justice, analysing a five year cohort using the Offender Assessment System (OASys), has been used to provide a measure as to the extent to which crime types are more likely to be committed by those with either an alcohol or drug dependency (Compendium of research and analysis on the OASys 2009-2013 (2015) Ministry of Justice – see Table 5.2 [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/449357/research-analysis-offender-assessment-system.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/449357/research-analysis-offender-assessment-system.pdf) Accessed 01.12.2019).

*Figure 1 - shows the % of offenders assessed who had alcohol or drugs as a criminogenic need contributing to their offending, by crime type, Ministry of Justice 2015*

<b>Alcohol</b>	<b>Drugs</b>
1. Criminal Damage 60%	1. Burglary 67%
2. Drink Driving 54%	2. Robbery 63%
3. Racially Aggravated 52%	3. Theft and Handling 60%
4. Violence 43%	
All Offenders 54%	All Offenders 37%

Figure 17 from this section shows the comparative data between alcohol and drugs. It is clear that alcohol related crime is more of a significant problem than in comparison to crimes associated with drugs.

- 3.6 The Council is also expecting relevant licensed premises such as bars to apply for 'pavement licences' under the Business and Planning Act 2020. If granted they will permit patrons to drink outside on pavement within the permitted designated areas. This naturally has the potential to increase the likelihood of alcohol related anti-social behaviour crime and disorder particularly if individuals decide to irresponsibly take open glasses elsewhere on the highway / road etc. away from the permitted area.
- 3.7 The Current PSPO was introduced in September 2017 and extended in October 2020. Romford Town Centre remains a hotspot for Crime and Disorder and continues to require the additional powers provided by the PSPO to tackle alcohol related offending.
- 3.8 With the above in mind, Community Safety is seeking to continue a PSPO for Romford Town Centre, to provide continued methods of controlling alcohol related nuisance.
- 3.9 Public consultation was conducted between 27 July and 20 August 2023, with 94% of 66 respondents in favour of extending the PSPO for a further 3 years. The consultation took place with local key stake holders to include both statutory and non-statutory organisations, with residents online and via local media mechanisms. The results of the online consultation can be found within the evidence pack.

#### **4. REASONS AND OPTIONS**

##### **Reasons for the decision:**

Romford Town Centre has a vibrant and busy daytime/night-time economy with many licenced premises within the town centre selling alcohol and alcohol related products to local residents, businesses, members of the public and visitors.

Previously, alcohol related nuisance was dealt with under the Romford Town Centre Drinks Banning Order (DPPO), which covers a smaller area of the town centre and is due to lapse in October 2023 in accordance with the succession of legislation within the Anti-Social Behaviour, Crime and Policing Act 2014 (of which the Public Space Protection Order - PSPO is part).

With the introduction of the Public Space Protection Order (PSPO) legislation, Police and partners of the Local Authority wished to maintain additional methods of enforcement for alcohol related nuisance, by way of a fixed penalty.

The Current PSPO was introduced in September 2017 and extended in October 2020, Romford Town Centre remains a hotspot for Crime and Disorder and continues to require the additional powers provided by the PSPO to tackle alcohol related offending.



With the above in mind, Community Safety is seeking to continue a PSPO for Romford Town Centre, to provide continued methods of controlling alcohol related nuisance.

**Other options considered:**

Options considered included:

- Do nothing
- The Local Authority has the ability to use other powers within the Anti-Social Behaviour, Crime and Policing Act 2014 to control alcohol related nuisance. However, these powers would not be suitable for the reasons set out below:

**Community Protection Notice** – Not suitable as it is a three stage process which is tailored to an individual and/or specific situation. Therefore it cannot tackle immediate instances of nuisance

**Dispersal Order** – Not suitable as the Order only lasts for 48 hour periods. This power is meant to offer immediate respite to specific local nuisance and is not a long term remedial measure

**Civil Injunction** – Not suitable as this is meant to resolve specific nuisance and is not an immediate remedial measure

**Criminal Behaviour Order** - Not suitable as this is meant to resolve specific nuisance and is not an immediate remedial measure

**5. IMPLICATIONS AND RISKS**

**LEGAL IMPLICATIONS AND RISKS**

The Council proposes to extend the existing Public Space Protection Order (PSPO) under Section 60 (2) of the Anti-Social Behaviour Crime and Policing Act 2014 in accordance with the Home Office Guidance updated August 2019 '*Anti-Social Behaviour Crime and Policing Act 2014: Anti-Social behaviour powers, statutory guidance for frontline professionals*'. The guidance issued by the Local Government Association dated February 2018 has also been considered. The criteria for an extension of an existing PSPO is as follows:

- 60 (2) Before the time when a public spaces protection order is due to expire, the local authority that made the order may extend the period for which it has effect if satisfied on reasonable grounds that doing so is necessary to prevent —
  - (a) occurrence or recurrence after that time of the activities identified in the order, or
  - (b) an increase in the frequency or seriousness of those activities after that time.

- An extension under this section may not be for a period of more than 3 years and must be published in accordance with regulations made by the secretary of state. In addition a Public Spaces Protection Order can be extended more than once.
- The consultation proposal paper and witness statements collated in the background papers sets out there is sufficient evidential basis for an extension of the Order, in particular that there are reasonable grounds to show it is necessary to prevent the occurrence and reoccurrence after that time of those with possession of an open container of alcohol and consuming alcohol in a public place in order to prevent alcohol related anti-social behaviour within Romford Town Centre.
- Under Regulation 2 of the Anti-Social Behaviour, Crime and Policing Act 2014 (Publication of PSPO's) Regulations 2014 ("ASBCPA 1014") in relation to a public spaces protection order that a local authority has made, extended or varied, a local authority must —
  - (a) publish the order as made, extended or varied (as the case may be) on its website; and
  - (b) cause to be erected on or adjacent to the public place to which the order relates such notice (or notices) as it considers sufficient to draw the attention of any member of the public using that place to—
    - (i) the fact that the order has been made, extended or varied (as the case may be); and
    - (ii) the effect of that order being made, extended or varied (as the case may be).
- An application to challenge a PSPO can only be made on the grounds that:
  - (a) The local authority did not have the power to make the PSPO or to include particular requirements or prohibitions contained in it.
  - (b) PSPO requirements set out in Chapter 2 of Part 4 of the ASBCPA 2014 were not complied with. For example, there was a failure to consult before making the PSPO.
- This Report and supporting witness statements have been considered by the Senior Lawyer for Enforcement at oneSource Legal Department.
- OneSource Legal is satisfied that the PSPO Proposal, as amended, is proposed in accordance with law, and there is sufficient evidential basis for such Order to be made.
- There are no significant identified risks

## **FINANCIAL IMPLICATIONS AND RISKS**

The Extension of the Romford Town Centre Public Space Protection Order (PSPO) will require communication through social media and local papers this will be delivered within existing resources, not anticipated to exceed £0.010m.

## **HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

There are no HR implications

## **EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS**

The Romford Town Centre Public Space Protection Order has had an Equality Impact Assessment. The EIA has indicated that the Romford Town Centre PSPO is not expected to impact negatively on any specific group.  
The revised EqIA is attached.

## **HEALTH AND WELLBEING IMPLICATIONS AND RISKS**

The PSPO will have a positive impact on the health and wellbeing of the Borough by tackling excessive alcohol consumption and street drinking.

## **ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS**

The PSPO will have a positive impact on the environment by reducing the litter and detritus associated with excessive alcohol consumption such as littering, broken glass and bottles.

## **BACKGROUND PAPERS**

N/A

## **APPENDICES**

Appendix 1 – copy of PSPO 2020

Appendix 2 – PSPO MAP

Appendix 3 – EQIA for RTC PSPO extension

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**Havering London Borough Council**

**The Anti-Social Behaviour Crime and Policing Act 2014**

**The London Borough of Havering (The Romford Town Centre) Extension to the**

**Public Spaces Protection Order No.2 of 2020**

**WHEREAS** the London Borough of Havering ("The Council") is satisfied that not only the requirements of Sections 59 and 72 of the Anti-Social Behaviour Crime and Policing Act 2014 ("The Act") have been satisfied and it had been appropriate to in all circumstances to make an order but in line with section 60 of the Act it is appropriate to extend the Order.

**WHEREAS** the Council is satisfied that activities have been and will continue to be carried out in the Alcohol Control Area referred to below which have had and will continue to have a detrimental effect on the quality of life of those in the locality, such activities being the consumption of alcohol in public places other than licensed premises.

**WHEREAS** the Council is satisfied that the effect of the activities is, or is likely to be, of a persistent or continuing nature, and is, or is likely to be such as to make the activities unreasonable and the effect justifies the restrictions imposed by this Order.

**WHEREAS** the Council is satisfied that the prohibitions imposed by this Order are ones that it is reasonable to impose in order to prevent the detrimental effect from continuing, occurring, or recurring or to reduce that detrimental effect or to reduce the risk of its continuance, occurrence or recurrence.

**WHEREAS** the Council has had particular regard to the rights of freedom of expression and freedom of assembly set out in articles 10 and 11 of the European Convention on Human Rights.

**THE COUNCIL MAKES** the following Order in exercise of its powers to extend the existing order under section 60 of the Act.

1. This Order may be cited as an Extension to the London Borough of Havering (Romford Town Centre) Public Spaces Protection Order No.2 of 2020 ("the Order").
2. This Order takes effect on the **24<sup>th</sup> October 2020** and continues to have effect for a period of three years thereafter.
3. This Order applies to the land described in the Schedule below ("the Alcohol Control Area") and which is shown edged red on the attached plan ("the Order plan").
4. This Order applies to all persons in public places within the Alcohol Control Area at all times of the day and night, save on licensed premises or on a designated area where a pavement licence is in force.
5. This Order shall not apply where prior written notice that it does not apply is given by the Council or the Police to facilitate Temporary Event Notices or other public events.
6. The following activities are prohibited:
  - 6.1. Persons must not be in possession of an open container of alcohol in a public place within the Alcohol Control Area (save on licensed premises or on a designated area where a pavement licence is in force);**
  - 6.2. Persons must not consume alcohol in a public place within the Alcohol Control Area (save on licensed premises or on a designated area where a pavement licence is in force);**
7. For the purposes of this Order:
  - 7.1. "public place" means any place to which the public' or any section of the public has access, on payment or otherwise, as of right or by virtue of express or implied permission;
  - 7.2. 'alcohol' means any liquid intended for consumption by the person in possession of it, containing more than 0.05% alcohol by volume; and

7.3. 'licensed premises'. means:

- 7.3.1 premises (other than council-operated licensed premises) authorised by a premises licence to . be used for the supply of alcohol;
- 7.3.2 premises authorised by a club premises certificate to be used by the club for the supply of alcohol;
- 7.3.3 a place within the curtilage of premises within paragraph 7.3.1. or 7.3.2;
- 7.3.4 premises which by virtue of Part 5 of the Licensing Act 2003 may at the relevant time be used for the supply of alcohol or which, by virtue of that Part, could have been so used within the 30 minutes before that time;
- 7.3.5 a place where facilities or activities relating to the sale or consumption of alcohol are at the relevant time permitted by virtue of a permission granted under section 115E of the Highways Act 1980 (highway-related uses).
- 7.3.6 council-operated licensed premises-
  - 7.3.6.1 when the premises are being used for the supply of alcohol, or
  - 7.3.6.2 within 30 minutes after the end of a period during which the premises have been used for the supply of alcohol.

### **Offences**

Failure without reasonable excuse to comply with the prohibition on being in possession of an open container of alcohol within the Alcohol Control Area is a summary offence under section 67 of the Act. A person guilty of an offence under section 67 of the Act is liable on summary conviction to a fine not exceeding level 3 on the standard scale.

Where a Constable or a person duly authorised by the Council reasonably believes that a person is or has been consuming alcohol in breach of the prohibition on the consumption of alcohol within the Alcohol Control Area, or that a person intends to consume alcohol in circumstances in which doing so would be a breach of that prohibition, the Constable or authorised person may require that person:

- (a) not to consume, in breach of the prohibition, alcohol or anything which the Constable or authorised person reasonably believes to be alcohol;
- (b) to surrender anything in that person's possession which is, or which the Constable or authorised person reasonably believes to be, alcohol or a container for alcohol.

A constable or an authorised person who imposes such a requirement must tell the person that failing without reasonable excuse to comply with the requirement is an offence.

A person who fails without reasonable excuse to comply with such a requirement commits an offence and is liable on summary conviction to a fine not exceeding level 2 on the standard scale.

A requirement imposed by an authorised person is not valid if the authorised person is asked to show evidence of his or her authorisation but fails to do so.-

A Constable or authorised person may dispose of anything surrendered to him or her as a result of a requirement imposed by him or her in whatever way he or she thinks appropriate.



**SCHEDULE**

The Alcohol Control Area to which this Order applies comprises the following:

**Romford Town Centre**, as defined on the attached Order Plan

This Order does not extend to licensed premises with the Alcohol Control Area

**For the avoidance of doubt the Alcohol Control Area is shown edged red on the attached Order plan**

Dated *13th November* 2020

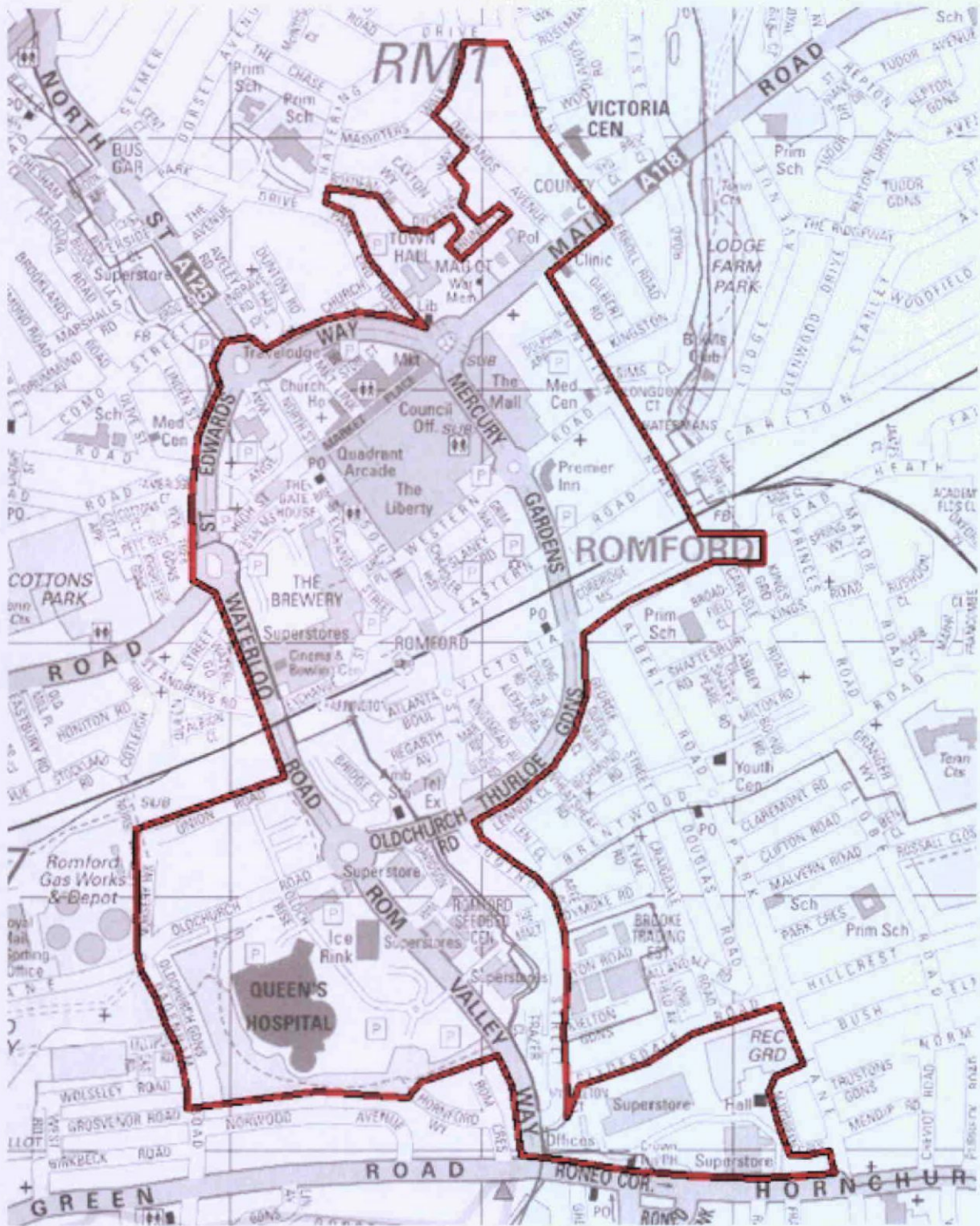
**IN WITNESS WHEREOF THE COMMON SEAL OF**

**THE MAYOR AND BURGESSES OF** }  
**THE LONDON BOROUGH OF HAVERING** }  
was hereunto affixed and this document }  
thereby executed as a Deed }  
in- the presence of }



*M. Begum*  
**Authorised Signatory**

THE COMMON SEAL OF THE  
MAYOR AND BURGESSES OF THE  
LONDON BOROUGH OF HAVERING  
was hereunto affixed in the presence of



THE COMMON SEAL OF THE  
MAYOR AND BURGESSES OF THE  
LONDON BOROUGH OF HAVERING  
was hereunto affixed in the presence of

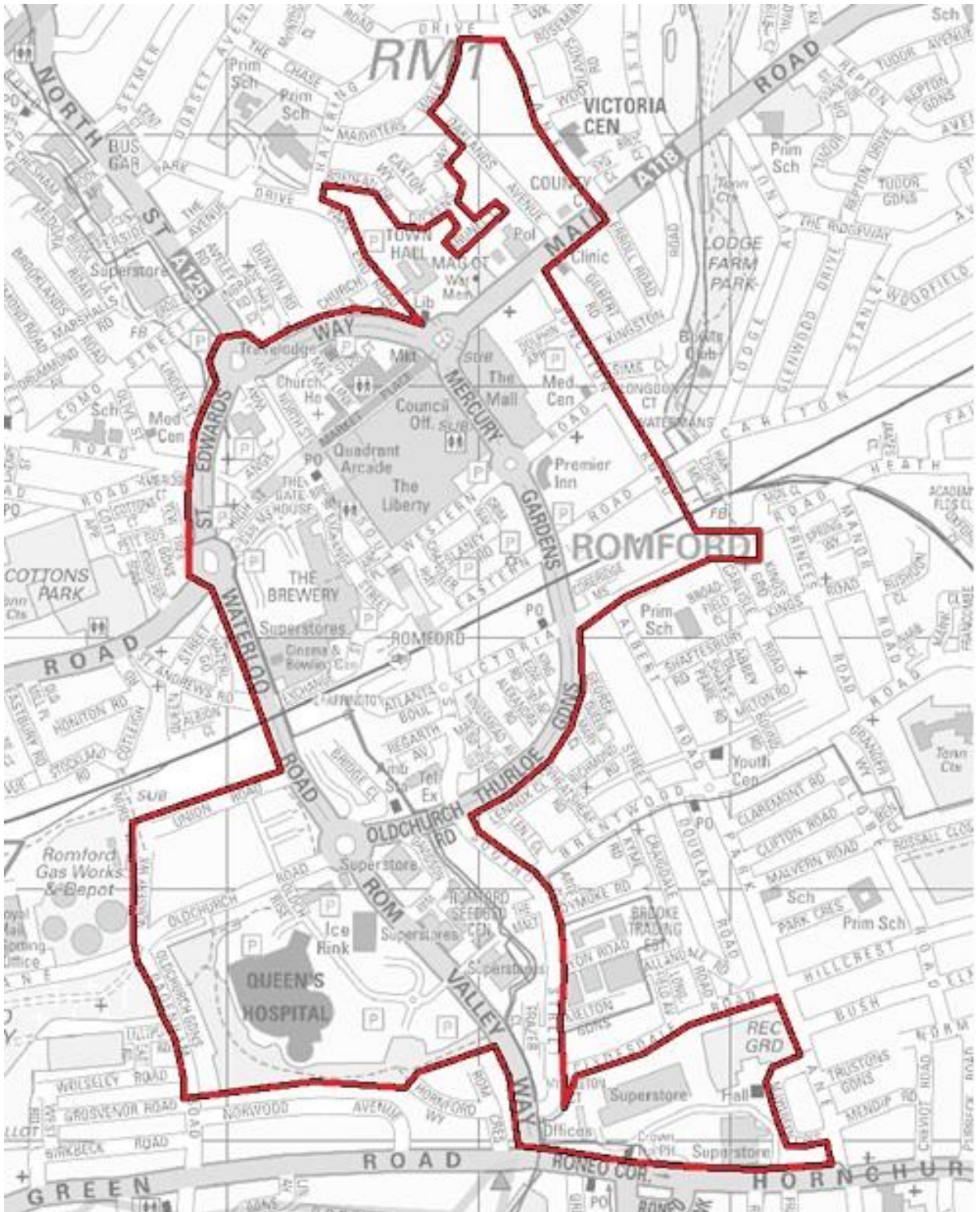
*M. J. J. J.*  
Authorised Signatory



134/1022

APPENDIX 1

PSPO MAP/PLAN FOR ROMFORD TOWN CENTRE



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## Equality Impact Assessment (EIA)

### Document control

<b>Title of activity:</b>	<i>Extension to Romford Town Centre PSPO EIA</i>
<b>Type of activity:</b>	<i>Anti-Social Behaviour Reduction</i>
<b>Lead officer:</b>	<i>Kerry Wright – Senior Community Safety Officer</i>
<b>Approved by:</b>	
<b>Date completed:</b>	
<b>Scheduled date for review:</b>	<i>April 2024</i>

The Corporate Policy & Diversity team requires **5 working days** to provide advice on EIAs.

<b>Did you seek advice from the Corporate Policy &amp; Diversity team?</b>	No
<b>Does the EIA contain any confidential or exempt information that would prevent you publishing it on the Council's website?</b>	No

# 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](mailto:diversity@havering.gov.uk)

## About your activity

1	<b>Title of activity</b>	<i>Extension to Romford Town Centre PSPO EIA</i>
2	<b>Type of activity</b>	<i>Anti-Social Behaviour Reduction</i>
3	<b>Scope of activity</b>	<p><i>On 20th October 2014, the Government overhauled the tools and powers available to local authorities and the Police to tackle anti-social behaviour.</i></p> <p><i>The Public Space Protection Order allows local authorities to set conditions to tackle anti-social behaviour in a specific defined area.</i></p> <p><i>The Council is seeking to extend the already live Public Space Protection Order with conditions to control alcohol related nuisance within Romford town centre.</i></p>
4a	<b>Is the activity new or changing?</b>	<i>Changing – The current PSPO has been in place since October 2017 It to expired in October 2020 and was extended for a further 3 years. A further extension will be requested for a further 3 years.</i>
4b	<b>Is the activity likely to have an impact on individuals or groups?</b>	<i>Both</i>
5	<b>If you answered yes:</b>	<i>Please complete the EIA on the next page.</i>
6	<b>If you answered no:</b>	

<b>Completed by:</b>	<i>Kerry Wright</i>
<b>Date:</b>	<i>2<sup>nd</sup> August 2023</i>

## 2. Equality Impact Assessment

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](#).

For more details on the Council's 'Fair to All' approach to equality and diversity, please visit our [Equality and Diversity Intranet pages](#). For any additional advice, please contact [diversity@haverinq.gov.uk](mailto:diversity@haverinq.gov.uk)

Please note the Corporate Policy & Diversity Team require **5 working days** to provide advice on Equality Impact Assessments.

Please note that EIAs are public documents and must be made available on the Council's [EIA webpage](#).

### Understanding the different needs of individuals and groups who use or deliver your service

In this section you will need to assess the impact (positive, neutral or negative) of your activity on individuals and groups with **protected characteristics** (this includes staff delivering your activity).

Currently there are **nine** protected characteristics (previously known as 'equality groups' or 'equality strands'): age, disability, sex/gender, ethnicity/race, religion/faith, sexual orientation, gender reassignment, marriage/civil partnership, and pregnancy/maternity/paternity.

In addition to this, you should also consider **socio-economic status** as a protected characteristic, and the impact of your activity on individuals and groups that might be disadvantaged in this regard (e.g. carers, low income households, looked after children and other vulnerable children, families and adults).

When assessing the impact, please consider and note how your activity contributes to the Council's **Public Sector Equality Duty** and its three aims to:

- eliminate discrimination, harassment and victimisation;
- advance equality of opportunity, and
- foster good relations between people with different protected characteristics.

**Guidance on how to undertake an EIA for a protected characteristic can be found on the next page.**

## Guidance on undertaking an EIA

<b>Example: Background/context</b>							
<p><i>In this section you will need to add the background/context of your activity. Make sure you include the scope and intended outcomes of the activity being assessed; and highlight any proposed changes.</i></p> <p style="text-align: right;"><i>*Expand box as required</i></p>							
<b>Example: Protected characteristic</b>							
<p>Please tick (✓) the relevant box:</p> <table border="1"> <tr> <td><b>Positive</b></td> <td><input type="checkbox"/></td> </tr> <tr> <td><b>Neutral</b></td> <td><input type="checkbox"/></td> </tr> <tr> <td><b>Negative</b></td> <td><input type="checkbox"/></td> </tr> </table>	<b>Positive</b>	<input type="checkbox"/>	<b>Neutral</b>	<input type="checkbox"/>	<b>Negative</b>	<input type="checkbox"/>	<p><b>Overall impact:</b> <i>In this section you will need to consider and note what impact your activity will have on individuals and groups (including staff) with protected characteristics based on the data and information you have. You should note whether this is a positive, neutral or negative impact.</i></p> <p><b>It is essential that you note all negative impacts. This will demonstrate that you have paid ‘due regard’ to the Public Sector Equality Duty if your activity is challenged under the Equality Act.</b></p> <p style="text-align: right;"><i>*Expand box as required</i></p>
<b>Positive</b>	<input type="checkbox"/>						
<b>Neutral</b>	<input type="checkbox"/>						
<b>Negative</b>	<input type="checkbox"/>						
<p><b>Evidence:</b> <i>In this section you will need to document the evidence that you have used to assess the impact of your activity.</i></p> <p><i>When assessing the impact, please consider and note how your activity contributes to the three aims of the Public Sector Equality Duty (PSED) as stated in the section above.</i></p> <p><i>It is essential that you note the full impact of your activity, so you can demonstrate that you have fully considered the equality implications and have paid ‘due regard’ to the PSED should the Council be challenged.</i></p> <ul style="list-style-type: none"> <li>- <i>If you have identified a <b>positive impact</b>, please note this.</i></li> <li>- <i>If you think there is a <b>neutral impact</b> or the impact is not known, please provide a full reason why this is the case.</i></li> <li>- <i>If you have identified a <b>negative impact</b>, please note what steps you will take to mitigate this impact. If you are unable to take any mitigating steps, please provide a full reason why. All negative impacts that have mitigating actions must be recorded in the <b>Action Plan</b>.</i></li> </ul> <p style="text-align: right;"><i>*Expand box as required</i></p>							
<p><b>Sources used:</b> <i>In this section you should list all sources of the evidence you used to assess the impact of your activity. This can include:</i></p> <ul style="list-style-type: none"> <li>- <i>Service specific data</i></li> <li>- <i>Population, demographic and socio-economic data</i></li> </ul> <p><i>Suggested sources include:</i></p> <ul style="list-style-type: none"> <li>- <i>Service user monitoring data that your service collects</i></li> <li>- <a href="#"><u>Havering Data Intelligence Hub</u></a></li> <li>- <a href="#"><u>London Datastore</u></a></li> <li>- <a href="#"><u>Office for National Statistics (ONS)</u></a></li> <li>- <a href="#"><u>SafeStats</u></a></li> </ul> <p><i>If you do not have any relevant data, please provide the reason why.</i></p>							



## The EIA

### Background/context:

On 20th October 2014, the Government overhauled the tools and powers available to local authorities and the Police to tackle anti-social behaviour.

The Public Space Protection Order allows local authorities to set conditions to tackle anti-social behaviour in a specific defined area.

Following on from the sanctioned Romford Town Centre PSPO in 2017, the Council extended the Order with conditions to control alcohol related nuisance within Romford town centre for a further three years.

The PSPO is an enforcement measure which sets a defined list of conditions to minimise nuisance behaviour within the Town Centre.

As such, it is not targeted at any individual or group but instead seeks to tackle any person whose behaviour is associated with drunkenness and alcohol related nuisance.

\*Expand box as required

### Age: Consider the full range of age groups

Please tick (✓)  
the relevant box:

Positive

Neutral

Negative

### Overall impact:

Age is not a factor in the issuing of FPN's, however, PSPO conditions can be applied to anyone over the age of 10. When serving an FPN against a minor the Council is required to inform YOS and the Legal guardian of the young person.

\*Expand box as required

**Evidence:**  
N/A

*\*Expand box as required*

**Sources used:**

ASB Crime and Policing Act 2014

Gov.UK Online Guidance  
<https://www.gov.uk/guidance/fixed-penalty-notices-issuing-and-enforcement-by-councils>

*\*Expand box as required*

<b>Disability:</b> Consider the full range of disabilities; including physical mental, sensory and progressive conditions	
<i>Please tick (✓) the relevant box:</i>	
<b>Positive</b>	<input type="checkbox"/>
<b>Neutral</b>	<input checked="" type="checkbox"/>
<b>Negative</b>	<input type="checkbox"/>

**Overall impact:**

The threshold for issuing a fixed penalty notice (FPN) rests with the serving Officer if they deem the behaviour to be a breach of the conditions within the PSPO.

As such, it is expected that any Officer issuing a FPN gives due care and regard to any physical, mental, sensory and progressive conditions that may impact the person’s ability to understand the consequence of breaching the PSPO.

As such, the conditions within the PSPO should not adversely impact upon any specific individual or group.

*\*Expand box as required*

**Evidence:**  
N/A

*\*Expand box as required*

**Sources used:**

ASB Crime and Policing Act 2014

Gov.UK Online Guidance  
<https://www.gov.uk/guidance/fixed-penalty-notices-issuing-and-enforcement-by-councils>

*\*Expand box as required*

<b>Sex/gender:</b> Consider both men and women	
<i>Please tick (✓) the relevant box:</i>	
<b>Positive</b>	<input type="checkbox"/>
<b>Neutral</b>	<input checked="" type="checkbox"/>
<b>Negative</b>	<input type="checkbox"/>
<b>Overall impact:</b> The conditions of the PSPO apply regardless of a person's gender or gender identity <i>*Expand box as required</i>	
<b>Evidence:</b> N/A <i>*Expand box as required</i>	
<b>Sources used:</b> ASB Crime and Policing Act 2014 Gov.UK Online Guidance <a href="https://www.gov.uk/guidance/fixed-penalty-notices-issuing-and-enforcement-by-councils">https://www.gov.uk/guidance/fixed-penalty-notices-issuing-and-enforcement-by-councils</a> <i>*Expand box as required</i>	

<b>Ethnicity/race:</b> Consider the impact on different ethnic groups and nationalities	
<i>Please tick (✓) the relevant box:</i>	
<b>Positive</b>	<input type="checkbox"/>
<b>Neutral</b>	<input checked="" type="checkbox"/>
<b>Negative</b>	<input type="checkbox"/>
<b>Overall impact:</b> The PSPO conditions will apply to anyone regardless of ethnic group or background. <i>*Expand box as required</i>	

**Evidence:**  
N/A

*\*Expand box as required*

**Sources used:**

ASB Crime and Policing Act 2014

Gov.UK Online Guidance  
<https://www.gov.uk/guidance/fixed-penalty-notices-issuing-and-enforcement-by-councils>

*\*Expand box as required*

**Religion/faith:** Consider people from different religions or beliefs including those with no religion or belief

<i>Please tick (✓) the relevant box:</i>		<b>Overall impact:</b>  None of the conditions within the PSPO should have an effect on a person's ability to worship/follow religious beliefs
<b>Positive</b>	<input type="checkbox"/>	
<b>Neutral</b>	<input checked="" type="checkbox"/>	
<b>Negative</b>	<input type="checkbox"/>	

*\*Expand box as required*

**Evidence:**  
N/A

*\*Expand box as required*

**Sources used:**

ASB Crime and Policing Act 2014

Gov.UK Online Guidance  
<https://www.gov.uk/guidance/fixed-penalty-notices-issuing-and-enforcement-by-councils>

*\*Expand box as required*

**Sexual orientation:** Consider people who are heterosexual, lesbian, gay or bisexual

<i>Please tick (✓) the relevant box:</i>		<b>Overall impact:</b>  The issuing of FPN's are not influenced by sexual orientation
<b>Positive</b>	<input type="checkbox"/>	
<b>Neutral</b>	<input checked="" type="checkbox"/>	
<b>Negative</b>	<input type="checkbox"/>	

*\*Expand box as required*

**Evidence:**  
N/A

*\*Expand box as required*

**Sources used:**

ASB Crime and Policing Act 2014

Gov.UK Online Guidance  
<https://www.gov.uk/guidance/fixed-penalty-notices-issuing-and-enforcement-by-councils>

*\*Expand box as required*

**Gender reassignment:** Consider people who are seeking, undergoing or have received gender reassignment surgery, as well as people whose gender identity is different from their gender at birth

<i>Please tick (✓) the relevant box:</i>		<b>Overall impact:</b>  None of the conditions within the PSPO will have an effect on a person's sexuality or sexual identity
<b>Positive</b>	<input type="checkbox"/>	
<b>Neutral</b>	<input checked="" type="checkbox"/>	
<b>Negative</b>	<input type="checkbox"/>	

*\*Expand box as required*

**Evidence:**  
N/A

*\*Expand box as required*

**Sources used:**

ASB Crime and Policing Act 2014

Gov.UK Online Guidance  
<https://www.gov.uk/guidance/fixed-penalty-notices-issuing-and-enforcement-by-councils>

*\*Expand box as required*



<b>Pregnancy, maternity and paternity:</b> Consider those who are pregnant and those who are undertaking maternity or paternity leave	
<i>Please tick (✓) the relevant box:</i>	
<b>Positive</b>	<input type="checkbox"/>
<b>Neutral</b>	<input checked="" type="checkbox"/>
<b>Negative</b>	<input type="checkbox"/>
<b>Overall impact:</b> None of the conditions within the PSPO specifically target those who are pregnant or on any form of leave associated with child care.	
<i>*Expand box as required</i>	
<b>Evidence:</b> N/A	
<i>*Expand box as required</i>	
<b>Sources used:</b> ASB Crime and Policing Act 2014 Gov.UK Online Guidance <a href="https://www.gov.uk/guidance/fixed-penalty-notices-issuing-and-enforcement-by-councils">https://www.gov.uk/guidance/fixed-penalty-notices-issuing-and-enforcement-by-councils</a>	
<i>*Expand box as required</i>	

<b>Socio-economic status:</b> Consider those who are from low income or financially excluded backgrounds	
<i>Please tick (✓) the relevant box:</i>	
<b>Positive</b>	<input type="checkbox"/>
<b>Neutral</b>	<input checked="" type="checkbox"/>
<b>Negative</b>	<input type="checkbox"/>
<p><b>Overall impact:</b></p> <p>The conditions within the PSPO may have an adverse effect on Homeless people seeking consume alcohol within the Town Centre while seeking shelter.</p> <p>It is acknowledged that many Homeless people within the town centre have alcohol related dependencies. As such they run the risk of facing the penalties associated with breaching the PSPO.</p> <p>The FPN may have a limited impact on the Homeless but the seizure and destruction of alcohol may result in additional financial hardship for those who seek to replace supplies lost.</p> <p>Additionally, the possible impact on homeless should be viewed in the context of supplementary support/visits being carried out by the Housing department to try and resolve homelessness within the Borough.</p> <p style="text-align: right;"><i>*Expand box as required</i></p>	
<p><b>Evidence:</b> N/A</p> <p style="text-align: right;"><i>*Expand box as required</i></p>	
<p><b>Sources used:</b></p> <p>ASB Crime and Policing Act 2014</p> <p>Gov.UK Online Guidance  <a href="https://www.gov.uk/guidance/fixed-penalty-notices-issuing-and-enforcement-by-councils">https://www.gov.uk/guidance/fixed-penalty-notices-issuing-and-enforcement-by-councils</a></p> <p style="text-align: right;"><i>*Expand box as required</i></p>	



## Action Plan

In this section you should list the specific actions that set out how you will address any negative equality impacts you have identified in this assessment.

Protected characteristic	Identified negative impact	Action taken to mitigate impact*	Outcomes and monitoring**	Timescale	Lead officer

\* You should include details of any future consultations you will undertake to mitigate negative impacts

\*\* Monitoring: You should state how the negative impact will be monitored; how regularly it will be monitored; and who will be monitoring it (if this is different from the lead officer).

## Review

Once in force the extended PSPO will last for 36 months. It is therefore recommended that review commence in April 2024 (allowing six months for Member and public consultation). The EIA should also be reviewed at this time and within this body of work.

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## CABINET

**Subject Heading:**

**Budget Monitoring Report - Period 4  
July 2023 and MTFS Finance Update**

**Cabinet Member:**

**Councillor Chris Wilkins (Cabinet  
Member for Finance and  
transformation)**

**SLT Lead:**

**Kathy Freeman**  
Strategic Director of Resources

**Report Author and contact details:**

Richard Tyler  
Head of Financial Strategy and Business  
Intelligence  
01708 433 957

[Richard.Tyler@Havering.gov.uk](mailto:Richard.Tyler@Havering.gov.uk)

**Policy context:**

The report provides an update on the Financial monitoring position of the Council at the end of Period 4 2023-2024. The report also sets out the latest 4 year medium term financial strategy and an update on the 2024/25 budget

**Financial summary:**

This report includes:

- Projected Outturn at Period 4
- Projected Capital spend as at Period 3 (Shown in Appendix 1)
- Update on progress towards delivering the 2023/24 savings
- Update on the progress towards setting the 2024/25 budget
- Update on the Medium Term Financial Strategy for 2024-28

**Is this a Key Decision?**

No

## 1. Executive Summary

- 1.1. This Report sets out the monitoring position for the Council for 2023/24 based on figures to period four (31st July).
- 1.2. The table below shows the net service budgets, spend and variances and actuals to date.

Directorates at Activity level	Original Budget £m	Revised Budget £m	Actual To Date £m	Year End Forecast £m	Current Forecast Variance £m
<b>Resources - Strategic Directorate</b>	<b>4.624</b>	<b>3.301</b>	<b>1.608</b>	<b>3.383</b>	<b>0.082</b>
<b>People - Strategic Directorate</b>	<b>122.183</b>	<b>131.979</b>	<b>48.365</b>	<b>151.902</b>	<b>19.923</b>
<b>Place - Strategic Directorate</b>	<b>6.703</b>	<b>8.347</b>	<b>(10.098)</b>	<b>12.237</b>	<b>3.890</b>
<b>A7000B-oneSource Shared Total</b>	<b>2.812</b>	<b>3.834</b>	<b>6.206</b>	<b>6.051</b>	<b>2.217</b>
<b>A8000B-oneSource Non-Shared LBH Total</b>	<b>4.808</b>	<b>4.885</b>	<b>3.814</b>	<b>4.865</b>	<b>(0.020)</b>
<b>Total Service Budgets</b>	<b>141.129</b>	<b>152.346</b>	<b>49.895</b>	<b>178.438</b>	<b>26.092</b>
Corporate budgets and provisions	14.739	13.569	3.358	13.569	0.000
Concessionary Fares	5.076	4.865	1.199	4.865	0.000
Treasury Management and Capital Financing	9.452	9.149	0.094	6.149	(3.000)
Service Growth held corporately	18.483	10.439	0.000	10.439	0.000
Contributions to the Pension Fund	12.086	12.086	3.160	12.086	0.000
<b>Corporate Finance Total</b>	<b>59.835</b>	<b>50.108</b>	<b>7.811</b>	<b>47.108</b>	<b>(3.000)</b>
A5590E-Contingency	1.000	1.000	0.000	1.000	0.000
A5710E- Unringfenced Service Grants	(38.493)	(39.983)	(12.952)	(39.983)	0.000
A5720E-Levies Total	18.535	18.535	6.205	18.535	0.000
<b>A9001B-Corporate Total</b>	<b>40.877</b>	<b>29.660</b>	<b>1.064</b>	<b>26.660</b>	<b>(3.000)</b>
<b>A0000A-Total</b>	<b>182.006</b>	<b>182.006</b>	<b>50.960</b>	<b>205.098</b>	<b>23.092</b>

- 1.3. Further details of the reported variances are set out in Section 4 of this report. This section also sets out the steps taken to address the reported overspend. There are then sections setting out the Corporate outturn position, including Treasury management. The report then has a section setting out the outturn position on the Housing Revenue Account (HRA) and Capital.
- 1.4. The report includes an update on the 2024/25 budget setting process and the latest 2024-28 medium term financial strategy. The report sets out the pressures behind the reported position and the sets the Council is taking to address the budget position

## 2. RECOMMENDATIONS

- 2.1. Cabinet are asked to note the revenue and Capital financial positions at Period 4 as set out in section 4 of this report

- 2.2. Cabinet are asked to note the progress towards setting the 2024/25 budget as set out in section 9 of this report
- 2.3. Cabinet are asked to note the Quarter 1 Capital Programme update as set out in Appendix one to this report.

### **3. BACKGROUND**

- 3.1. Havering is an efficient well run authority which has managed its budgets carefully over many years. Over the last decade the Government has reduced the amount of funding the authority has received both in cash terms and through an inequitable funding formula which does not reflect the demographic pressures the Council faces.
- 3.2. In the same time the Council has faced increased demographic demand and complexity in Social Care at a time when high inflation is also driving up the costs charged by providers. The Government has failed to adequately provide grant funding for Havering for these large increases leaving the authority in the difficult financial situation set out in this report through no fault of its own. Havering has increased Council Tax in line with Government expectations and has identified over £160m of savings and efficiencies over the last ten years. Even this extra funding has not been enough to meet the additional demands the Council is facing.
- 3.3. Havering spends its money carefully and has low unit costs compared to most other authorities as shown in recent benchmarking in paragraph 9.12.4 of this report. Havering was badly affected by the COVID pandemic and unlike many other authorities spent all the Government grant allocated at the time. The authority has overspent over the last two years firstly due to continued care costs in the aftermath of the pandemic followed by sharply rising costs due to inflation. This has resulted in a reduction of general fund balances to £8.1m which is amongst the lowest levels in London.
- 3.4. Havering has been disadvantaged over many years by Government policy regarding grant allocation. The current formula used for central grant distribution is over 10 years old and does not reflect current demand. This has penalised Havering through underfunding as its population has grown disproportionately to other authorities.
- 3.5. Havering is also facing pressures through Government policy in other areas. This includes the Government's stance on the Private Rented Sector (PRS), which has led to less properties being available for local authorities to meet Housing demand. The inconsistency and lack of direction regarding the Fire Safety Regulations (2022), has led to Havering not being able to deliver much needed affordable housing in the Borough. This in turn, has led to pressures on housing demand making Havering more reliant on expensive temporary accommodation to meet our statutory Housing duties.
- 3.6. There are a number of other authorities across the country experiencing similar pressures to Havering and it is generally recognised that unless the Government identifies new funds a number of these authorities will shortly fall into significant financial difficulties.

- 3.7. In March 2023 Havering agreed a balanced budget for 2023/24 as part of the Council Tax setting process. As part of building the budget the Council considered the various pressures services were facing and made assumptions based in the latest information at that time on client numbers and demand. This exercise identified that over £19m of growth needed to be built into the budget to support service pressures. The Council balanced this additional need through a combination of additional grant, savings and an increase in Council Tax.
- 3.8. The early months of 2023/24 has seen significant pressures increase in the following areas:
- 3.8.1. *Housing Demand* - The increase in cost of living has had a resultant impact on the cost of Housing provision across London. Demand has increased and the Council has been forced to use high cost temporary accommodation on an increasing basis. The number of PSL's available has also decreased over the last couple of years again increasing the use of hotels and B and B.
- 3.8.2. *Looked after Children with Complex need* - The numbers of Looked After Children requiring Council support has increased over the last few years. In the last year however the number of Children requiring complex support through residential placements has risen from 16 up to 29 placements. These placements are high cost resulting in a significant pressure on the budget. The Council has a statutory duty to support these Children and will regularly review each placement to ensure the best outcomes for each individual.
- 3.8.3. *Uncertainty over continued Health Funding and the rising unit cost of Adult placements* - The number of Adults in Social care continues to rise but more significantly the unit cost of provision driven by inflation has significantly increased. The Council was expecting these increases and over £9m was built into the Adults budget to cover these costs. In 2022/23 over £37m of Health Funding underpinned the Adult Social Care budgetary position. At this stage there is no certainty that these funds will be ongoing in 23/24 and so this report recognised that as a pressure for both 2023/24 and 2024/25. People Services will continue to work closely with Health partners to recognise the Council's pressures and to secure funding where it is due.
- 3.9. These pressures have resulted in a significant gap in the Council's forecasted budget position. Services will continue to work hard to both contain demand and reduce costs to improve this position through the remainder of the year. It should be noted that the Council is not alone in facing these pressures. Many other boroughs are reporting similar positions with rising costs driven by inflation and rising demand.

#### 4. PERIOD 4 REVENUE MONITORING REPORT

4.1. This section sets out the service reported position at the end of July and the directorates view on the potential outturn position from all known information. The paragraphs below set out department commentary on the current variances.

#### 4.2. RESOURCES

Directorates at Activity level	Original Budget £m	Revised Budget £m	Actual To Date £m	Year End Forecast £m	Current Forecast Variance £m
<b>A3000B-Resources - Public Health Total</b>	(1.650)	(1.650)	(4.383)	(1.650)	0.000
<b>A3100B-Resources - Communication Total</b>	(0.055)	(0.055)	0.284	(0.055)	0.000
<b>A3200B-Resources - Customer Services Total</b>	0.402	0.590	2.200	0.469	(0.121)
<b>A3300B-Resources - Finance Total</b>	1.844	0.309	0.578	0.246	(0.063)
<b>A3400B-Resources - Havering Place Based Partnership Total</b>	0.884	0.884	1.857	1.146	0.262
<b>A3500B-Resources - Public Health - HRA Total</b>	1.217	1.242	0.288	1.242	0.000
<b>A3600B-Resources - Public Health - Non Grant Total</b>	1.982	1.982	0.785	1.986	0.004
<b>Resources - Strategic Directorate</b>	<b>4.624</b>	<b>3.301</b>	<b>1.608</b>	<b>3.383</b>	<b>0.082</b>

4.2.1. Customer Services are projecting an improvement in underspend of £0.121m in period 4 following a review of vacant posts. This position will be revised in period six when the levels of call wait times (demand) at the contact centre is reviewed.

4.2.2. Bereavement & Registration are projecting an overspend of £0.098m at P4 as a result of an underachievement in Crematorium income due to seasonal demand, which tends to fluctuate. There is also a forecasted overspend of £0.163m within Commissioning due to agency staff covering vacant posts. The current forecast assumes that the service will not be in receipt of previous year one-off funding, however, should the service be notified of any such funding during the course of the year the forecast will be updated accordingly.

#### 4.3. PEOPLE

Directorates at Activity level	Original Budget £m	Revised Budget £m	Actual To Date £m	Year End Forecast £m	Current Forecast Variance £m
A4000B-People - Starting Well Total	50.718	53.023	16.646	62.068	9.045
A4600B-People - Ageing Well Total (includes Living Well Social Care)	67.485	74.024	31.410	81.838	7.814

A9000B-People - Living Well (Housing Demand) Total	2.649	3.602	(0.072)	6.587	2.985
A9100B-People - Living Well - HRA Total	1.330	1.330	0.382	1.330	0.000
<b>People - Strategic Directorate</b>	<b>122.183</b>	<b>131.979</b>	<b>48.365</b>	<b>151.823</b>	<b>19.844</b>

#### 4.3.1. **Starting Well**

Directorates at Activity level	Original Budget £m	Revised Budget £m	Actual To Date £m	Year End Forecast £m	Current Forecast Variance £m
A4100C-Education Total	12.033	13.613	3.957	13.613	0.000
A4200C-Children's Social Care Total	36.944	37.669	12.495	46.714	9.045
A4250C-Principal Social Worker Total	1.741	1.741	0.194	1.741	0.000
<b>A4000B-People - Starting Well Total</b>	<b>50.718</b>	<b>53.023</b>	<b>16.646</b>	<b>62.068</b>	<b>9.045</b>
Education- DSG Total	0.000	0.000	(23.698)	0.000	0.000
<b>A4100B-People - Starting Well - DSG Total</b>	<b>0.000</b>	<b>0.000</b>	<b>(23.698)</b>	<b>0.000</b>	<b>0.000</b>

##### 4.3.1.1. *Children's Social Care*

4.3.1.2. Future growth on Children in Care (CIC) & Leaving Care (LC) placements has been forecast at a prudent 5%. CIC placement expenditure rose from £9.6m in 2021/22 to £12.5m in 2022/23 (an increase of 31%). Whilst there was an overall fall in CIC numbers, residential placements increased from 16 in April 2022 to 29 in March 2023, an 85% increase in the costliest placements.

4.3.1.3. As in previous years, growth on Children with Disabilities (CWD) placements and transport has been based on the increase in the number of Education Health Care Plans plans, which amounts to 13%. The number of clients approved for transport for the 2023/24 academic year has also risen by the same percentage. A proportion of these increases has been incorporated into the period 4 forecast, with the balance being held as contingency for further changes in the new school year.

4.3.1.4. Unaccompanied Asylum seeking children (UASC) growth has been estimated at 10%, as currently Havering is significantly below the 1% quota for accepting asylum seekers. This growth amounts to approximately another 40 asylum seekers.

#### 4.3.2. **Ageing Well**

Directorates at Activity level	Original Budget £m	Revised Budget £m	Actual To Date £m	Year End Forecast £m	Current Forecast Variance £m
A4600C-Adult Social Care Total	66.209	72.748	31.067	80.565	7.817
A4650C-Adult Safeguarding Total	1.276	1.276	0.343	1.273	(0.003)
<b>A4600B-People - Ageing Well Total</b>	<b>67.485</b>	<b>74.024</b>	<b>31.410</b>	<b>81.838</b>	<b>7.814</b>



#### 4.3.2.1. Adult Social Care

Directorates at Activity level	Original Budget £m	Revised Budget £m	Actual To Date £m	Year End Forecast £m	Current Forecast Variance £m
A4600E-Transforming Health and Social Care Total	0.000	0.000	0.108	0.000	0.000
A4620E-Strategy and Commissioning Total	2.690	2.665	1.563	2.693	0.028
A4621E-Mental Health - Section 75 Total	2.244	1.637	0.084	1.409	(0.228)
A4622E-Mental Health - Non Section 75 Total	1.783	2.628	1.216	3.435	0.807
A4625E-ASC Covid Spend Total	0.000	0.002	(0.000)	0.002	0.000
A4630E-Adult Community Team Total	34.008	38.062	16.274	41.238	3.176
A4645E-Hospital Discharge Total	0.107	0.107	0.222	0.002	(0.105)
A4650E-Learning Disabilities Total	25.179	27.450	12.134	31.477	4.027
A4660E-Health & Social Care Other Total	0.198	0.198	(0.547)	0.310	0.112
A4671E-Disabled Adult Services-Dummy Total	0.000	0.000	0.015	0.000	0.000
<b>A4600C-Adult Social Care Total</b>	<b>66.209</b>	<b>72.748</b>	<b>31.067</b>	<b>80.565</b>	<b>7.817</b>

4.3.2.2. The period 4 reported position for the Adults Social Care Service area is an overspend of £7.817m.

4.3.2.3. The outturn position for 22/23 was an overspend of £1.650m, the period 4 forecast position is an increase of £6.104m against the 22/23 outturn position. The main reason for this increase is due to substantial one off health funding being applied to the 22/23 budget which amount to £7.511m and although £9.486m inflationary and demographic growth funding has been allocated to Adult Social Care for 23/24, once the one off funding has been taken into consideration, the net increase to the Adult Social Care budget for 23/24 is £1.975m.

4.3.2.4. There is also an additional £0.230m which has been applied to the forecast which is the ICB element of the discharge fund which is over and above the amount that was included within the growth figure. There is also an additional £0.450m Better Care Fund (BCF) funding which has been applied to the forecast, this is the inflationary increase of the BCF.

4.3.2.5. The pressure is mainly due to the high inflationary increases that were applied for the 23/24 rates, the estimated forecast of the inflationary increases are in the region of £6.500m. Even with large inflationary increases being paid to providers, it is still proving difficult to place clients at Havering's usual rates and most providers are not currently accepting Havering's rates, resulting in higher weekly costs for most placements which is adding to the forecast overspend. Work is being undertaken by commissioning and brokerage with the market to understand the current pressures. The table below sets out the significant increase in rates paid on average over the last year:

SERVICE	RATE	22/23 Rate	% UPLIFT	New rate	ESTIMATED ANNUAL COST OF UPLIFT
					(£)
RESIDENTIAL CARE	STANDARD WEEKLY	£620.00	13.00%	£700.60	105,000
	ENHANCED WEEKLY	£695.00	11.00%	£771.45	502,000
	VARIABLE 1 WEEKLY	variable	6.00%	variable	169,000
	VARIABLE 2 WEEKLY	variable	8.00%	variable	864,000
	1 to 1 HOURLY	variable	0.00%	variable	0
NURSING CARE	STANDARD WEEKLY	£632.00	13.00%	£714.16	87,000
	ENHANCED WEEKLY	£678.00	11.00%	£752.58	345,000
	VARIABLE 1 WEEKLY	variable	6.00%	variable	211,000
	VARIABLE 2 WEEKLY	variable	8.00%	variable	111,000
	1 to 1 HOURLY	variable	0.00%	variable	0
SUPPORTED LIVING	VARIABLE WEEKLY	variable	8.00%	variable	1,109,000
HOMECARE	STANDARD HOURLY	£19.68	11.00%	£21.84	1,239,000
	VARIABLE HOURLY	variable	6.00%	variable	9,000
	VARIABLE WEEKLY	variable	6.00%	variable	18,000
LIVE-IN CARE	VARIABLE WEEKLY	variable	9.00%	variable	81,000
	1 to 1 HOURLY	variable	9.00%	variable	14,000
ESTIMATED COST OF PROVISION UPLIFTS					4,864,000

4.3.2.6. There is also increasing placement pressures in both Community Teams and Learning Disabilities as well as increasing demand in Mental Health with an increase in complex packages and an increase in the number of service users being supported.

4.3.2.7. The period 4 position also saw a high number of self-funders that we are brokering care for, although this does not impact on the forecast as the income from the self-funders are also included within the forecast, this appears to be an unusual trend and the reason for this is currently being investigated

4.3.2.8. Progress on Aging Well savings - The 23/24 savings applied to the Ageing well budget was £3.245m. The forecast assumes that these savings will be achieved in full by year end although further work is currently being undertaken to review the achievability of some of these savings. £0.457m of the Better Living savings have been achieved and the teams continue to work to continue to deliver better living savings, Senior managers and the Learning Disabilities resource panel are scrutinising all requests for appropriateness and proportionality. £0.427m of the Targeted reviews savings have been achieved and the teams are continually working on scoping what other cases could be targeted to achieve the saving

#### 4.3.3. Living Well

Directorates at Activity level	Original Budget £m	Revised Budget £m	Actual To Date £m	Year End Forecast £m	Current Forecast Variance £m
A2100C-Culture & Leisure Total	(1.756)	(1.434)	(0.330)	(1.355)	0.079
A4300C-Housing Demand Total	4.405	5.036	0.258	8.021	2.985
A9000B-People - Living Well Total	2.649	3.602	(0.072)	6.666	3.64

#### 4.3.3.1. Housing Demand

Directorates at Activity level	Original Budget £m	Revised Budget £m	Actual To Date £m	Year End Forecast £m	Current Forecast Variance £m
A4386E-Housing Demand Service (GF) Total	4.355	4.986	0.258	7.971	2.985
A4387E-Supported Housing (GF) Total	0.000	0.000	0.000	0.000	0.000
A4388E-GF Support Charges Total	0.050	0.050	0.000	0.050	0.000
<b>A4300C-Housing Demand Total</b>	<b>4.405</b>	<b>5.036</b>	<b>0.258</b>	<b>8.021</b>	<b>2.985</b>

4.3.3.2. The Period 4 budget pressure is a £4.012m overspend but the service is working to reduce this pressure by mitigating the costs as shown in the table below and with other measures, reducing the overspend to just under £3m. The forecast includes the additional hotel costs for homeless families and singles, increased landlord rents and the associated shortfall in rental income, as well as Private Sector Landlord (PSL) repairs and maintenance costs that include £230k brought forward from the last year.

4.3.3.3. The table below demonstrates the increase in temporary accommodation costs and demand over the first four months of the year

		Apr-23	May-23	Jun-23	Jul-23
<b>FAMILIES</b>	Total days cost in month	<b>2591</b>	<b>2934</b>	<b>3353</b>	<b>3824</b>
	<b>Total cost in month (M)</b>	0.211	0.234	0.255	0.282
<b>SINGLES</b>	Total days cost in month	<b>1557</b>	<b>1727</b>	<b>1915</b>	<b>2136</b>
	<b>Total cost in month (M)</b>	0.109	0.125	0.137	0.149

4.3.3.4. The mitigations being mobilised to reduce the impact of the hotel costs however, the winter period could add additional pressures to the service:

Sites	Number of units	Timeframe	In year impact £m
Royal Jubilee Court	60 units	Oct-23	(0.674)
Notting Hill Housing Genesis	9 units	Dec-23	(0.030)
National Housing Group	8 units	Dec-23	(0.021)
Chalkhill PAPP	50 units	Mar-24	(0.078)
<b>Total</b>			<b>(0.803)</b>

#### 4.4. PLACE

Directorates	Original Budget £m	Revised Budget £m	Actual To Date £m	Year End Forecast £m	Current Forecast Variance £m
<b>A5000B-Place - Environment Total</b>	8.219	9.921	0.999	12.481	2.560
<b>A5100B-Place - Planning &amp; Public Protection Total</b>	4.092	4.024	1.536	4.902	0.878
<b>A5500B-Place - Housing &amp; Property Total</b>	(3.060)	(3.025)	0.612	(2.575)	0.450
<b>A5700B-Place - Housing &amp; Property HRA Total</b>	(2.548)	(2.573)	(13.245)	(2.573)	0.000
<b>Place - Strategic Directorate</b>	<b>6.703</b>	<b>8.347</b>	<b>(10.098)</b>	<b>12.235</b>	<b>3.888</b>

##### 4.4.1. Environment

4.4.1.1. Environment are projecting an overspend position of £2.560m at P4; The main reasons for the overspend are as follows:

4.4.1.2. Parking – A pressure of £1.351m. The overspend mainly as a result of a shortfall in the base budget for Penalty Charge Notices and Moving Traffic Contraventions and reduced income from the new school street offer (inability to implement the level of School Street camera's as previously planned by the previous administration, a reduction from 11 schools to only 3 schools going ahead)

4.4.1.3. Public Realm – an over spend of £0.640m. The over spend is mainly as a result of procurement, consultancy and ongoing Legal support costs relating to the deferral of the integrated Public Realm Contract. The service has now identified pressures resulting from the transfer to the new waste contract, these additional costs are included within the forecast projection. These costs are one off costs for this financial year. It is anticipated that there will be an increase in the Household waste and recycling collection cost as a result of the post extension contract cost with SERCO including enhanced staff cost (drivers supplements), 50:50 vehicle cost share and the increased agency spend due to staff leaving during the transition period. Initial thoughts in April 2023 assumed that the additional costs arising from the waste contract extension would be £0.248m, and this would be managed within the 2023/24 Service budget. Further detailed analysis carried out in P4, has shown that despite all the mitigating factors taken into consideration to reduce pressures, Public Realm are reporting an overall overspend position of £0.640m.

4.4.1.4. Highways – an over spend of £0.807m This is mainly as a result of the unachievable income target within DSO. In addition, the scheme's budget is under pressure due to under recovery in staff capitalisation cost. A strategy is now in place for a wider procurement of highways services to include expected cost efficiencies by outsourcing the DSO, any benefits to be realised in 2024/2025.

4.4.1.5. The P4 forecast position includes Directorate under spends of £0.238m predominantly as a result of staffing under spend within Business Support.

#### 4.4.2. **Planning & Public Protection**

4.4.2.1. Planning & Public Protection are projecting an over spend position of £0.878m at P4. Potential pressures within Planning and Public Protection are as a result of under achievement of the planning application fee income, building control fee income, local land charges and business licensing fee income. In addition to, unbudgeted legal costs in relation to upcoming Public Inquiries within planning and costs for Terraquest, the external service provider for planning application validation. There are cost pressures in connection with the Local Plan and Lower Thames Crossing Development Consent Order programme, also mortuary contract cost pressures.

4.4.2.2. These over spends are slightly offset by salary underspends across the Service.

#### 4.4.3. **Housing and Property**

Directorates at Activity level	Original Budget £m	Revised Budget £m	Actual To Date £m	Year End Forecast £m	Current Forecast Variance £m
<b>A2850C-Regeneration &amp; Place Shaping Total</b>	0.447	0.411	0.279	0.411	0.000
<b>A4880C-Housing Property and Assets Total</b>	(4.050)	(4.016)	(0.672)	(3.566)	0.450
<b>A6000C-Inclusive Growth Total</b>	0.544	0.580	1.005	0.580	0.000
<b>A5500B-Place - Housing &amp; Property Total</b>	<b>(3.060)</b>	<b>(3.025)</b>	<b>0.612</b>	<b>(2.575)</b>	<b>0.450</b>

4.4.3.1. Romford Market has experienced a decline in income over a number of years due to reduced traders and reduced footfall within the area. There is a pressure estimated in this financial year of £0.150m.

4.4.3.2. The Mercury House decant is unlikely to be concluded until 2024/25, therefore the associated savings target will not be fully achieved this financial year whilst business rates and small running costs are still being incurred. The residual net pressure being forecast is £0.3m.

#### 4.5. **ONESOURCE SHARED**

Directorates	Original Budget £m	Revised Budget £m	Actual To Date £m	Year End Forecast £m	Current Forecast Variance £m
A7100C-oS Finance Total	0.180	0.243	1.029	0.232	(0.011)
A7131C-Procurement Total	(0.007)	(0.007)	0.177	(0.007)	0.000
A7200C-oS Business Services Total	0.103	0.067	(0.593)	0.250	0.183

A7300C-oS Exchequer & Transactional Services Total	2.305	3.066	1.133	3.871	0.805
A7500C-oS Legal & Governance Total	(0.030)	0.136	1.270	0.251	0.115
A7600C-oS ICT Services Total	0.276	0.301	1.818	1.487	1.186
A7700C-oS Asset Management Services Total	0.010	0.053	0.367	(0.008)	(0.061)
A7800C-oS Strategic & Operational HR Total	(0.025)	(0.025)	1.005	(0.025)	0.000
<b>A7000B-oneSource Shared Total</b>	<b>2.812</b>	<b>3.834</b>	<b>6.206</b>	<b>6.051</b>	<b>2.217</b>

4.5.1. Prior years undelivered savings targets are causing an overspend on business services of £0.2m; it is anticipated that these will be addressed as part of the oneSource split.

4.5.2. The Exchequer and Transactional Service is forecasting an overspend of £0.8m. Enforcement fees are set by statute at £75 for a letter and £235 for an enforcement officer visit, therefore the ability to deliver against target is predicated on a significant increase in the volume of successful cases. The service continually aims to secure new contracts and increase caseloads wherever possible. As and when new contracts are secured, the income forecast will be updated accordingly.

4.5.3. ICT Services are reporting a £1.1m overspend largely comprised of a combination of undelivered savings of £0.6m (£0.4m for 22/23 and £0.2m prior year) and increases in costs including Microsoft Enterprise Licences, data and connectivity costs, security costs and Dynamics

#### 4.6. ONESOURCE NON SHARED

Directorates	Original Budget £m	Revised Budget £m	Actual To Date £m	Year End Forecast £m	Current Forecast Variance £m
A5200C-Exchequer Services Total	(1.621)	(1.621)	(0.596)	(1.513)	0.108
A5350C-Business Services Total	0.002	0.002	0.000	0.002	0.000
A5750C-oS non Shared Finance Total	1.184	1.122	1.220	0.913	(0.209)
A5800C-Asset Management Total	2.965	3.104	2.109	3.154	0.050
A5850C-Strategic HR & OD Total	(0.024)	(0.024)	0.429	0.033	0.057
A5900C-Legal & Democratic Services Total	2.101	2.101	0.652	2.075	(0.026)
A5950C-ICT Services Total	0.200	0.200	0.001	0.200	0.000
<b>A8000B-oneSource Non-Shared LBH Total</b>	<b>4.808</b>	<b>4.885</b>	<b>3.814</b>	<b>4.865</b>	<b>(0.020)</b>

- 4.6.1. Exchequer Services is forecasting a £0.1m overspend which relates to a reduction in the amount of allowable contribution from the collection fund to the general fund in recognition of the cost of collection. The allowable contribution is determined by central government and is based on a formula including the number of hereditaments, aggregate rateable value and the 'area cost factor' for the authority. The current budget assumes a contribution of £0.368m against an actual contribution of £0.272m.
- 4.6.2. Finance is forecasting an underspend of £0.209m in relation to staffing vacancies.
- 4.6.3. Asset Management have reduced all non essential spend in order to mitigate the income pressures they are experiencing and are now forecasting an overall net pressure of £0.050m. They have a high number of vacant properties within the Hilldene area owing to current development plans, however, they are actively being marketed, which will hopefully result in new income, bringing the overspend back within budget.
- 4.6.4. Legal and Democratic Services are forecasting an underspend of £0.140m mainly on staffing vacancies. Legal non-shared are forecasting an over spend of £0.114m which is a combination of slippage on the delivery of a £0.055m savings target relating to reducing the cost of external legal spend in wider council budgets coupled with income pressures of £0.095m resulting from a reduction in school appeal income.

## 5. HOUSING REVENUE ACCOUNT

- 5.1. **Living Well – HRA** Whilst there are additional costs being incurred to convert Royal Jubilee Court into temporary accommodation, this will be recovered from the additional rental stream once the units are occupied
- 5.2. **Housing & Property HRA** Housing Operations – HRA - £144k underspend. The introduction of ULEZ has resulted in the existing vehicle fleet having to be replaced, to ensure compliance. This has resulted in a £93k pressure. This has been offset by underspends on salaries as a result of an AD post being deleted from the structure and vacant posts in the Telecare and Income Management Services. There has also been income received from recovered court costs and legal fees
- 5.3. Housing, Property & Assets – HRA - £42k underspend.

## 6. SAVINGS DELIVERY

6.1. In setting the 2023/24 budget the Council identified £9.626m of savings proposals which would need to be delivered in order to balance the budget. These proposals were partially offset by a £2.0m budget provision recognising that some proposals might not be fully realised. Departments worked collectively to achieve savings wherever possible. The tables below show progress towards delivery of those savings split into the new Departments and also rag-rated.

6.2. The table below shows progress of delivery by Directorate

Savings	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	4 Year Plan
People	5.289	4.562	7.456	6.580	<b>23.887</b>
Place	2.796	0.493	0.000	0.000	<b>3.289</b>
Resources	0.791	0.130	0.000	0.000	<b>0.921</b>
Corporate	8.135	1.600	1.600	1.600	<b>12.935</b>
<b>TOTAL</b>	<b>17.011</b>	<b>6.785</b>	<b>9.056</b>	8.180	<b>41.032</b>

6.3. Table showing achievement of savings rag-rated:

Savings	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	4 Year Plan
Green	(5.575)	(2.668)	(2.220)	(2.220)	(12.683)
Amber	(4.007)	(4.117)	(6.836)	(5.960)	(20.920)
Red	(2.194)	0.000	0.000	0.000	(2.194)
Staffing Saving	(5.235)	0.000	0.000	0.000	(5.235)
<b>TOTAL</b>	<b>(17.011)</b>	<b>(6.785)</b>	<b>(9.056)</b>	<b>(8.180)</b>	<b>(41.032)</b>

6.4. The Council will continue with the aim of delivering all savings set out in the budget. The majority are on track but there are a number which are classified as red (not on track). These savings are listed below and either relate to difficulties associated with the demand pressures set out in this report or through decisions not to proceed with certain items. The Council has a provision built into its base budget and in the event of a service not being able to contain their costs the provision will be used to balance the budget. The current savings classified as red are shown in the table below:

Fund Climate Posts from CIL rather than base budget	(0.150)
Targeted Reviews - Living Well	(0.500)
Assistive Technology - Ageing Well	(0.250)



Develop integrated commissioning function to support the Havering Borough Partnership	(0.250)
Better Living (part of saving)	(0.800)
Saving on Permits	(0.220)
Closure of Corbets Tey toilets	(0.024)
<b>TOTAL RED SAVINGS £Ms</b>	<b>(2.194)</b>

6.5. In addition to the £17m above, the Council committed to delivering £7.0m of staffing savings. £1.8m has been delivered through a voluntary redundancy scheme with a further £5.2m of savings that are yet to be identified. The Council is fundamentally reviewing its staff base and structures to modernise services and improve efficiency.

6.6. Further work will continue to identify how the remaining £5.2m saving will be met. This savings target is not currently included in the projected budget gap and so if proposals are not identified there is a risk that this will add to the Council's overspend at year end.

## 7. CORPORATE BUDGETS AND CONTINGENCY

7.1. The Council holds a central contingency of £1m each year. This is held for unforeseen events and the Council would only use this as a last resort if no other funding is available.

7.2. The Council also holds a number of budgets centrally mostly pending allocation to departments. These budgets have been reviewed, on a monthly basis, by the Section 151 Officer, as part of the monitoring cycle.

Corporate Items	Budget £m	Forecast £m	Outturn (Under)spend £m	Period 3 (Under)spend £m
<b>Corporate Contingency</b>	1.000	1.000	0.000	0.000
<b>Treasury Management</b>	9.452	6.452	(3.000)	<b>(3.000)</b>
<b>Other Corporate Budgets</b>	19.579	19.579	0.000	0.000
<b>Total</b>	<b>30.031</b>	<b>27.031</b>	<b>(3.000)</b>	<b>(3.000)</b>

7.3. Treasury Management - The Council sets its treasury budgets based on the assumed Capital programme and forecasted level of cash balances each year. There are fluctuations on these budgets due to slippage and changes to the Capital programme, prevailing interest rates and borrowing decisions and the level of cash balances held by the Council. The Period 3 Capital monitoring position below shows significant slippage from the anticipated programme at the start of the financial year. This slippage has resulted in the Council not needed to externally borrow in the first half of the year. This generates a short term underspend although it should be noted that costs in future years will go up when schemes do progress. The Council has also benefitted from increased interest receivable from its deposits. Interest rates have continued to rise and the Council

is lending at an overnight rate of over 5%. This has generated additional income on the Councils short term investments. These factors have resulted in an underspend on the treasury budget of £3.0m. There will also be a year end charge to the Housing Revenue Account reflecting the benefit that fund has received from utilisation of cash balances rather than external borrowing. This will be included in the Period 4 forecast and is currently being estimated.

7.4. Whilst the Council has benefitted financially in the short term through the slippage on the Capital Programme these delays have not been through the Councils choice. The re-profiling of the Regeneration programme has largely been caused by legislative changes outside the Council's control and will delay the development of much needed Housing to ease the Councils demand pressures

## 8. EARMARKED AND GENERAL RESERVES

8.1. The Council holds general balances to mitigate against unforeseen risks. At the end of 2022/23 The Council held £8.154m in General Balances. This is significantly lower than the Council's self set target of £20m of unallocated balances. The Council does budget each year for a £2m contribution to general balances but the financial position set out in this report will make increasing general balances very difficult in the short term.

8.2. The Council also holds Earmarked reserves which are set aside for specific time limited projects in the future. These reserves are reviewed regularly and if the reserves are no longer required they are either transferred to revenue or added to general balances.

The table below shows the 2022/23 year end position on Earmarked reserves:

Reserves	Balance 1st April £m	Total Use £m	Closing Balance £m
Corporate Reserves	-27.3	13.8	-13.5
Capital Reserves	-6.5	0.5	-6.0
General Reserves	-23.1	5.8	-17.3
Public Health Reserve	-2.7	-0.2	-2.9
<b>Total</b>	<b>-59.6</b>	<b>19.9</b>	<b>-39.7</b>

## 9. MEDIUM TERM FINANCIAL PLANNING AND BUDGET PROCESS UPDATE

9.1. The increases in Social Care costs the Council is facing has placed the Council in a very difficult financial position. Havering is a well-managed, efficient, low cost council. However the external funding the Council receives from the Government has reduced from over £75m in 2013/14 to around £33m and in the same period goods and services and other inflationary costs have risen by over 30%.

9.2. Havering is a well run authority with a history of sound financial management. The Council has identified over £160m of savings and efficiencies over the last 10 years in

order to finance increased demographic demand and balance its budget. The authority also has one of the highest Council Tax collection rates in London despite having the 5<sup>th</sup> highest Council Tax in the Capital due to many years of underfunding.

- 9.3. The Council has statutory duties to support vulnerable people and in the last few years the number of people needing support has risen significantly. High inflation has also driven up weekly unit costs for social care placements over the last two years and the level of support needed by those is increasing in complexity and cost. Havering's children population is the fourth fastest growing in the UK and the highest in London.
- 9.4. Havering also has the 2nd oldest population in London, resulting in a significant number of elderly and vulnerable people requiring home care, residential and nursing placements. Homelessness combined with a shortage of available Housing has resulted in the Council having to use expensive temporary accommodation to fulfil its statutory duty. The Council is working hard to identify additional Housing sites in order to manage this pressure but are having to place vulnerable families in hotels as there is simply not enough housing to meet the demand.
- 9.5. Havering has approximately £48m of General Balances and Earmarked reserves left and with a projected overspend in 2023/24 of £23m as set out in this report this figure is likely to reduce further at year end. The Government is not offering solutions and the Council is faced with some tough decisions. The Council will be putting in place recruitment and spending controls in order to reduce the forecast overspend.
- 9.6. Havering has been heavily disadvantaged by central Government's continued use of a funding formula based on population numbers from 2011. Our Borough's population has grown significantly and yet the funding formula is calculated using outdated data that is over a decade old. The Council will continue to lobby central Government and keep pushing for a fairer share of central funds.
- 9.7. The process to set the 2024/25 budget and Medium term financial strategy has been the most challenging the Council has faced in years. Cabinet was provided an update on the Medium Term Financial position in July at which it was estimated there was a potential gap of £14.1m for 2024/25 rising to £51.8m over a four-year period to 2028.
- 9.8. Since the July report was published the Council has undertaken a comprehensive review of all budgets to identify and update all the assumptions in the medium term financial strategy. This is a process that all Councils undertake during the summer months and particularly for People Services involves mapping service user numbers and unit costs to project potential future demand and cost. The results have confirmed that Havering is facing future pressures that significantly exceed the previous projections in Service areas. The additional pressures are partially offset by changes to the Corporate projections and additional assumed grant streams following recent Government announcements.
- 9.9. The net updated position is a potential budget gap before savings proposals and Council Tax decisions of £31.2m in 2024/25 rising to £77.1m over the four-year period to 2028.

	2024/25	2025/26	2026/27	2027/28	4 Year Plan
	£m	£m	£m	£m	£m
Corporate Pressures	4.4	9.8	7.1	2.7	<b>23.9</b>
Demographic and Service Pressures	34.9	9.3	8.4	5.5	<b>58.0</b>
Pay Award and other Inflation	8.5	5.0	5.0	5.0	<b>23.6</b>
Assumed Savings previously built into the strategy	-6.8	-9.1	-8.2	-1.6	<b>-25.6</b>
Additional Government Funding	-9.8	1.0	6.0	0.0	<b>-2.8</b>
<b>Budget Gap</b>	<b>31.2</b>	<b>16.0</b>	<b>18.3</b>	<b>11.6</b>	<b>77.1</b>

### 9.10. Updated projected Service Budget pressures

9.10.1. The main change to the forecast budget position has been the level of Demographic and Service pressures that needs to be built into the plan. The current period 4 monitoring position shown earlier in this report shows a projected service overspend of £26.1m. The Council is currently forming action plans to mitigate this overspend in 2023/24 but it is clear that the underlying issues that have caused the overspend will continue into future years. Inflation has reduced through 2023 but is still projected to be at 4% by the bank of England in April 2024. As such future year assumptions also recognise that inflation (which partly drives placement costs) also need to be adjusted.

#### 9.10.2. Starting Well

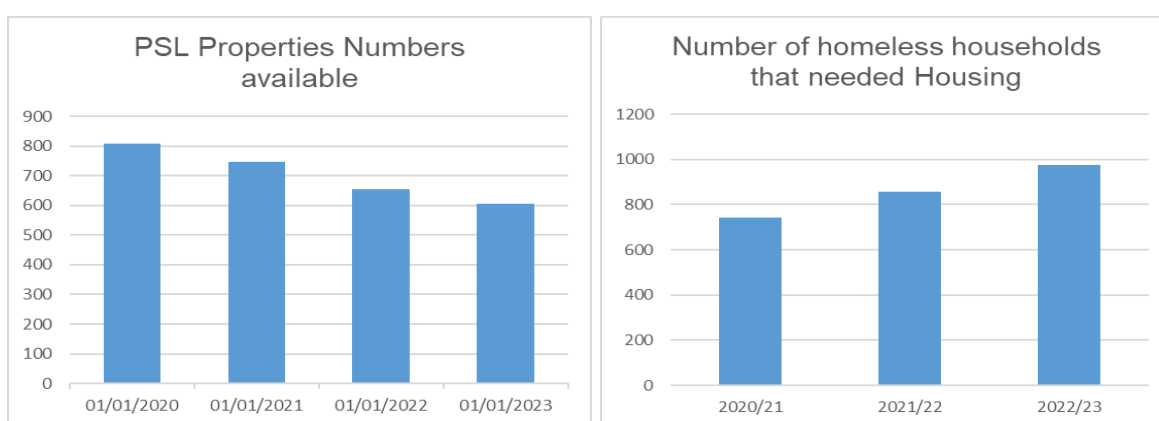
9.10.3. The Starting Well base budget pressure in 2023/24 of £9m is largely driven by the numbers and unit cost of Children in Care placements. The number of children in residential placements rose from 16 in April 2022 to 29 by March 2023 and has remained at the same level over the summer. The medium term financial strategy assumes placement numbers will stabilise but there is a risk with a rising child population in the borough that there will be further pressures. The Council is working hard through early intervention to control the number of children coming into social care but has a statutory duty to protect children in the borough

9.10.4. Starting Well also have experienced pressures in home to school transport, rising UASC cases and increased costs of short break respite packages. These pressures are described in further detail in the monitoring section of this report but are adding to the overall pressure the service is facing.

9.10.5. There is no sign of demographic demand reducing and as such it is now expected that the pressures in this area in 2023/24 are all ongoing and therefore need to be reflected in the updated MTFS. The table below sets out the most likely pressures the Council is expecting to face in this area.

24/25 Assumption	Best (m)	Likely (m)	Worst (m)
Ongoing 23/24 Base Budget Pressure	7.2	9	10
UASC Pressure	0.1	0.1	0.6
Transport costs (actions being taken)	0	0	0.6
<b>Inflation assumption</b>	<b>-4.50%</b>	<b>-5%</b>	<b>-10%</b>
Placement additional inflation	0.7	0.9	1.8
Additional Care Numbers	0.5	1	2
<b>Additional Budget required</b>	<b>8.5</b>	<b>11</b>	<b>15</b>

#### 9.10.6. Living Well (Housing Demand)



RISING NUMBERS IN HOTEL / B and B ACCOMMODATION				
	2020/21	2021/22	2022/23	Total
<b>Singles</b>	<b>90</b>	<b>82</b>	<b>131</b>	<b>303</b>
<b>Families</b>	<b>3</b>	<b>43</b>	<b>257</b>	<b>303</b>
<b>Total</b>	<b>93</b>	<b>125</b>	<b>388</b>	<b>606</b>

9.10.7. Living well has pressures driven by an increase in the number of people and families requiring housing support coupled with a decrease in the number of Housing placements available. The attached graphs exemplify the trends the authority has been experiencing over the last few years.

#### 9.10.8. Ageing Well

9.10.9. The costs of placement costs within ageing well have increased markedly as providers seek inflationary uplifts in order to pay their staff and meet rising energy and running costs. The underlying pressure in ageing well from 2023/24 is expected to be £8.7m with further inflationary uplifts required in future years. The table below sets out a breakdown of the projected pressures in this area.

24/25 Budget Assumption Ageing Well	Best (m)	Likely (m)	Worst (m)

Ongoing 23/24 Base Budget Overspend	5	8.7	11
Increased in Service Users	0.4	0.6	0.8
Transition cases from Children's	1	2	2.5
<b>Inflation assumption</b>	<b>-4.50%</b>	<b>-5%</b>	<b>-6%</b>
Placement additional inflation	4.1	4.5	5.4
Additional Service user income	-1.4	-1.5	-1.6
<b>Additional Budget required</b>	<b>9.1</b>	<b>14.3</b>	<b>18.1</b>

9.10.10. The main demographic pressures the Council is facing are within People Services and are described in the tables above. There are however ongoing pressures in other services which are largely reflected in the budget monitoring section of this report. Most of these pressures are addressing historical budget issues and so once funded are not expected to increase in future years. The table below sets out the updated demographic pressures which have been built into the latest medium term financial plan

Demographic Pressures	2024/25	2025/26	2026/27	2027/28	4 Year Plan
	£m	£m	£m	£m	£m
Starting Well	11.0	2.0	2.0	2.0	17.0
Living Well	3.9	0.5	0.0	0.0	4.4
Ageing Well	14.3	3.5	3.5	3.5	24.8
Other service pressures	5.6	1.0	2.0	0.0	8.6
<b>TOTAL</b>	<b>34.8</b>	<b>7.0</b>	<b>7.5</b>	<b>5.5</b>	<b>54.8</b>

#### 9.11. Next Steps and approach to Consultation on the budget

9.11.1. In order to close the budget gap the Council is considering all savings and efficiency proposals including the level of fees and charges for its services. These proposals will be presented as part of a further report to cabinet in November.

9.11.2. The Council is fully committed to consulting on its budget proposals. The November cabinet paper will set out these proposals and the Council is planning to conduct a six-week consultation with the public and key stakeholders following the publication of that report

9.11.3. The Council has a number of communication plans to raise awareness of the Council's budget position including:

- Launch a document setting out our position for sharing with key stakeholders.
- Engagement with the media and press setting out Havering's position
- Joint work with other councils with similar pressures.
- Meetings with DLUHC and appropriate officials at the Government.
- Engagement with the national political parties and local MP's to raise awareness Havering's position
- Work with London Councils and LGA on funding gaps.

## 9.12. Risks to setting a balanced budget for 2024/25

- 9.12.1. The Medium Term Financial Strategy has identified a net budget gap of £31.2m for the financial year 2024/25 as set out in paragraph 9.8. This position is before any decision on further savings and Council Tax is taken. The Council has a number of options available to close this gap and it is proposed that a further report to cabinet in November is produced to set these options out in more detail.
- 9.12.2. The Council strongly believes that the grant system frozen in 2013/14 has resulted in Havering being underfunded by central Government over a period of at least 10 years. The Council is in dialogue with central government and will continue to push for a fairer grant settlement
- 9.12.3. It is clear however that even with further savings and a Council Tax increase within the referendum limits there currently will still be a significant gap to close. The Council is fully committed to closing the budget gap and will look at all options to achieve that. The Council has been systematically underfunded by central government for over 10 years and the budget difficulties and low levels of reserves are reflective of that.
- 9.12.4. Havering is an efficient well run Council with low unit costs in comparison to its neighbours This is shown in a recent LG Futures analysis of 2023/24 budgets against costs per resident for its services compared to 125 other authorities in as shown in the table below. The current budget gap is caused by the rising cost of social care coupled with a Government funding formula which does not reflect Havering's rapidly increasing demand. The Council will do everything it can to contain the 2023/24 overspend and set a balanced budget for 2024/25.

**Table 6 - Unit costs compared to England average**

Service Area	Budget 2023/24 (£m)	Unit cost		Difference from England average		Rank out of 125 (1=high)	Units
		Your authority (£ per unit)	England average (£ per unit)	(%)	(Band)		
Education (exc. schools)	23.201	79.58	77.51	2.7%	●	51st	Residents (all)
Adults' Social Care	79.964	243.95	325.08	-25.0%	●	120th	Residents (18+ weighted)
Children's Social Care	48.799	747.44	1,085.64	-31.2%	●	113th	Residents (0-17)
Public Health	12.001	41.91	71.77	-41.6%	●	114th	Residents (all)
Highways & Transport	4.283	3,382.76	3,218.47	5.1%	●	89th	Road length
Housing (General Fund)	7.962	27.66	39.31	-29.6%	●	65th	Residents (all)
Cultural & Related Services	2.667	9.26	40.05	-76.9%	●	124th	Residents (all)
Environmental & Regulatory Services	10.998	38.21	90.36	-57.7%	●	124th	Residents (all)
Planning & Development Services	-0.054	-0.19	19.20	-101.0%	●	117th	Residents (all)
Central Services	16.692	57.98	49.89	16.2%	●	37th	Residents (all)
Other Services	10.287						
<b>Total (excluding schools)</b>	<b>216.800</b>	<b>756.64</b>	<b>1,048.64</b>	<b>-27.8%</b>	<b>●</b>	<b>123rd</b>	<b>Residents (all)</b>

9.12.5. Local authorities have a statutory duty to set a balanced budget each year and ultimately if this is not possible the only alternative is to issue a S114 notice. A S114 notice would bring additional costs through external Commissioners who would be appointed by the Government. Havering is not in that position at the moment but unless the imbalance between the funding it receives and the demand it faces changes then ultimately the Council will not be able to balance its budget.

## **10. CAPITAL PROGRAMME 1ST QUARTER MONITORING UPDATE**

10.1 The Capital monitoring 1st quarter update is presented in Appendix 1 of this report

## **11. IMPLICATIONS AND RISKS**

### **11.1. Financial Implications and Risks**

The financial implications of the Council's MTFs are the subject of this report and are therefore set out in the body of this report. The risks to the 2023/24 budget are set out in the report. The report also sets out the difficulties being faced in setting the 2024/25 budget and the implications if the Council is unable to reduce its pressures in order to deliver a balanced budget.

### **11.2. Legal Implications and Risks**

11.2.1. The Council is required under S151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs.

11.2.2. Under S 28 of the Local Government Act 2003 a local authority has to review its budget calculations from time to time during the financial year and take appropriate action if there is any deterioration in its budget.

11.2.3 In accordance with section 3(1) of the Local Government Act 1999, the Council has 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" (This is "the best value duty".) The monitoring of the financial position assists the Council in meeting that duty.

### **11.3. Human Resource Implications and Risks**

11.3.1. There are no immediate Human Resource implications or risks arising from the report at this stage and any specific workforce impact is difficult to assess at the present time. However, any current or future savings proposals or changes to the funding regime that impact on staff numbers or job roles, will be managed in accordance with both statutory requirements and the Council's Organisational Change policy and associated procedures.

### **11.4. Equalities and Social Inclusion Implications and Risks**

There are no immediate Equalities and Social Inclusion implications arising from the report



## APPENDIX 1 – CAPITAL MONITORING UPDATE Quarter 1

### 1. CAPITAL MONITORING

1.1. The Capital programme for 2023/24 through to 2026/27 was agreed at Council in February 2023. Since then slippage from 2022/23 has been added as per the capital outturn report and there have been some additions to the programme resulting in a summary programme as set out in the table below.

Summary of Existing Approved Capital Programme	Previous Year's Budget £m	2023-24 Budget £m	2024-25 Budget £m	2025-26 Budget £m	2026-27 + Budget £m	Total Budget £m
Ageing Well	5.254	7.596	0.000	0.000	0.000	12.850
Living Well	33.452	1.300	4.552	0.000	0.000	39.304
Starting Well	0.796	4.201	0.000	0.022	0.000	5.019
<b>People</b>	<b>39.502</b>	<b>13.097</b>	<b>4.552</b>	<b>0.022</b>	<b>0.000</b>	<b>57.173</b>
Environment	7.985	23.920	7.750	7.182	14.000	60.836
Housing & Property (GF)	68.917	236.409	141.681	62.267	75.464	584.739
Housin & Property (HRA)	308.688	215.041	95.335	100.729	329.500	1,049.293
Planning & Protection	0.169	1.561	0.000	0.000	0.000	1.730
<b>Place</b>	<b>385.758</b>	<b>476.931</b>	<b>244.766</b>	<b>170.178</b>	<b>418.964</b>	<b>1,696.598</b>
Customer Services	6.759	0.666	0.000	0.000	0.000	7.425
Finance	0.000	9.291	0.000	0.000	0.000	9.291
Place Based Partnership	11.494	22.611	9.514	4.222	1.180	49.021
<b>Resources</b>	<b>18.254</b>	<b>32.567</b>	<b>9.514</b>	<b>4.222</b>	<b>1.180</b>	<b>65.736</b>
<b>Grand Total</b>	<b>443.514</b>	<b>522.595</b>	<b>258.832</b>	<b>174.422</b>	<b>420.144</b>	<b>1,819.507</b>

1.2. Financing - The Council finances its capital expenditure through a combination of resources both internal and externally generated. Each funding stream is considered in terms of risk and affordability in the short and long term. The current and future climates have a significant influence on capital funding decisions. As a result the planned disposals and borrowing costs are kept under regular review to ensure timing maximises any potential receipts or reduces borrowing costs.

GF / HRA Split	Previous Budget Amount £m	2023- 24 Budget £m	2024- 25 Budget £m	2025-26 Budget £m	2026-27 + Budget £m	Total Budget £m
General Fund	134.827	307.554	163.497	73.693	90.644	770.214
Housing Revenue Account	308.688	215.041	95.335	100.729	329.500	1,049.293
<b>Grand Total</b>	<b>443.514</b>	<b>522.595</b>	<b>258.832</b>	<b>174.422</b>	<b>420.144</b>	<b>1,819.507</b>

1.3. Excluding previous years spend of £443.514m (shown for information in the table above), the total capital programme for 2023/24 and beyond is £1,375.993m split between the GF

(635.388m) and HRA (740.605m). Funding for the planned capital expenditure for both the GF and HRA is set out in the two tables below.

<b>General Fund Financing</b>	<b>2023/24 Financing Budget</b>	<b>2024/25 Financing Budget</b>	<b>2025/26 Financing Budget</b>	<b>2026/27 + Financing Budget</b>	<b>Total Financing Budget</b>
Capital Receipts	96.946	39.578	28.000	56.000	220.524
Revenue & Reserves	4.511	0.000	0.022	0.000	4.533
Grants & Other Contributions	44.105	6.761	17.000	19.000	86.866
Borrowing	161.992	117.158	28.671	15.644	323.466
<b>Total GF Financing</b>	<b>307.554</b>	<b>163.497</b>	<b>73.693</b>	<b>90.644</b>	<b>635.388</b>

<b>HRA Financing</b>	<b>2023/24 Financing Budget</b>	<b>2024/25 Financing Budget</b>	<b>2025/26 Financing Budget</b>	<b>2026/27 + Financing Budget</b>	<b>Total Financing Budget</b>
Capital Receipts	45.549	24.673	14.692	102.979	187.894
Revenue & Reserves	11.827	21.676	13.965	21.590	69.059
Grants & Other Contributions	2.694	0.000	16.954	3.731	23.379
Borrowing	154.970	48.986	55.117	201.200	460.274
<b>Total HRA Financing</b>	<b>215.041</b>	<b>95.335</b>	<b>100.729</b>	<b>329.500</b>	<b>740.605</b>

## 2. Capital Achievements as at 30<sup>th</sup> June 2023

2.1. Capital expenditure as at the 30<sup>th</sup> June is £21.809m to date.

- £5.858m on the 12 estates project to improve housing across the borough
- £4.868m spent on enhancing and increasing our existing housing stock
- £1.251m on improving the quality of our roads and infrastructure
- £2.390m on purchase of refuse vehicles
- £1.484m on Central Depot Expansion

## 3. 2023/24 Capital Programme

3.1. The report below sets out the Period 3 position for the Council's capital programme for the 2023/24 financial year.

	<b>Budget 2023/24</b>	<b>2023/24 Forecast Period 3</b>	<b>2023/24 Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Starting Well	4.201	0.150	(4.051)
Living Well	1.300	1.300	0.000

	Budget 2023/24	2023/24 Forecast Period 3	2023/24 Variance
	£m	£m	£m
Ageing Well	7.596	3.395	(4.201)
<b>People</b>	<b>13.097</b>	<b>4.844</b>	<b>(8.253)</b>
Housing & Property (GF)	236.409	35.848	(200.561)
Housing & Property (HRA)	215.041	134.742	(80.299)
Planning & Public Protection Environment	1.561	1.451	(0.111)
	23.920	22.490	(1.430)
<b>Place</b>	<b>476.931</b>	<b>194.530</b>	<b>(282.401)</b>
Finance	9.291	0.000	(9.291)
Place Based Partnership	22.611	20.595	(2.016)
Customer Services	0.666	0.666	0.000
<b>Resources</b>	<b>32.567</b>	<b>21.261</b>	<b>(11.306)</b>
<b>Total</b>	<b>522.595</b>	<b>220.635</b>	<b>(301.960)</b>

General Fund/HRA Split	Budget 2023/24	2023/24 Forecast Period 3	2023/24 Variance
General Fund	307.554	85.894	(221.660)
Housing Revenue Account	215.041	134.742	(80.299)
<b>Total</b>	<b>522.595</b>	<b>220.635</b>	<b>(301.960)</b>

3.2. The forecast expenditure for 2023/24 is £220.635m with actual expenditure at the end of Period 3 of £21.809m. Whilst most project budgets are on track to be spent over the full MTFS period there are a number of projects where expenditure has slipped back into future years, the explanations for the main programmes that contribute towards the slippage provided below:

### 3.3. PEOPLE

3.3.1. **Schools – slippage of £0.858m** - 0.800m of the slippage relates to Harris Academy ARP. The project is delayed with the planning application is still to be submitted.

3.3.2. **Children Services - Other – variance of £3.193m** -There are a number of schemes in Children's services which are now not expected to take place in 2023/24

3.3.3. **Living Well** - There were no slippage variances from programmes within Living Well.

3.3.4. **Adults – DFG – Slippage of £2.880m** -The slippage of £2.880m is based on current lower activity levels.

3.3.5. **Adults – Other – Slippage of £1.322m** The £1.322m of the slippage relates to Adults Learning Disabilities Provision Build scheme. Mowbrays build phase is due to start in November 2023.

### 3.4. RESOURCES

3.4.1. **Transformation – Slippage of £2.016m** - £1.314m of the slippage relates to the Organisational Data Capability and Borough Wide Connectivity and Digital Inclusion budgets. These digital capital budgets are being re-profiled to align with the new Digital Strategy and the activity to bring the IT function into Havering from OneSource.

### 3.5. PLACE

#### 3.5.1. Housing and Property – General Fund

Programme Directorate	Area /Service/	Budget 2023/24 £m	2023/24 Forecast Period 3 £m	2023/24 Variance £m
	Mercury Land Holdings	103.393	2.497	(100.896)
	Rainham & Beam Park	54.245	16.186	(38.059)
	Regeneration - Other	34.206	1.026	(33.180)
	Regeneration - TFL	3.341	0.070	(3.272)
	<b>Regeneration &amp; Place Shaping</b>	<b>195.185</b>	<b>19.778</b>	<b>(175.407)</b>
	Asset Management - Other	4.261	0.791	(3.470)
	Corporate Buildings	8.275	6.000	(2.275)
	Health & Safety	0.214	0.050	(0.164)
	Pre Sale Expenses	0.356	0.000	(0.356)
	Schools Building Maintenance	4.860	4.860	0.000
	Schools Expansions	21.258	4.268	(16.990)
	Vehicle Replacement	1.999	0.100	(1.899)
	<b>Housing, Property and Assets</b>	<b>41.224</b>	<b>16.070</b>	<b>(25.154)</b>
	<b>Housing &amp; Property (GF)</b>	<b>236.409</b>	<b>35.848</b>	<b>(200.561)</b>

3.5.1.1. **MLH – Slippage of £100.896m** The main elements of the slippage are due to the following issues:

- £58.400m of the slippage relates to the Reactive Acquisition Fund. Allowances have been made in 2023/24 for the drawdown of equity at around £0.500m for the purchase of land for a development site, this is currently going through the executive decision process. The acquisition fund loans budget has been re-profiled at Period 2 to reflect expenditure in later years. The overall budget will offset the additional requirement at the Quarles scheme, changes will be regularised as part of the current Business Plan refresh exercise, expected to be approved in the 2<sup>nd</sup> quarter of 2023.
- £37.017m of the slippage relates to the Waterloo scheme. The budget has been re-profiled at Period 2 due to a recent decision to pause the Waterloo Estate development due to emerging regulation changes that will affect design. Forecast have been moved back to reflect possible spend in later phases of work.

- £3.688m of the slippage relates to The MLH Quarles PRS budget. The budget has been re-profiled to reflect the Bellway JV's latest cashflow forecasts.

3.5.1.2. **Rainham & Beam Park – Slippage of £38.059m** The slippage relates to the Rainham & Beam Park Housing Zone – CPO's and Grant. The budget forecast has been re-profiled to reflect a pause on CPO activity due to uncertainty around delivery of Beam Park station, there is no expenditure anticipated in 2023/24.

3.5.1.3. **Regeneration - Other – Slippage of £33.180m** - £28.000m of the slippage relates to the Provision for Future Regen Opportunities budget - This budget acts as a contingency for regeneration opportunities, no expenditure is currently expected in 2023/24 as at Period 3, budget has been re-profiled for later years. £4.180m of the slippage relates to Farnham & Hildene - Medical Centre. The medical facility is attached to the Family Welcome Centre hostel project, which is currently in the demolition phase. The main contract is expected to start at the end of 2023, with preparatory works taking place between December 2023 to March 2024, a £200k contingency has been allowed for this financial year. £1.000m of the slippage relates to the Liveable Neighbourhood Romford Ring Road. The project team have estimated a current year requirement of £200,000 in order to progress the project through the design stage. Further requirement for works falls into later financial years.

3.5.1.3.1. **Regeneration – TfL – Slippage of £3.271m** - The slippage of £3.271m relates to the Beam Parkway Major Scheme, which is part funded by TfL. The majority of major works on the Beam Parkway project are delayed due to the uncertainty around TfL funding and delivery of Beam Park Station, which impacts the scheme's design. Forecast has been revised at Period 2 to reflect no expenditure in 2023/24.

3.5.1.4. **Asset Management - Other – Slippage of £3.470m** -£2.934m of the slippage relates to the planned acquisition of Hornchurch Police Station. This project is currently on hold, while the acquisition is reviewed.

3.5.1.5. **Corporate Buildings – Slippage of £2.275m** -The slippage relates to a number of schemes. Awaiting results of quotes for some major works relating to roofs and windows.

3.5.1.6. **School Expansions – Slippage of £16.990m** The Schools expansions slippage comprises of a number of schemes, which have been deferred and awaiting decisions. Unallocated basic need funding yet to be agreed on use.

3.5.1.7. **Vehicle Replacement – Slippage of £1.899m** The purchase of the remaining 19 buses is on hold until next financial year still under discussion due to ULEZ deadlines.

### 3.5.2. Housing & Property (HRA)

Programme Directorate	Area /Service/	Budget 2023/24 £m	2023/24 Forecast Period 3 £m	2023/24 Variance £m
	Bridge Close Acquisitions	41.774	25.658	(16.116)
	Bridge Close Regeneration	0.464	0.585	0.122
	HRA Regeneration	89.823	47.424	(42.399)
	<b>Regeneration &amp; Place Shaping</b>	<b>132.060</b>	<b>73.668</b>	<b>(58.393)</b>
	HRA	49.659	38.592	(11.067)
	HRA Stock Adjustments	33.322	22.482	(10.840)
	<b>Housing, Property and Assets</b>	<b>82.980</b>	<b>61.074</b>	<b>(21.907)</b>
	<b>Housing &amp; Property (HRA)</b>	<b>215.041</b>	<b>134.742</b>	<b>(80.299)</b>

3.5.2.1. **Bridge Close Acquisitions – Slippage of £16.116m** - The 2023/24 forecast is based on completion of a number of acquisitions totalling £21.200m plus professional fees paid via the LLP for £1.700m.

- 2023 and March 2024. A £0.500m contingency has been allowed for in 2023/24.

3.5.2.2. **HRA – Slippage of £11.067m**

The main elements of the slippage are discussed below -

- £1.693m of the slippage relates to HRA Stock Upkeep - Careline Equipment. The project for digital transformation is at the procurement stage and expected to start in January 2024 so majority of spend will carry forward.
- £3.233m of the slippage relates to Decent Homes Works Internals. Cash flow forecasts indicate slippage of £0.100m in electrics due to access issues, £0.600m on communal boilers until new schemes are identified and £2.500m on lifts.
- £2.909m of the slippage relates to Decent Homes Works External. Forecast £2.000m slippage on Highfield Towers cladding as project is still in feasibility, budget to be carried forward. Underspend of £0.910m on Hilldene and Farnham as budget was over-estimated, not to be carried forward.
- £1.972m of the slippage relates to Energy Saving works. Currently forecasting full spend on retrofit but variance of £2.000m on Highfield Towers heating systems as project is still in feasibility, budget to carry forward.
- £1.260m of the slippage relates to Sheltered schemes lifts project. Currently forecasting variance of £1.260m due to late revision to plans at Beehive Court, but more detailed planning required. Slippage to be carried forward.

3.5.2.3. **HRA Stock Adjustments – Slippage of £10.840m** - £10.000m of the slippage relates to the Affordable Housing budget. The slippage is due to delays with negotiations, however projects are now moving forward.

- 3.5.2.4. **Planning & Public Protection** - There were no significant slippage variances from programmes within Planning & Public Protection.
- 3.5.2.5. **Environment – Highways – Slippage of £0.900m** - The slippage is made up of a number of schemes. £0.372m of the slippage relates to the Traffic CCTV Cameras. Some of the projects within this scheme are still in concept stage. £0.164m of the slippage relates to the Infrastructure verges for parking, two sites have dropped out of the scheme.

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