



Public Document Pack

Havering
LONDON BOROUGH

CABINET

7.30 pm	Wednesday 22 January 2014	Council Chamber - Town Hall
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Members 10: Quorum 5

Councillor Michael White (Leader of the Council), Chairman

	Cabinet Member responsibility:
Councillor Steven Kelly (Vice-Chair)	(Deputy Leader) Individuals
Councillor Michael Armstrong	Transformation
Councillor Robert Benham	Community Empowerment
Councillor Andrew Curtin	Culture, Towns & Communities
Councillor Roger Ramsey	Value
Councillor Paul Rochford	Children & Learning
Councillor Geoffrey Starns	Community Safety
Councillor Barry Tebbutt	Environment
Councillor Lesley Kelly	Housing & Public Protection

Andrew Beesley
Committee Administration Manager

**For information about the meeting please contact:
Grant Soderberg
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**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.**

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 PECUNIARY INTEREST

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

4 MINUTES (Pages 1 - 6)

To approve as a correct record the minutes of the meeting held on 11 December 2013, and to authorise the Chairman to sign them.

5 THE COUNCIL'S FINANCIAL STRATEGY (Pages 7 - 86)

6 HAROLD HILL AMBITIONS PROGRAMME (Pages 87 - 120)

7 HAVERING NATURE CONSERVATION & BIODIVERSITY STRATEGY (Pages 121 - 180)

8 UPMINSTER WINDMILL (Pages 181 - 186)

9 COMMUNITY ACTION MEMBER PROJECT (Pages 187 - 196)

10 AWARD OF THE WASTE & RECYCLING COLLECTION CONTRACT - CONTAINING EXEMPT INFORMATION (Pages 197 - 222)

Public Document Pack Agenda Item 4



MINUTES OF A CABINET MEETING Council Chamber - Town Hall Wednesday, 11 December 2013 (7.30 - 7.40 pm)

Present:

Councillor Michael White (Leader of the Council), Chairman

Councillor Steven Kelly (Vice-Chair)

Councillor Michael Armstrong

Councillor Robert Benham

Councillor Roger Ramsey

Councillor Paul Rochford

Councillor Geoffrey Starns

Councillor Lesley Kelly

Cabinet Member responsibility:

(Deputy Leader) Individuals

Transformation

Community Empowerment

Value

Children & Learning

Community Safety

Housing & Public Protection

Apologies were received for the absence of Councillors Andrew Curtin and Barry Tebbutt.

Councillors Clarence Barrett, Paul McGeary, Pat Murray and Lawrence Webb were present for the meeting.

3 Members of the public were also in attendance.

There were no disclosures of pecuniary interest.

The Chairman announced the evacuation procedures in the event of an emergency

99 **MINUTES**

The Minutes of the meeting of Cabinet held on 20 November 2013 were agreed as a true record and signed by the Chairman.

100 **PROPOSALS FOR BUSINESS AND EMPLOYMENT USES WITHIN INDUSTRIAL AREAS**

The report sought Member approval for a non-statutory Planning Advice Note which would set out the key considerations that would be taken into

account when determining planning applications for (non-industrial) business and employment uses within the Borough's Industrial Areas.

The purpose of the note would be to demonstrate the Council's 'in principle' commitment to responding positively to proposals which had the potential to grow the Havering economy.

The report made clear that the policies of the Havering Local Development Framework would continue to provide the formal policy context for the consideration of such proposals and would retain the statutory pre-eminence afforded by Section 38(6) of the Planning and Compulsory Purchase Act 2004.

Reasons for the decision:

To set out the type of evidence that might be considered in respect of proposals in designated industrial areas and to reflect Havering's broad support for measures that promoted economic growth.

To assist officers and Regulatory Service Members when considering applications for non-industrial business uses within designated industrial areas by clearly setting out the considerations that might be taken into account.

Other options considered:

The option of continuing to apply the Council's planning policies as set out in the Local Development Framework and London Plan without the additional Advice Note had been rejected as it might have had an adverse impact on business growth in Havering for the reasons which have been set out in the report. The adoption of the Advice Note would enable the Council to demonstrate its commitment to a prosperous local economy more quickly than formal alteration to the Local Development Framework.

Cabinet:

- 1 **Approved** the Planning Advice Note (as set out in Appendix 1) for use by the Regulatory Services Committee as 'good practice' guidance to demonstrate the Council's commitment to economic growth;
- 2 **Approved** publication of the Note on the Council's website; and
- 3 Notwithstanding (1) and (2), recognised that the current national planning legislation would continue to afford the policies in the Havering Local Development Framework (as the statutory Development Plan) greater weight than the Advice Note in the formal planning decision-making process.

101 **COMPULSORY PURCHASE ORDER**

The report sought permission to proceed with the making of a Compulsory Purchase Order (CPO) in relation to selected empty properties across the Borough, as part of the empty property enforcement programme.

This approach was in accordance with the aims agreed by Members when approving the Empty Homes Strategy 2009-2012 at Cabinet on 18th November 2009 and most recently the 2013–16 Draft Housing Strategy at Cabinet on 16th October 2013.

The Housing Needs and Strategy section of Homes and Housing dealt with empty properties in the Borough. Five properties had been identified by Council officers as being high risk, long term empty properties.

In each of the cases described in the report, negotiations between Officers and the property owners had failed to return the properties to occupation.

Officers now considered that making a CPO over each of the properties listed below was the most appropriate and expedient method of bringing those properties back into occupation:

- (a) 11 Wolseley Road, Romford
- (b) 82 Ravensbourne Crescent, Harold Wood
- (c) 106 Frederick Road, Rainham
- (d) 78 Winchester Avenue, Upminster
- (e) 58 Dominion Drive, Romford

With regard to empty properties (d) and (e) above which were originally submitted to Cabinet on 10th July 2010 and approved for CPO, officers felt that because there had been changes to the properties which still remained empty, it would be appropriate to seek the Cabinet's further approval to pursue CPOs against these two properties.

The details of the correspondence and interactions with the individuals involved were included in Exempt Appendices. The reason why the Appendices were exempt was that they included confidential details of individuals.

Reasons for the decision:

All attempts to bring the subject properties back into occupation by working cooperatively with the owners had failed.

Other options considered:

Empty Dwelling Management Orders (EDMOs) were considered, however they were not suitable because the owners of the properties had not cooperated with the Council's efforts to have the properties reoccupied.

Many of the properties require extensive work and under an EDMO, the Council would recover the costs of any works undertaken by letting the properties. Given that most of these properties required significant work; there would be a lengthy delay before the cost of the works could be fully recovered and the use of EDMOs in the actions detailed above was therefore considered unfeasible.

Cabinet **agreed** that:

- 1 Approval be given to the making of the following Compulsory Purchase Orders in accordance with section 17 of the Housing Act 1985 and the Acquisition of Land Act 1981 to acquire all legal interests in the relevant properties:
 - (a) London Borough of Havering (11 Wolseley Road) Compulsory Purchase Order 2013
 - (b) London Borough of Havering (82 Ravensbourne Crescent) Compulsory Purchase Order 2013
 - (c) London Borough of Havering (106 Frederick Road) Compulsory Purchase Order 2013
 - (d) London Borough of Havering (78 Winchester Avenue) Compulsory Purchase Order 2013-10-16
 - (e) London Borough of Havering (58 Dominion Drive) Compulsory Purchase Order
- 2 In relation to each of Compulsory Purchase Orders authorised by paragraph 1 above, **authorised** the Assistant Chief Executive, Legal and Democratic Services to alter the Compulsory Purchase Order so as to exclude any land/interests acquired prior to the sealing of the Order.
- 3 In relation to each of Compulsory Purchase Orders authorised by paragraph 1 above, **authorised** the Assistant Chief Executive, Legal and Democratic Services to seal the Order and take all necessary steps, including the publication of all statutory notices to secure confirmation of the Order.
- 4 In relation to each of the Compulsory Purchase Orders authorised by paragraph 1 above, **authorised** the Assistant Chief Executive, Legal and Democratic Services (in the event that the Secretary of State notifying the Council that it had been given the power to confirm any of the Compulsory Purchase Orders) to confirm the Order and take all steps necessary to secure possession of the property, including the making of a General Vesting Declaration if he or she was satisfied that it was appropriate to do so.

- 5 In relation to each of the Compulsory Purchase Orders authorised by paragraph 1 above, **authorised** the Assistant Chief Executive, Legal and Democratic Services to suspend the Compulsory Purchase procedure if the Private Sector Housing Manager, Homes & Housing was able to reach an agreement with Owners of these properties with regard to repair, refurbishment and reoccupation of any of the properties.

Chairman

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CABINET

22 JANUARY 2014

Subject Heading:	The Council's Financial Strategy
Cabinet Member:	Cllr Roger Ramsey
CMT Lead:	Andrew Blake-Herbert Group Director Finance & Commerce
Report Author and contact details:	Mike Stringer Head of Finance & Procurement 01708 432101 mike.stringer@havering.gov.uk
Policy context:	The Council is required to approve an annual budget and this report provides information to enable Cabinet to make recommendations to Council in February 2014
Financial summary:	There are no specific financial issues, this report deals with the overall budget position and associated issues
Is this a Key Decision?	No
Is this a Strategic Decision?	No
When should this matter be reviewed?	December 2014
Reviewing OSC:	Value

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

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

SUMMARY

Cabinet received reports in August and September that set out an update on national developments and information on the financial position within Havering.

This report updates Members on the progress of the corporate budget and the proposed financial strategy for the coming financial year, responding to the financial position facing the Council, and recognising the need to develop a new, long term strategy for approval by the Administration after the local elections in May.

This report sets out the additional proposals now identified for consideration by all the relevant Committees and for consultation with stakeholders.

The provisional Local Government Financial Settlement has now been announced, and relevant details are included in this report, together with a summary of the key elements of the Autumn Budget Statement.

RECOMMENDATIONS

Cabinet is asked to:

1. Note the progress made to date with the development of the Council's budget for 2014/15 and the Council's intention to freeze council tax for a further year - making use of the Government's Council Tax Freeze Grant.
2. Note the outcome of the Autumn Budget Statement and the likely impact on local authorities.
3. Note the outcome of the provisional local government financial settlement announcement, and that arising from the settlement, there are reductions in mainstream Government funding for 2014/15 and 2015/16 of around £7m and £9m respectively.
4. Note that a response to the consultation process will have been submitted by time Cabinet meets and that a meeting with the Minister has been requested.
5. Delegate approval of the Council's response to the consultation on the business rates appeals process to the Cabinet Member for Value.
6. Delegate authority to the Group Director for Children, Adults and Housing to agree inflation rates with social care providers for 2014/15.

7. Delegate authority to the Cabinet Members for Individuals and Value to approve an annual spend plan for the Public Health grant.
8. Note that it is proposed to undertake a one-off investment of £1m during 2014/15 as a result of surplus monies arising from the New Homes Bonus.
9. Expand the 2013/14 capital programme by £250,000 to enable the Council to jointly acquire the freehold interest in the former Ardleigh Green Baptist Church as 'Tenants in Common' in conjunction with the Trustees of the Ardleigh Green Family Centre.
10. Issue this report for consultation to Members, the unions and staff, local residents and other stakeholder groups.
11. Agree that a consultative presentation will be made to a joint meeting of the Overview & Scrutiny Committees.
12. Note the financial position of the Council in the current year.
13. Agree that any future underspends from the Corporate Contingency Fund, from the Transformation budget, and from any service revenue underspends, are allocated to the Strategic Reserve.
14. Approve the updated version of the Corporate Plan set out in Appendix F.
15. Note the summary of the GLA's consultation budget and the expected date for the publication of the final proposals.

REPORT DETAIL

1. INTRODUCTION

- 1.1. Cabinet has previously received two reports on progress with the Corporate Budget, in August and September. This report sets out the position with developing the Council's budget for the coming financial year, the announcement of the Autumn Budget Statement, and the subsequent announcement of the local government financial settlement.
- 1.2. The Council established a broad approach to stabilising its financial position in response to the incoming Government's austerity measures during 2010. This has seen a wide range of savings introduced designed to not only deliver a stable financial position, but also to ensure that as far as possible, these savings do not impact on those services which our community regards as highly important and highly regarded. The Administration has remained committed to this and the proposals contained in this report have been developed with that objective in mind.

- 1.3. The budget proposals set out in this report will freeze the council tax for the fourth year in succession, reflecting the determination of the Administration to stabilise council tax - as set out in the *Living Ambition* Goal for Value. The proposals support a series of priorities that have been defined through public consultation in recent years – both through the *Your Council, Your Say* and *Spring Clean* surveys. These priorities include: keeping Havering clean and safe; supporting those most in need; maintaining roads and pavements and protecting libraries and parks. There is also a clear need to promote and encourage new local businesses – both to bring employment to the Borough and to ensure that Havering benefits from the Government’s new funding model for local authorities. The measures set out in this paper will allow the Council to support these priorities.
- 1.4. Specific budget proposals are included as part of this report where these have been developed and Cabinet is asked to approve these for consultation with the local community, other stakeholders, and committees, to inform the final consideration of proposals at the meeting of Cabinet in February. Comments about the Council’s proposals will be invited online from members of the public and this will be publicised through various communications channels.
- 1.5. The reports submitted to Cabinet during the budget setting cycle for 2013/14 highlighted the extent of change to the funding of local authorities; the new funding regime included these elements:
- Rolled up and top-sliced grants
 - New grants
 - Localised business rates including tariffs/top-ups and levies/safety nets
 - Localised Council Tax support (previously benefits)
 - New formula and damping mechanisms
 - A new Council Tax base calculation
 - A new NNDR1 calculation.
- 1.6. These factors were covered at some length in those reports. The new system has now largely bedded down, and this report therefore updates Cabinet with the impact this has had, whether this was in line with expectation, and any relevant developments over the past year. The current system broadly freezes the way in which the main element of Government funding is allocated. However, there is still a consultation process around the settlement, and officers have been examining the new system to determine what scope, if any, exists as a basis to lobby Government. These aspects are covered in this report. It is fair to say the system remains complex and difficult to comprehend, even if the scope for change may now be limited.
- 1.7. Officers are continuing to analyse the settlement in consultation with colleagues elsewhere, and this is likely to continue up to the point when the budget report to Council is finalised. There are continuing changes in funding for social care as well as amendments to the business rating system announced as part of the Autumn Budget Statement . The continued reduction in funding emphasises the degree of financial risk facing local

authorities, aside from the impact of the specific proposals contained in the settlement. Cabinet is therefore asked to be mindful of this when considering this report.

2. THE AUTUMN BUDGET STATEMENT, THE SETTLEMENT AND GENERAL FINANCIAL PROSPECTS

Comprehensive Spending Review (CSR)

- 2.1. The Coalition Government published the outcome of its Comprehensive Spending Review in October 2010. Full details of the Review have been reported at some length in reports to Cabinet as part of the budget-setting cycle for previous years.
- 2.2. To remind Cabinet of the background, the Review set out at a high level spending plans for each Government department. The major effect was, as expected, a significant reduction in funding for the public sector over the four years covered by CSR. In anticipation of the cuts expected to be announced by the incoming Coalition Government, plans were put in place to assess the likely budget gap, and means of bridging it.
- 2.3. Cabinet agreed reports in July 2010 and July 2011, setting out a range of savings proposals designed to largely bridge the forecast budget gap between 2011/12 and 2014/15, as refined in the light of, firstly, the CSR announcement, and secondly, subsequent financial settlements. Subsequent announcements over prospective changes in the funding of local authorities, and in particular the localisation of both Council Tax support and business rates, added further to the element of uncertainty and the risks being faced and managed.

The Autumn Budget Statement (ABS)

- 2.5. The Chancellor of the Exchequer presented his Autumn Statement to the House of Commons on 5th December 2013. The ABS has had considerable national exposure since its announcement, through the national press and from various national organisations. The Chancellor told the House that the forecast for the general economic environment was improved, and this is reflected in forecasts from the Office for Budget Responsibility. A summary of the ABS is set out in Appendix A.
- 2.6. There were a number of announcements relating to business rates. As Cabinet will be aware, business rates was localised from 1 April, with the funding moving to local authorities, although in London, only 30% is actually retained locally. One of the key aspects is a cap on the rise in the business rates multiplier, which has in the past been driven by the rise in RPI, but for next year, will be capped at 2%.
- 2.7. These changes will impact on the level of business rates to be collected by, and therefore retained by, local authorities. The Secretary of State has announced that these changes will be funded in full, although it is not, as yet, clear how this funding will be provided. The likelihood is that this will be

through a Section 31 grant, but the details are awaited. This, of course, is not without risk, as the withdrawal of this funding at some future point potentially leaves a funding gap, due to the cumulative effect of the non-application of the correct level of inflationary rises.

2.8. The key points of the ABS impacting on local government were as follows:

- Further reductions in public sector expenditure for 2014/15 and 2015/16
- Protection for local government to enable authorities to deliver a further Council Tax freeze
- Potential impact on grants allocated by government departments facing further reductions
- Removal of £70m from New Homes Bonus (NHB) from London authorities (but none elsewhere) to finance the London Local Enterprise Partnership (which will be overseen by the Mayor)
- Restrictions on public sector pay will inevitably be reflected in future funding levels
- Use of funds from asset disposals to finance the cost of reforming services (although this would clearly prevent those funds from being used for capital investment purposes)
- Free school lunches for all pupils in Reception, Year 1 and Year 2

2.9. The protection afforded to local authorities, given the scale of reductions already faced, being the highest area of funding cuts, is welcomed. There are risks arising over the changes to the business rates system, although these may not become an issue until beyond the next year or so. The “top-slice” of NHB, previously announced as a national change, will only now apply to London boroughs, which seems illogical, and reinforces the caution with which this particular funding stream needs to be treated.

2.10. The ABS has subsequently fed into the announcement of the Local Government Financial Settlement, which is addressed below.

Local Government Financial Settlement (LGFS)

2.11. Details of the provisional settlement were announced on 18th December, which was as expected but, as Cabinet has been made aware, is very late in the context of the Council’s budget-setting process, for the second year running. The settlement covers a two year period, for both 2014/15 and 2015/16. This second year is the last covered by the current Comprehensive Spending Review.

2.12. There were fundamental changes to the funding system introduced in April 2013. The new system is now bedding down, although there have been further changes, with those mainly affecting the new business rates system but also impacting on the way the basic RSG is determined. It has therefore again been necessary for officers to review the details, working in conjunction with colleagues elsewhere, to assess the impact of the settlement on the current budget strategy.

2.13. A summary of the settlement is set out in Appendix B. The main points affecting local government in general, and Havering in particular, are set out below; a fuller explanation of these key elements then follows:

- The settlement again covers a two year period, 2014/15 and 2015/16
- There is an average reduction in “spending power” of 2.9%
- Local authorities are exempt from the latest Government funding cuts
- Nationally, the spending control total is reducing by £5.6bn, or just over 22%
- Havering’s revenue support grant (RSG) will reduce by £15m over the two years
- The existing Council Tax freeze grants for 2011/12 and 2013.14 are being rolled up into mainstream funding (the grant for 2012/13 has ceased).

Settlement Periods and Final Announcement

2.14. The consultation period for the LGFS runs until 15th January, a week prior to the Cabinet meeting where this report is being considered. It is anticipated that the final settlement will be announced around 2 weeks after consultation closes, in common with earlier years, though a definitive date has yet to be confirmed. This is potentially too late for inclusion in the February Cabinet report. It will therefore be necessary to update Cabinet at that meeting if there are any material changes to Havering’s settlement, or simply to confirm the position as set out in the provisional settlement.

National Position

2.15. In a similar manner to the previous two years, the Government’s headlines focus on comparative figures concerning a local authority’s “revenue spending power”. Local authorities will face an average reduction in spending power of 2.9%; and that no authority would experience a decrease of more than 6.9%. Havering’s comparable reduction in 2014/15 is 0.85%, but with an increase in 2015/16 of 1.2%. These figures mask the actual change in mainstream revenue support grant, as they includes changes in New Homes Bonus and social care funding, as set out later in this report; hence the apparent increase in the second year. In real terms, there is a continued reduction in mainstream grant funding.

2.16. The Local Government control total for 2013/14 has been adjusted to £26.3bn, down from £27.2bn. This will reduce over subsequent years to £23.8bn in 2014/15, and then £20.8bn in 2015/16. This equates to an overall reduction of 22.5%. These figures reflect Government announcements as part of the 2012 and 2013 Autumn Budget Statements, but also the further review undertaken during the Summer months of 2013.

Havering’s Grant Funding

2.17. The provisional funding allocation is used to determine both Havering’s Revenue Support Grant (RSG) and Business Rate Baseline (BRB). This comprises of the current four-block formula grant model which has been

frozen since last year's settlement and incorporates £31.2m of rolled in grants. This equates to a provisional Settlement Funding Assessment (SFA) for 2014/15 of £69.658m (£60.753m for 2015/16) compared to a 2013/14 equivalent of £75.569m.

- 2.18. These figures as stated included both RSG and BRB. The equivalent figures for RSG alone, which forms the core mainstream grant to the Council, shows a reduction from £45.4m in 2013/14 to £38.9m in 2014/15, and then £29.1m in 2015/15. These equate to successive reductions of around £6.5m and £9.8m respectively. The reduction in core RSG grant is mainly due to the reductions placed on local authorities through the Autumn Statement in 2012 and the Spending Round in 2013. Due to the formula being locked in and the 2% increase in business rates, each authority's core RSG allocation is being scaled by 33%. The funding figures now include the rolling in of Council Tax freeze grants for 2011/12 and 2013/14, adjustments relating to the treatment of New Homes Bonus, and further reductions to the element of RSG relating to Early Intervention Grant.
- 2.19. Havering's grant funding remains one of the lowest grant-per-head allocations despite being one of the largest boroughs in London with the highest proportion of elderly population. With the basis of calculation of RSG now effectively frozen, there would seem to be little prospect of any significant change in this position. This issue is addressed later in this report.
- 2.20. Compared to the previous assessment of the likely levels of grant funding, the settlement for 2014/15 is exactly in line with previous forecasts. As such, there is no major impact on the budget strategy for the remaining year of the current cycle. This is reflected in the proposed approach to budget setting for that year, with just a small handful of minor items set out later in this report
- 2.21. However, the subsequent reduction for 2015/16 is around £2m higher than anticipated a year ago, and over £1m higher from the revised position over the Summer. Cabinet were advised in September that the reduction in funding in that year could be as high as £9m, although the report did indicate that there were considerable uncertainties over the treatment of NHS support for social care funding. The report went to restate the likelihood of significant funding cuts in 2015/16, and almost certainly 2016/17, and that the Council's long term strategy would have to be developed with those reductions in mind.
- 2.22. Whether this means the forecast gap for the coming four year period will now be higher, or whether this simply means that the phasing of the gap is different, with a bigger peak in the first year, is speculative, and this is unlikely to become clear until the next Comprehensive Spending Review is published, which is likely to be some time after the 2015 General Election.
- 2.23. What this does, however, mean, is that the budget gap being addressed in 2015/16 will be even higher than had originally been expected, possibly as much as £20m. This underpins the need to develop proposals to bridge this gap over the coming months, for consideration by Cabinet, as there will clearly

be a lead-in time necessary to implement a new budget strategy and deliver a new savings plan.

- 2.24. One consequence of changes in the make-up of overall funding is the treatment of Council Tax Support (CTS, previously benefits). Cabinet will recall that this was localised with effect from April 2013, with local authorities responsible for setting their own schemes, and with specific funding being allocated (with a commensurate adjustment to the Council Tax base calculation).
- 2.25. As part of the 2014/15 calculation, the CTS grant which was introduced in 2013/14 has now been completely rolled up into the formula grant and has been scaled using the same methodology as the core grant, as set out in Appendix B. The Government has maintained that this funding (which had already been subject to a 10% reduction at the point of localisation) has been preserved in full as part of formula grant. However, it is officers' view that this has, in fact, been subject to the same methodology applied to formula grant, with the result being that it has effectively been reduced, and by a significant level over the next two years. This means a bigger burden now falls on local authorities, and thus their local taxpayers. It is intended to highlight this at the imminent meeting with the Minister.

Business Rates

- 2.26. As Cabinet will be aware, the new funding system incorporates the localisation of business rates. However, London local authorities only retain 30% of their local taxation yield; the remainder is split between the Government (50%) and the GLA (20%). There is also a detailed assessment of projected business rates figures as part of the new system. Authorities are classed as either tariff (pay in to Government) or top-up (receive payment from Government). The base figures for Havering for 2014/15, and comparative figures, are as follows:

	2013/14 £m	2014/15 £m
Funding Baseline	30.2	30.8
Business Rates Baseline	21.2	21.6
Top-up	9.0	9.2

- 2.27. As previously reported to Cabinet, the new system allows authorities to pool their business rates. On 31st October 2013, Havering (as part of the proposed pool) submitted an application to pool its business rates with Thurrock, Basildon and Barking & Dagenham. As part of the settlement announcement, our application has been approved and from April 2014, Havering will be able to share in the growth expected in the South Essex region. Pooling provides the opportunity to retain growth generated in other local authorities by the removal of the additional levy some authorities are required to pay over to the Department of Communities and Local Government. This saving from the reduction or removal of the levy can be shared between all four pool members.

- 2.28. From initial estimates provided, the pool may be able to generate in excess of £11m over the next four years dependent on Government policy surrounding Small Business Rates Relief. There are a large number of potential developments within South Essex for the pool to benefit including the expansion to Lakeside and the creation of the deep sea port in Thurrock which could provide significant growth. Based on the terms of the agreed Memorandum of Understanding (MoU), Havering will be able to keep between 18% / 19% (around £2m) of the reduced levy from Thurrock or Basildon whilst keeping any growth in Havering's local share in full.
- 2.29. In addition, the MoU sets the key principles that "No Authority will be receive from business rates retention a lower level of funding than they would have received without the pool". The risks associated with the pooling arrangement are limited as the pool would need to see large scale reduction in business rates in order for any financial risk to come into effect. However, it is highly unlikely that any authority will see such a reduction in business rates within the terms of the pool; a safety net along the same lines of the Government's proposals is currently available.
- 2.30. The full benefits from pooling will take time to come to fruition, so at this stage, it is proposed that no account will be taken within the 2014/15 budget, in part, due to the scale of future budget gap beyond that year. This will therefore be reflected as part of the budget setting process for 2015/16 and beyond.
- 2.31. As indicated above, as part of the ABS, a package of measures was announced relating to business rates; this included a cap on the annual rise, with the limit being set at 2%, rather than applying the increase in RPI, which stood at 3.2%. The Government has set the provisional small business and main non-domestic multipliers for 2014/15 as 47.1p and 48.2p (these are currently 46.2p and 47.1p respectively). Havering has no influence on the multiplier used to determine the business rate charge as this is based on September's RPI figure, or as is now the case, the cap set by Government.
- 2.32. Mindful of the impact of appeals on business rates yield, which is now much more relevant to local authorities, the Government has also commenced a consultation process on reforms to the business rates appeal process. This consultation is open until 3rd March 2014. Cabinet is asked to delegate approval of the Council's response to the Cabinet Member for Value.

Council Tax Base

- 2.33. The new funding system also saw a change in the basis of calculation of the Council Tax base. This is the estimated number of equivalent band D properties. The calculation has been affected by the changes relating to Council Tax support, as well as a general rise in the number of properties within the borough, which in turn reflects the number of new developments in housing in Havering. The estimated base for next year has been set at 80,183. Historic increases have been quite small, reflecting the static position with properties within the borough, but the latest figure reflects recent rises in property numbers.

Specific Grants

- 2.34. As previously reported to Cabinet during recent budget cycles, there have been major changes to the system of specific grants. This resulted in either the merger of, or in most case, cessation of, funding streams. This has been reflected in the Council's budget for the last three years. This trend continued with the migration to the new funding regime, examples of these were set out in the previous report to Cabinet.
- 2.35. All remaining specific grants – where funding details have so far been announced – have been listed, alongside their current year equivalents, to quantify how the changes in the funding system impact on the various funding streams. These are set out in Appendix C. This list contains a number of gaps, as further announcements are awaited, and a more up-to-date version will be included in the February report.
- 2.36. One area where there has been a reduction in funding is the funding for the administration of the Housing Benefits system. Havering is expected to see an overall reduction in funding of over £150k in 2014/5; the reason for this reduction is summarised below.
- All authorities would have experienced a reduction of 2.9% due to the £10.5m reduction in total grant.
 - Due to the floors / ceilings / damping / capping effect, those authorities who have a perceived higher need will not see any reduction at the expense of other authorities.
 - The reason why Havering loses out compared to other neighbouring boroughs is the make-up of our caseloads and the weightings behind it. (i.e. 50% of Havering's caseload is in regards to LA council tenant - Social Rented Sector which only picks up the smallest weighting. This compared to Merton (who has less overall caseload than ourselves) has only 0.4% under the same category. Therefore despite a lower caseload, Merton receives a greater grant allocation than ourselves due to the higher weightings placed on those categories.
- 2.37. Assuming DWP will pass on any further departmental cuts through this grant, there are likely to be further reductions that continue to disproportionately affect Havering (though probably not as great as the ones we have seen in 2014/15). There is also a risk that the Council Tax Support element will be rolled into the formula grant which could face further reductions in the coming years. Inner London Boroughs are protected – due to the large weighting associated to their area and labour cost adjustments – and amongst the Outer London Boroughs, our caseload has a higher proportion of Council Tenants than others.

Dedicated Schools Grant & Schools Funding

- 2.38. The Government's school funding reforms were introduced in 2013-14 to address inconsistencies in the formula used by the DFE (Department for

Education) to allocate funding to LAs for schools and the formula used by LAs to allocate funding to schools and academies. The arrangements for the two year period 2013-2015 are intended as a step towards a national funding formula which will ensure that similar pupils will attract similar amounts of funding no matter where they go to school in the country.

2.39. The funding for schools and some central provision is funded through the Dedicated Schools Grant (DSG) in four “blocks”. These are Early Years, High Needs, Schools and Additions (additional funding for 2 year old provision).

2.40. The DSG allocations to LAs were announced on 19th December 2013. Havering’s allocation is £193.117m compared to £189.595 in 2013-14. The increase reflects an increase in pupil numbers. The funding for each block is set out below.

Year	Schools Block		Early Years Block		High Needs Block	Additions and cash floor	Total DSG
	GUF per pupil (£)	Allocation (£m)	GUF per pupil (£)	Allocation (£m)	Allocation (£m)	Allocation (£m)	Allocation (£m)
2014-15	4,726.54	163.122	3,979.94	8.513	18.328	3.154	193.117
2013-14	4,726.54	160.641	3,979.94	8.513	18.038	2.403	189.595

Notes:

Early Years allocations will be updated for 2013-14 and 2014-15 based on revised data from January 2014 and 2015 censuses respectively to reflect actual participation during the year.

The High Needs allocation is subject to the outcome of a data submission to the DFE.

The £3.154m of additions is as follows:

	£m
Funding for increased target for 2 year old free entitlement	2.985
2 year old trajectory funding	0.351
Newly Qualified teacher Funding	0.052
Deduction for Carbon Reduction Credit Scheme	-0.235
Total	3.154

2.41. The majority of the Schools Block is allocated through a funding formula to schools for the financial year April to March and is used to calculate the amount that is recouped by the DFE for academies which are funded direct from the EFA for their financial year September to August. The formula is based on a limited number of factors prescribed by the DFE. Any reductions in the funding to schools through this formula are protected at -1.5% per pupil against 2013-14 funding.

2.42. The amount available for allocation to schools through the formula is after deducting an amount that is centrally retained for LA responsibilities such as: a contingency for supporting pupil growth and schools with falling rolls, school admissions administration and the servicing of the schools funding forum.

After consultation with schools the total amount has been agreed for central retention is £3.855m. The process of agreeing all funding allocations follows a consultation process with all schools and with the Schools Funding Forum.

- 2.43. In addition to the funding provided to schools from the DSG, they receive additional funding through the Pupil Premium to address low attainment of pupils from low income families and areas of high deprivation. For financial year 2014-15, the Pupil Premium the rates are as follows:

Primary age pupils:	£1,300
Secondary age pupils:	£935
Looked After Children:	£1,900

The criteria for the £1,900 has been extended to children who:

- Have been looked after for 1 day or more
- Are adopted after leaving care
- Leave care under a Special Guardianship Order or a Residence Order.

Public Health

- 2.44. This function transferred to local authorities with effect from 1st April 2013, as had previously been separately reported to Cabinet. Havering's allocation is £8,833,400 for 2013/14 and £9,716,700 for 2014/15. The funding allocated is a specific, ringfenced grant, and therefore these funds can only be expended for the purposes of public health services. The 2014/15 figure has a higher opening baseline, based on the formula applied.
- 2.45. The terms and conditions relating to the grant have recently been issued for financial year 2014/15. These have been under review by officers as the extent to which this grant funding can be applied is now becoming more apparent. This process has included discussions with other authorities over the approach they are now taking with this funding.
- 2.46. With this in mind, it is proposed to develop a draft spending plan for this grant for 2014/15, for consultation with the Health & Wellbeing Board, with authority to approve the final plan being delegated to the Cabinet Members for Individuals and Value. Cabinet is therefore asked to agree this approach.

Overall Impact on Havering

- 2.47. The new funding system introduced with effect from April 2013 has, as Cabinet is aware, proved to be extremely complex, difficult to understand and interpret, and the fact that the announcement and the associated documentation were released extremely late in the budget-setting process for 2013/14 made that a much more difficult process than in previous years. Whilst the new system is gradually bedding down, there have already been changes in the way business rates will be determined, and a further change in the treatment of New Homes Bonus. All of which continue to emphasise the

volatility of the system for funding local authorities, and the need for final prudence and cautious planning.

- 2.48. In broad terms, the settlement indicates a funding reduction of £6.5m in 2014/15 and a further £9.8m in 2015/16. The former is in line with previous expectations; however, the latter is higher than previous figures indicated, as set out earlier in the report. There is therefore no immediate impact on the current budget strategy for the coming year, although the reduction for future years is higher than had been expected. In addition, there is a further reduction in equivalent EIG funding, following the expected trend from the current year. A small number of proposals have been drawn up and these are considered in the remainder of this report, alongside a number of other factors.
- 2.49. The Council is in the process of considering its formal response to the settlement consultation and a copy of the response will be issued as a supplementary paper to this report. A meeting with the Local Government Minister to discuss the settlement and its impact on Havering has been requested, and this has been scheduled for Monday 13th January. As this report will have been finalised by then, the outcome will be reported verbally at the Cabinet meeting, and reflected in the subsequent report to Cabinet.
- 2.50. Finally, and to underpin the depth of the national financial issues, the Chancellor of the Exchequer made an announcement on Monday 6th January. As part of his announcement, he indicated that it was the intention of the Conservative Party, should it be re-elected in 2015, to implement an additional level of savings, rising to £25 billion by 2017/18. Although it has been stated that £12 billion of these savings would fall on welfare, the remainder would have to be achieved through further reductions in departmental spending. This strongly suggests even further funding reductions could be expected, and that in turn emphasises the importance of developing a new budget strategy.

Review of Funding Drivers

- 2.51. Prior to the release of the Local Government Finance Settlement, LG Futures were commissioned to review the key funding drivers affecting Havering's revenue funding and to consider the scope for potential lobbying. With the numerous changes affecting local government finance, the system of allocating funding has become more opaque and highly technical. In addition, a number of large scale reforms are due to be announced over the coming years and the need to apportion funding to cover these costs are yet to be decided. Currently there are a number of avenues for Havering to lobby and this report is designed to summarise these options.
- 2.52. The Local Government Financial Settlement is a highly technical method of allocating funding which in recent years have been more opaque with the introduction of localisation of business rates and the freezing of the settlement formulae. Based on the current methodology, Havering has one of the lowest total funding per capita than nearly all its competitors or neighbouring authorities. Although Havering's ability to lobby in this area is limited due to

Government's stated intention to freeze formula funding until 2020/21, there is still the possibility that this could be reopened. In addition, the Relative Needs Formula (RNF) in relation to Adult Social Care is currently being reviewed outside of the settlement process in order to compare the need against actual allocations as well as being used for other specific grants. The RNF is also currently being used to allocate new grant to the authority which gives added incentive to lobby for a fairer funding system.

- 2.53. Although the current formula grant is frozen until 2020, any changes to the indicators used in the formula funding model would be worthless given the current flooring methodology. Currently based on the 2013/14 formula, Havering's undamped grant is reduced by £4m due to the current flooring methodology. Any changes to the indicators up to the £4m would not result in any additional funding to Havering's formula grant allocation. For any changes in formula grant to become worthwhile (once the system is reopened or for indicators used in the 2020 formula grant allocation) the damping methodology would need to be changed. This is a core area in regards to the formula grant for lobbying, without this any changes in indicators would not be beneficial to Havering's formula funding. There is still some uncertainty on how the flooring methodology will be incorporated into future funding allocation as there is the possibility that this will be loss in amongst the calculations. The current methodology penalises authorities who have had to increase council tax to compensate for low level of grant funding. This is basically, a "catch 22" scenario as without the grant funding, authorities have had to self-fund increases in revenue spend through increases in council tax which impacts Havering's grant funding allocation through the floor calculation.
- 2.54. There are a number of new burdens which are due to be transferred over to Local Government over the next few years. The allocation for these grants will be significant to Havering's frontline services and the methodology in distribution will be crucial. In the past, Havering has received grant allocation comparable with other authorities and provide a significant better allocation then would have through the formula grant. Currently although the formula grant is frozen, the relative needs formula is being used to allocate grant a number of new funding streams as opposed to other datasets previously used. Generally, the indicators used in the formula grant are out of date and do not reflect the large demographics shift seen in the borough. There are a number of new bills working their way through parliament and the funding attributable to those have as of yet not been confirmed. Changing or updating the indicators used in allocating these grant could potentially have significant financial benefit.
- 2.55. Below are a number of areas where Havering's could lobby:
- Work and income benefit indicators are a major determinant of Havering's Formula. Havering's share of funding could be increased through an adjustment to work and income benefit statistics to reflect low take up rates in London. This is a case for regional adjustments using "informed judgement" which are currently used in sparsity indicators

- Lobbying for changes to the Area Cost Adjustment (ACA) and Labour cost Adjustments (LCA) has the potential to benefit the authority. The removal of the lower limit and increased labour cost adjustment weights which could be promoted through pan-London lobbying
- In the longer term, Havering would benefit from changes to certain parameters of the formula funding model including: reducing the level of the funding floor and decrease the relative size of the needs block. This would increase's Havering's undamped grant by £1.7m
- A number of indicators use benefit take-up in allocating funding which Havering currently has a low proportion of its population taking up benefits compared to other authorities. The reasons behind this is unclear but worth reviewing. The increase in claimant for Government funded benefits could increase Havering deprivation indicators and provide Havering with a higher grant allocation
- As announced in the 2013 Spending Round, the New Homes Bonus was due to reduce by £400m across the country, however, since the 2013 Autumn Statement it was decided only to top-slice the grant from London authorities to the London Enterprise Partnership (LEP). There is London wide support of the removal of this decision which will potentially cost Havering in excess of £1.3m
- The formula grant is locked-in until 2020/21 and for any changes in the indicators to be financial beneficial to Havering's formula grant funding, the current funding methodology would need to be changed. The current damping methodology has become out of date with some authorities receiving millions of pounds of funding more than their relative needs. This has also contributed to huge cliff edges between neighbouring authorities which sees some authorities receiving 3 times the amount of funding than Havering just by a change in postcode.

2.56. There are a number of potential options to lobby. Some of which can shared through a pan-London approach and some directly linked to Havering at the detriment of other London authorities. Havering has constantly received a better funding allocation through specific grants than through the formula grant system however with the increase use of the relative need formula for new grants; the gap is beginning to close. Lobbying for some of the points above is not only key to increasing Havering's funding in line with the needs of the borough but also to keep to the same equivalent funding as we see today.

3. PROPOSALS – REVENUE BUDGET

3.1. In broad terms, the approach adopted by the Council provides for an assessment of the Council's *Living Ambition* priorities in relation to its Medium Term Financial Strategy and corporate goals, and for resources to be allocated to those areas of the highest priority. Whilst the general economic climate and financial outlook have remained highly challenging, the focus of the Council's budget will need to be on significant levels of savings and only

any material unavoidable pressures, with little scope for any additional investment. The efficiency savings already identified have the prime objectives of allowing the redirection of resources to areas of higher priority, the preservation of priority services, and the minimisation of the impact of Council Tax on our local community.

Progress with Proposals Already Agreed

- 3.2. As stated earlier in this report, Cabinet previously agreed reports in July 2010 and July 2011, set out a series of proposals designed to bridge the forecast budget gap. These set out proposals totalling around £35m (excluding the Council Tax base effect, which is accounted for separately), spread over financial years as follows:

	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m
Cumulative Savings	9.5	19.2	32.0	34.3	34.8

- 3.3. Detailed schedules of these proposals were included in the respective Cabinet reports and were subject to formal consultation, including consideration at joint meetings of all Overview & Scrutiny meetings. The more significant items, and progress generally in delivering these savings, are set out in the following paragraphs. This includes a review of progress with savings in the current year.
- 3.4. Cabinet also agreed a small schedule of pressures and savings items as part of the 2013/14 budget setting process, that impact on 2014/15. Set out in the table below is a summary of which services these savings relate to, from both the July 2011 and February 2013 reports:

	Jul-11 £000	Feb-13 £000	Total £000
Culture, Community & Economic Development	436	0	436
Children, Adults & Housing	2,225	0	2,225
Resources	31	500	531
Corporate Services	0	770	770
Total	2,692	1,270	3,962

- 3.5. There were five significant items included within the savings proposals that impact on the 2014/15 budget; these are shown in the table below, together with their current progress:

Savings Item	Cabinet Report	Value of 2014/15 Savings £000	Progress
Learning disability services	July 2011	700	<p>This is the second phase of total savings over 2013/14 and 2014/15 of £1.3 million. Delivery of both years savings is through the Adult Social Care MTFS Learning Disabilities workstream. Key activities underway/planned include: (i) commissioning of specialist Review agency to look at high cost placements; (ii) participation in the LGA ASCE programme – achieving efficiencies in learning disabilities commissioning; re-commissioning of block contracts and individual VFM contract negotiations across all service areas, including LD</p>
Older People residential care	July 2011	600	<p>This is the second phase of total savings over 2013/14 and 2014/15 of £1 million. Delivery of both years savings is through the Adult Social Care MTFS Residential workstream. Key activities planned/underway include: (i) commissioning of iMPower to deliver improved information/signposting across health and social care system, to shift the care setting of first resort from residential care to community based solutions, including improved access to assistive technology; (ii) redesigning ‘front door’ between contact centre and ASC, to ensure timely assessments and right information / right time (e.g. about financial assessment); and, (iii) review of admissions (to residential care) pathway also underway, looking at critical points where people can be diverted away from residential care.</p> <p>Planning for implementation of Care Bill, Better Care Fund, and</p>

			analysis of future demographic pressures underway, including impact on delivery of this savings line.
Traded services	July 2011	450	This saving has already been delivered early and no further actions are therefore needed
Shared services/collaboration	February 2013	500	A shared service arrangement with LB Newham has been formally agreed by Cabinet and Council and that will deliver the first element of this saving during 2014/15
New Homes Bonus	February 2013	600	This is covered separately in this report, in section 5

3.6. As previously reported to Cabinet, and as set out in the revenue monitoring reports, progress with the delivery of savings is kept under close scrutiny, and any shortfalls or slippage are also highlighted as part of the revenue monitoring process, and as such, will appear in the revenue monitor report. The majority of the savings are being delivered through service restructures, all of which are either well underway or have been concluded. Both the ISS and CST programmes are very complex, and in the case of the both these programmes, there has been a slippage in delivery of savings in the current year; these are addressed later in the report.

3.7. There is clearly a risk that it will not be possible to deliver the full level of savings already approved by Cabinet. Circumstances are changing all the time and alongside this, so are demand for services and their associated costs. Whilst the budget contains a significant contingency sum, this is designed to address in-year issues, and the sheer scale of the savings proposals and the lengthy period over which they are being implemented – nearly £36m over a 4 year period – mean that some slippage or shortfall has always been a risk.

Revenue Proposals

3.8. The revenue items proposed for the 2014/15 budget, and the subsequent year, are set out in Appendix D. These fall broadly into the following categories:

- Shortfall in savings that can no longer be delivered, mainly due to change in environment
- Reductions in income that have become permanent
- Impact of new legislation
- Funding changes from external organisations (excluding levies)
- Unavoidable growth arising from external factors.

3.9. Whilst this is a relatively short list of items, it does reflect the degree of risk over the delivery of savings proposals on such a scale, as well as the impact

of factors outside the Council's control. A prudent approach has been taken in assessing the potential budget gap, and this has enabled the Council to weather the impact of the substantial cuts in grant funding it has been faced with.

- 3.10. At this stage, it is not considered necessary to identify any additional savings, beyond those already approved by Cabinet. There are, however, two major contracts, street lighting and waste collection, which are expected to give rise to a modest level of revenue savings. The latter is dependent on a concurrent report being submitted to this Cabinet meeting, the former is currently being analysed on the basis of the decision previously taken by Cabinet. This will be reflected in the report to Cabinet in February.

4. CURRENT FINANCIAL POSITION

- 4.1. As part of its standard business processes, a robust system of budget monitoring is in place to ensure the Council's financial stability. As part of this process, both variances and potential risks are identified and action plans developed to counteract any adverse variances. Reports are considered up the management chain, from cost centre managers through to Heads of Service, and then CMT, individually and collectively, as well as Cabinet Members. Monthly reports appear on the Council's intranet site. Full reviews of the financial position are undertaken quarterly, with high risk areas being reviewed monthly. Reports are on an exception basis.
- 4.2. The most recent forecast for period 6, which is a full quarterly budget review, indicates that the overall revenue position was broadly balanced, with an overall net overspend of £573k. The main elements of this are:

Service	Issue	Variance £000
Streetcare	Overspend of £475k on parking, due to income shortfalls, offset by a number of underspends across difference services	226
Customer Services	Delayed delivery of savings from transformation programme	289
Regulatory	Overspend of £300k due to shortfall in income from building control	364
Adults	Older People's residential and nursing placements £396k and Learning Disabilities £175k, offset by various underspends	419
Learning & Achievement	Overspend on Special Educational Needs of £512k, offset by range of underspends	13
Children's	Mainly due to overspends in Placements £202k and Leaving Care Services £242k	710
Asset Management	Income from commercial properties transferred from the HRA £597k, offset by £239k overspend across various transport accounts	-375

Exchequer	Underspend of £300k from housing subsidy plus underspend of £253k on emergency assistance scheme	-551
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- 4.3. A further update, setting out the updated position as at period 7, will be included as part of the February Cabinet report. This will include an assessment of whether any of the current variances are likely to have a sustained impact beyond the current year, although there is one such item included in the table above, and this has therefore been included in the schedule of budget items for 2014/15:

Item	Value £000
Shortfall of income from Regulatory Services, in particular from building control	300

- 4.4. A full review is also being undertaken of Corporate Provisions. Cabinet will recall that base budget provisions have been established, with the scale of change in the funding system in mind. As these changes are now bedding down, it is now possible to determine the robustness of the transition to the new system, and the impact this has had, set in the context of the last year of the current savings plan. The outcome of this review will be set out in the February Cabinet report.
- 4.5. As Cabinet will be aware, the budget includes a Contingency Fund. This is to ensure the Council's budget is robust, and to provide financial stability to enable adverse in-year variances to be overcome. The level of the Fund is reassessed annually as part of the budget-setting process. Allocations from the Fund are generally only made once other measures have been considered, and during the latter part of the year. This is in accordance with practice of previous years. Allocations made later in the year cover those items that cannot be contained within departmental spend, and are generally beyond their local control. The Fund is designed to enable the Council to resolve any in-year issues that cannot otherwise be contained within approved budgets. It is not however available to fund permanent, ongoing changes; these need to be resolved as part of the formal budget-setting process.

5. OTHER KEY MATTERS

Impact of Inflation

- 5.1. As Cabinet will be aware, inflation levels have remained at their lowest point in many years. The 2009 local government pay award saw a rise of around 1%, and further restraint in pay rises, given the economic climate, has continued, with no pay rise at all for 2010, 2011 and 2012. A rise of 1% has been agreed for 2013 and it has been made clear the Government expects similar restraint in future years. With this in mind, further provision for a 1% rise has been made in the 2014/15 budget.
- 5.2. Provision is being made for increases in major contracted services. The

proposed increases for contracted services – which mainly relate to contracts based on an RPI index – are broadly in line with that level, but subject to the specific circumstances applicable to each individual contract. For social care, negotiations are underway with providers, within the broad parameters set for the overall budget, and these are likely to be agreed prior to the start of the financial year. To enable these negotiations to progress, it is recommended that Cabinet delegates authority to the Group Director for Children, Adults and Housing to agree inflation rates with social care providers.

- 5.3. A review of fees & charges has been undertaken as part of the budget setting process and any rises being proposed will be reflected in the schedule submitted to Cabinet in February. However, it is not proposed to increase fees & charges in a number of areas, where these are set by the Council. This includes parking services, in accordance with the Administration's previous commitments. There are a number of other areas where it is not felt appropriate to introduce any rise, and this will be reflected in the detailed budget.

Interest Levels

- 5.4. Interest rates have remained at historic lows for some considerable time. The Council's budget strategy originally assumed that there would be a recovery in interest levels during 2010/11. This has not happened, and therefore the originally planned increase was delayed until 2013/14.
- 5.5. There is no immediate sign of rates rising, although economic factors have continued to improve, suggesting there will inevitably at some point be a change in this position. As historic investments come to an end, the overall level of interest generated has fallen. Returns are now even lower than 12 months previously, although paradoxically, the level of cash holdings has increased, the main reason being the changes brought about by the new funding system (this trend can be seen across all Councils, certainly in London, if not elsewhere). Speculation around when interest rates will rise has continued, but in the wake of the Chancellor's recent announcements, a majority of economists are now predicting a rate rise during 2015. The Council's current treasury advisors have indicated that, in their view, rates will remain static until 2016, but have also advised that the probability of an earlier move has risen significantly.
- 5.6. The financial strategy assumed an increase in rates in both 2013/14 and 2014/15; this is still felt to be deliverable through prudent financial management of the Council's cash flow position, although not in full. It is therefore proposed to retain this, but at a lower level, for 2014/15, with the full amount included in the strategy being achieved the following year. This is not without a degree of risk, but given the scale of the budget gap projected for the coming four year period, this level of risk is felt to be acceptable.

Concessionary Fares and Taxicard Scheme

- 5.7. This item has been a major factor in previous years. Havering's contribution to the freedom pass scheme currently stands at £7.661m. An increase in the 2014/15 TfL element for Havering of 2.71% , thereby increasing the contribution to £7.869m. This equates to an additional £208k budget being required, which is within the sum anticipated in our financial strategy. This area remains a financial risk to all London boroughs as future rises could well be at a similar level to those provided for in the financial strategy, and therefore continues to be covered in the Council's longer term planning.
- 5.8. The Council's contribution to the London Taxicard scheme, which is also funded through London Councils, has been set at £150k for 2014/15, the same level as currently.

Pension Fund

- 5.9. The difficulties experienced nationally by pension funds in general, and the Local Government Pension Fund in particular, have been well publicised. A variety of changes to the local government pension scheme are due to be implemented in April 2014.
- 5.10. Havering's Pension Fund has, like most if not all others in the public sector, been adversely affected by not only the level of liabilities, but also the impact of gilts on the assessment of those liabilities. So, whilst the value of investments has continued to see an increase, this has been counter-balanced by the rise in liabilities owing to historically low gilt returns. Clearly, the Council cannot influence how gilts impact on the Fund, but it does have a responsibility to deal with this as part of its prudent financial management.
- 5.11. A review of the investment strategy has taken place over the past year, and amongst other things, the strategy now encompasses potential investment in infrastructure, with the proviso that an appropriate return is realised on any such investment. The 2013 actuarial review of the Pension Fund is also now well underway and initial discussions on the potential outcome have already taken place. The previous budget made provision for an incremental rise of £500k, and this was increased to £1.5m with effect from 2013/14. For financial planning purposes, a similar sum has been allowed for in future years.
- 5.12. The actuary has advised that the Council will need to make additional investments into the pension fund over coming years, almost certainly at a higher level than the sum currently provided for. His advice is that, if the Council were able to make a one-off cash investment, this would provide a suitable level of investment, and allow the Council to scale back on annual contributions for several years.

- 5.13. As part of the closedown of accounts process for 2012/13, a sum was earmarked for investment in the pension fund as part of the strategic reserve. As part of the current review of corporate provisions, it is now proposed to make a one-off investment into the Pension Fund. Details of the proposed investment will be included in the report to Cabinet in February, seeking Cabinet's approval for that investment.
- 5.14. Any such investment will clearly carry a degree of risk. Although the value of the Pension Fund has risen slowly over recent years, market values do rise and fall. However, should the Council choose not to proceed, higher annual contributions would need to be made, and over a period of time, at least to the same overall value. It is also probably true that the level of return potentially realisable from the Pension Fund is far higher than what could be achieved through the Council's treasury management activities.

Levying Bodies

- 5.15. The levies are part of the Settlement and therefore need to be taken into account when setting the Havering element of the Council Tax. There are a number of levies, but the predominant levy relates to ELWA. The current overall levy budget is around £12.4 million, of which ELWA accounts for £11.7 million. At this stage, no account has been taken of any changes in the distribution of levies arising from the changes in Council Tax base referred to earlier in this report.

ELWA

- 5.16. Provision has broadly been made within the council's financial strategy for increases in the ELWA levy of around £1m per annum over the budget window the Council now operates. The Authority considered a report on its financial prospects at its meeting in December. Whilst the final budget will reflect more recent tonnage information and updated financial information, the report indicated that the provisional levy proposals over the coming three years will now be lower than previously allowed for.
- 5.17. At this stage, whilst officers are awaiting the final budget report, which is subject to deliberations by ELWA, the reduced forecast levy has been included as part of the overall budget build process. At the point at which ELWA approves its final budget, due account will need to be taken of this in the Council's own budget setting process.

Other Bodies

- 5.18. Of the remaining levying bodies, for planning purposes, a prudent approach has been taken to the level of increase that might be expected, pending notification of the planned rises.

London Councils Subscription and London Boroughs Grants Scheme (LBGS)

- 5.19. The core subscriptions are to be held at existing levels for 2014/15, being £143k, with a one off rebate for all contributing authorities, at a level of £38k for Havering. The contribution to the LBGS is marginally reduced by £1k to £259k. This scheme has also released a one off rebate at £23k. As indicated, the reductions are a one-off and therefore it is recommended that the base budget is not adjusted as these funds will no doubt be required in the 2015/16 budget cycle.

Transformation Funding

- 5.20. Cabinet will recall that, as part of the Council's approach to delivering its transformation programme, a reserve was established to finance a wide range of activity, for example the Internal Shared Services programme. These reserve funds supplemented a base budget sum created several years ago of £1m. It was originally planned that this sum would be removed from the budget in 2013/14. However, given the inevitable continuation of the Government's austerity programme, it is highly likely that local authorities will be engaged in transformation activity for a considerably extended period, possibly for the remainder of the decade. As part of the last budget-setting process, Cabinet agreed to retain this budget.
- 5.21. Whilst activity has continued with most of the original transformation programmes during 2013/14, these are now effectively winding down. The shared service programme with Newham, alongside the One Oracle programme, has been running for some time, and Cabinet approved a report on the shared service arrangement in November.
- 5.22. As part of the report to Cabinet in September, the financial prospects for the four year period, starting in 2015/16, were set out. Cabinet were advised that, based on officers' assessment of the impact of further funding cuts, coupled with the potential impact of demographic growth and inflation, the forecast budget gap was in the region of £60m. Delivering further savings will therefore require a considerable level of support, with the financial consequences this would give rise to.
- 5.23. Alongside the base budget sum, it is also likely that additional, one-off funds will be needed. This will enable the Council to finance any further projects and to ensure funds are available for any further redundancy costs, should these arise, beyond the current programme. With this in mind, it is proposed that any underspends from the Corporate Contingency Fund, from the retained base budget sum of £1m, and from any service revenue underspends, are allocated to the Strategic Reserve. Cabinet is asked to endorse this approach.
- 5.24. As previously advised to Cabinet, it is intended to develop a four year budget strategy over the coming months. This will be brought to Cabinet for approval and onward recommendation to Council during the Summer of 2014. This will

include an assessment of the resources – financial and otherwise – needed to deliver a new programme of savings and service transformation.

New Homes Bonus (NHB)

- 5.25. This funding stream was created for financial year 2011/12. Although it has been classed as a new funding stream, it is effectively money top-sliced from the overall funding “pot”. As the national NHB pot grows, the overall pot for revenue support grant reduces. The current budget assumes an approximate base sum of £1.8m in 2013/14, rising to an estimated £2.4m in 2014/15, and this sum has been built into the budget build process for next year.
- 5.26. The updated figures for 2014/15 have recently been released. These are in line with officers’ estimates. The forecast figure is now £3.4m, expected to rise to around £4.1m in 2015/16. This is due to a bigger than originally forecast rise in property numbers, which form the basis for the NHB calculation. However, as pointed out in the September Cabinet report, there is a national adjustment to the overall NHB pot, which would reduce the Havering allocation. In addition, there is a further top-slice within London arising from the Autumn Budget Statement and subsequent announcements.
- 5.27. The impact of these adjustments is that the level of NHB in Havering is expected to fall by around £1.3m to £1.4m, leaving a base sum of around £2.7m to £2.8m. With this degree of uncertainty in mind, it is not felt prudent to increase the base budget sum beyond the level originally allowed for. Once the position becomes clearer for 2015/16, then the base budget can be reviewed and adjusted accordingly.
- 5.28. This leaves around £1m in NHB which is available for future one-off investment in 2014/15. It is therefore proposed that this sum should be allocated to a small number of one-off projects in 2014/15, as follows:
- Harrow Lodge Park; clearance works to the lake to remove silt, re-invigorate the lake, and to deal with rodent infestation. Estimated cost £300k
 - StreetCare; additional investment of £500k in footpaths, carriageways, etc
 - Broxhill Park; development of all-weather sports pitch to complement the overall park design, estimated cost £500k, part funded from grant monies, leaving a residual revenue contribution of £200k.
- 5.29. There is an alternative, which is to increase the base budget for 2014/15 and take the additional £1m as a budget saving. However, should the expected change then occur in 2015/16, this would create an immediate budget pressure of around £600k to £700k. Given the scale of the gap from that year onwards, this course of action is not recommended.

Better Care Funding

- 5.30. The Better Care Fund (BCF), formerly known as the Integration Transformation Fund, and before that NHS support for social care, will come into effect from 2015/16. This will underpin health and social care integration, providing opportunity to transform local services leading to better outcomes. The fund will also help manage pressures to enable longer term sustainability. The June 2013 spending round set out that £3.8 billion is to be deployed in 2015/16, to be spent locally on health and care.
- 5.31. In recent years Health funding to support social care has transferred to Local Authorities under section 256 agreements. Havering's 2013/14 allocation was £3.599m. Plans to utilise this funding were signed off by the Health and Well Being Board and submitted to NHS England.
- 5.32. In 2014/15, in addition to the £900m transfer already planned from the NHS to adult social care, a further £200m will transfer to enable localities to prepare for the BCF in 2015/16. NHS England will only pay out the additional £200m to councils that have jointly agreed and signed off two-year plans for the BCF. Havering's allocation using the social care relative needs formula (RNF) is expected to be £4.609m. This will be subject to the same conditions attached to the existing transfer. This sum has been arrived at as follows:

	National Budget £m	Havering Allocation £m
2013/14	859	3.599
2014/15 – base sum	900	3.771
2014/15 – additional sum	200	0.838
2014/15 – TOTAL		4.609

- 5.33. The £3.8bn BCF fund will be created from:
- £1.9bn of NHS funding
 - £1.9bn based on existing funding in 2014/15 that is allocated across the health and the wider care system. This will comprise:
 - £1.1bn existing transfer from health to adult social care.
 - £130m Carers' Break funding
 - £300m CCG reablement funding
 - £354m capital funding (including £220m Disabled Facilities Grant).
- 5.34. Havering's 2015/16 BCF allocation is expected to be £15.5m, which will include the Disabilities Facilities Grant (£829k) and social care capital (£560k). The Fund will be put into a pooled budget under Section 75, there will be a joint governance arrangement between the Clinical Commissioning Group and Local Authority. A condition of accessing the funding is that there must be joint spending plans and these plans must meet certain requirements.

- 5.35. The spending round indicated that £1bn of the £3.8bn will be linked to achieving outcomes, both national and local. Half of the funding is expected to be released in April 2015. £250m of this will depend on progress against four of the national conditions, and £250m will relate to performance against a number of national and locally determined metrics during 2014/15. The remainder (£500m) will be released in October 2015, and will relate to further progress against the national and locally determined metrics.
- 5.36. It was announced as part of the Spending Round that the BCF would include funding for costs to councils resulting from care and support reform (£50m capital and £135m revenue). This money is not ring-fenced, but local plans should show how the new duties are being met.
- 5.37. Health and Wellbeing Boards have to provide a first cut of their better care plan template by 14 February 2014, with revised versions by 4 April 2014. Funding will be routed through NHS England to protect the overall level of health spending and ensure a process that works coherently with wider NHS funding arrangements.

Education Services Grant

- 5.38. Commencing in 2013-14 there are new Government funding arrangements for education services provided by local authorities and academies. This is through an Education Services Grant (ESG) calculated on a per pupil basis according to the number of pupils for whom a local authority or academy is responsible.
- 5.39. The ESG is intended to fund both LAs and academies for the provision of a range of services and statutory functions including education welfare, school improvement, music services, asset management, determination of terms and conditions of service of staff, early retirement and redundancy costs, producing financial accounts and internal auditing.
- 5.40. The grant is allocated to local authorities on the basis of £113.17 per pupil (£116.46 in 2013-14) in maintained primary and secondary schools, £480.97 (£494.96) for pupils attending maintained special schools and £424.38 (£436.73) for those in alternative provision. £15 (unchanged from 2013-14) is allocated to LAs for all pupils regardless of whether they attend academies.
- 5.41. The initial allocation for Havering for 2014-15 is £3,326,218 compared to an initial allocation of £3,510,598 in 2013-14. The reduction is due to an increase in the number of schools that became academies during the year and a reduction in the per pupil rate (see the paragraph above).

- 5.42. The number of academies and maintained schools in Havering as at January 2014 is as follows:

	Primary	Secondary	Special	Total
Maintained	55	4	3	62
Academies	4	14	0	18
Total	59	18	3	80

- 5.43. In addition, an academy order has been received from the Secretary of State for Education for another primary school with an expected transfer date of 1st April 2014.
- 5.44. A complication of the grant is that it is recalculated on a quarterly basis to reflect the number of pupils that attend academies; it therefore reduces during the year each time a school becomes an academy. Whilst this may necessitate further savings, it will be difficult to anticipate these and they will take time to develop and implement. There is also an issue over the point at which the critical mass of the service means that it is not feasible to deliver any further savings and still deliver the council's statutory responsibilities in this area.
- 5.45. The costs in delivering statutory services fall mainly, although not exclusively within the Learning and Achievement Service. Grant reductions will also affect asset management services and central services recharged to Learning and Achievement. To meet cost grant reductions in 2013-14 there was a significant restructure within Learning and Achievement saving approximately £1.3m and further savings to meet 2014-15 grant reductions are being considered.

Social Care Legislation

- 5.46. There are fundamental changes imminent to social care functions, aside from those considered above. In particular, the Care & Support Bill and the Children & Families Bill, both of which are expected to receive Royal Assent some during early 2014, will impact on the provision of services, and the development of the future budget strategy. The background to this legislation is set out below; at this stage, it is extremely difficult to assess what impact these changes will have, financially or otherwise. Given the likely demographic demand for social care services in the future, this area will need to be kept under close scrutiny, and once a clearer picture has emerged, Cabinet will be updated accordingly. The potential financial risks arising from this legislation will need to be borne in mind as part of the budget-setting process, and this has been factored into the risk assessment, which is currently being undertaken. Any updated financial information will be included in the February Cabinet report.

Care & Support Bill

- 5.47. The Care and Support Bill is a major piece of legislation related to Adult Social Care, which is looking to consolidate existing legislation and rewrite statute which dates back to 1948. As such it is far reaching and the implications are large. London Councils have raised concerns that levels of funding to support the changes proposed by the bill may not be sufficient to cover the additional cost that Local Authorities will have to bear, particularly in London. Whilst the principles endorsed within the bill are supported there will be significant cost implications.
- 5.48. The Bill is in three parts; Care and Support, Care Standards, Establishing non-departmental public bodies. The main implications that carry a financial implication are:
- All local authorities will have to provide a universal information and advice service to the local population, including advice about how to access independent financial advice.
 - Everyone with care and support needs who is assessed will be informed of support available to prevent or reduce care needs and support whether or not they meet the eligibility threshold.
 - A cap will be set at £72,000 for the maximum contribution anyone will make to adult social care. People in residential care will pay a contribution of around £12,000 yearly towards general living expenses. The upper capital threshold for means-tested support will rise to £118,000 from 2016/17. There will be a zero cap for people who turn 18 with eligible care and support needs.
 - A national minimum eligibility threshold will be introduced.
 - Local authorities will be required to provide, review and update an 'independent personal budget' for people who have eligible care needs but do not meet financial criteria. This notional budget will allow the individual to progress towards the care cap. It will be based on the amount that the local authority would pay for care – not the amount the self funder might choose to pay.
 - The 'deferred payments' scheme, whereby the cost of care is offset by the future sale of the client's home, will be cost neutral to local authorities and therefore interest and administrative fees will be allowed.
 - Where a client receives care outside the home borough, the second borough will be required to take the original care and support plan into account and to provide a written explanation if it differs.
 - The duty to prevent, delay or reduce the need for care and support will apply to both carers and people with care needs.
- 5.49. It should be noted that young carers are not included in the bill – this has raised concern that young carers may fall into the gap between the Children and Families Bill and the Care Bill.
- 5.50. The Council is currently modelling the potential financial implications and risks arising as a result of the new legislation, and will continue to do so as the bill

passes through parliament. Local implications will be largely driven by demography in the borough. Part one of the Care Bill provisions (excluding funding reform) is due to come into force from April 2015, with the funding reform provisions coming into force from April 2016.

Children & Families Bill

- 5.51. The intention of the legislation is to create a more family friendly SEND (Special Educational Needs and Disabilities) process which draws together the support a child requires across education, health and care (EHC). Statements of Special Educational Needs, which are mainly education documents, will be replaced by a single plan called an Education, Health and Care plan. The draft regulations and Code of Practice (COP) have now been published and have a September 2014 implementation date. The following address some of the financial implications arising from the Bill.
- 5.52. Local Authorities must publish a **Local Offer** to enable parents to understand what is available and how it can be accessed. By publishing core entitlements and making it clear how the services can be accessed, the uptake of services is likely to increase. It is critical that universal services are well publicised through the Local Offer in order to ensure that families utilise these services and do not migrate to tier two and three services when they are not essential. This may require training and support for services like Children's Centres but this would prove cost effective in the medium term. On the plus side having a good comprehensive and well publicised Local Offer may mean that out of borough services are not requested. A good Local Offer may mean that parents do not request personal budgets to purchase private sector services.
- 5.53. There must be a means by which to offer **personal budgets** to families which includes direct payments for health and education as well as social care. This is a flagship proposal by the Government and it is clear that they will be pushing for the development of a private market so that parents can purchase services which are not readily available through the Local Offer. It is not yet clear whether parents will have to be offered what the service costs to purchase or the equivalent of what is spent at the moment but given the lack of sufficient therapy provision this could prove costly for health unless sufficient service can be provided through the Local Offer.
- 5.54. In Pathfinder areas there have been issues with the viability of block contracts as parents have chosen to purchase services themselves. This has led in some cases to the need for double funding for example providing a direct payment for a family to purchase a therapy service but not reducing the cost of the block contract.
- 5.55. On the plus side some Pathfinders have found that when parents understand the cost of the services provided for their children they can bring about better value for money. For example on discovering the cost of a therapy service, which was provided at best intermittently, parents chose to forgo the service in favour of some additional short break hours. Additionally funding a home

education programme through a direct payment gives the LA more control over the service than would otherwise be possible.

- 5.56. The Bill requires the setting up of an **independent mediation service** for when agreement cannot be reached. The providers of this service must not be employed by the local authority. Parents must be offered the service where there is a disagreement about the content of the plan although if the disagreement is purely about the school parents can opt for tribunal.
- 5.57. There must be **joint commissioning arrangements** between education, health and social care in order to ensure that sufficient resources are provided to assess children and then provide for their needs. There must also be a formal mechanism for resolving complaints and difficulties between the agencies.
- 5.58. There is currently no joint commissioning for SEND children's services. The therapy services provided by NELFT are not sufficient for the needs of the SEND children. It is essential that the most senior officers in the LA and Health Commissioners work together to improve the level of therapy services. Entering into joint commissioning arrangements and pooling budgets whilst essential also has the potential to be costly for the LA. Whilst the Bill is fairly robust in insisting that health must provide the services required by the child to implement the EHC plan it will still ultimately be the responsibility of the LA to ensure that those services for example speech therapy required to implement a child's education programme are provided.
- 5.59. On the plus side once a joint commissioning system is in place it may indicate areas of service in which there is duplication or where inefficient commissioning has led to poor value for money both in the LA, health and voluntary sector.
- 5.60. The draft Code of Practice (COP) says that there must be a **single assessment procedure** (involving parents and children) on which health, social care and education agree so that families do not have to repeat their story and appointments are kept to a minimum. It is the LA's responsibility to provide this support through key workers or similar a similar mechanism. A single Education, Health and Care (EHC) plan document draws together the support and resources required across education, health and social care as well as leisure and voluntary sector activities as appropriate. The plan lasts from 0-25.
- 5.61. The Pathfinders have used multi agency meetings to draw up the plan but have found this very costly in staff time. Some Pathfinders have used staff already working with the child as key workers but have found especially for very young children that the work is very emotionally draining as well as time consuming and cannot always form part of a wider role. Finally the plan can last until a young person reaches 25 and here the issue is the raising of expectation that young people who would not previously have received a service once they reach adulthood will now have an entitlement. This does not appear to be the case as the entitlement only continues to 25 if the young

person remains in education or training. There are enormous implications for the funding of higher level educational needs up to 25 when currently many young people cease education at 19 and almost all at 23.

Parking

5.62. The Government announced the launch of a consultation on current local authority parking strategies and on options the Government is considering to change the balance of how parking is enforced with the aim of ensuring that parking strategies complement and enhance the attractiveness of our high streets and town centres. This consultation runs until 14th February. The Government is now inviting views on amending significant elements of local authority parking policy including:

- Stopping the use of CCTV for on–street parking enforcement
- Giving local communities and businesses new rights to require authorities to review aspects of their parking strategies such as the level of parking charges and whether all double-yellow lines are appropriate and necessary at particular locations
- Introducing limited “grace periods” where a driver has stayed in a parking place for a short period before issuing a parking ticket
- Updating statutory guidance to local authorities to emphasise a less heavy-handed approach to parking enforcement, and re-emphasise that parking charges and fines cannot be used to as a means to raise revenues.

5.63. Potentially, this could lead to a freeze in increases in parking charges alongside a number of other possible changes. At this stage, it is far from clear whether the financial consequences of this on local authorities would be compensated for, or whether authorities would be expected to cover this from within existing resources. This therefore represents an additional risk, as the outcome will clearly not be known until after the Council has formally approved its 2014/15 budget.

Changes in Demography

5.64. Cabinet will be aware from previous reports that social care services in particular have been impacted by changes in demography. In particular, the aging population demographic is expected to lead to an increase in demand for adult social care. This issue has been reflected in the Council’s budget for the past two years, and due to the fluid nature and high risk will continue to be closely monitored. This financial provision has been based on a detailed financial model, however, with continuing changes in demand, the increased financial pressures facing local authorities, changes in funding streams referred to elsewhere, and shifts in population as well as properties, this issue now potentially has a broader impact.

5.65. Elsewhere in this report, changes in the Council’s property base – as measured through the Council Tax base and the New Homes Bonus – are highlighted. This needs to be considered in the context of increased demand for schools places, as set out in the report to Cabinet in November.

5.66. These factors, taken together, suggest a significant change in demography within Havering. What is extremely difficult to assess is what impact this change will have on demand for services, and thus in turn, the associated resources and costs. As a guide, the potential consequences are set out in the table below:

Factor	Impact	Financial Impact
Properties	Increase in waste produced by households Increased traffic leading to more road/footway damage	Higher costs for refuse collection, street cleaning, waste disposal Higher costs for highways maintenance
School places	Increase in demand for places leading to need for more classrooms	Capital investment in additional classrooms Revenue impact falls directly on schools budgets
General population	Increase in special educational needs Increase in residents requiring learning or mental disability support Increase in demand for parks, leisure, arts, culture, etc Change in population mix, eg nature and make up of families	Increase in resource needs and thus service costs As above As above Potential capital investment, eg new facilities, vehicles As above

5.67. At this stage, it is not possible to determine with any reliability the financial impact of potential changes. Clearly, there will be an increase in Council Tax receipts, and this is factored into the base calculation. What is much more difficult to assess is the cost impact these changes might have, as this depends on the actual nature of the shift in demand, rather than any notional model. It will therefore be necessary to review any available information as part of the development of the new financial strategy, to ensure that, as far as possible, the latest information is reflected, but also that this is kept under review and the strategy is updated accordingly. It is however a fact that such changes now represent a significant area of risk, both financial and otherwise.

5.68. With that in mind, it is proposed to review and potentially increase the overall budget provision for growth. The overall sum stands at £2m and has been assessed on the basis of demographic changes in demand for social care services. The marked shift in the property base will clearly now have other

impacts and this will need to be given due consideration as part of the budget setting process. A broad assessment is currently underway and this will be reflected in the final budget proposals to be presented to Cabinet in February. It is however highly likely that the existing budget provision for demographic growth in social care for 2013/14 will not be required, as the combined impact of savings proposals, demand changes and general demographic growth have been absorbed within existing service budgets.

Members Allowances

5.69. As is customary, a report on the proposed Members Allowances scheme will be considered at the same time as the budget. The Administration proposes to reduce the cost of Allowances, in line with reductions in spend within the Council, and an additional saving of £100k in 2014/15 was included accordingly in the budget schedules last year.

Corporate Plan

5.70. The Corporate Plan 2011-14 sets out the Council's Living Ambition and how this will be delivered through five goals for the Environment, Learning, Towns and Communities, Individuals and Value. These goals, along with the strategic outcomes, key activities and measures/targets, are summarised in the 'Plan on a Page'.

5.71. The 'Plan on a Page' has been refreshed, in light of the progress made on the Corporate Plan over the past year and publication of the Annual Report in September – this is set out in Appendix F. The refresh captures the Council's goals and strategic objectives as follows:

- Environment – community responsibility and enhanced community participation
- Learning – strategic commissioning and strengthened partnership working between learning providers
- Towns and Communities – resilient/self-supporting communities and an enterprising economy
- Individuals –prevention/early intervention, joint commissioning/integrated services and access to the 'early help offer' for children and young people at risk
- Value – evidence-led commissioning and a commitment to sharing services with partners.

5.72. The measures/targets have been reviewed and, where required, new targets have been proposed for next year. The updated 'Plan on a Page' will be used to inform service planning, ensuring all activities are linked back to the goals, strategic objectives and strategic outcomes of the Corporate Plan. Cabinet is asked to formally approve the revised 'Plan on a Page' as set out in Appendix F.

6. EXPENDITURE RESTRICTIONS AND BUDGET ROBUSTNESS

Expenditure Restriction by Government

- 6.1. The Government has previously stated that it will use its capping powers where necessary. As part of the settlement announcement last year, following on from previous announcements, a referendum process was introduced. The broad level at which this would be triggered was set at 2%, although there was a potential loophole around the impact of levies set by external bodies and how these are factored into the calculation.
- 6.2. However, as part of the settlement announcement, and in contrast to previous years, DCLG are not publishing council tax referendum principles as part of the provisional settlement. The view of London Councils is that this is probably because the Local Audit and Accountability Bill has yet to complete the legislative process. The Bill proposes that levies should be included in council tax referendum calculations and had its third reading and report stage in the House of Commons on 17th December. It is now going back to the House of Lords for consideration of amendments with royal ascent expected in “early 2014”. DCLG are also seeking views on the referendum levels themselves, this suggests a potential lowering of the current level.
- 6.3. Clearly, those Councils choosing to avail themselves of the Council Tax freeze grant on offer for 2014/15 will not be affected by this. It will however make it potentially quite difficult for those choosing not to do so to set a budget, when they could then be faced with the need to undertake a referendum.
- 6.4. The Government has indicated that the referendum process is likely to remain in place for future years, although they have not committed to the actual percentage levels. There does however appear little prospect for a rise beyond the current limit of 2%, and local authorities would need to be mindful of the potential cost of undertaking a referendum should they wish to consider triggering one, especially with the potential cost of a further billing process to be undertaken, should the local community reject a proposed rise, whatever level is to be applied.

Budget Robustness/Reserves Position

- 6.5. The Local Government Act 2003 sets out requirements in respect of Financial Administration, and in particular to the robustness of the budget and the adequacy of reserves. The Act requires the Chief Finance Officer (CFO) to report to an authority when it is making the statutory calculations required to determine its council tax or precept.
- 6.6. In line with the requirements of the Act, the formal report of the CFO on budget robustness will be included in the February Cabinet report. The authority is required to take the report into account when making the calculations.

- 6.7. The General Fund Balance at 31 March 2013 was £11.8m. Prior to making a final recommendation to Council, there will also be a need to further consider the current financial position for 2013/14. The revenue budget strategy statement, as agreed by Council, sets out that the minimum level of reserves held will be £10m. There is an opportunity cost of holding reserves, in particular the alternative use that these balances could be put to and the benefits that might accrue as a result. Equally, the importance of retaining sufficient reserves has been emphasised by the position within social care services during previous financial years, and particularly so now, with the Council suffering an ongoing reduction in grant funding from Government.
- 6.8. The Council's revenue budget strategy statement requires that:
- While addressing its priorities and setting a balanced and prudent budget, the Council will seek to keep any increase in the Council Tax to the lowest possible level and in line with its stated aspirations whilst maintaining reserves at the minimum level of £10m
 - And as part of that process, the Council will not utilise those reserves, or any reserves earmarked for specified purposes, to subsidise its budget and reduce Council Tax levels as this is neither a sustainable nor a robust approach.
- 6.9. In addition to its general reserves, the Council also holds a number of earmarked reserves. At 31 March 2013, the total value of reserves stood at £48.7m. Of this, a significant element had been earmarked for the corporate transformation programme, which is delivering much of the savings target agreed by the Council. The majority of these funds have now been allocated to programmes and it is anticipated that a considerable element of this will have been expended by the end of 2013/14 in funding programme resources and IT investment, and over an extended period of time, redundancy costs. A further element relates to strategic projects, whilst the remaining reserves cover a variety of purposes, including the Insurance Fund. The final element relates to a reserve created for grant funds for NHS support for social care. Any reserves utilised as part of the budget-setting process can only be applied once; thereafter equivalent reductions – or increases in Council Tax – would still need to be found.
- 6.10. The current advice of the Group Director Resources is that the existing level of general reserves can be considered to be adequate. However, the recent and expected future reductions in grant funding, coupled with the need to resource major change programmes, emphasise the need for prudence with the management of reserves. Without a sufficient level of reserves, such investment would only be possible from base service budgets.
- 6.11. The Council's external auditor has in the past emphasised the need for the Council to strengthen its financial health and to build in protection against unforeseen circumstances and to seek advice from the Chief Finance Officer on the adequacy of its working balance level. The advice of CIPFA also needs to be borne in mind, as they have emphasised that it is important to

stress the risks which arise should councils decide to draw down reserves to help fund their budgets. This is due to the fact that most council services require recurring funding to meet staff and other running costs year after year. Reserves are however a one-off, finite source of funding; they can cover a shortfall in recurring funding for a specific period but, after reserves are exhausted, the underlying shortfall will still be there. Due account is taken of this advice in assessing the need for reserves and their potential utilisation.

7. CAPITAL PROGRAMME

Background to Current Programme

- 7.1. The Council's overall approach to its Capital Programme has been based on a gradual move towards the use of prudential borrowing to finance it and provision for this has been reflected in the relevant budget proposals. In more recent years, the duration of the planned programme has been kept relatively short, in recognition of the need to maximise the use of receipts, and to avoid additional pressure on the revenue budget.
- 7.2. Since that time, there has been a continued hold on interest rates, so borrowing remains relatively inexpensive. However, it remains the case that the Council's ability to generate receipts has continued to reduce. It is therefore an increasing risk that receipts will continue to tail off, which means the Programme needs to be kept under constant review to respond to any material change in circumstances.
- 7.3. For the longer term, financing any form of capital programme will almost certainly be heavily reliant on borrowing, although external financing and Section 106 receipts, through either Section 106 or the new Community Infrastructure Levy (CIL) are expected to remain available, if unpredictable. This therefore potentially brings an additional revenue pressure.
- 7.4. For the immediate short term, borrowing will only be used as a last resort. The exception to this will be where a specific business case can be made to finance investment through borrowing, for example where savings or additional income can be generated. Longer term, the Council will be faced with an increasing dependence on borrowing, with the consequent revenue impact this has. Existing forms of external funding, such as TfL grants, are expected to continue, although their longer term existence is uncertain.
- 7.5. Given the ongoing need for austerity in the public sector, and the very real threat of future reductions in funding, it is not felt prudent to consider any expansion to the existing capital programme. The programme now proposed therefore covers a single year, 2014/15, for non-schools assets, but a two year programme, to reflect the need to expand school places in time for the commencement of the academic year in September 2015, and to reflect the recent grant announcement; the details of which are covered below.
- 7.6. A review of the longer term position is being undertaken in the context of the expected level of receipts still to be generated. Given the need to develop a

longer term budget strategy, reflected in the Council's revenue budget strategy, it is proposed to bring a further report to Cabinet in due course, for adoption by the incoming Administration. This will set out the initial programme planned for the next 4 years, commencing in 2015/16. This will be developed in parallel with the revenue budget, so any revenue consequences that may arise are fully take into account.

Proposed Forward Programme

- 7.7. The Programme – and in particular that part of the Programme funded by the Council's own resources – has therefore been constructed with these factors in mind. A detailed Programme funded through Council resources has been compiled for 2014/15, and approval to this Programme will formally be sought from Cabinet in February. An outline Programme for elements funded through external resources has also been drawn together, for consideration by Cabinet but also to give some context to the Council's own funding. These programmes are summarised in Appendix E.
- 7.8. There is one proposed amendment to the current 2013/14 programme. This is to enable the Council to jointly acquire the freehold interest in the former Ardleigh Green Baptist Church as 'Tenants in Common' in conjunction with the Trustees of the Ardleigh Green Family Centre. The Council's contribution would be for £250,000. The property is used for educational and community purposes and over the first 5 years of operation has grown into invaluable facility catering for a wide cross section of uses including, Health Drop in, pregnancy advice/support, Community Policing, After School Provision, Adult education and Activities for elderly in the community. Funding is available from overall capital receipts.
- 7.9. The programme also includes the expansion of schools. A report was submitted to Cabinet on 20th November 2013 identifying a shortfall of 11 Forms of Entry (FE) for September 2015/16 and outlining proposals to address Primary Rising Rolls, with Phase 2 of an expansion programme being developed on a three-stranded approach to:
- Encourage potential new Free Schools into Havering coupled with consideration of new "all-through" provision potentially on existing secondary school sites;
 - Expand current primary phase schools by using additional sites adjacent to existing school sites;
 - Expand existing primary phase schools on their existing school sites.
- 7.10. Without detailed proposals it is difficult to estimate the costs of additional classrooms as the needs at each site will be different. However, previously officers have estimated costs at £250,000 per classroom (or £1,750,000 per Form of Entry).
- 7.11. Should the Council need to fund the provision of all required 11 FE (77 classrooms) then costs would be in the region of £19.25m. Clearly this could increase due to the requirements of individual sites but it is hoped that the

pursuit of the 3 stranded approach to delivery will result in some free school provision (funded by the Education Funding Agency – EFA).

- 7.12. It is likely that some of the 2013/14 Capital Programme will be available towards the 2015/16 permanent expansion and in addition the Council have been awarded grants of £14.6m and £15.4m for 2015/16 and 2016/17 respectively; these details have recently been announced. Although the grants are for later years, in order to deliver the building works for September 2015 it will be necessary to add at least the 2015/16 grant to the 2014/15 Capital Programme. The Council will manage the cash flow implications of this, any loss of interest is expected to be minimal at this stage. It should be noted that the 2016/17 grant may be needed toward Phase 3 of the expansion programme. A detailed plan for phase 2 is currently being developed and if possible will be included in the February Cabinet report.
- 7.13. Alongside the Council funded element of the Programme, the Appendix also summarises the remainder of the Capital Programme, which includes spend which is financed through grant funding. It excludes the HRA Capital Programme as this is covered separately in the HRA budget report. It does however include the recently announced TfL funding streams for 2014/15, together with information on the allocation of grants for schools' works, the details of which were notified to the Council in parallel with the main settlement announcements.
- 7.14. At this point in time, further information on grant funding is awaited, or consideration is still being given to the potential deployment of grant funding. Pending further formal announcements by Government departments, further information on these will be included in the February report. This will appear alongside an overall summary of the whole Capital Programme.
- 7.15. The overall Programme is broadly balanced, although still heavily reliant on the generation of capital receipts at the appropriate level. This is therefore an area of risk as stated above, and is kept under review as disposals progress.
- 7.16. At this stage, no assumptions have been made regarding prudential borrowing to fund the Programme. Consideration has been given as part of previous budget-setting cycles to the inclusion of revenue provision to support capital spend, but judicious management of the Programme and the associated disposal programme has meant that the Council has been able to avoid the need to do so. Whilst the situation is being kept under review, however, it is likely that an alternative to the reliance on capital receipts to finance the Council's capital spend will be needed.

8. SUMMARY OF FINANCIAL POSITION

- 8.1. Based on the factors that are set out in this report, the Council is in a good position to take advantage of the additional Council Tax freeze grant offered by the Government for 2014/15, although this is not without some degree of risk. Assuming that there are no changes in the final settlement, and no other material factors come to light, the budget recommendations to Cabinet and

Council in February will reflect this position. This is based on the factors set out above.

- 8.2. As indicated elsewhere within this report, the Council has maintained a Contingency Fund and also has sums held in reserves and balances that could be deployed to address specific in-year issues, should the risks highlighted in this report materialise. These risks will be carefully monitored in parallel with the consultation process, but these funds would provide a cushion for the immediate future should the need arise. The final budget proposals will be drawn up in the light of responses to the consultation process, the developing position around the settlement, and the assessment of the risks facing the Council.
- 8.3. The assumption made at this stage is that the Council will seek to take advantage of the Council Tax freeze grant on offer for 2014/15; the final budget proposals presented to Cabinet are being developed with that objective in mind.
- 8.4. It is, however, recognised that this does bring a degree of risk; taking the grant does mean foregoing an increase in base Council Tax income which can only be recovered by compensating rises in subsequent years. The alternative would be to seek an additional level of savings at the appropriate time. Given the current financial climate, with the prospects for national growth shrinking, and with the Government extending its planned austerity period, holding Council Tax at the current level for a further year is felt to be the approach favoured by our residents. The Administration remains committed to maintaining the stability of the Council's finances and doing everything it can to keep Council Tax rises to a minimum, and wherever possible holding Council Tax to current levels.
- 8.5. As previously reported to Cabinet, and as set out elsewhere in this report, further reductions in Government funding are inevitable, and likely to be of a similar scale to those experienced over the last 4 years. Given the overall budget gap currently forecast, it is not felt prudent to consider any reduction in the level of Council Tax, not the least because the level of rises may well be subject to an even more rigid cap. There is an incremental loss of funding from holding Council Tax at the same level, which the freeze grant only partially compensates for, and this would be exacerbated by a reduction.
- 8.6. Adopting this approach would see Havering's Council Tax held at the same level for a fourth successive year, following a reduction in 2010/11. Owing to the prudent approach adopted and the focus on reducing back-office bureaucracy in order to protect frontline services, the Council is able to recognise the priorities indicated by our residents. This means that:
 - The Council can maintain weekly waste collections
 - No libraries have been closed or had their opening hours reduced
 - The Council will continue to invest in roads and pavement repairs
 - Social care support for vulnerable residents can be maintained

- The Council can continue to prioritise clean streets and a pleasant environment for all.

8.7. Work on the future financial strategy is continuing and detailed proposals will be drawn up over coming months. It is proposed to commence discussions with the Administration immediately after the May elections, with the aim of bringing firm recommendations to Cabinet during the Summer. The scale of the future budget gap over the four year period commencing in 2015/16 is even larger than the current gap. It is therefore essential that plans are agreed sufficiently early to enable a further round of savings to be initiated and delivered from that financial year onwards.

9. HOUSING BUDGET

9.1. The HRA budget, together with the proposed housing rent levels, and the HRA capital programme, will be presented to Cabinet in February.

10. CONSULTATION

10.1. The proposals set out in this report will be publicised through the local media, on the Council's website and through other communication channels - and responses from residents will be encouraged. A further joint meeting of all Overview & Scrutiny Committees is being held on 23rd January to invite comments on the proposals now being released for consultation.

10.2. We will also write to the local Chamber of Commerce and Federation of Small Businesses to alert them to the budget report and ask for any feedback from the local business community

10.3. Beyond this statutory consultation, the Council is engaged in an ongoing effort to listen and respond to the views of residents. Three years ago, the Council undertook the highly successful *Your Council, Your Say* survey. Over 12,000 residents responded to the survey – making it one of the most productive public surveys in recent history. As part of Havering's commitment to better understand the priorities of local residents for the Borough – particularly at a time of reducing budgets - the *Your Council, Your Say* survey was repeated in March this year.

11. GREATER LONDON AUTHORITY (GLA)

11.1. The announcement of the Mayor's draft budget proposals were made on 20th December. This indicated an intention to make a slight reduction in the GLA's Council Tax level, from the current £303 to £299 – a reduction of £4, or around 1.3%. Consultation on the budget proposals ends on Wednesday 15th January. The final draft budget proposals will be considered by the London Assembly on 14th February and the budget is due to be approved by the end of February, although there does not appear to be a specific date as yet.

11.2. The Mayor's draft budget consists of – Mayor's Office for Policing and Crime, Transport for London, London Fire and Emergency Planning Authority, the

London Legacy Development Corporation and core Greater London Authority. The total budget (capital and revenue) is £17.3 billion.

- 11.3. The Mayor's 2014/15 draft net revenue spend is £5,206 million. Under the proposal the total GLA precept will be cut from £303 a year to £299 (for a Band D household). The Mayor's proposed council tax precept draft budget comprises of £218.88 to support the Mayor's Office for Policing & Crime (principally the Metropolitan Police), £49.76 for the London Fire Brigade, £20 for the 2012 Olympic and Paralympic Games and £10.36 for transport and other services.

REASONS AND OPTIONS

Reasons for the decision:

This enables the Council to develop its budget as set out in the constitution.

Other options considered:

None. The Constitution requires this as a step towards setting its budget.

IMPLICATIONS AND RISKS

Financial implications and risks:

The Council's budget-setting process will ensure that financial implications and risks are fully met. Any financial implications or risks are covered in this report as necessary. There are significant risks given the continuing degree of uncertainty over the outcome of the LGFS, the extensive changes to the funding system and the complexities associated with it, and the general economic environment, but the steps already taken by the Council should mitigate much of this. However, the degree of risk has risen and the Council needs to ensure it is taking a robust approach in its budget-setting process, both now and for the future. It will also be necessary to continually refine the financial forecasts underpinning the Council's budget to ensure that any necessary actions can be taken at the appropriate times, allowing for consultation as appropriate.

Legal implications and risks:

There are no direct legal implications or risks from this report. The corporate business planning process will need to take account of new and existing statutory duties and responsibilities that are imposed on the Council by central government even if there are inadequate or no commensurate increases in government funding

to finance them. Failure to do so will put the Council at risk of legal challenge by affected residents or businesses.

Human Resources implications and risks:

There are no direct HR implications arising from this report, however, if proposals that require staffing reductions are to be considered, as a result of the budget position, these will be managed in accordance with Council policy and procedure

Equalities implications and risks:

Detailed equalities implications will be assessed as part of the corporate and service planning process. Equalities impact assessments are systematically carried out for any services, projects or other schemes that have the potential to impact on particular equality characteristics for either customers or staff, in line with the Council's Public Sector Equality Duty.

BACKGROUND PAPERS

Equalities Impact Assessments for savings proposals.
Revenue Monitoring Report Period 6 2013/14
Capital Monitoring Report Period 6 2013/14

APPENDICES

- A AUTUMN BUDGET STATEMENT
- B LOCAL GOVERNMENT FINANCIAL SETTLEMENT
- C SCHEDULE OF GRANTS
- D SCHEDULE OF REVENUE BUDGET ITEMS 2014/15
- E CAPITAL PROGRAMME 2014/15
- F CORPORATE PLAN – “PLAN ON A PAGE”
- G RESPONSE TO CONSULTATION ON FINANCIAL SETTLEMENT

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AUTUMN BUDGET STATEMENT

Headlines

- Forecast growth for 2013 rises to 1.4% from 0.6%
- 2% capping of business rates and adjustments to reliefs
- £3bn of extra departmental cuts with Local government being protected
- Removal of employers National insurance Contributions for under-21s.
- Free school meals for reception, Year 1 and Year 2 pupils
- £70m of New Homes Bonus generated from London authorities will be pooled within the GLA's Local Enterprise Partnership.
- The retirement age to claim the state pension will increase earlier than planned

Detail

The Chancellor of the Exchequer presented his Autumn Statement to the House of Commons on 5th December 2013. This briefing is to highlight the key announcements from the Autumn Statement as well as how this affects Local Government.

The Office for Budget Responsibility (OBR) has increased its forecasts for GDP growth this year and next. Britain's economy is now expected to grow by 1.4% for this year, an increase of 0.8% predicted in the 2013 Budget. Table 1 shows the revisions to the growth forecast as stated in the Autumn Statement.

Table 1 – GDP growth forecasts for the UK

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

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

Table 2 – Public Sector Net Borrowing forecast for the UK

Announcement	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Autumn Statement 2013	£112bn	£96bn	£79bn	£51bn	£23bn	(£2.2bn)
CSR 2013	£120bn	£108bn	£96bn	£67bn	£43bn	No Forecast

Autumn Statement 2012	£112bn	£99bn	£81bn	£56bn	No Forecast	No Forecast
Emergency Budget	£60bn	£37bn	£20bn	No Forecast	No Forecast	No Forecast

Business Rates

Numerous announcements were made in regards to reducing the tax burden to businesses. Most notably, the Chancellor has capped the increase in business rates to 2% for 2014/15 only. In addition, further announcements on discounts to businesses have been announced.

- **Business rates: discount** – The government will introduce a business rates discount of £1,000 for retail and food and drink premises with a rateable value below £50,000 for 2 years up to the state aid limits from 1 April 2014.
- **Business rates: reoccupation relief** – The government will introduce a 50% business rates relief for 18 months up to the state aid limits for businesses that move into retail premises that have been empty for a year or more. Businesses which move into empty premises between 1 April 2014 and 31 March 2016 will be eligible for the relief.
- **Small Business Rate Relief (SBRR)** – The government will extend the doubling of SBRR for a further year from 1 April 2014.
- **Small Business Rate Relief on second properties** – The government will relax the SBRR rules to allow businesses in receipt of SBRR taking on an additional property to retain SBRR on the first property for 1 year, with effect from 1 April 2014.
- **Business rates: payment** – The government will allow businesses to pay business rates over 12 months rather than 10 months, with effect from 1 April 2014.
- **Business rates: appeals** – The government will consult on reforms to the business rates appeals process and will commit to clear 95% of the September 2013 backlog of appeals before July 2015.
- **Business rates administration: longer-term reform** – The government will publish a discussion paper in Spring 2014 setting out the advantages and disadvantages of different options for longer-term reforms to business rates administration which maintain the aggregate tax yield.

A statement has been issued subsequently, stating that local authorities will be fully refunded for the loss in revenue resulting from these changes. Exactly how this will be achieved remains to be announced, although the most likely option is via a Section 31 grant.

Autumn Statement 2013 announces a reduction in unprotected Resource Departmental Expenditure Limit (RDEL) budgets of £1.1 billion in 2014-15 and £1 billion in 2015-16. This represents a reduction of 1.1%. Health, schools and Official Development Assistance (ODA) budgets will continue to be protected in line with the policy set out at the 2013 Spending Review. Local government is also excluded from this reduction, to help local authorities to freeze council tax in 2014-15 and 2015-16.

The government will make funding available to offer every pupil attending a state-funded school in reception, year 1 and year 2 a free school lunch from September 2014. Pupil Premium rates and eligibility will be unaffected.

The government has announced that £70m of New Homes Bonus will be pooled within the London Local Enterprise Partnership. The New Homes Bonus will not be pooled to LEP's outside of London. This represents a change from the policy set out in the 2013 spending Review, which proposed that £400m of business rates should be pooled with LEP's across England. In addition, the government will carry out an evaluation of New Homes Bonus by Easter 2014 and consult on measures to improve the incentives.

The government announced that it would increase the funding available for new affordable housing, by increasing local authority Housing Revenue Account borrowing limits by £150m in 2015/16 and 2016/17. This will be allocated on a competitive basis and from the sale of vacant high value social housing.

Other Announcements

- The state pension age is to increase to 68 in the mid-2030s and to 69 in the late 2040s. In April 2014, the state pension will rise by £2.95 a week.
- Overall welfare spending is to be capped.
- Petrol taxes stay frozen – a planned rise of 2p per litre for next year is to be scrapped.
- HM Treasury will continue to look at how public sector pay policy can be reformed. In advance of this, the government will pilot a “pay bill control” in a small number of government organisations. This will look to replace the 1% pay cap with a pre-determined budget for pay.
- The government will allow local authorities to sell assets and to use up to £200m of receipts to fund one-off costs of reforming services. This announcement follows the proposal in 2013 Spending Review.
- All pupils at state schools in England in Reception, Year 1 and Year 2 are to get free school lunches from next September, at an estimated cost of £600m a year
- Government propose to consult on a new 10-unit threshold for section 106 affordable housing contributions.
- Autumn Statement 2013 announces a national Council Tax discount of 50% for annexes from April 2014.

Effect on Local Government

The Chancellor announced further reductions in public sector expenditure for 2014/15 and 2015/16 for unprotected departments. As stated, Local Government have been excluded as to aid local government in freezing council tax however other department such as the Department for Work and Pensions face further reductions. Havering currently receives a number of grants from these departments and it is highly likely that these reductions will be passed down to local authorities.

A number of changes to business rates were announced by the chancellor. At present there is no clear statement on whether this is to be funded in full from the treasury or by the current shares used in allocating business rate yield. In addition,

these new policies on relief create a more complicated / centrally controlled system of taxation due to the various mandatory reliefs in place and the various forms of compensation from central government.

During the Summer 2013, Government announced a consultation in regards to removing £400m from the New Homes Bonus and transferring this to Local Enterprise Partnerships. As announced in the Autumn Statement, only the London Local Enterprise Partnership (LEP) contribution will remain, costing London authorities £70m. This approximately results in a loss of £1.3m to Havering's NHB allocation.

APPENDIX B

PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT **2014/15 & 2015/16**

1. Introduction

- 1.1. On 18th December 2013, Parliamentary under Secretary of State at the Department for Communities and Local Government, Brandon Lewis MP, made a written statement to Parliament concerning the provisional local government finance settlements 2014/15 and 2015/16. This briefing note highlights key issues of note and some comparative information.
- 1.2. The provisional settlement provides local authorities with their provisional funding allocations for the next two years (2014/15 and 2015/16) only.

2. Headlines

- 2.1. The Secretary of State announced that councils will face an average reduction in spending power of 2.9% and that no authority would experience a decrease of more than 6.9%. In a similar manner to the previous years, the government's headlines focus on comparative figures concerning a local authority's "revenue spending power"
- 2.2. From the introduction of localisation of business rates in 2013, the formula grant methodology is now fixed until the next reset in 2020/21. The various indicators and data sets are fixed based on the 2013/14 formula grant calculation which includes data from the 2001 census.
- 2.3. As originally announced in the 2013 Autumn Statement, local government was exempt from any further cuts as local authorities have already seen reductions from the previous Autumn Statement and Spending Round (SR2013) which results in a further reduction of £15m to Havering's Revenue Support Grant (RSG) by 2015/16.

3. National Control Total and Spending powers

- 3.1. The average spending power reduction nationally has been stated as 2.9% with Havering's comparable reduction in 2014/15 as 0.85% and an increase in 2015/16 of 1.2%. Although 2014/15 shows relatively low reductions in funding level whilst 2015/16 shows an actual increase. The figures presented are not a true reflect of the cuts facing local government as they do not compare like for like. For example, the figures include a number of estimates, shared funding and additional burdens being placed on local authorities. For example the figures include:
 - Estimates in regards to the New Homes Bonus
 - No account of the top-slice in New Homes Bonus
 - £15m grant of "pooled funding from NHS" and
 - Additional burdens in relation to Adult Social Care.

3.2. Table 1 below shows the reduction in formula funding from 2013/14 to 2015/16 following the reductions announced at the 2012 Autumn Statement and the 2013 Spending Round. The amount of funding available for local authorities has reduced by £2.5bn in 2014/15 and by a further £3.1bn in 2015/16.

Table 1- Spending Control Total for 2013-14 to 2015-16

	2013/14 £000's	2014/15 £000's	2015/16 £000's
Departmental Control Totals	26,283	23,808	20,675
Reduction in Funding		(2,475)	(3,133)
Percentage Reduction		(9.4%)	(13.1%)

4. The Formula Funding – Havering

- 4.1. The provisional funding allocation is used to determine both Havering's Revenue Support Grant (RSG) and Business Rate Baseline (BRB). This comprises of the current four-block formula grant model which has been frozen since last year's settlement and incorporates £31.2m of rolled in grants. This equates to a provisional Settlement Funding Assessment (SFA) for 2014/15 of £69.658m (£60.753m for 2015/16) compared to a 2013/14 equivalent of £75.569m. As business rates is uprated in line with inflation or for 2014/15 by the 2% cap announced in the Autumn statement, all of the funding adjustments only effect Havering's RSG.
- 4.2. The methodology used in allocating the reductions in departmental spending has also changed. The £31.2m of rolled in grant have been accounted for separately with various level of reductions being applied to each grant. Appendix 1 shows the reduction in funding and notably the significant decrease to Havering's RSG allocation.
- 4.3. In order to compare like for like, Appendix 1 shows a comparison of Havering's settlement funding allocation since 2013/14. When compared to the 2013/14 grant allocation, Havering's RSG will have reduced by £15m by 2015/16. As part of the 2014/15 calculation, the Council Tax Support (CTS) grant which was introduced in 2013/14 has now been completely rolled up into the formula grant and has been scaled using the same methodology as the core grant.
- 4.4. The reduction in core RSG grant is predominantly due to the reductions placed on local authorities through the Autumn Statement in 2012 and the Spending Round in 2013. Due to the formula being locked in and the 2% increase in business rates, each authority's core RSG allocation is being scaled by 33%.
- 4.5. The amount of New Homes bonus removed from the formula grant has also been adjusted. Previously it was announced that £200m would be removed from the departmental control totals. Following the release of the provisional allocations in November, the total amount required is less than the amount to

be removed from the control totals. As a result, £100m was not needed therefore returned to the control totals mitigating the reduction in grant allocation in both 2014/15 and 2015/16.

4.6. Table 2 shows the list of grants which forms part of Havering's Settlement Funding Assessment. The most notable reduction is the decrease of Early Intervention funding by approximately 7.7% in 2014/15 and by a further 8.5% in 2015/16.

4.7. In addition, the 2013/14 council tax freeze grant has also been rolled into the settlement funding assessment and now potentially faces reductions. The 2011/12 grant allocation which is already part of the settlement funding allocation is beginning to be reduced slightly even without being fully integrated into the formula. This also excludes the 2012/13 allocation which has been removed completely.

Table 2. Analysis of grants incorporated into the Settlement Funding Assessment

	Settlement 2013/14 £000's	Settlement 2014/15 £000's	Settlement 2015/16 000's
Council Tax Freeze Funding 11/12	2,680	2,668	2,667
Council Tax Freeze Funding 13/14		1,098	1,098
Early Intervention Funding	6,646	6,131	5,607
Homelessness Prevention	400	394	394
Lead Local Flood Authorities Funding	132	130	130
Learning Development & Public Reform	7,822	7,896	7,893
Returned Capitalisation		81	
Total	17,680	18,398	17,789

4.8. The formula grant system has consistently penalised Havering since its inception. Compared to other authorities in London, Havering receives one of the lowest grant-per-head allocations despite being one of the largest boroughs in London with the highest proportion of elderly population. The indicators and data sets do not reflect the demographics pressures affecting the authority which has resulted in Havering having to increase its council tax to compensate. Appendix 2 shows the grant per head allocations for London, clearly showing the amount of funding Havering receives compared to other London authorities.

5. Business Rate Baseline – Havering

5.1 As announced in the Autumn Statement, business rates will be capped at 2% next year. As of yet, no decision has been made in relation to how the extension to the small business rate reliefs will be funded. Table 3 below shows how the 2% cap affects Havering's Business Rate Baseline and Top-up

Table 3 – Effects of the 2% cap in 2014/15 and estimated increase in Business Rate in 2015/16.

	Settlement 2013/14 £000's	Settlement 2014/15* £000's	Settlement 2015/16** £000's
Business Rate Baseline	30,189	30,777	31,627

Top-Up	9,033	9,208	9,462
Target Business Rates	21,156	21,569	22,165
Safety Net	27,925	28,468	29,254
Note :			
* 2014/15 - 2% cut			
** 2015/16 - estimated at 2.7%			

6. Pooling

6.1 In October 2013, Havering applied to enter into a pooling arrangement with Thurrock Borough Council, Basildon Borough Council and Barking & Dagenham. As part of the settlement announcement, this has been formally approved. As a result, Havering will be able to share in the growth generated by the pool as a whole.

6.2 Table 4 below shows the make-up of the authorities within the pool. As part of the process, the pool will be a tariff authority paying a 4% levy to central government. Thurrock will lead of the administration of the pool and will make the necessary transaction with DCLG.

Table 4 - 2014-15 Key Information for pools.

Local authorities within pool	Thurrock	Basildon	Havering	Barking and Dagenham	Total for pool
	£000's	£000's	£000's	£000's	£000's
Baseline funding level	29,574	5,077	30,777	51,386	116,815
Tariffs and Top-Ups	(23,224)	(25,467)	9,208	34,346	(5,137)
Levy Rate	0.44	0.50	0.00	0.00	0.04
Safety Net Threshold	27,356	4,696	28,468	47,532	108,054

7. Timeline for Response

7.1 The Government is consulting on the draft settlement figures and written representative must be sent by the 15th January 2014.

**PROVISIONAL GRANT SETTLEMENT 2013/14 & 2014/15
TRANSFERS**

	Settlement 2013/14 £000	Settlement 2014/15 £000	Settlement 2015/16 £000
Bal B/f	53,296	57,888	51,260
<u>Transferred into formula</u>			
Council Tax Support Funding	13,548		
LACSEG	(4,978)		
Floor	(3,978)		
Scaling		<u>(6,628)</u>	<u>(8,296)</u>
	<u>57,888</u>	<u>51,260</u>	<u>42,964</u>
<u>Included as part of the Settlement Funding Allocation</u>			
Council Tax Freeze Funding 11/12	2,680	2,668	2,667
Council Tax Freeze Funding 13/14		1,098	1,098
Early Intervention Funding	6,646	6,131	5,607
Homelessness Prevention	400	394	394
Lead Local Flood Authorities Funding	132	130	130
Learning Development and Public Reform	7,822	7,896	7,893
Returned Capitalisation		81	
Total Transfers	17,680	18,398	17,789
<u>Provisional Grant</u>	75,568	69,658	60,753
Of which relates to business rates	30,189	30,777	31,627
Payment via Revenue Support Grant	45,378	38,881	29,126

2014/15 SETTLEMENT FUNDING PER HEAD OF POPULATION

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

SPECIFIC GRANTS (AS NOTIFIED 24 DECEMBER 2013)

Directorate	Service	Funding Body	Grant name	SPECIFIC RINGFEN CED 2013/14 £000's	SPECIFIC RINGFEN CED 2014/15 £000's	SPECIFIC UNRINGF ENCED GRANT 2013/14 £000'S	SPECIFIC UNRINGF ENCED GRANT 2014/15 £000'S	TOTAL RSG AND BUSINESS RATES 2013/14	TOTAL RSG AND BUSINESS RATES 2014/15
CHILDRE'N ADULTS AND HOUSING	ADULTS	DOH	NHS for Social Care Grant (Better Care Fund from 2015/16)	0.00	0.00	3,599.51	4,609.38	0.00	
CHILDREN ADULTS AND HOUSING	ADULTS	DOH	New Burdens for Adult Social Care	0.00	0.00	0.00	1,194.25	0.00	
CHILDREN ADULTS AND HOUSING	ADULTS	DOH	Local Reform and Community Voices	0.00	0.00	176.14	181.64	0.00	
CHILDREN ADULTS AND HOUSING	ADULTS	DOH	Guaranteed Income Payments for Veterans Grant 2012/13	0.00	0.00	1.48	0.00	0.00	
CHILDREN ADULTS AND HOUSING	ADULTS	DOH	Learning Disability and Health Reform Grant	0.00	0.00	0.00	0.00	7,821.66	7,896.00
CHILDREN ADULTS AND HOUSING	CHILDRENS SERVICES	DFE	Social Work Improvement Team	158.62	0.00	0.00	0.00	0.00	
CHILDREN ADULTS AND HOUSING	CHILDRENS SERVICES	DCLG	Troubled Families	0.00	0.00	530.00	0.00	0.00	
CHILDREN ADULTS AND HOUSING	CHILDRENS SERVICES	DFE	Early Intervention Grant	0.00	0.00	0.00	0.00	6,646.10	6,131.00
CHILDREN ADULTS AND HOUSING	CHILDRENS SERVICES	YJB	Youth Offending Team	299.56	0.00	0.00	0.00	0.00	
CHILDREN ADULTS AND HOUSING	CHILDRENS SERVICES	DFE	Adoption Improvement Grant	104.75	0.00	390.89	0.00	0.00	
CHILDREN ADULTS AND HOUSING	CHILDRENS SERVICES	YJB	Children on Remand - New	0.00	0.00	74.23	0.00	0.00	
CHILDREN ADULTS AND HOUSING	CHILDRENS SERVICES	DFE	SEN Funding	0.00	0.00	75.00	0.00		
CHILDREN ADULTS AND HOUSING	BUSINESS AND PERFORMANCE	DOH	Zero based Review of Adult Social Care	0.00	0.00	59.06	0.00	0.00	
CHILDREN ADULTS AND HOUSING	HOMES AND HOUSING	DCLG	Homelessness Grant	0.00	0.00	0.00	0.00	400.00	394.00
CHILDREN ADULTS AND HOUSING	LEARNING AND ACHIEVEMENT	DFE	Dedicated Schools Grant	124,971.35	0.00	0.00	0.00	0.00	

Directorate	Service	Funding Body	Grant name	SPECIFIC RINGFEN CED 2013/14 £000's	SPECIFIC RINGFEN CED 2014/15 £000's	SPECIFIC UNRINGF ENCED GRANT 2013/14 £000'S	SPECIFIC UNRINGF ENCED GRANT 2014/15 £000'S	TOTAL RSG AND BUSINESS RATES 2013/14	TOTAL RSG AND BUSINESS RATES 2014/15
CHILDREN ADULTS AND HOUSING	LEARNING AND ACHIEVEMENT	DFE	Dedicated Schools Grant -New alloc for 2 year olds from 13/14	0.00	0.00	2,119.82	0.00	0.00	
CHILDREN ADULTS AND HOUSING	LEARNING AND ACHIEVEMENT	DFE	Education Services Grant	0.00	0.00	3,510.60	3,326.22	0.00	
CHILDREN ADULTS AND HOUSING	LEARNING AND ACHIEVEMENT	YPLA	YPLA Teachers Pay Grant	57.80	0.00	0.00	0.00	0.00	
CHILDREN ADULTS AND HOUSING	LEARNING AND ACHIEVEMENT	YPLA	YPLA Pupil Premium Grant	5,051.55	0.00	0.00	0.00	0.00	
CHILDREN ADULTS AND HOUSING	LEARNING AND ACHIEVEMENT	YPLA	LSC Havering College of Adult Education	181.77	0.00	0.00	0.00	0.00	
CHILDREN ADULTS AND HOUSING	LEARNING AND ACHIEVEMENT	YPLA	LSC Havering Adult Education Central Office (FLIF/TTG funding)	1,086.50	0.00	0.00	0.00	0.00	
CHILDREN ADULTS AND HOUSING	LEARNING AND ACHIEVEMENT	DCLG	Extended Rights to Free Travel	0.00	0.00	37.00	0.00	0.00	
CHILDREN ADULTS AND HOUSING	LEARNING AND ACHIEVEMENT	DFE	HIAS Development Projects	36.84	0.00	0.00	0.00	0.00	
CHILDREN ADULTS AND HOUSING	LEARNING AND ACHIEVEMENT	DFE	Schools	426.69	0.00				
				132,375.42	0.00	10,573.73	9,311.48	14,867.76	14,421.00
CULTURE COMMUNITY & ECONOMIC DEVELOPMENT	CULTURE AND LEISURE	ARTS COUNCIL	Havering Music School	276.06	0.00	0.00	0.00	0.00	
CULTURE COMMUNITY & ECONOMIC DEVELOPMENT	CUSTOMER SERVICES		Births Deaths and Marriages	7.07	0.00	0.00	0.00	0.00	
CULTURE COMMUNITY & ECONOMIC DEVELOPMENT	ECONOMIC DEVELOPMENT		Environmental Stewardship	25.67	0.00	0.00	0.00	0.00	
CULTURE COMMUNITY & ECONOMIC DEVELOPMENT	POLICY AND COMMUNITY MANAGER	MOPAC	Mayors Funding for DIP and Community Safety	0.00	0.00	213.40	0.00		
CULTURE COMMUNITY & ECONOMIC DEVELOPMENT	REGENERATION POLICY AND	DCLG	Community Rights to Bid	0.00	0.00	7.86	7.86	0.00	

Directorate	Service	Funding Body	Grant name	SPECIFIC RINGFEN CED 2013/14 £000's	SPECIFIC RINGFEN CED 2014/15 £000's	SPECIFIC UNRINGF ENCED GRANT 2013/14 £000'S	SPECIFIC UNRINGF ENCED GRANT 2014/15 £000'S	TOTAL RSG AND BUSINESS RATES 2013/14	TOTAL RSG AND BUSINESS RATES 2014/15
	PLANNING								
CULTURE COMMUNITY & ECONOMIC DEVELOPMENT	REGENERATION POLICY AND PLANNING	DCLG	Community Rights to challenge new burdens - New	0.00	0.00	8.57	8.57	0.00	
CULTURE COMMUNITY & ECONOMIC DEVELOPMENT	REGENERATION POLICY AND PLANNING	DCLG	Flood Funding	0.00	0.00	77.53	77.53	132.00	130.00
CULTURE COMMUNITY & ECONOMIC DEVELOPMENT	STREETCARE	DCLG	Waste Collection - Green Rewards	0.00	0.00	462.76	399.46	0.00	
CULTURE COMMUNITY & ECONOMIC DEVELOPMENT	STREETCARE	DCLG	Waste Collection Campaign	0.00	0.00	127.04	126.50	0.00	
				308.80	0.00	897.16	619.92	132.00	130.00
PUBLIC HEALTH	PUBLIC HEALTH	DOH	Healthy Lives for Healthy People - Public Health Funding	8,833	9,717	0.00	0.00	0.00	
				8,833.40	9,716.74	0.00	0.00	0	-
RESOURCES	EXCHEQUER SERVICES	DCLG	Localisation Support for CT.Transitional Grant Scheme	0.00	0.00	366.81	0.00	0.00	
RESOURCES	EXCHEQUER SERVICES	DWP	Rent Allowances	44,444.54	0.00	0.00	0.00	0.00	
RESOURCES	EXCHEQUER SERVICES	DWP	Disc Hsg Pay and App Imple	582.76	0.00	0.00	0.00	0.00	
RESOURCES	EXCHEQUER SERVICES	DWP	Rent Rebates	31,192.95	0.00	0.00	0.00	0.00	
RESOURCES	EXCHEQUER SERVICES	DWP	CT Support and HB Admin Grant	1,380.49	1,290.48	17.15	0.00	0.00	
RESOURCES	EXCHEQUER SERVICES	DWP	Housing Benefit Transitional Grant	0.00	0.00	91.06	0.00	0.00	
	EXCHEQUER SERVICES	DWP	Housing Benefit Welfare Reform Grant	0.00	0.00	20.76	0.00	0.00	

Directorate	Service	Funding Body	Grant name	SPECIFIC RINGFEN CED 2013/14 £000's	SPECIFIC RINGFEN CED 2014/15 £000's	SPECIFIC UNRINGF ENCED GRANT 2013/14 £000'S	SPECIFIC UNRINGF ENCED GRANT 2014/15 £000'S	TOTAL RSG AND BUSINESS RATES 2013/14	TOTAL RSG AND BUSINESS RATES 2014/15
RESOURCES	EXCHEQUER SERVICES	DWP	Recession Funding	68.31	0.00	0.00	0.00	0.00	
RESOURCES	EXCHEQUER SERVICES	DCLG	Implementation of new CT Scheme	0.00	0.00	123.06	119.93	0.00	
RESOURCES	LEGAL AND DEMOCRATIC SERVICES	DCLG	Electoral Registration	0.00	0.00	9.99	0.00	0.00	
RESOURCES	EXTERNAL FINANCE	DCLG	Council Tax Freeze Grant Year 1	0.00	0.00	0.00	0.00	2,680.19	2,669.00
RESOURCES	EXTERNAL FINANCE	DCLG	Council Tax Freeze Grant Year 2	0.00	0.00	0.00	0.00	0.00	
RESOURCES	EXTERNAL FINANCE	DCLG	Council Tax Freeze Grant Year 3	0.00	0.00	1,083.19	0.00	0.00	1,098.00
RESOURCES	EXTERNAL FINANCE	DCLG	Council Tax Freeze Grant Year 4	0.00	0.00	0.00	1,103.73	0.00	
RESOURCES	EXTERNAL FINANCE	DCLG	Council Tax Freeze Grant Year 5	0.00	0.00	0.00	0.00	0.00	
RESOURCES	EXTERNAL FINANCE	DCLG	Unallocated Grant: New Homes Bonus	0.00	0.00	2,053.24	3,520.49	0.00	
RESOURCES	FINANCE AND PROCUREMENT	DCLG	Social Housing Fraud	0.00	0.00	100.00	100.00	0.00	
RESOURCES	HUMAN RESOURCES	DOH	Supported Employment	2.98	0.00	0.00	0.00	0.00	
RESOURCES	EXCHEQUER SERVICES	DOH	Localisation of Social Fund - Admin	0.00	0.00	731.85	721.20	0.00	
				77,672.02	1,290.48	4,597.09	5,565.35	2680.19	3,767.00
			Returned Capitalisation Funding						
			TOTAL EXCLUDING NHB AND RSG	219,189.64	11,007.22	16,067.98	15,496.75	17,679.95	18,318.00
RESOURCES	EXCHEQUER SERVICES	DCLG	Council Tax Benefit	0.00	0.00	0.00	0.00	13,549.03	-
RESOURCES	RSG	DCLG	Revenue Support Grant	0.00	0.00	0.00	0.00	26,626.12	27,684.00

Directorate	Service	Funding Body	Grant name	SPECIFIC RINGFEN CED 2013/14 £000's	SPECIFIC RINGFEN CED 2014/15 £000's	SPECIFIC UNRINGF ENCED GRANT 2013/14 £000'S	SPECIFIC UNRINGF ENCED GRANT 2014/15 £000'S	TOTAL RSG AND BUSINES S RATES 2013/14	TOTAL RSG AND BUSINES S RATES 2014/15
RESOURCES	COLLECTION FUND	DCLG	Business Rates	0.00	0.00	0.00	0.00	17,714.15	23,576.00
RESOURCES	RETURNED CAPITALISATION FUNDING	DCLG	Returned Capitalisation Funding 14/15						
			TOTAL INCLUDING NHB AND RSG	219,189.64	11,007.22	16,067.98	15,496.75	75,569.25	69,578.00

SCHEDULE OF REVENUE BUDGET ITEMS

Detail	Description	Head of Service Lead	2014/15 £000's
CULTURE, COMMUNITY & ECONOMIC DEVELOPMENT			
Streetcare	Parking income is not expected to reach the levels assumed in the budget and therefore this has to be assumed to be an ongoing budget pressure.	Bob Wenman	200
Corporate & Customer Transformation	The Council has made a major investment in new technology to improve customer service and provide access to many services 24/7. The new portal, implemented in partnership with Waltham Forest, is now live albeit later than planned due to technical difficulties. This will greatly increase the level of automated customer transactions which will lead to further savings once embedded.	Caroline Woolf	200
Regulatory	Income from building control functions has reduced significantly over the last year or so, driven in particular by general economic conditions and the state of the housing market. This seems unlikely to be reversed and so represents a permanent budget pressure.	Patrick Keyes	300
CHILDREN'S, ADULTS & HOUSING			
Children's	Remand Framework shortfall of funding given the additional pressure on the services in this area	Kathy Bundred	250
Children's Learning & Achievement	Impact of Children & Families Bill on Special Educational Needs , as set out in paragraphs 5.52 to 5.62	Kathy Bundred Mary Pattinson	TBC
RESOURCES			
Exchequer Services	HB/CTS Admin Grant reduction in allocation from central government	Jeff Potter	158

Legal & Democratic Services	Electoral Registration increased costs due to additional legislative requirements	Ian Burns	35
Corporate	Utilities contractual increase in price	Corporate	70
OVERALL TOTAL			1,213

CAPITAL PROGRAMME 2014/15

Core Havering Programme	2014/15
	£'000
Parks, Libraries, Leisure & Cemeteries	1,000
Street Environment	2,000
Protection of Assets and Health and Safety	500
Regeneration	100
Disabled Facilities Grant (Council element only)	300
Total	3,900
Disabled Facilities Grant (grant funded element - estimated)	655
Total	4,555

Note 1 : the detailed schemes included within this sum are set out on the following pages.

Note 2 : the DFG grant funded element is as advised by DCLG on 2 January 2014.

Capital Scheme Name	Scheme Description	Third Tier Manager	Forward Programme Block	Amount £	2014/15	Funding Sources		
						Capital Receipts £	Grants & S106 £	Other External £
2014/15 Core Programme								
Crematorium Asset Renewal	Implementation of Priority Condition Survey Work / Chapel of Meditation Renovation/ Programmed Renewal of Cremators (and associated ductwork)	Louise Edmonds	Parks, Libraries, Leisure & Cemeteries £415k	210,000	210,000	210,000		
Bereavement Services Premises Renewal	Implementation of Priority Condition Survey Work (Buildings, Paths, Boundary Walls Programmed Renewal)	Louise Edmonds	Parks, Libraries, Leisure & Cemeteries £415k	45,000	45,000	45,000		
Cemetery Asset Renewal	Implementation of Priority Condition Survey Work/Romford Chapel Stonework Renovation	Louise Edmonds	Parks, Libraries, Leisure & Cemeteries £415k	165,000	165,000	165,000		
Crematorium Improvements	Vase Blocks Front Garden as Show Garden)/Electronic Book of Remembrance	Louise Edmonds	Parks, Libraries, Leisure & Cemeteries £415k	55,000	55,000	55,000		
Cemetery Improvements	Conversion of Romford Chapel to Hall of Remembrance and Visitor facility	Louise Edmonds	Parks, Libraries, Leisure & Cemeteries £415k	25,000	25,000	25,000		
				500,000	500,000	500,000		

Capital Scheme Name	Scheme Description	Third Tier Manager	Forward Programme Block	Amount £	2014/15	Funding Sources		
						Capital Receipts £	Grants & S106 £	Other External £
2014/15 Core Programme								
Parklands Bridge	Restoration of Parklands Bridge	Martin Stanton	Parks Libraries Leisure and Cemeteries	80,000	80,000	80,000		
Playground Replacement / repairs	Replacement and repairs to equipment in playgrounds	Martin Stanton	Parks Libraries Leisure and Cemeteries	60,000	60,000	60,000		
Allotment investment	Urgent works required on allotment sites	Martin Stanton	Parks Libraries Leisure and Cemeteries	15,000	15,000	15,000		
Heritage buildings	Restoration and upkeep of historic buildings	Martin Stanton	Parks Libraries Leisure and Cemeteries	30,000	30,000	30,000		
Public Rights of Way and Countryside	Fencing and path works	Martin Stanton	Parks Libraries Leisure and Cemeteries	10,000	10,000	10,000		
Depots H&S investment	Urgent works to deal with Health and Safety issues at the depots	Martin Stanton	Parks Libraries Leisure and Cemeteries	10,000	10,000	10,000		
Langtons Gardens restoration match funding	HLF Bid match funding to restore Langtons Gardens	Martin Stanton	Parks Libraries Leisure and Cemeteries	50,000	50,000	50,000		
Customer access points	Install customer access points in Libraries	Martin Stanton	Parks Libraries Leisure and Cemeteries	35,000	35,000	35,000		
Libraries redecoration programme	Urgent redecoration and carpet replacement works in Libraries	Ann Rennie	Parks Libraries Leisure and Cemeteries	20,000	20,000	20,000		
Book fund investment	Book purchase for the new libraries in Rainham and Harold Hill	Ann Rennie	Parks Libraries Leisure and Cemeteries	40,000	40,000	40,000		
Public realm improvements	Installation of public realm culture improvements	Ann Rennie	Parks Libraries Leisure and Cemeteries	20,000	20,000	20,000		
Hornchurch Arts	Signage for the Arts Offer	Guy Selfe	Parks Libraries Leisure and Cemeteries	10,000	10,000	10,000		
Queen's Theatre	Essential repair and maintenance works at the Queen's Theatre	Guy Selfe	Parks Libraries Leisure and Cemeteries	20,000	20,000	20,000		
Parks Investment	Improving the quality of the environment in parks across the Council	Guy Selfe	Parks Libraries Leisure and Cemeteries	70,000	70,000	70,000		
Hornchurch Athletics Stadium Floodlights	Sinking fund for the floodlights replacement at Hornchurch Athletics Stadium			30,000	30,000	30,000		
				500,000	500,000	500,000		

Capital Scheme Name	Scheme Description	Third Tier Manager	Forward Programme Block	Amount		Funding Sources		
				£	2014/15	Capital Receipts £	Grants & S106 £	Other External £
Proposed capital schemes, subject to change								
Highways								
Footways	Various highway footway improvement schemes	Chris Layton		500,000	500,000	500,000		
Footway Slurry seal Programme	Various highway footway improvement schemes	Chris Layton		200,000	200,000	200,000		
Carriageways	Various highway carriageway improvement schemes	Chris Layton		600,000	600,000	600,000		
Anti-Skid	Anti skid surface areas in connection with above works	Chris Layton		25,000	25,000	25,000		
Street Lighting								
Street Lighting	Street Lighting replacement programme	Chris Layton		250,000	250,000	250,000		
Center Island Bollards	Center Island bollard conversion / removals	Chris Layton		25,000	25,000	25,000		
Lamp Column painting	Large scale painting programme on main routes	Chris Layton		20,000	20,000	20,000		
Other								
Gidea Park station scheme, Phase 3	Station & shopping area improvement scheme part funded by TFL	Chris Layton		70,000	70,000	70,000		
Small scale shopping centre scheme, TBA	Small scale shopping area improvements	Chris Layton		25,000	25,000	25,000		
large scale shopping centre scheme, TBA	Local area improvement scheme	Chris Layton		75,000	75,000	75,000		
Subway enhancements	Completion of 2 year subway enhancement programme around town centre	Chris Layton				0		
Tree pit upgrades, remove grates & trip hazards	Removal of metal grates and replacement with resin bonded non trip materials	Chris Layton		20,000	20,000	20,000		
Litter Bins	Purchase of replacement & or additional litter bins	Paul Ellis		25,000	25,000	25,000		
Parking								
Car parks, bays white lining	Re lining of car parking bays	Dawd Pritchard		15,000	15,000	15,000		
Car parks, small scale improvements	Shrub beds, litter bins and fencing	Dawd Pritchard		20,000	20,000	20,000		
Waste								
Waste enforcement initiatives	Increased waste enforcements initiatives that contribute towards containment of tonnage from illegal fly tipping	Paul Ellis		20,000	20,000	20,000		
Environmental Maintenance								
Dangerous Tree Replacement Programme	Removal of dangerous trees arising from storm damage, disease and or accidents	Paul Ellis		50,000	50,000	50,000		
Shrub Bed Replacement schemes	Removal of high maintenance shrub beds that cause sight line problems	Paul Ellis		60,000	60,000	60,000		
				2,000,000	2,000,000	2,000,000		

Capital Scheme Name	Scheme Description	Third Tier Manager	Forward Programme Block	Amount		Funding Sources		
				£	2014/15	Capital Receipts £	Grants & S106 £	Other External £
2014/15								
Corporate buildings	Fire risk assessment works	Sue Wilks	Protection of Assets and Health and Safety £500k	75,000	75,000	75,000		
Corporate buildings	Legionella	Sue Wilks	Protection of Assets and Health and Safety £500k	75,000	75,000	75,000		
Corporate buildings	Operational buildings issues	Sue Wilks	Protection of Assets and Health and Safety £500k	100,000	100,000	100,000		
Corporate buildings	Corporate landlord works	Andy Skeggs	Protection of Assets and Health and Safety £500k	100,000	100,000	100,000		
Corporate buildings	Actions arising from condition surveys	Andy Skeggs	Protection of Assets and Health and Safety £500k	150,000	150,000	150,000		
Totals				500,000	500,000	500,000		

Capital Scheme Name	Scheme Description	Third Tier Manager	Forward Programme Block	Amount		Funding Sources		
				£	2014/15	Capital Receipts £	Grants & S106 £	Other External £
2014/15 Core Programme								
Town Centre Regeneration	Local improvement projects to support town centre and neighbourhood initiatives in Elm Park and Collier Row, including match for external funding	Nigel Young	Regeneration 100k	100,000	100,000	100,000		

Capital Scheme Name	Scheme Description	Third Tier Manager	Forward Programme Block	Amount			Funding Sources		
				£	2014/15	2015/16	2016/17 and beyond	Capital Receipts £	Grants & S106 £
2014/15 Core Programme									
Disabled Facilities Grant	Disabled Facilities Grant - 2014/15	Jonathan Geall		955,000	955,000			300,000	655,000

DRAFT EDUCATION CAPITAL PROGRAMME 2014/15 AND 2015/16

Capital Scheme Name	Scheme Description	Amount £			Funding Sources		
			2014/15	2015/16 and beyond	Capital Receipts £	Grants & S106 £	Other External £
Primary Expansion	Phase 2 primary expansion	14,626,076	7,313,038	7,313,038		14,626,076	
Funded by:							
Basic Need Grant - 15/16 Allocation						14,624,076	
School Kitchen Works	Block allocation to fund works in school kitchens required to deliver the increased offer of Free School Meals - Maintained Schools	536,417	536,417			536,417	
School Kitchen Works	Block allocation to fund works in school kitchens required to deliver the increased offer of Free School Meals - Voluntary Aided Schools	106,325	106,325			106,325	
		642,741	642,741			642,741	
Funded by:							
Universal infant free school meals capital 2014-15						642,742	

Nursery Expansion Programme	Expansion of Nursery Education in Suttons/Mawney/Hacton (as part of PSPB Programme)	422,000	422,000			422,000	
Funded by:							
Nursery Education grant						422,000	
Various Schools/ PRU's/ Children's Centres	Emergency Repairs	450,000	450,000			450,000	
Various Schools *	Urgent / Unplanned Hygiene Water Works Programme	175,000	175,000			175,000	
Various Schools *	Education Capital Projects - Asbestos Removal	400,000	400,000			400,000	
Various Schools	DDA works	100,000	100,000			100,000	
Crownfield	Replace Gas Fired Boiler (KS2 Building)	120,000	120,000			120,000	
Scotts Primary	Replace Gas Fired Boiler	150,000	150,000			150,000	
Clockhouse Primary	Replace Gas Fired Boiler (KS2 Building)	140,000	140,000			140,000	
Mead Primary Inf & Junior Buildings	Replace Gas Fired Boiler	200,000	200,000			200,000	
Engayne	Replace Gas Fired Boiler	120,000	120,000			120,000	
Newtons	Upgrade Electrical Distribution	150,000	150,000			150,000	
Towers Infants	Upgrade Electrical Distribution	200,000	200,000			200,000	
Harold Court Primary	Replace Windows and Doors	150,000	150,000			150,000	

Newtons	Upgrade Electrical Distribution	30,000	30,000			30,000	
Corbets Tey School *	Roof replacement main block	120,000	120,000			120,000	
Engayne Primary *	Roof Covering Replacement	40,000	40,000			40,000	
The James Oglethorpe *	Roof Covering Replacement	145,000	145,000			145,000	
Ravensbourne	Replace Roof Covering	150,000	150,000			150,000	
Whybridge Junior School *	Window replacement	50,000	50,000			50,000	
Gaynes	Window replacement	110,000	110,000			110,000	
Whybridge Inf	Replace Pipework & Heat Emitters	200,000	200,000			200,000	
		3,200,000	3,200,000	-	-	3,200,000	
Funded By							
Estimated School Maintenance Grant 14/15						3,200,000	

CAPITAL PROGRAMME
GRANT FUNDED AREAS

PROGRAMME AREA	£
TFL Programme for 2014/15 (announced on 20 th December):	
Annual Spending Submission for Corridors, Neighbourhoods, and Supporting Measures	2,189,000
Schemes for the Local Transport Funding "pot"	100,000
Romford Major Scheme (Victoria Road and The Battis)	200,000
Principal Road Maintenance schemes	567,000
Note : details still awaited for the Borough Cycling and Bridge Strengthening and Assessment Programmes	
Adults PSS Community Capacity Grant 2014/15 (estimated)	552,000
Early Years Capital Grant (estimated)	500,000
Aiming High - Additional Needs for Disabled children (estimated)	170,000

CORPORATE PLAN REFRESH

“PLAN ON A PAGE”

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Our Living Ambition Vision is to provide Havering's residents with the highest possible quality of life, in a borough that thrives on its links to the heart of the Capital, without ever losing the natural environment, historic identity and local way of life that makes Havering unique

GOALS	ENVIRONMENT	LEARNING	TOWNS AND COMMUNITIES	INDIVIDUALS	VALUE
STRATEGIC OBJECTIVES <i>What we are trying to achieve</i>	1. A CLEAN, SAFE AND GREEN BOROUGH	2. CHAMPION EDUCATION AND LEARNING FOR ALL	3. ECONOMIC, SOCIAL AND CULTURAL OPPORTUNITIES IN THRIVING TOWNS AND VILLAGES	4. VALUE AND ENHANCE THE LIVES OF OUR RESIDENTS	5. HIGH CUSTOMER SATISFACTION AND A STABLE COUNCIL TAX
STRATEGIC OUTCOMES <i>What success will look like</i>	1.1 Community taking responsibility for keeping the environment clean and tidy 1.2 Havering is one of the safest boroughs in London 1.3 Increased recycling and less waste going to landfill 1.4 Reduced energy costs for the Council and residents 1.5 Natural and built environment enjoyed by local communities and visitors alike 1.6 Good infrastructure and transport links to the Capital and surrounding areas	2.1 Every child has access to excellent education and learning opportunities 2.2 Council resources focused on early years settings, schools and pupils who most need our support 2.3 Maximise opportunities for musical participation and learning 2.4 Young people are supported to realise their potential 2.5 Reduced adult skills gap between Havering and the rest of London	3.1 Communities are resilient and self-supporting 3.2 Cohesive communities where people are respectful and welcoming of different cultures 3.3 Housing that local people can afford and best use of Council social housing for those in greatest need 3.4 An enterprising economy that supports established and new businesses 3.5 Maximise local employment and work opportunities 3.6 Culture and leisure play a key part in community life and Havering's heritage and history is celebrated	4.1 Holistic and integrated services that meet the needs of the individual or family and targeted at those who most need our help 4.2 A focus on prevention and early intervention to improve the wellbeing of individuals and families who need specific help 4.3 Improved choice and control over the health and social care people receive, including community-based support 4.4 Lower levels of preventable ill health and people leading healthier lives 4.5 Access to 'early help offer' for children and young people most at risk	5.1 Customers are able to access information and self-serve 5.2 Havering receives the best deal possible from changes in how local government is funded 5.3 A transparent, less bureaucratic and more open Council 5.4 High customer satisfaction with the Council 5.5 Services cost less to run and are more efficiently delivered
KEY ACTIVITIES <i>How we will deliver our objectives</i>	<ul style="list-style-type: none"> Continue to promote community clean-ups and self-reporting online (1.1) Work with partners to maintain low crime rates and keep roads safe to make people feel safer (1.2) Promote recycling and waste reduction and reduce the amount of waste that goes to landfill (1.3) Maximise potential of energy efficiency schemes (1.4) Deliver the cold weather befrienders scheme to tackle fuel poverty (1.4) Deliver a programme of environmental improvements, incorporating nature conservation and biodiversity (1.5) Deliver the Air Quality Action Plan to improve the health of residents (1.5) Work with partners, including Transport for London and Crossrail, to improve transport links and better interchange facilities (1.6) Tackle congestion and improve traffic management through parking control, highway improvement schemes and Smarter Travel (1.6) 	<ul style="list-style-type: none"> Ensure the provision of high quality pre-school and primary school places for 0-11 year olds (2.1) Focused support for children with Special Educational Needs (2.2) Close the performance gap across all Key Stages for those children in receipt of Free School Meals and their peers (2.2) Develop the Music Hub, led by Havering Music School, through strengthened partnership working across the cultural sector (2.3) Continue to promote apprenticeships and employers skills training (2.4) Continue to work with private and voluntary partners and roll out the young people assets framework in the Youth Strategy (2.4) Reduce the adults skills gap between Havering and the rest of London (2.5) Work with educational partners to equip Havering's workforce with the skills needed by local businesses (2.5) 	<ul style="list-style-type: none"> Encourage local people to play an active part in their communities through volunteering (3.1) Develop projects that promote diversity and acceptance (3.2) Deliver 250 units of affordable housing and influence the quality of private housing and the places where people live (3.3) Implement new offer of support to local businesses and promote investment in Havering (3.5) Review and deliver Harold Hill, Rainham and Romford regeneration programmes, including new libraries in Rainham and Harold Hill (3.5) Deliver the culture strategy and place culture at the heart of quality of life, including civic pride events and a new state-of-the-art leisure facility in Romford (3.6) In partnership, maintain and enhance Havering's green spaces to a high standard, including restoration of Raphael Park, Langton's Garden, Broxhill Sports Park and Central Park, and promote them as a visitor destination (3.6) Work with partners to protect local heritage and celebrate Havering's history (3.6) 	<ul style="list-style-type: none"> Provide safe services that are tailored to the needs of the individual or family (4.1) Work with the Clinical Commissioning Group to ensure the best possible health outcomes and care services in Havering through joint commissioning and locality based integrated models of working (4.1) Support improvements in access to and discharge from as well as the quality of services provided by Queen's Hospital and the creation of a Joint Assessment and Discharge Team (4.1) Deliver the Troubled Families project to provide early intervention and assistance for families who need specific help (4.2) Deliver more community-based support, including volunteer-led schemes, and provide reablement services and assistive technologies to help people live independently (4.3) Expand the availability of extra care housing options for vulnerable adults to help them live independently in the community (4.3) Focus activities on preventing ill-health and encourage healthier lifestyles (4.4) Improve access to our 'early help offer' for children and young people most at risk (4.5) 	<ul style="list-style-type: none"> Improve accessibility to the Council, including self-service for customers to report, pay and apply online (5.1) Evidence-led commissioning of goods and services that provide best value for money (5.1) Seek to maximise funding for Havering through lobbying and attracting other external funds (5.2) Provide accessible and transparent information on how we are performing and what we are spending (5.3) Attract, retain and develop high performing staff, supported by effective people management practices (5.4) Continue to improve customer satisfaction (5.4) Commit to sharing services with other partners, such as the new shared service with London Borough of Newham (5.5)
MEASURES AND TARGETS <i>How we will know we have achieved our objectives</i>	<ul style="list-style-type: none"> The number of fly tip incidences will be less than 3500 by 2015 (1.1) The number of anti-social behaviour crimes reported will reduce from 6092 in 2012 to XXXX by 2015 (1.2) The number of residential burglaries reported will reduce from 2075 in 2012 to XXXX by 2015 (1.2) The number of people killed and seriously injured in road traffic accidents will be less than 75 by 2015 (1.2) Household waste recycled will increase from 35% in 2012 to 36% by 2015 (1.3) Residual household waste will reduce from 653kg in 2012 to 640kg by 2015 (1.3) Greenhouse gas emissions from our estate and operations will reduce 1% year on year from 25700 tonnes in 2012 (1.4) 	<ul style="list-style-type: none"> The % of early years providers, PVI settings and childminders only, judged good or outstanding by Ofsted will increase to 75% by 2015 (2.1) The % of 3 and 4 year olds who have access to an early education entitlement place if their parents wish will increase from 86% in 2012 to 96% by 2015 (2.1) The number of schools where fewer than 60% of pupils achieve Level 4 or above in both Maths and English will remain at 0 by 2015 (2.2) The achievement gap between pupils eligible for free school meals and their peers will reduce to XX KS2 and XX KS4 by 2015 (2.2) The % of 16-19 year olds (school years 12-14) who are not in education, employment or training will reduce from 4.5% in 2012 to 4% by 2015 (2.3) The number of apprentices recruited in the borough will increase from 320 in 2012 to 630 by 2015 (2.3) 	<ul style="list-style-type: none"> The % of residents that give up their time to volunteer will be more than 25% by 2015 (3.1) Residents' satisfaction with the area as a place to live will more than 76% by 2015 (3.2) The % of residents who feel that people get on well together in their neighbourhood will be more than 66% by 2015 (3.2) The number of new affordable homes will increase from 178 per year in 2010 to 250 per year by 2015 (3.3) A further 1290 homes will be made decent by 2015 (3.3) The number of businesses accessing advice through regeneration initiatives will increase from 666 in 2012 to 800 by 2015 (3.4) Residents' satisfaction with library services will be more than 81% by 2015 (3.5) 	<ul style="list-style-type: none"> The % of children's placements lasting at least two years will increase from 51% in 2012 to 70% by 2015 (4.1) The % of people using social care who receive self-directed support and those receiving direct payments will increase from 45% in 2012 to 75 % by 2015 (4.3) The % of people who having undergone reablement return to Adult Social Care 91 days after completing reablement and require an ongoing service will reduce from 7.8% in 2012 to 6% by 2015 (4.3) The number of careline and telecare users in the borough will increase from 3366 in 2012 to 5000 by 2015 (4.3) 	<ul style="list-style-type: none"> The % of council tax collected will increase from 96.62% in 2012 to 97% by 2015 (5.1) The % of national non-domestic rates collected will be maintained at 96.5% by 2015 (5.1) The % of residents who feel informed about what the Council does will be more than 42% by 2015 (5.3) Customer satisfaction with the Contact Centre will remain above 85% by 2015 (5.4)

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Appendix G: London Borough of Havering 2014/15 and 2015/16 Provisional Settlement

Executive Summary:

The London Borough of Havering is unique among London boroughs. Havering has the oldest population in the capital – a population that is predicted to get older still over the coming years. Despite this demography and the acute pressure that an older population places on the services of the local authority. The borough's apparent lack of significant deprivation – which masks the growing pressure of providing support to London's oldest resident base – has seen it receive extremely low levels of per capita funding from Government. The Council's response has been to operate some of London's lowest-costing services.

The indicators used in the 2013/14 settlement are now frozen and the previous flooring methodology has resulted in an out of date formula grant system that benefits those authorities who are reliant on government grant whilst penalising those authorities that are highly reliant on council tax.

Introduction:

The London Borough of Havering's calculated 2014/15 Settlement Funding Assessment (SFA) allocation is £69.658m, £6m less than 2013/14 (2015/16 allocation is provisionally set at £60.753m, a 12.7% reduction from 2014/15). Table 1 below shows a summary of the 2 year settlement which clearly demonstrates the percentage reduction in formula grant by 2015/16.

Table 1 – Havering's Settlement Funding Allocation for 2013/14 to 2015/16

	2013/14	2014/15	2015/16	% Change since 2013/14
RSG	£45.379m	£38.881m	£29.126m	(35.8%)
Business Rates	£30.189m	£30.777m	£31.627m	4.7%
Total	£75.569m	£69.658m	£60.753m	(19.6%)

The figures stated above is "best" case scenario as this is assuming our business rate yield increases in line with Government's expectations as well as not including any shortfall due to the proportionate share calculation

Havering has been continuously penalised with low level settlement funding which have far from reflected the needs of the borough. The authority has had to revise its saving plans, bringing forward its plans to reduce back office costs, and thereby increasing the pressure to find savings in other services in the future. Havering has on numerous occasions responded to the shortfalls and the flawed approach in the methodology surrounding the settlement with the outcome unchanged and with our position deteriorating further.

Havering has a unique demographic which is not truly reflected in the current formula grant methodology. How can an authority with the highest proportion of elderly

population in London – with indications that this is likely continue and increase further – but yet receive one of the lowest settlements?

The London Borough of Havering’s Concerns:

Funding reductions

Havering has one of the lowest levels of grant per capita in London. As a result, Havering has had to increase its council tax to compensate for the unfair allocation distributed by the current formula methodology. For comparison purposes, if Havering received the same level of grant per head as its lowest neighbouring outer London authority, Havering would be able to reduce its Council Tax by 24%. In contrast if Havering received the same level of grant than another neighbouring outer London authority, Havering could reduce its council tax by approximately 75%. This clearly demonstrates the cliff edges and flaws within the current funding system that by a change in postcode residences see a dramatically different level of funding compared to someone living a few metres away.

The continuation of a funding formula which is unfit for purpose and using this as a base for future funding models magnifies the issue. The indicators used in the current frozen formula grant is out of date and does not reflect or apportion funding in a fair and transparent way. In contrast to the method of apportion funding, the methodology in allocating specific / unringfenced grant provides Havering with a highly comparable allocations. Table 2 below shows the grant per capita for Havering and the rest of East London clearly demonstrating the poor allocation Havering receives.

Table 2 – 2014/15 Grant per Head of Population

Code	Authority	Inner / Outer London	SUFA (m's)	Projected Population	Grant Per Head £'s
R383	Barking & Dagenham	Outer London	£113.681	185,911	£611
R393	Havering	Outer London	£69.658	237,232	£294
R398	Newham	Outer London	£218.534	307,984	£710
R399	Redbridge	Outer London	£105.635	278,970	£379
R402	Waltham Forest	Outer London	£138.543	258,249	£536

Penalising Self-Funding Authorities

Previous settlements have continued the emphasis on penalising local authorities for being self-funding. Those authorities who have had to increase their council tax to mitigate the flawed funding system that Government has initially created and rolled forward year on year have seen the largest reductions in funding. No attempt has been made by central government to address the significant unfair cliff edges in

funding between one neighbouring authorities to another. The previous smoothing mechanism is now out of sync with the current relative needs of the authorities and some authorities are receiving significantly more funding than their relative needs suggests. Now the formula grant is frozen until 2020 this only magnifies the issue rolling forward year on year.

Area Cost Adjustment

As part of the formula grant calculation, the Area Cost Adjustment (ACA) is used to reflect geographical variation in the costs of providing local services. The ACA underestimates wage differentials across England by applying a lower limit. This does not allow for the cost of living in London to be factored into the calculation and penalises London authorities. Although the formula is currently frozen, there is every opportunity for this to be revised as this not only factors into the Revenue Support Grant (RSG) allocations but also for new grants that are using the out of date Relative Needs Formulae. For any improvement to affect Havering's formula grant, the formula grant would need to be re-opened and the currently flooring methodology removed and reassessed.

Council Tax Support

As part of the local government financial settlement, Council Tax Support has been rolled into the formula grant calculation. As a consequence, this grant previously allocated from the DWP has now been reduced in-line with the funding cuts affecting local government. In 2013/14 the Council Tax Support grant was localised to Local government with a 10% reduction due to the inability of the DWP to find the necessary reductions and force Local Government at the forefront of the current budget cuts to find further savings. Now the grant has been reduced further by 28% through scaling which assumes Havering is able to keep up with the targets placed by DCLG in respect of their business rates, which due to the proportionate share calculation puts Havering in a deficit position. Table 3 below shows the reduction of Council Tax Support within the formula; for Havering, the effective reduction is over £3.7m. This is one of the reasons behind Havering's overall funding reduction and will require significant savings in 2015/16. Havering is now facing a reduction £9m in overall formula grant funding from 2014/15 to 2015/16 which may force significant changes to our localised council tax support scheme as a result.

Table 3 – The impact of Council Tax Support within the formula grant

2014/15	RSG	Business Rates	Total
2013/14 Allocation	8,135,525	5,412,342	13,547,867
(Scaling) / Inflation	(2,063,055)	105,432	(1,957,622)
Revised 2014/15 allocation	6,072,470	5,517,774	11,590,244
% (Reduction) / Increase	(25.36%)	1.95%	(14.45%)
2015/16	RSG	Business Rates	Total
2014/15 Allocation	6,072,470	5,517,774	11,590,244
(Scaling) / Inflation	(1,958,290)	152,295	(1,805,995)
Revised 2015/16 allocation	4,114,180	5,670,069	9,784,250
% (Reduction) / Increase	(32.25%)	2.70%	(15.58%)
Total Reduction	RSG	Business Rates	Total

2013/14 Allocation	8,135,525	5,412,342	13,547,867
(Scaling) / Inflation	(4,021,344)	257,727	(3,763,617)
Revised 2015/16 allocation	4,114,180	5,670,069	9,784,250
% (Reduction) / Increase	(49.43%)	4.76%	(27.78%)

Council Tax Freeze Grants

As part of the 2014/15 settlement, the 2013/14 freeze grant has been rolled up into the SFA in addition to the 2011/12 allocation. Prior to the recent settlement, the unringfenced grant has not seen any reduction through recent announcements however the 2011/12 grant has started to be reduced. In addition there are fears that over the next few years these grants will be rolled into the formula grant and reduce in-line with departmental budget cuts or removed completely. This raises questions over the financial viability of accepting government freeze grants if these are to be reduced in later years of Government spending cuts.

New Homes Bonus

As announced in the 2013 Spending Round, the New Homes Bonus (NHB) was due to reduce by £400m across the country, however, since the 2013 Autumn Budget Statement it was decided only to top-slice the grant from London authorities to the London Enterprise Partnership (LEP). There is London wide support of the removal of this decision which based on DCLG protection for the New Homes Bonus would result in a potential reduction to Havering's allocation in excess of £1.6m. This funding stream was created for financial year 2011/12. Although it has been classed as a new funding stream, it is effectively money top-sliced from the overall funding "pot". As the national NHB pot grows, the overall pot for RSG reduces. This funding was originally a grant to local authorities who can "predict" their NHB allocation to prepare and build long-term plans. The decision to top-slice funding from the NHB demonstrates the concerns in any funding from central government for long-term projects may be cut for other purposes. Long-term financial planning is key in bringing quality services to the community and finding efficiencies and savings to the public sector. This policy decision undermines any long-term funding provided from central government and creates resilience in building long-term strategy as this funding can be reduced or removed in a moment's notice for other purposes.

Housing Benefit Admin Grant

Previous to the settlement announcement the Housing Benefit and Council Tax (HB/CTS) Administration grant allocations were released. This showed that Havering will receive the largest reduction in administration grant in London for 2014/15 of 11% whilst having one of the lowest grants per caseload in London. Authorities with the same level of caseload are receiving significantly more funding than Havering. Havering's caseload is relatively low compared to inner London authorities, however these authorities have not seen any / minimal reductions in funding in comparison. The methodology does not take into account the fixed costs in administration HB/CTS at the detriment of those authorities with relatively low caseloads.

Local Welfare Provision

The Local Welfare Provision was created in 2013/14 in order to help those individual in most need due to the economic climate. As announced as part of the settlement, this will cease from 2015/16. Once again local government are being asked to deliver savings on behalf of central government with those at most risk likely to be affected. It is our belief that given the cuts to local authorities over the next couple of year and during the next parliament that this service will no longer be able to be provided by most authorities especially without the funding currently offered.

Demographics

Action needs to be taken to address the on-going flawed methodology from the current formula grant calculation. Havering has continued to receive significantly less funding than the National; London; and outer London average. The population of Havering is growing at a faster rate than the England average. Our **65+ population** is the **highest in London** and our 90+ population is expected to increase considerably by 2021 within the current methodology the funding model is and will not address this high need, high cost area.

Havering is the third largest borough in the capital, however again this funding does not reflect this. The formula grant calculation has continued to be rolled over each year without a fundamental review of the cliff edges that exist between authorities. From a change in postcode, the spend per head of population can increase by £1000 which in our opinion is not a fair method of apportionment. This would be even higher if it was not our on-going transformation programme initiated from the emergency budget back in 2010.

In our opinion, this needs serious review and quickly as these and the additional cuts affecting local government hits local authorities in the coming year. Assuming the current methodology in funding continues this well result in either front line cuts or an increase in council tax. It is unfair to expect local authorities with minimal grant to continue whilst the numerous flaws in the formula grant allocation.

Possible solutions

We genuinely believe that the local government funding system is neither objective nor equitable in its allocation of resources to local government and as a direct result has a direct impact to Havering's taxpayers. We would therefore ask Minsters to consider the following proposals:

1. Review the current formula grant in respect of
 - a. Cliff edges - One method of rectifying this on-going issue to create a phased smoothing affect between local authorities to ensure that a postcode lottery does not continue to exist. We accept that this is not a "quick-fix" solution however a phased approach would address the issue in time.
 - b. Indicators used in allocating funding. A number of the indicators are out of date and or do not reflect the demographic pressures.

2. Reverse the decision in regards to the NHB top-slice
3. Review the methodology in allocating HB/CTS admin grant to include the fixed costs of allocating funding.
4. Removal of the lower limit in regards to the ACA
5. Revision to the methodology to address low benefit take-up in London
6. Reinstate the Local Welfare Funding

Response to the technical questions

Questions

Question 1: Do you agree with the Government's proposal to remove the capitalisation holdback and re-allocate the funding?

- Havering agrees for with Government's decision to remove the capitalisation holdback however we do not agree with the reallocation of the holdback to fund the Efficiency Support grant or rural funding element. If Government wishes to provide funding for specific purposes this should be provided for by new funding.

Question 2: Do you agree with the Government's proposal to reduce the New Homes Bonus holdback from £800m to £700m?

- Havering agrees that the hold back should be reduced by £100 million.

Question 3: Do you agree with the Government's proposal to increase and roll in funding for rural authorities?

- As per Question 1

CABINET
22 JANUARY 2014

Subject Heading:	Harold Hill Ambitions
Cabinet Member:	Cllr Steven Kelly Deputy Leader of the Council
CMT Lead:	Cynthia Griffin Group Director Culture, Community and Economic Development
Report Author and contact details:	Christopher Hobbs Regeneration Officer, Economic Development christopher.hobbs@havering.gov.uk
Policy context:	Harold Hill Ambitions Strategy Harold Hill Ambitions Cabinet Reports April 2007, February 2008 and November 2008, March 2010
Financial summary:	This report is primarily reporting outcomes against plan, and has no specific financial implication. Moving forward, once infrastructure plans are complete, Programme spend will largely be revenue spend, within existing resources
Is this a Key Decision?	No
When should this matter be reviewed?	January 2016
Reviewing OSC:	Towns and Communities

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

Ensuring a clean, safe and green borough	x
Championing education and learning for all	x
Providing economic, social and cultural activity in thriving towns and villages	x
Valuing and enhancing the lives of our residents	x
Delivering high customer satisfaction and a stable council tax	x

SUMMARY

At the beginning of this term, ten Strategic Administration Projects were established to help deliver services more effectively and in new ways. The Projects were each to be driven by a Member of the Cabinet, working with a select team of officers, representing a diverse variety of disciplines within the Council.

The projects were:

**Council Effectiveness
Think Family
Open Government
Community Action
Harold Hill Ambitions**

**Neighbourhood Responsibility
Civic Pride
Future Financing
Rainham Compass
Romford Regeneration**

In the last year of this Administration, it is intended that each Project will be reporting back to Cabinet, to note the achievements attained and the progress made.

The Harold Hill Ambitions Programme is an **on-going** 20 year programme that is working with the local community to transform Harold Hill and open up new and exciting opportunities for local people to improve their lives. The long term ambition for Harold Hill, expressed in the November 2008 Cabinet Report is to; create more opportunities for local people; to work with the police to stamp out unacceptable behaviour and crime; to build a learning village to provide a centre of educational excellence on Harold Hill; modernise and improve community facilities for everyone; create new housing opportunities; improve health and wellbeing; and provide excellent new sports and recreation facilities.

The Harold Hill Ambitions Programme was drawn up following an extensive initial consultation with the community and key stakeholders in the summer of 2007 when a range of ideas and options were developed. Progress was reported to Cabinet in February 2008, and in August 2008 the Deputy Leader gave approval to consult the public on specific proposals to address the key priorities and opportunities which had been identified by the community and stakeholders. This report sets out progress since this date.

The first five years of this Programme have been highly successful in delivering and initiating a complex series of physical change projects which have improved the built environment. In taking the programme forward it is proposed that delivery of the remaining physical elements continue, while sustaining an even stronger focus on opportunities for local people, particularly through the development of the Community Programme focussing on jobs, education, skills and health.

RECOMMENDATIONS

Recommendations

1. That the Cabinet note the progress made to date on the Harold Hill Ambitions Programme.

REPORT DETAIL

1.0 Strategy and Programme

1.1 Harold Hill Ambitions aims to improve quality of life for residents of Harold Hill in line with the rest of the Borough. It contributes to the delivery of the Council's 20 year Living Ambition (aiming for the highest quality of life in London) and is an essential element in the delivery of the goal for towns and communities: to provide opportunities for all through economic, social and cultural activity.

1.2 The Council developed the programme in consultation with the local community. The programme began in 2007 with an extensive consultation engaging approximately 1200 people and identifying key issues and aspirations for the area. Key issues and aspirations included:

- Community Safety – addressing anti-social behaviour and the fear of crime
- Youth – improving the level and quality of facilities for youth, including engagement on their views.
- Housing – the need to provide environmentally friendly, family sized accommodation including affordable housing
- Education, Skills and Employment – a desire to improve school results and to create a learning culture in the area was identified. There was some concern about the availability of local employment opportunities
- Environment and Culture – a desire to maintain the green character of Harold Hill and improve the quality of open space including better play facilities
- Public Realm – improving pathways and roads, fly-tipping, litter and the cleanliness of streets
- Transport – issues were identified around public transport and parking in residential and shopping areas
- Shopping – the need to revitalise the shopping area and tackle empty shops by attracting a wider variety of services to the Hilldene area
- Community Development – the need to develop a cohesive community amongst all ages in Harold Hill and to address the perception of the area.

- Health – the need for health promotion and better use of the health centre.

1.3 The views of the community were taken as the starting point for the development of the Harold Hill Ambitions Plan. These were combined with the statistical evidence about priority issues affecting Harold Hill and the views of key stakeholders and partners, to develop options and ideas for the future, which aimed to make the most of the many positive features and opportunities in the area. These options and ideas were then presented back to the community in a second in-depth consultation over the summer of 2008.

1.4 The second consultation was designed to give as many local people as possible the opportunity to comment on proposals. Elements of the consultation included:

- A survey of a representative sample of local residents to confirm key issues, assess awareness of the Ambitions programme and determine the best means of communicating proposals to local people.
- First 30 days - awareness raising programme prior to the launch of the proposals including articles in Living, press releases, production and distribution of leaflets highlighting recent achievements and further discussion with community groups.
- Launch of proposals at a festival held on 7 September 2008 in Central Park attended by approximately 1000 local residents.
- Second 30 days - subsequent consultation on proposals including an exhibition in the local library and a series of road show events at community venues across Harold Hill where local people had the opportunity to discuss proposals with staff. A summary of the proposals was distributed to all households in the area through the Living magazine. Full copies of the brochure were also available at venues across Harold Hill including the Library and road show events.
- A final survey was undertaken of a representative sample of local residents to compare views with those gathered at the beginning of the programme to assess support for the key proposals.

1.5 Overall the consultation revealed high levels of support for the proposals.

The final representative survey, which was undertaken at the end of the engagement process, mentioned previously highlighted the following key findings :

- More than half of Harold Hill residents had heard of Harold Hill Ambitions
- The proportion of residents saying they felt informed about the Council's proposals for Harold Hill had almost doubled
- More than six in ten residents agreed with the proposition for housing development to fund better services and facilities in Harold Hill
- Over half of Harold Hill residents *'would welcome more housing for local people on Harold Hill.'*

- There were high levels of support for the Councils main proposals including
 - New Youth Centre (96% agree)
 - Improvements to parks (93% agree)
 - Improvements to Hilldene Shopping Centre (90% agree)
 - Improvements to Harold Hill Library (89% agree)
 - Learning Village (86% agree)
 - Improvements to Broxhill and Whitworth (74% agree)

1.6 The findings from the second wave of consultation were used to further refine proposals that were presented to Cabinet in November 2008. The Cabinet report listed over 30 recommendations in a 20 year programme of improvements in services accompanied by economic, social, environmental and physical regeneration projects designed to improve quality of life for residents. The report identified five main areas for the focus of the Regeneration Programme:

- Whitworth and Broxhill
- Briar Road;
- Hilldene
- Gooshays
- Learning Village.

1.7 Alongside the major areas of renewal a whole series of new projects and improvements to service delivery were identified in areas such as community development, road and footway improvements, transport, decent homes, primary school improvements, Ingrebourne Centre, garage sites, community safety, health, employment and the environment.

1.8 To ensure the programme could be afforded the financial costs were assessed and presented in the Cabinet report. External funding was identified to fund some of the proposals, however, others required additional Council expenditure. These included:

- Investment to improve Central Park
- Investment in Dagnam Park
- Improvements to Hilldene Shopping Centre
- New, bigger Library with community learning facilities
- Improvements to community facilities including a new community centre in the former Ingrebourne School, improvements to Harold Hill Community Centre and the new youth centre (if external funding was not available)
- Investment in roads and pavements

1.9 To generate the funds required the Council proposed the sale of land to the east of Gooshays Gardens – from south of the Leisure Centre to Petersfield Avenue. The Council presented this proposal in its second consultation to the public explaining that the resulting housing development was essential to

provide the funds for all of the projects listed above. More than six in ten residents agreed that these were the right proposals for housing development in order to provide the funds required for these improvements.

In addition, to general support for more housing throughout Harold Hill, over half of Harold Hill residents surveyed (54%) *'would like more housing for local people on Gooshays'*.

- 1.10 In addition to the initial consultation, the community has been engaged and involved throughout the delivery of the programme. This has included; consultation on improvements at Central Park, the regeneration of the Briar Road Estate and formation of the Briar Resident's Action Group, pre planning application consultations at Broxhill and the Harold Hill Library and distribution of various media, which includes to-date 18 newsletters delivered throughout Harold Hill.

2.0 Delivery of the Programme

The following section highlights the significant progress made in the first five years of this on-going programme, assessed against the recommendations included in the original November 2008 Cabinet Report.

Gooshays Drive Site

- 2.1.1 The Council committed to the sale of the Gooshays Drive site to provide finance for the Ambitions Programme and the provision of family homes in the area.
- 2.1.2 In order to fund the delivery of the programme and ensure the aspirations of local people were met, the November 2008 Cabinet approved the disposal of land at Gooshays Drive, Harold Hill. This guaranteed that the programme was self-financing. Without the sale of this site, a number of the projects included in the original November 2008 Cabinet report would not have been delivered by the Council.
- 2.1.3 The disposal of the site has now gone through, with the initial receipt received by the Council on completion of the sale. This will ensure resident aspirations set out during the consultation for the delivery of projects and capital projects, can be funded.
- 2.1.4 In addition to the programme funding, as part of the development, the Council has provided two new pitches at Dagnam Park and upgraded existing grass football pitches at Broxhill to ensure that overall pitch provision in the Harold Hill area has been improved.
- 2.1.5 As part of the disposal the purchaser of the land at Gooshays Drive is obliged to carry out improvements to areas adjacent to the site including improving the car park and access roads to the Community Centre, creating

new car parking areas adjacent to the Health Centre and resurfacing part of the access road to Central Park from Gooshays Drive

- 2.1.6 Over 60% of residents expressed a strong aspiration for more family housing in Harold Hill. Planning permission has now been granted for development on the site, which will deliver 242 high quality family homes, consisting of a mix of private and intermediate housing. At least 80% will be houses and no units will exceed 3 storeys.

Community Association

- 2.2.1 The November 2008 Cabinet Report recommended that discussions should be held with the Harold Hill Community Association to increase scope for improvement of their facilities and fully identify how the Ambitions programme could contribute to their activities.
- 2.2.2 Since the start of the Programme, in addition to financial investment in the building on Gooshays Drive, administrative support to the centres committee has been maintained, including engagement in the regeneration programme through Council support.
- 2.2.3 Financial support of £20,000 has allowed the committee to upgrade the structure of the community centre, which has included new windows and entrance doors. The developer of the Gooshays site will also be obligated to improve the car park and access to the Community Centre. In addition to this investment, the committee, made up of local residents has also been proactive in obtaining grants which has further improved the Centre's facilities.
- 2.2.4 The Council has provided local groups which use the halls facilities with grants totalling over £8,000. This has contributed to the on-going sustainability of the centre
- 2.2.5 In addition, the Ambitions Programme itself has delivered various community events at the centre; such as skills and employment sessions, again improving usage and enhancing this asset for the local community.

Youth Centre

- 2.3.1 The Council committed to build a new youth centre, to replace the Albermarle, in the November 2008 Cabinet report, in the area of land bounded by Gooshays Drive and Hilldene Avenue, utilising either the receipt from the land at Gooshays or external funding.
- 2.3.2 Young people, as part of the original Ambitions consultation identified that it was important for them to have a good quality facility where they could access a range of facilities. Over 96% of residents supported the principle of a new youth centre with longer opening hours to be located in Gooshays.

- 2.3.3 The Council also committed to on-going engagement of young people in the design process.



Images: myplace theatre and building

- 2.3.4 Within 3 years of the Ambitions Programme starting the Council had delivered a £4.5million youth and community centre predominantly through securing external funding and a £125,000 Council contribution.

- 2.3.5 ‘myplace’ has proved to be a landmark youth and community building in the centre of Harold Hill. It is the Borough’s greenest building, achieving BREEAM Excellent and a Green Apple Environmental Award.

The Green Apple Awards are a national campaign to find Britain’s greenest Councils, companies and communities. The myplace building was recognised as it is zero carbon and has a whole host of other environmentally friendly attributes.

- 2.3.6 The centre provides a variety of high quality youth based services and activities, including the borough’s 2nd largest auditorium after the Queen’s Theatre, a music recording suite, games room, workshops. These are administered by the Council and partner organisations including voluntary and community sector support based services.

- 2.3.7 Throughout the construction period and its operational delivery, young people have been involved with the building’s development and operation, through a youth board. This was in response to Recommendation 3 of the November 2008 Cabinet Report which agreed that the ‘design should be in collaboration with young people’. This group has engaged more widely in the Harold Hill Ambitions programme and provided valuable contributions to the design of the improvements proposed for Central Park.

- 2.3.8 In addition to supporting a high quality youth offer, the centre has provided a key link to the wider community and businesses, hosting events such as the

Havering Business Expo, Homes and Housing Residents' Conference and BBC Question Time.

- 2.3.9 To further increase the sites effectiveness, and in consultation with local residents, an additional 56 car parking spaces will be provided, utilising land adjacent to the site. Planning permission was given in August 2013, with works due to be completed in 2013/14.
- 2.3.10 Improvements at Central Park will complement 'myplace', with new facilities in the park located near to the centre with a new bridge linking the building with Central Park.

Central Park

- 2.4.1 The Council committed to improve Central Park following the sale of the land at Gooshays. With 93% of residents saying they wanted improvements to parks, Cabinet in 2008, therefore, resolved to upgrade the park in consultation with local people.
- 2.4.2 A large scale public engagement exercise took place which consulted over 1500 people on plans for the park. The consultation process included a wide range of events and activities to engage as widely as possible. Engagement included the Council undertaking electronic and paper based surveys, outreach events hosted in the park and workshops at various locations including local schools and myplace.



Image (left): Youth engagement in the consultation process
Image (right): Consultation event hosted in Central Park

- 2.4.3 The design of the park, reflecting the views from the consultation, will provide the following facilities:

- MUGA
- Upgraded play area
- Skate park
- BMX racing track
- New gates

- New planting
- New pathways
- New catering kiosk
- New bridge linking the park to 'myplace'

Complementing the 'myplace' centre, the enhanced park design will provide facilities for all sections of the Harold Hill Community and the new Gooshays Drive development. The site will also retain existing sports facilities on the site, such as the cricket pitch.



Images: New facilities currently being installed at Central Park.

2.4.4 In addition to work funded by the Gooshays Drive development, the Council secured additional funding from Sustrans for the Connect2 cycling and walking route through the borough, which passes through the park. The long distance cycle path also involved the installation of some public art in the centre of the park. The 'Portrait Bench', 'includes sculptures of three famous I figures with links to Harold Hill chosen by local residents.



Images: Connect2 launch event and portrait benches in Central Park

Whitworth Housing

2.5.1 Redevelopment of the Whitworth site was included within the November 2008 Cabinet Report and a separate December 2007 Cabinet Report, which specifically approved the disposal of the Council's freehold interest in the site for residential development and the creation of a high quality sports park at Broxhill.

2.5.2 In accordance with the approved Local Development Framework which approved re-designation of the sites, Cabinet approval has been given to the disposal of the Whitworth site and the creation of a high quality sports park at Broxhill

2.5.3 The disposal of the Whitworth site is to take place in 2 phases. The disposal of the first phase will produce 144 new homes, which are nearing completion. A planning application for Phase 2, comprising 105 units, has been submitted and is currently under consideration by the Council.

2.5.4 Both phase one and two will constitute mainly family homes, a key recommendation of the initial Ambitions consultation. Phase one has proved to be popular with over 50% of units sold.



Image: Whitworth Housing

Broxhill Park

2.6.1 The Council committed to develop facilities at Broxhill which would involve the removal of the redundant buildings and provide a high quality park with modern sports facilities.

2.6.2 The consultation expressed 93% support for improvements to parks, specific feedback on the site identified that the public would like to see Broxhill deliver facilities that focussed on high quality sports provision

2.6.3 Planning permission has now been granted with plans to increase the variety of sports facilities on offer in Harold Hill and improve the overall Borough's sports offer through the delivery of a 60m running track.

2.6.4 Access to the site will be improved, with car parking and pedestrian crossings from the adjoining Noak Hill Road.

2.6.5 The plans will further enhance provision for existing community groups on the site and will retain all of the existing users of the site. The bowls club and the tennis club will operate from the Bowls pavilion building currently on site.

The Havering Disabled Sports Association will also continue to operate from the site.

- 2.6.6 The site will also include, children's play area, football pitches, parking facilities, five outdoor gym areas, MUGA, pavilion including café facilities, sports hall and upgraded green space.



Images: Football pitches installed at Broxhill Park

Hilldene Shops

- 2.7.1 The Cabinet committed to deliver a programme of improvements for the Hilldene Shopping Area. This shopping centre forms the heart of Harold Hill and to ensure it remains a thriving district shopping centre which serves residents and local businesses, the November 2008 Cabinet Report agreed a series of improvements, including improvements to the public realm, increased parking and improvements to traffic flow and pedestrian safety.
- 2.7.2 The Cabinet Report highlighted that finance for these works should be funded by the Gooshays receipt. In order to ensure the benefits were realised, the Cabinet committed that these works should be undertaken in advance of receiving the land receipt at Gooshays via a bridging agreement.
- 2.7.3 A variety of measures to improve pedestrian safety, restrict commuter parking, increasing the number of car parking spaces and enhancements to the green space have improved the vitality and viability of the shopping centre.
- 2.7.4 The first phase of works included the provision of new pavements and street furniture including lighting and benches, increased parking between Hilldene Avenue and changes to traffic flow to improve safety and the shopping environment. These measures have increased the amenity value of the public realm, and have allowed events such as the Harold Hill Christmas light switch on to occur in this central location at the end of Farnham Road.

- 2.7.5 Building on the initial works, and as part of the on-going review of parking and traffic management in the area, a further consultation ascertained the views of local residents and business on a variety of additional improvements in the winter of 2012/13.
- 2.7.6 Completed in October 2013 the works included the creation of additional parking bays through the demolition of garage units, resident and business only parking bays, a one way system through East and West Dene drives, pay and display parking and improvements to pedestrian safety through enhanced street lighting.
- 2.7.7 Separate from the Hilldene parking scheme, 32 car parking spaces have been created at Chippenham Road for local residents.

Hilldene North and East

2.8.1 The November 2008 Cabinet approved the redevelopment of the sites of Hilldene North and East to provide mainly affordable family homes.

2.8.2 The areas to the north and east of Hilldene originally provided 89 sheltered housing bungalows and flats. These properties were more than 50 years old and did not comply with modern standards.

In July 2006 Cabinet agreed a consultation with residents of Chippenham Road and Darlington Gardens based on the Council's in principle decision to dispose of the site.

2.8.3 Following the results of consultation with the affected residents and the November 2008 Cabinet, the sheltered housing complexes at Darlington Gardens and Chippenham Gardens were closed and residents were offered improved and fit for purpose accommodation

2.8.4 Planning permission was granted early in 2013 for residential development on both sites, comprising 100 units on the North site, of which 58% are affordable housing, and 72 units on the East site, all of which are to be provided as affordable housing. Work to implement these permissions has recently commenced on both Hilldene North and East. The current phase of development will provide 83 of the total units. The majority of the affordable housing, around 130 units, is scheduled to be completed by Notting Hill, the developer of the site, by March 2015. This will provide much needed locally available homes helping local people to stay in the area. The remaining private housing consisting of 42 units is currently scheduled for completion at the end of 2016.

2.8.5 To reinforce the benefit of the new high quality family homes to local people, an innovative local lettings plan will apply on this site. The plan, operational from the date of the first available rental property, will allow the Council to have 100% nomination rights on the first phase of lettings of affordable housing units. The local lettings plan is an amendment to the standard

allocations policy, and gives Harold Hill residents top priority when bidding for homes.

- 2.8.6 The Council, further responding to residents wishes, ensured that no development on either site was over 3 storeys in height. In addition, both sites will provide adequate parking for cars and additional cycle storage.
- 2.8.7 In addition to payments relating to legal agreements (S.106) attached to the planning consent, received for both sites for infrastructure investment, totalling over £100,000, both planning permissions include the requirement for the developer to undertake a training and recruitment scheme for local people to be employed during construction.
- 2.8.8 The November 2008 Cabinet agreed certain elements of the site could, if deemed suitable, be retained for alternative purposes other than housing. Separate from the housing development Abercrombie House and 153 Hilldene Avenue have been identified for separate developments.
- 2.8.9 The site of the Abercrombie House hostel was originally included within the Hilldene North site. The Council, after an options appraisal, has improved the hostel, investing £1million. The site now provides 33 rooms with beds, a sink and a fridge, offering space and privacy for residents increasing the borough's offer to vulnerable homeless people.
- 2.8.10 The petrol filling station, existing Library site and 153 Hilldene will be brought forward for disposal separately in due course.



Images: Hilldene North and East

Library

- 2.9.1 Cabinet in November 2008 agreed that a new Library should be provided in Harold Hill, funded from the sale of land at Gooshays.

2.9.2 After a detailed feasibility, East Dene Arcade was identified as the preferred site for the new Library, which would provide improved facilities compared to the existing 1950s library building located along Hilldene Avenue.

2.9.3 Planning permission was granted in August 2013 and preliminary work has begun on delivery of the library which will be over 50% bigger than the present building. The building will become a centre of community activity and provide a range of upgraded facilities. The scheme will improve the public realm of East Dene Arcade, complimenting previous works undertaken in the Hilldene area. This focus of activity within the Hilldene shopping area will create increased footfall along Farnham Road having a positive effect on local businesses in the area and supporting the housing at Hilldene North and East.



Images: Concept images of the Harold Hill Library

Learning Village

2.10.1 The November 2008 Cabinet Report agreed to establish a new Learning Village including the replacement of Kingswood School with an Academy for 11-19 year olds sponsored by the Drapers Company and Queen Mary (a college of the University of London).

2.10.2 It was reported that 86% of residents supported the proposals and Cabinet agreed that the site should include:

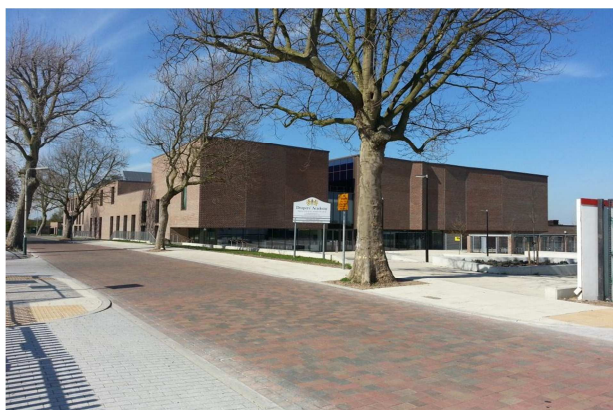
- Replacement of Kingswood School with an Academy, sponsored by Drapers.
- Nursery and Children's Centre
- New Primary and Special Schools to replace Pyrgo and Dycorts
- New Havering College of Further and Higher Education Campus, replacing the Quarles site

2.10.3 The new Drapers Academy building was officially opened by Queen Elizabeth II in September 2012. Drapers Academy, a school with a maths and science speciality, is now located in a new £24 million state of the art building complex. Financed through the Drapers Livery Company, this

landmark building has enabled the range of education to increase beyond the age of 16, and now provides education for 11-19 years old.

2.10.4 Educational attainment of the school has increased rapidly. In 2012 pupils securing five good GCSEs, including English and Maths, increased to 62%. This is a significant improvement from 27% achieved by the former Kingswood School in 2009.

2.10.5 The Academy has an established link with Queen Mary College (a college of the University of London). This coincided with the opening of the Academy's sixth form college. The partnership will provide an important link to Higher Education for the pupils of the Academy and children within Harold Hill. The Academy has also provided a key link to the Harold Hill Community, offering £3000 of funding to the Summer Festival in 2012, 2013 and 2014.



Images: The Drapers Academy building and opening by The Queen.

2.10.6 The council continues to provide family support in the learning village area through outreach from two local children's centres. These include universal groups and targeted support for those most in need. Pyrgo School have taken over the site of the Pyrgo Children's Centre where pre-school provision will be established.

2.10.7 To complement the new Academy building, investment of £100k was secured by the Council from TfL's Local Implementation Plan for improved pedestrian safety outside the school, providing a better link between the street and the Academy's central plaza.

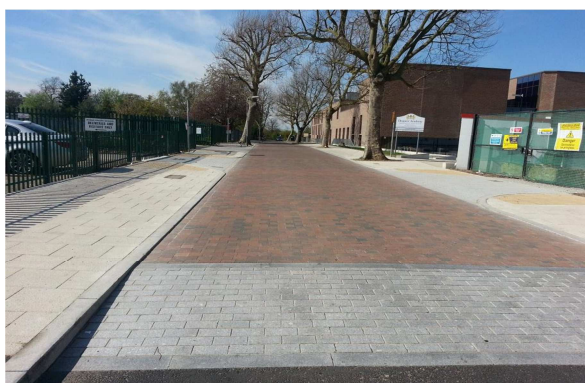


Image: Improvements along Settle Road

2.10.8 Original plans included in the November 2008 Cabinet Report for the Learning Village were based on previous DfE funding streams and programmes. However due to Central Government funding changes, refreshed plans and options are being considered in partnership with key stakeholders to deliver this vision.

Young People

2.11.1 Cabinet in November 2008 agreed that work should continue with young people and partners of the Council to develop a wide range of accessible, affordable and exciting positive activities and information, advice and guidance services that young people can access.

2.11.2 A key recommendation from the November 2008 cabinet report highlighted that residents expressed an aspiration that they wanted 'more for young people to do'.

2.11.3 In addition to the vastly increased youth offer through the provision of myplace, the programme has continued to engage young people in positive activities.

2.11.4 Young people have been involved in various projects funded through the Community Programme, from activities such as performing at the Summer Festival to getting involved with the design of the public art figures included in the Central Park Portrait Bench.

2.11.5 Young people have been working with the Council, local schools and children's centres on projects such as the Healthy Cook and Eat Programme and Young Enterprise Project delivered in Drapers Academy, through the Community Programme.

2.11.6 Involving young people with the physical regeneration of Harold Hill has been an underlying theme. Projects have included the Hilldene Hoardings – where the community programme worked with a range of young people and community groups to install public art on the hoardings of the demolished sites of Darlington and Chippenham Gardens

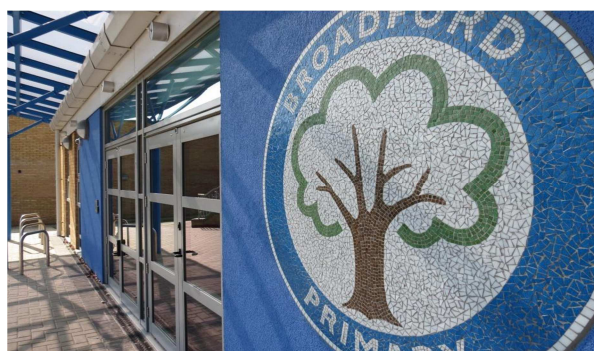


Image: The Hilldene Hoardings

- 2.11.7 In line with the original 2008 Cabinet Report where young people expressed significant support (over 90%) for improvements to local parks, high levels of targeted consultation was undertaken with young people on future proposals for Central Park, resulting in over half of the 1500 responses to the consultation coming from 11-17 year olds.

Primary Schools

- 2.12.1 The Cabinet committed to include Primary Schools in Harold Hill in the borough wide programme of improvements.
- 2.12.2 Through the schools capital programme, various schools in the Harold Hill Ambitions area have received capital investment to improve facilities.
- 2.12.3 Broadford Primary, with investment of £4.5 million, was partially rebuilt. All phases of the scheme are now complete, which includes the addition of a nursery and refurbishment of existing buildings. Improvements also include a new library, resurfaced playground, new sports equipment, a large gym, cookery room and an improved main hall. The rebuilt reception area includes a new main entrance, safer pedestrian access, an external canopy to provide outdoor shelter, sensor lights, improved safety features and improved parking.
- 2.12.4 Beyond this investment in school buildings and facilities, Harold Hill schools have been supported in increasing their offering to local children, notably via the Harold Hill Ambitions Community Programme which has financed activities such as Healthy Cook and Eat demonstrations and the opportunity for school choirs to perform at the Harold Hill Summer Festival and Christmas event. As a result of the partnership between the Community Programme and Harold Hill schools, two received accreditation from the Food for Life Partnership, which promotes and rewards schools for promoting healthy eating.
- 2.12.5 Harold Hill Schools have responded positively to the Harold Hill Ambitions Programme, such as actively engaging pupils in the physical regeneration of the area, such as the Central Park consultation. Schools also continue to be engaged in the programme through a regular e-bulletin service and events such as the Harold Hill Ambitions Christmas Event.



Images: Broadford Primary School

Children's Centres

- 2.13.1 Cabinet committed to ensuring that Children's centres should continue to be integral to the implementation of the Harold Hill Ambitions Programme, notably through the projects included in the community programme.
- 2.13.2 Various projects, undertaking targeted intervention, have utilised the Harold Hill Children's Centres, including allotment visits for single fathers and children funded through the Harold Hill Ambitions Community Programme.
- 2.13.3 Children's centres continue to work in partnership with Havering Adult College, Havering College of further education, local schools and JCP around employment and skills building. Children's Centres have recruited volunteers for each of their centres and are continuing the recruitment drive into 2014.
- 2.13.4 Further work will be undertaken to engage users of the centres in the emerging Skills and Employment Programme.

Ingrebourne School

- 2.14.1 Cabinet decided in November 2008 to bring forward proposals for the future use of the former Ingrebourne School by community groups or organisations in consultation with the community.
- 2.14.2 Following Cabinet's decision and a subsequent more detailed report in March 2009, the former Ingrebourne site was appropriated for community use. Part of the Harold Hill Ambitions Programme Budget was utilised to support the transition and conversion of the school to a community asset in the north of Harold Hill
- 2.14.3 A bidding process was undertaken with preferred bidders from the community and voluntary sector identified in 2010. Two local organisations; the Romford Drum and Trumpet Corps and Family Information Group, are now located at the site, providing a valuable resource to the local community through their own charitable activities and through the additional availability of community space on offer.
- 2.14.4 Further support to local community groups has been provided via the Harold Hill Community Programme, Small Grants Programme and Gooshays Community First, which is administered locally through the Ambitions Community Programme. Projects have included funding for improvements to the site ranging from accessible facilities to family advice sessions.

Briar Road

- 2.15.1 The November 2008 Cabinet report committed to bringing forward proposals for the improvement of Briar Road Estate in line with the preferences expressed following consultation with local residents
- 2.15.2 Consultation commenced in October 2008 and focussed on the aspirations of local people and engaging them in the regeneration of the estate. Since this time a series of public meetings held on the estate have involved local residents in the development of the regeneration proposals for the estate from the initial options stage, to ratification of finalised plans.
- 2.15.3 In addition to physical regeneration of the estate, the Council was keen to work with the local community to address a range of community issues such as anti-social behaviour and crime.
- 2.15.4 The Briar Residents Action Group (BRAG) was therefore established to provide a vital link between the council and local residents, as part of the development of physical regeneration proposals for the area, and to help address the issues faced by local residents on the estate.
- 2.15.5 Since the creation and funding of BRAG, supported by the Baroness Newlove initiative - local residents have become engaged with the local authority and statutory organisations in addressing local issues such as anti-social behaviour, and communicating to the wider population information about the regeneration on the estate.
- 2.15.6 Since the group was set up, crime on the estate has been reduced, with overall crime down, and burglary from September 2011 to September 2012 down by 47% (this period was used as a measure as this was six months after the establishment of BRAG). This reduction has been sustained. BRAG meetings are well attended, with funding now secured for the continuation of a community shop where residents can visit to report incidents of crime and gain advice on housing or specialist information from other services. The shop is now largely run by volunteers from the Estate with support from the Council.
- 2.15.7 To address the issues of the quality of the housing stock highlighted in the original November 2008 Cabinet Report, a programme of regeneration which includes 33 separate sites has been developed, resulting in a net gain of 102 homes.
- The first phase of work, undertaken by Notting Hill Housing Trust, includes the construction of all the housing units, which will all be for affordable rent and includes environmental improvements to street lighting and carriageways. Phase 2 includes potential improvements to the shopping arcade, with options currently being considered, which will add to the amount of housing delivered on the site.



Images: Works have commenced on the Briar Road Estate, including Bosworth Field

In addition to new family housing, additional investment has been seen throughout the estates existing housing stock as part of the Decent Homes Programme.

- 2.15.8 The Briar Local Lettings Plan will feature the same elements as the Hilldene Plan, with the addition that further preference will be given to Briar Road Residents specifically. The Council will also retain nomination rights on 100% of new properties (net gain to the original housing stock). This plan will deliver on views expressed during original feedback obtained in the Harold Hill Ambitions initial consultation, which indicated residents of the estate would like local people to benefit from the new housing being constructed in the area.
- 2.15.9 The £300k investment in Bosworth Field green space is included in the regeneration proposals for the Briar Road. These proposals were developed in partnership with the local community. The site prior to this investment provided little amenity value to the area. Facilities includes a new football pitch, multi-use games area, improved planting and play equipment. The works will complement the adjoining refurbished Betty Strathern centre.
- 2.15.10 Throughout the construction period of the 33 separate sites, a local employment programme will be undertaken in partnership with Notting Hill's 'Construction Training Initiative' that aims to offer local unemployed people the chance to become skilled trades people in the industry.

Betty Strathern Centre

- 2.16.1 Cabinet agreed to complete the refurbishment and extension of the Betty Strathern Community Centre to provide improved youth facilities and a resource for the wider community.
- 2.16.2 With funding of £1.1 million to refurbish and extend the centre from the Big Lottery Fund, Veolia Havering Riverside Trust and from the Council, the

community facility has been refurbished. The centre provides a variety of community services, including an IT suite, high quality rental space and specific youth area.

Crime and anti-social behaviour

- 2.17.1 The Council committed to continue to work in partnership to develop a wide range of responses to reduce concerns about crime and anti-social behaviour in Harold Hill.
- 2.17.2 Crime is managed in the Locality by the North Area Safety Group, a group of stakeholders including Police.
- 2.17.3 The work of this partnership has successfully reduced crime in Harold Hill. The rate of all crimes since the Ambitions Programme begun has reduced in Gooshays and Heaton from rate of 91 in 2008/09 in Gooshays to a rate of 78 in 2012/13 (per 1000 population). More significant is the improvement in the Briar Road estate, which has reduced from 253 offences in 2008/09 to 172 in 2012/13.¹

Garage sites

- 2.17.1 The issues associated with vandalised and under-used garage sites were initially covered in the November 2008 Cabinet Report with a recommendation, "That the Head of Housing and Public Protection be authorised, in line with resident consultation and feasibility testing, to bring forward options for garage sites (on a separate Cabinet report)."
- 2.17.2 In September 2009 a Cabinet agreed that a number of these sites were no longer viable for their existing use and authority was given to
'...commence the process of procuring a development partner or partners for the provision of new housing, including affordable housing, on sites where this would be viable'
- 2.17.3 Cabinet agreed that 100% of the income from the sale of sites would be invested in further housing or regeneration activity.
- 2.17.4 When the Harold Hill Ambitions Programme was developed it was recognised that the locality had a large number of garage courts, within residential areas. Although a number of these sites were well used and maintained, many were underused and acted as magnets for anti-social behaviour and fly tipping. These hard-to-let garage sites typically lacked natural surveillance and were not always close to people's homes.

¹ Source. london.data.gov.uk

- 2.17.5 A number of these sites were of sufficient size to develop a mixture of houses built to high quality design standards, including affordable housing for local people and for people with disabilities.
- 2.17.6 To date, over 120 housing units have been created within phase one, turning underused areas with minimal amenity value in to areas of high community value. Once completed phase one will provide 139 housing units for families and disabled residents.
- 2.17.7 Phase two will provide additional family housing for those wishing to buy their own properties.



Images: Navarre Gardens 'before' and 'after'

Roads and Pavements

- 2.18.1 The November 2008 Cabinet report agreed that a package of improvements were to be undertaken funded by the Gooshays receipt which would improve the street scene throughout Harold Hill. These works were to be undertaken in advance of the Gooshays receipt via a bridging agreement.
- 2.18.2 Residents throughout the consultation process identified the importance of improving roads and pavements.
- 2.18.3 To date there has been significant investment in roads and pavements in the Harold Hill Ambitions area totalling £2 million. This has included a variety of carriage and footway improvements including major roads such as Gooshays Drive, Petersfield Avenue and Dagnam Park Drive in addition to smaller residential roads of Dudley Road and Edenhall Road.
- 2.18.4 In addition a number of schemes have been delivered with support from Transport for London LIP in the Harold Hill area. This has included; complimentary footway and carriageway works on Settle Road adjoining the new Drapers Academy and drop off at the Gooshays Drive health clinic, public realm improvements along the Gooshays Drive/Gubbins Lane Corridor and environmental improvements to the Briar Road Estate.

Local Shopping Areas

- 2.19.1 Due to the importance of local shopping areas, which are essential to the vibrancy of a local economy, the November 2008 Cabinet agreed that a variety of street and pavement improvements should be undertaken.
- 2.19.2 A variety of improvements have been undertaken across the shopping centres in the Harold Hill locality. This has included improvements to the public realm at Petersfield Avenue which includes improved cycling facilities and footway and improvements along Whitchurch Road.
- 2.19.3 In addition to the road and pavements improvements contained within the Hilldene improvements, and at Petersfield and Whitchurch, the Council will undertake investment of approximately £190,000 in Council owned shopping units, in areas such as Petersfield Avenue.

Public Transport

- 2.20.1 To ensure the on-going vibrancy of the various sites in Harold Hill and ensure best value, the November Cabinet Report agreed that the Council liaise with Transport for London and partners to develop and implement projects that improve public transport, and other sustainable modes of transport.
- 2.20.2 The Council has worked with Transport for London and other partners to develop and implement projects that improve public transport, and walking and cycling amenities in Harold Hill. This has included obtaining funding and improvements to service delivery.
- 2.20.3 Investment to date within the Harold Hill area via TfL's Local Implementation Plan has totalled £160,000. Schemes have included a variety of improvements including Settle Road with upgrades to the public realm which complement the newly constructed Drapers Academy building and central plaza; improvements to pedestrian safety and enhanced access to Harold Wood station (increase in footway width and removal of excess street furniture); preliminary investigation into road widening at the intersection of Gubbins Lane and the A12. Further schemes in Harold Hill will be implemented within the 2013/14 allocation, complementing works along Settle Road and upgrading bus stops in the Harold Hill area to meet the appropriate accessibility standard.
- 2.20.4 The Council continues to lobby TfL to further increase capacity of the bus network and link strategically important sites throughout Harold Hill. Long term aspirations that will continue to be discussed with TfL include improving bus access to the Polyclinic site and new housing sites.
- 2.20.5 Additional support to the bus network has been provided through the extension throughout 2013/14 of the Harold Link service, which now

operates Monday to Friday and links sites such as the Polyclinic to areas not served on the traditional bus routes.

- 2.20.6 As part of the legal agreement (S106) payment on the Gooshays planning permission, a specific amount will be paid by the developer to TfL to improve local public transport.
- 2.20.7 Crossrail is potentially a huge opportunity for Harold Hill and Harold Wood. To ensure this benefit is realised the Council has been working closely with TfL and Crossrail to ensure designs for Harold Wood Station improve both the function of the station and the accessibility and inclusivity of the surrounding environment.
- 2.20.8 As previously stated the Council secured funding from Sustrans and Transport for London to create a 13 mile cycle route starting in Dagnam Park through to Rainham. Phase one, which is predominantly located in Harold Hill was launched with a community event, hosted by the Harold Hill Ambitions Community Programme. The event included guided walks and cycle rides, in addition to links with the historic environment of Dagnam Park.

Opportunities for Older People

- 2.21.1 The Cabinet agreed in November 2008 to incorporate the conclusions of the 2008 consultation on day care facilities into the delivery of the programme and to ensure that opportunities to involve and engage older people were maximised in taking forward the key regeneration proposals in Harold Hill Ambitions.
- 2.21.2 Throughout the Ambitions Programme and on-going consultation on projects such as Central Park, older residents have been actively engaged in discussions relating to the Programme, including direct updates through presentations at the Harold Hill Library and quarterly update of the Harold Hill Ambitions Newsletter.



Images: Briar Road Older Persons' Event.

- 2.21.3 Specific projects such as the Over 65s consultation project, Briar Road Older Persons' Event and Intergeneration events have improved the lives of older people throughout Harold Hill, increasing their knowledge of the support available in the locality and improving cohesion with other sections of the community.

Extended Health Services

- 2.22.1 Cabinet agreed in November 2008 to continue to work with the PCT and partner organisations to further improve and develop healthcare services across Harold Hill.
- 2.22.2 Work is still on-going with the Havering's Clinical Commissioning Group (CCG) who are responsible for health service provision and with Public Health on programmes such as increasing access to the Harold Hill Polyclinic.
- 2.22.3 Due to this partnership, improvements in health have been seen since the Ambitions Programme began. This has had a financial impact with less people reliant on incapacity benefits; in 2008, 9.5% of the 16-64 population in Gooshays claimed this benefit as opposed to 7% in 2011.
- 2.22.4 The Ambitions Programme has complemented delivery of health provision in the area, utilising volunteers through a variety of projects included in the Community Programme, such as the Briar Road Older Persons Event.
- 2.22.5 To further reinforce this work, the Council proposing to focus future activities of the Community Programme on improving health outcomes working with Public Health and the CCG alongside addressing skills and employment in the area.



Images: Healthy Cook and Eat Programmes run in schools and the local community

‘Employment ‘Job Brokerage’

- 2.23.1 The November 2008 Cabinet Report agreed there was a need for the Council to continue to work with partner organisations to obtain funding for a job brokerage programme to be based at the library.
- 2.23.2 The percentage of Job Seekers has reduced by 15% since October 2009 in Gooshays. Key Out of Work Benefits have improved (a reduction of 11.8%) faster than the London average of 9.5%.
- 2.23.3 The Council has worked to address employment issues through a variety of projects, working with partners such as Job Centre Plus (JCP) to support job clubs in the locality such as Briar Road or delivery of direct job brokerage programmes such as Jobnet. The Council has sought to increase the skills of local residents throughout outreach events which focus on skills building and volunteering opportunities.
- 2.23.4 In the next stage of the programme, in addition to focussing on other key issues facing Harold Hill, the Council is undertaking work to assist residents in obtaining employment such as seeking funding to implement a job brokerage programme to be based at the new Library in Harold Hill.

Dagnam Park

- 2.24.1 The Council, in November 2008 committed to enhance the Dagnam Park’s natural environment for families to enjoy and to draw up proposals for access improvements to be funded from Gooshays Drive site capital receipt.
- 2.24.2 Dagnam Park was extended by 190 acres after planning permission was obtained to convert land from agricultural use to public open space. Additional land parcels are being acquired, which will increase the site by 200 acres, making the area the largest park in Havering. Funding was agreed in advance of the Gooshays capital receipt to allow the project to move forward.
- 2.24.3 The majority of Dagnam Park, including the extension, is covered under a new Higher Level Stewardship agreement which began in May 2013. This agreement provides a framework and financial incentive of £23k annually to manage the area in a way that is beneficial for both the landscape and wildlife for the enjoyment of local people.
- 2.24.4 The Friends of Dagnam Park and Broxhill Angling Club have both been supported financially by the Harold Hill Community Programme to undertake projects in the park, further supporting the site’s amenity value to local people, including on-going educational talks and pond maintenance.
- 2.24.5 Funded by the BIG Lottery, phase one of a new Ingrebourne Way Connect 2 cycle and footpath through Harold Hill was completed in 2011. This travels in from Noak Hill to the River Thames at Rainham.

- 2.24.6 Additional funding is being sought to enhance the site's historic and natural significance, promoting improved access to open space and nature.
- 2.24.7 Two additional football pitches have been provided at Dagnam Park, funded as part of the re-provision of pitches arising from the disposal of the Gooshays site.

Friends of Parks Groups

- 2.25.1 The November 2008 Cabinet Report agreed that the Council should support Friends of Parks Groups to make best use of the green spaces in Harold Hill.
- 2.25.2 Prior to the physical investment at Central and Broxhill Parks, in-depth consultation has occurred with local people to ensure facilities meet the aspirations of local people.
- 2.25.3 Funding, via the Harold Hill Ambitions Community Programme has supported the aims of existing groups such as the Friends of Dagnam Park. Additional groups will be established as physical works on parks are further advanced.

Working with the Community

- 2.26.1 The November 2008 Cabinet Report committed to initiating a three-year social regeneration programme and that the programme be developed to ensure local people benefit from and play an active role in the regeneration of Harold Hill both in the short and long term.
- 2.26.2 Working in partnership with over 50 internal and external organisations the Community Programme, initiated in August 2009, has helped to ensure that services are, where possible, tailored to meet local needs. Key elements of the programme not only included providing links between local residents and the Council but also promoting volunteering, improving residents' skills and the strengthening of community spirit.
- 2.26.3 The Community Programme has delivered a variety of outcomes against its initial business case, such as, distributing £50,000 in grants to local grassroots community groups to undertake projects in the local area, securing central government investment of £54,000 for groups in the Gooshays Ward, establishment of a partnership of local people willing to deliver the Summer Festival beyond the Community Programmes operation, delivery of 32 separate community based events focusing on a variety of themes from volunteering and employment support and to older persons support events.



Images: The Harold Hill Summer Festival (left) and Broadford Primary School Choir performing at the Harold Hill Christmas Event (right)

2.26.4 The programme has established an important link between local residents and the physical programme of works, such as engaging over 1500 residents in the planned improvements at Central Park and installation of Hilldene artwork hoardings. The level of this success is emphasised by local residents who sit on the grants assessment panel on a voluntary basis and volunteers who support events such as the Christmas event.

2.26.5 The programme has delivered a thorough and consistent communications strategy relating to the wider programme including, quarterly newsletters delivered to every household in Harold Hill, regular fortnightly press releases, e-bulletins released to 500 key members of the community and local organisations, dedicated pages on the Council website on the regeneration programme. It has also ensured positive news stories are shared, increasing resident aspirations of the area.

Havering as an Employer

2.27.1 The Council committed as a key local employer to work closely with the community and other local businesses to ensure that practical opportunities for skills development and employment experiences are available and actively promoted.

2.27.2 A Job brokerage project in Harold Hill has been delivered and the Council now works closely with the Jobcentre to identify opportunities to increase employment in Harold Hill – for example the Jobcentre have run a series of employment and skills fairs in Harold Hill to encourage participation in training and employment activity.

2.27.3 This year's Business Expo was held in Harold Hill at the myplace centre attracting a number of businesses and other participants.

2.27.4 The Council's future plans include strengthening the employability and skills of local people in Harold Hill which will further build on the reduction in

unemployment which has occurred in the area since the Programme began in 2009.

Havering Adult College

- 2.28.1 The November 2008 Cabinet Report committed to draw up proposals for integrating Adult Education with the new library and Learning Village.
- 2.28.2 In order to meet local priorities, the Adult College is continuing to utilise local community venues, such as myplace, to deliver targeted provision in the Harold Hill area. Due to reductions in the budget the Adult College receives from the Skills Funding Agency, the Council in partnership with the Adult College is currently reviewing various options around the accommodation strategy of the Adult College.

Energy Efficiency

- 2.29.1 The November 2008 Cabinet report agreed that the Council should utilise and deliver the East London Warm Zones programme, targeting households facing fuel poverty.
- 2.29.2 The Council has delivered the East London Warm Zones Programme, specifically targeting households suffering from fuel poverty. Since 2008, sixty-seven households (private housing residents) in Harold Hill have benefitted from grants through the East London Warm Zones programme to replace boilers and repair or replace broken heating systems.
- 2.29.3 In addition, funding has been allocated within the Decent Homes programme to install cavity wall insulation in Council housing and to deliver a programme of external wall insulation on non-traditional housing stock. This has improved the energy efficiency of housing in Harold Hill and helped reduce energy costs for residents facing rising energy prices.
- 2.29.4 All housing stock built within the Ambitions Programme conforms, or exceeds, current standards for energy efficiency as set out by Building Regulations and the Council's planning policies.
- 2.29.5 The myplace centre in Harold Hill is designed as a zero carbon building (Havering's greenest building). The sustainable design features include high levels of energy efficiency through the insulation, building materials and the heating and ventilation systems. There is a solar panel array on the roof which will reduce energy costs by £11,000 per year.

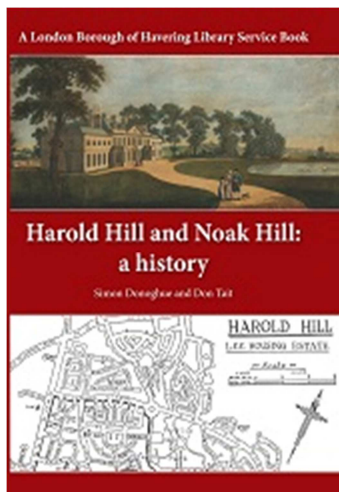
Historic Landscape of Harold Hill

- 2.30.1 The November 2008 Cabinet Report agreed that the Council should seek to obtain external funding and engage with community partners to establish

more clearly the historic development of the landscape of Harold Hill before construction of the estate in the 1950s.

2.30.2 As part of the Harold Hill Ambitions Programme the Council secured funding for the 'Heritage Lottery Fund' to compile a Heritage Walk of the area. This encompasses the built and green environment

2.30.3 The Harold Hill Book now published creates a highly detailed picture of the historic aspects of Harold Hill.



Images: The Harold Hill and Noak Hill history book and launch event

2.30.4 To ensure the historic and conservation aspects of Dagnam Park are valued as part of the recently extended park, a conservation and management plan has been produced. This will be implemented utilising a phased approach whilst the park is open to the public.

Design

2.31.1 The November 2008 Cabinet agreed that housing and other buildings should reflect the design and distinctive character of the surrounding area which supports a sense of local pride and civic identity.

2.31.2 The Harold Hill Ambitions Programme, will deliver approximately 900 family homes in the Harold Hill area. All sites;

- Align to relevant standards concerning parking and open space
- Meet or exceed regulations concerning energy efficiency.

Sites at Hilldene North and East including Gooshays, respecting local character are not over three storeys.

To increase the variety of housing stock available in the Harold Hill area a mixture of affordable and market homes are being built, including a varied tenure and size.

- 2.31.3 Investment through the Decent Homes Programme in excess of £15 million throughout Harold Hill has ensured a number of properties has been delivered to the Decent Homes Standard. Improvements have included new kitchens and bathrooms but also structural upgrades such as roofs. Improvements, in addition to upgrading the councils existing stock, have ensured that residents' bills are reduced through the implementation of energy efficiency measures.

Implementation

- 2.32.1 In November 2008 Cabinet agreed that delivery and management of the Programme should be overseen by a Programme Board including the Leader and Deputy Leader of the Council, with the appointment of a project manager and a project co-ordinator to support the implementation of the Harold Hill Ambitions programme.
- 2.32.2 A programme board has been established with both the Leader and Deputy Leader and the Programme has been overseen by this Harold Hill Ambitions Programme Board. The Ambitions programme has delivered in line with MSP and Prince2 methodology by a Programme Manager and Programme Co-ordinator. The Project team included a Housing Stock Options Manager who has dealt specifically with the delivery of the housing focussed recommendations.

3.0 Next phases of the programme

- 3.1 The Programme to date has delivered a variety of physical improvements in the locality, with further projects at advanced stages of delivery. These improvements have included improvements to housing, education and cultural facilities, the urban realm and green spaces throughout Harold Hill.
- 3.2 Improvements to residents' lives have been seen in employment, health, community participation and reduction in crime. There still remain significant opportunities to capitalise on the substantial progress that has been made delivering the Council's commitments to Harold Hill. It is proposed, therefore, to ensure the continued delivery of key physical improvement projects and to maximise the benefits of those projects to local people through a range of initiatives delivered as part of the Community Programme.
- 3.3 In the next stage of the programme, the Council will work closely with the community and other public sector bodies to further address social issues, education, health, employment, business growth, skills, community safety and community participation.
- 3.4 In particular the next stage of the programme will focus on improving employment, skills, health outcomes and social cohesion in the area as well as engaging local people in the delivery of local services.

REASONS AND OPTIONS

Reasons for the decision:

- 4.0 Harold Hill Ambitions in its first five years of delivery has successfully delivered investment in its physical environment. Some of these schemes are completed, whilst other elements are at advanced contractual and development stages. Improvements to the community have been made, such as improvements to Life Expectancy at Birth and reduction in Unemployment. However there is still a need to continue with a targeted approach to delivery in the area and complete remaining elements of the November 2008 Cabinet Report.
- 4.1 It is envisaged that the next phase of the 20 year programme will focus on improving the life chances of local people, whilst continuing to manage out the delivery of the few remaining projects outlined in the November 2008 Cabinet report. As part of this phase the Council will work to support and improve the community of Harold Hill and ensure the new facilities built within the Programme are utilised and value for money is obtained.

Other options considered:

- 4.2 The Council, as part of its on-going management of the Programme constantly seeks to improve delivery with various options considered throughout the Programme. These include various options considered as part of the initial scoping of the Programme prior to the original November 2008 Cabinet Report.

IMPLICATIONS AND RISKS

Financial implications and risks:

- 5.0 This report is primarily reporting outcomes against plan, and has no specific financial implication. Moving forward, once infrastructure plans are complete, Programme spend will largely be revenue spend, within existing resources.

Legal implications and risks:

- 5.1 Legal implications will be identified as specific projects are taken forward.

Human Resources implications and risks:

- 5.2 It is not envisaged that the Programme will require additional staff resourcing, however if required; Employment of new staff will follow the Council's human resources policies. In addition as a key local employer the Council will work closely with the community and other local businesses to ensure that practical opportunities for skills development and employment experiences are available and actively promoted

Equalities implications and risks:

- 5.3 The Harold Hill Ambitions regeneration programme is expected to have a significant positive impact on local residents and businesses over its 20-year implementation period.
- 5.4 The implementation of the programme has already improved and will further improve the quality of life, health and well-being of Harold Hill residents across all protected characteristics, particularly older people, disabled residents, children and young people, socio-economic and other vulnerable groups.
- 5.5 Some of the positive equality and diversity outcomes from the programme, include;
- Reduced social and economic exclusion
 - Improved community cohesion and enhanced community spirit
 - Improved green spaces and the urban realm
 - Created new and affordable housing solutions for local people
 - Improved education and training facilities
- 5.6 The Programme will continue to align to the Harold Hill Ambitions Equality Analysis report 2012-15, which will be reviewed as required. Any potential/likely negative impact is identified and addressed as part of individual projects' management and monitoring arrangements. Where required, relevant projects within the programme will continue to be subject to separate Equality Analyses.

BACKGROUND PAPERS

Background Papers List

None

CABINET

22 JANUARY 2014

Subject Heading:

Havering Nature Conservation and Biodiversity Strategy

Cabinet Member:

Councillor Andrew Curtin

CMT Lead:

Cynthia Griffin

Report Author and contact details:

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Policy context:

“Living Ambition” / Culture Strategy

Financial summary:

Addressing the key issues identified within the Strategy can be contained within existing and planned revenue funding and all associated actions will be met from within existing revenue resources. Any actions requiring capital resources will be subject to separate decision making processes and will only proceed if additional capital funding, including external funding, is secured (which cannot be guaranteed at this juncture).

Is this a Key Decision?

No

When should this matter be reviewed?

November 2014

Reviewing OSC:

Towns and Communities

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

<i>Ensuring a clean, safe and green borough</i>	[x]
<i>Championing education and learning for all</i>	[x]
<i>Providing economic, social and cultural activity in thriving towns and villages</i>	[x]
<i>Valuing and enhancing the lives of our residents</i>	[x]
<i>Delivering high customer satisfaction and a stable council tax</i>	[x]

SUMMARY

This report seeks Member approval for a Nature Conservation and Biodiversity Strategy for Havering, which will provide a framework for the Council and its partners to progress nature conservation and biodiversity work in the borough for the next three years (2014-16).

RECOMMENDATIONS

To agree to the Havering Nature Conservation and Biodiversity Strategy attached to this report as Appendix 1.

REPORT DETAIL

1. Havering's Local Biodiversity Action Plan (BAP) is now over 10 years old and is in need of updating. This update should take account of the significant progress that has been made in promoting, protecting and enhancing biodiversity in the borough in the last decade, as well as the new challenges facing those involved in the delivery of the nature conservation agenda. The Havering Nature Conservation and Biodiversity Strategy attached as Appendix 1 aims to provide that update.
2. The Strategy notes the Council has taken opportunities to increase the size of parks and green spaces over the years, recently adding approximately 80 hectares to Dagnam Park in 2013; confirming 55 hectares as Rainham Wildspace in 2012; identifying 23 acres to be managed by the Council as a new nature reserve (adjoining Wildspace); adopting Hornchurch Country Park in 1980; adopting Havering Country Park in 1986 and enhancing the nature conservation value of spaces in town centres, through initiatives such as the wild flower planting next to Central Library in Romford.

3. This Strategy concentrates on the many important species and habitats that are characteristic of Havering, as well the role that the Council and its partners can play in supporting them. The Strategy also provides a chance to take a more co-ordinated approach to addressing nature conservation and biodiversity issues, pulling together the work which has begun as a result of the BAP, ensuring co-ordination across services and through partnerships and grasping new opportunities that arise.
4. One of the themes of this strategy is to identify actions that will better connect Havering's town centres to their surrounding green spaces and countryside. This will benefit both the wildlife that need "green corridors" to move about and thrive and give people better opportunities to access, enjoy and protect the natural environment they live in.
5. The strategy is in line with and builds upon, local and regional planning policies which seek to protect and enhance nature conservation and biodiversity in the borough and recognises the important role that this has in generating a high quality of life for Havering residents.
6. Havering has wildlife and wild places to be proud of. As an outer London Borough encircled by Green Belt land, Havering is custodian of countryside and wildlife that is important not only for those that live and work in the borough but for many other Londoners as well. Even among the outer London boroughs, Havering's biodiversity is notable. Its historic parks, river valleys and Thames-side marshland hold a significant proportion of London's entire resource of some priority habitats. Its private gardens are home to a national priority species, the stag beetle, and Havering is also the stronghold in London for two other national priority species: water voles and great crested newts. Within Greater London, Havering has 56% of the grazing marsh, 31% of the reed beds, 31% of the floodplain grassland, 25% of the marshland and 19% of the lakes and ponds, in all cases more than any other London borough.
7. Over 50% of Havering is in the Green Belt which, apart from the south of the borough, almost entirely surrounds the built up areas of the borough separating it from the rest of London to the west and the built up areas of Essex to the north and east. The borough itself has over 100 parks and open spaces, including the two country parks, Havering Country Park and Hornchurch Country Park.
8. From a nature conservation point of view Havering is characterised by woodlands and unimproved grasslands in the north of the borough and reed beds and marshland in the south, each influenced by variations in soils, topography and land use. These habitats, in turn, support a variety of wildlife including those species associated with woodland and unimproved grassland for example veteran trees, bats, woodland birds and a number of uncommon plant species; to those associated with wetlands including water voles, bitterns and wading birds. The main rivers in Havering, the

Ingrebourne, Rom and Beam provide a green link from the north to the south of the borough supporting species such as kingfishers, whilst the many ponds provide a stronghold within greater London for great crested newts and a diversity of insect life. In addition to the variety of habitats found in the borough provide an environment that supports four native reptile species including adders, the slow worm, the common lizard and the grass snake.

9. Significant progress has been made in increasing access to and protecting the natural environment since the production of the last Biodiversity Action plan. This progress includes the delivery of Landscape scale projects, the introduction of Higher Level Stewardship schemes, the building of several new visitor centres, the creation of many new wildlife corridors, the creation of grass meadows in a number of parks and open spaces and the production of a number of strategically important documents.
10. The Strategy focuses on the work that the Council and the Havering Wildlife Project, in partnership with a wide range of stakeholder organisations and residents, can do to address 18 objectives key issues that are identified in the strategy (see appendix 1 to the strategy). An Action Plan is included to ensure that nature conservation and biodiversity work in Havering is significantly enhanced in the future.

REASONS AND OPTIONS

Reasons for the decision:

To provide a strategic framework for Havering Council and its partners to work within, in order to better address a number of nature conservation and biodiversity issues in the borough.

To help ensure that the Council considers biodiversity issues in exercising its functions, as required by the Natural Environment and Rural Communities Act 2006.

Other options considered:

The option of not providing a strategic framework was rejected as it would result in a diminution of the work that Havering Council and partners would be able progress, to address the nature conservation and biodiversity issues facing the borough.

IMPLICATIONS AND RISKS

Financial implications and risks:

Addressing the key issues identified within the Strategy can be contained within existing and planned revenue funding and all associated actions will be met from within existing revenue resources. Any actions requiring capital resources will be subject to separate decision making processes and will only proceed if additional capital funding, including external funding, is secured (which cannot be guaranteed at this juncture).

Legal implications and risks:

There is no longer a requirement for the Council to produce a Biodiversity Action Plan (linked to a previous statutory duty that the Mayor of London had to produce a Biodiversity Strategy); but the Natural Environment and Rural Communities Act 2006 places a duty on local authorities to have regard to the conservation of biodiversity in exercising their functions.

Human Resources implications and risks:

None specific to this report.

Equalities implications and risks:

None specific to this report.

BACKGROUND PAPERS

Havering Council's Parks and Open Spaces Strategy
Havering's Biodiversity Action Plan
Havering Wildlife Project's "Living Landscapes" report.
The London Mayor's Biodiversity Strategy (2002)
Havering's Local Development Framework
The London Mayor's London Plan (2011)
The Lawton report "Making Space for Nature"
Government White Paper "The Natural Choice" (2010)
The "State of Nature" report (2013)

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HAVERING NATURE CONSERVATION AND BIODIVERSITY STRATEGY

1. Background

- 1.1 Havering's natural environment is formed by its soils types, the waterways and rivers that flow through and around it, and the species of plant, insect and animal which these conditions foster.
- 1.2 Havering's Local Biodiversity Action Plan (BAP), adopted in 2003 sought to take a strategic approach to the delivery of nature conservation objectives in the borough. This new Nature Conservation and Biodiversity Strategy seeks to provide a renewed framework for the Council and its partners to work within, to ensure a co-ordinated approach to nature conservation and biodiversity work in the borough. In so doing this new strategy provides an update on the existing strategy, which is now 10 years old and takes account of new ideas that have emerged since then.
- 1.3 One of the themes of this strategy is to identify actions that will better connect Havering's town centres to their surrounding green spaces and countryside this will benefit both the wildlife that need "green corridors" to move about and thrive and give people better opportunities to access, enjoy and protect the natural environment they live in.
- 1.4 This new strategy takes account of the significant progress that has been made in promoting, protecting and enhancing biodiversity in the borough in the last decade, as well as considering the new challenges facing those involved in the delivery of the nature conservation agenda.



(Deer in Bedfords Park)

2. The natural environment in Havering.
- 2.1 The Council has taken opportunities to increase the size of parks and green spaces over the years, recently adding approximately 80 hectares to Dagnam Park in 2013; confirming 55 hectares as Rainham Wildspace in 2012; identifying 23 acres to be managed by the Council as a new nature reserve (adjoining Wildspace; adopting Hornchurch Country Park in 1980; adopting Havering Country Park in 1986 and enhancing the nature conservation value of spaces in town centres, through initiatives such as the wild flower planting next to Central Library in Romford.
- 2.2 Most of Havering belongs in the Northern Thames Basin (a National Character Areas (NCA) defined by Natural England), in a sub-area termed the London Clay lowlands. The London Clay lowlands rise from a band of low-lying marshy landscapes adjoining the Thames in the extreme south of the borough, which belong to the Greater Thames Estuary NCA.
- 2.3 The higher land across the north of the borough is capped by glacial sands and gravels, producing nutrient-poor, free-draining soils. These soils support small areas of remnant lowland heathland and acid grassland, which have a characteristic richness of flora and invertebrate fauna, such as in Bedfords and Dagnam Parks, as well as at Tylers Common.
- 2.4 The rich clay soils further south, which are extensively covered by alluvial deposits, are either heavily urbanised or devoted predominantly to arable farming, with a very varied field pattern reflecting historical activity. A number of small ancient woodlands are dotted across this landscape, typically on land regarded as too difficult (because of hydrology or topology) to develop or farm. There is an extensive network of ponds and small lakes populated by amphibians, including most importantly great crested newts.
- 2.5 Throughout its history the Thames has followed different courses across the landscape, leaving behind terraces of sand and gravel, most of which has now been extracted. Much of the land affected has since been used for landfill. The small areas of gravel that remain and some of the post-extraction sites have developed a nationally important open mosaic habitat supporting significant invertebrate populations, including nationally rare species such as shrill and brown-banded carder bees.
- 2.6 The Beam/Rom and Ingrebourne river systems drain predominantly from north to south into the Thames along courses incised into the clay. The Ingrebourne in particular supports an important population of water voles and, in the form of the Ingrebourne Marshes Site of Special Scientific Interest (SSSI) towards its southern end, contains the largest single area of floodplain grassland and the largest continuous reed bed in Greater London.



(View of the River Ingrebourne)

- 2.7 The estuarine habitats beside the Thames, which include (in Havering, part of) the Inner Thames Marshes SSSI, are internationally important for their biodiversity interest, supporting large numbers of overwintering and breeding wetland birds, rare plant and invertebrate species, and diverse marine wildlife.
- 2.8 Havering has wildlife and wild places to be proud of. As an outer London Borough encircled by Green Belt land, Havering is custodian of countryside and wildlife that is important not only for those that live and work in the borough but for many other Londoners as well. Even among the outer London boroughs, Havering's biodiversity is notable. Its historic parks, river valleys and Thames-side marshland hold a significant proportion of London's entire resource of some priority habitats. Its private gardens are home to a national priority species, the stag beetle, and Havering is also the stronghold in London for two other national priority species: water voles and great crested newts. Within Greater London, Havering has 56% of the grazing marsh, 31% of the reed beds, 31% of the floodplain grassland, 25% of the marshland and 19% of the lakes and ponds, in all cases more than any other London borough.



(Purple Loosestrife, growing on the edge of the large pond in Bedfords Park)

- 2.9 Over 50% of Havering is in the Green Belt which, apart from the south of the borough, almost entirely surrounds the built up areas of the borough separating it from the rest of London to the west and the built up areas of Essex to the north and east. The borough itself has over 100 parks and open spaces, including the two country parks, Havering Country Park and Hornchurch Country Park.
- 2.10 The Council is committed to preserving and enhancing the Borough's biodiversity and aims to do this by protecting the most important areas of semi-natural habitat. This particularly applies to statutory sites in the Borough. The statutory sites are SSSIs and Local Nature Reserves (LNRs) and the non-statutory sites are the Sites of Importance for Nature Conservation, which are based on a hierarchy of sites (Metropolitan including Sites of Special Scientific Interest, Borough Grade I, Borough Grade II and Local). These sites have been identified according to the criteria set out in Appendix 1 of the Mayor's Biodiversity Strategy and are set out in the GLA/Havering 'Sites of Importance for Nature Conservation' document (November 2006). Appendix 3 includes reference to these sites.

2.11 The principal designation for sites and habitats of national importance is a SSSI. These sites are designated and protected under the provisions of the Wildlife and Countryside Act 1981 (as amended) and the Countryside and Rights of Way Act 2000. The Council has a duty under the Natural Environment and Rural Communities (NERC) Act (2006) to further the conservation and enhancement of such sites. The purpose of SSSI's is to safeguard sites of high natural importance for current and future generations. SSSI's within Havering are:

- Ingrebourne Marshes (TQ 538 842);
- Inner Thames Marshes (TQ 528 804);
- Hornchurch Cutting (Geological SSSI) (TQ 547 873)

2.12 Under powers given in the National Parks and Access to the Countryside Act 1949, local authorities have the power to acquire, declare and manage land as Local Nature Reserves (LNR's). The function of a LNR is principally to preserve features and areas of special interest and to provide opportunities for the study and enjoyment of their natural interest. The Council also has a duty under the NERC Act (2006) to further the conservation and enhancement of such sites. Havering currently has seven designated LNRs:

- The Chase (jointly managed with LBBD) (TQ 512 863);
- The Manor (TQ 550 930);
- Ingrebourne Valley (TQ 538 842);
- Cranham Brickfields (TQ 580 881);
- Cranham Marsh (TQ 565 854);
- Bedfords Park (TQ 518 923);
- Rainham Marsh (TQ 528 804).



(Kestrel nest in Bedfords Park)

2.13 In a largely suburban setting such as Havering, work is required to achieve a balance between the urban and natural environ. In respect of this a review of wildlife corridors in Havering has recently been undertaken

by the Havering Wildlife Project: the review is attached to this paper as appendix 4. Wildlife corridors often follow natural and man made linear features, such as water courses, roads and railways, through urban areas. Appropriate protection and ecological enhancement of these corridors, as outlined in the borough's Special Planning Document (SPD) on protecting and enhancing biodiversity (see appendix 4) can have the benefit of connecting significant areas of wildlife habitat and, in so doing, to moderate some of the adverse ecological effects of habitat fragmentation. There are a number of formally established Wildlife corridors in Havering, which are included in the Council's Local Development Framework and listed in Appendix 5 of this strategy.

- 2.14 The aims of protecting and enhancing wildlife corridors are:
- (a) To provide safe havens for species and to provide routes for their safe movement in a natural setting;
 - (b) To allow people to better access to areas of nature conservation value, to both the corridors themselves and the natural locations that they connect to;
 - (c) In Havering, to link the high-value natural areas to one another and to developing sites such as those recently planted within the Thames Chase Community Forest; to improve links northwards and eastwards from the Inner Thames Marshes SSSI and the Thames Corridor; to improve links to high-value sites outside the borough, including to Hainault Forest to the north-west and to the Thorndon complex to the north-east and to support existing corridors in the west of the borough, via the Beam River and the Dagenham Corridor.
- 2.15 The rivers in the borough are, in the most part, included either in wildlife corridors, SSSIs, LNRs or other sites of nature conservation interest. The London Plan stresses the importance of a valuable series of habitats known as the Blue Ribbon Network. The Council aims to protect and enhance the biodiversity of this network by implementing policy 4C.3 of the London Plan.
- 2.16 In comparison to other London boroughs Havering has a high density of ponds (2 per sq.km) that supports important key species such as great crested newts. However, there is a need to improve the management of both ponds and associated terrestrial habitats, to avoid a fragmentation of Havering's pond landscape.
- 2.17 Havering is the 6th most wooded borough in London. Trees make a valuable contribution to the quality of life in Havering. They do this in a number of ways including softening the visual impact of buildings, helping to define urban spaces and framing and consolidating views. Trees and woodlands form valuable habitats for a wide range of wildlife and they also play an increasingly important role in improving air quality and reducing the harmful effects of climate change.
- 2.18 The larger blocks of semi-natural woodland are concentrated in the north of the borough, forming part of the attractive wooded Havering Ridge,

which runs from Hainault Forest to Brentwood. Much of the woodland is concentrated around the historic landscapes of Havering Country Park, Bedfords Park, Pyrgo Park (private) and Dagnam Park. The majority of these woods are oak, hazel, ash and hornbeam. There are occasional exotic woodland areas, including a large sequoia avenue at Havering Country Park.

- 2.19 There are also a number of ancient woodlands around Upminster, Cranham, Harold Hill and Belhus Woods Country Park, all designated Sites of Interest for Nature Conservation (SINC). There are also substantial areas of scrub while on the Ingrebourne River there is the largest concentration of Willow Carr in the Greater London area at Berwick Woods (10 ha)
- 2.20 The Council have recently embarked on a new initiative to regenerate the woodlands and increase biodiversity in Havering Country Park. The woodlands had not been proactively managed over many years resulting in trees such as Sycamore and Ash thriving and becoming invasive. This has the effect of crowding the ground space and causing the trees to become straight and flimsy as they competed for light. The result is there is no under storey of shrubs, wild flowers and therefore insects. By opening up the canopy and allowing light in the Council will be encouraging lower scrub growth and wildflowers, as well as encouraging the growth of smaller native trees that can be coppiced for wood products. This gives several layers of plant growth which increases the abundance of insects such as butterflies, moths and bees, which in turn increases the food supply for birds. A similar scheme in Bedfords Park has resulted in an increase in butterflies such as the Speckled Wood, which needs dappled sunlight and woodland edges.
- 2.21 The Council has employed traditional, centuries old methods of clearing felled branches and trees from the woodland areas in Havering Country Park, which is funded from the Forestry Commission and results in far less damage to the natural environment in comparison to using vehicles.



(Traditional tree management methods in Havering Country Park)

2.22 Appendix 2 provides detailed information on the borough's biodiversity, including both important habitats and species.

3 What is the "natural environment" and "biodiversity"?

3.1 The "natural environment" could be said to encompass all living and non-living things occurring naturally on earth and includes the interaction of all living species. The concept of the "natural environment" can be distinguished by two components:

3.2 Complete ecological units that function as natural systems without massive human intervention, including all vegetation, micro-organisms, soil, rocks, atmosphere and natural phenomena that occur within their boundaries;

3.3 Natural resources and physical phenomena that lack clear-cut boundaries, such as air, water, and climate, as well as energy, radiation, electric charge and magnetism not originating from human activity.

3.4 The natural environment is often contrasted with the built environment, which comprises the areas and their components that are strongly influenced by humans.

3.5 The Convention on Biological Diversity (signed at the 1992 Rio Earth Summit) defined biodiversity as being "....all living things including plants and animals, any genetic variations, and the complex ecosystems of which they are part. It is not restricted to rare or threatened species but

includes the whole of the natural world from the commonplace to the critically endangered”.



(Funghi in Harold Wood Park)

4 Progress in the last ten years

4.1 Significant progress has been made in increasing access to and protecting the natural environment. This progress includes the delivery of Landscape scale projects, the introduction of Higher Level Stewardship schemes and English Woodland Grant schemes, the building of several new visitor centres, the protection and enhancement of many wildlife corridors, the creation of grass meadows in a number of parks and open spaces and the production of a number of strategically important documents.

4.2 Landscape scale projects include:

- The designation of two Country parks: Hornchurch Country park and Havering Country park; the Ingrebourne Valley HLF Project, with a focus on the protection and enhancement of the Ingrebourne Valley for both wildlife and people, This partnership project between Essex Wildlife Trust (EWT) and Havering Council, started in 2009 and is now into its 4th year. The success of the project lies mainly in attracting a new audience to understand and appreciate the Ingrebourne Valley through a series of events and activities.

- “Wildspace” represents an area of over 640Ha comprised of Rainham, Wennington and Aveley Marshes, designated as the Inner Thames Marshes Site of Special Scientific Interest, along with the adjacent landfill site which will eventually be transformed into a Country park. Havering Council along with key project partners, including the RSPB, aim to protect and enhance the remaining valuable marshland habitats. The partners have recently delivered a suite of projects designed to improve visitor access and biodiversity on the western part of “Wildspace”, at Rainham Marsh. The site has been inaccessible to the public for at least the last 100 years with historic uses including grazing marsh and as a Ministry of Defence firing range. These projects complement work already undertaken on other parts of Wildspace for example the RSPB Nature Reserve and the Rainham to Purfleet Path. The area has also been declared by the Council as a Local Nature Reserve and management of the site is now linked to a Higher Level Stewardship agreement with a focus on improving the sites nature conservation interest in line with its status as a Site of Special Scientific Interest.
 - The Thames Chase Community Forest is a strategically important regeneration project that continues with the assistance of partners including the Thames Chase Trust, the Forestry Commission, Havering Council, Thurrock Council and Essex County Council. The Forest centre at Broadfields Farm (on the borders of Upminster) continues to provide a hub for activities in the east of the Borough and is managed by the newly formed Thames Chase Trust.
- 4.3 Since 2009 Havering Council has introduced Higher Level Stewardship (HLS) schemes in some of its parks and open spaces, including at Rainham Marshes, Ingrebourne Valley, Bedfords Park, Dagnam Park, Havering Country Park and Cranham Brickfields. HLS is essentially an agri-environment scheme administered by Natural England, the national nature conservation body. The scheme provides a framework and modest financial incentive to help landowners manage their land in a way which is more beneficial to wildlife and the landscape. For each scheme the Council worked with Natural England to create a package of HLS measures tailored to each site. The measures that can be chosen include the management of species rich grassland, the management of woodlands, the management of ponds and hedgerow maintenance. Although some of the measures outlined within the agreement are works that the Council already undertake, such as hay cutting, the HLS scheme can take this one stage further and achieve even greater benefits for wildlife.
- 4.4 In the last few years three new visitor centres have opened serving areas within Havering. These are the Bedfords Park visitor centre run by EWT, the RSPB visitor centre at Purfleet and the Thames Chase Visitor centre at Broadfields Farm. There are currently proposals for a new visitor centre to be located in the Ingrebourne Valley (within Hornchurch Country Park), to be completed in 2014 and subsequently managed by EWT. These visitor centres provide a hub for community activities and engagement

through environmental education and their success is partly down to the partnerships that exist between the Council and organisations including EWT, RSPB and the Thames Chase Trust.

4.5 The Council's Parks and Open Spaces, Streetcare and Economic Development services have been working hard in recent years to improve and promote "Green Corridors", linking town centres and urban areas to open spaces and the countryside. Greening the borough's town centres (e.g. in Romford and Hornchurch), and maintaining the street verges in a way that promotes biodiversity are important ingredients to the network that is being developed, alongside the more formal parks and open spaces, allotments, green sedum roofs, churchyards and cemeteries and, of course, residents gardens. "Green Corridors" are important for many reasons and this strategy recognises their importance and targets their development. Green Corridors are important as they;

- Improve biodiversity by improving the spread of species
- Help create an integrated, biodiverse network of species
- Provide green routes for the public to access the countryside
- Link existing green spaces
- Encourage healthy activities such as walking and cycling.



(Wildflowers on the Elm Park Library Sedum roof)

4.6 Havering Council has created new grass meadows in a number of the borough's parks and open spaces to create new habitats for wildlife which is beneficial for biodiversity. Butterfly gardens have been created in several parks and there has been significant investment in shrubs and wildflower meadows.



(Grass meadows in Rise Park)



(Wildflowers in Cottons Park)

4.7 Two important strategic documents have been produced in recent years:

- The Special Planning Document (SPD) on Protecting and Enhancing the Borough's Biodiversity was produced in 2009, in support of Local Development Framework (LDF) planning policies on protecting and enhancing the boroughs wildlife. See section 6.1(iii)

- New Habitat Action Plans have been developed to add to the existing local Biodiversity Action Plan. These include plans focusing on grasslands, reed beds, private gardens and rivers and streams

5 Why is conserving and improving the natural environment important?

5.1 The Government commissioned Lawton report “Making Space for Nature” (2010) includes the following point about the intrinsic value of nature:-

“England’s wildlife and landscapes have inspired and delighted through generations. There are strong moral arguments for recognising the intrinsic values of other species and for passing on the natural riches we have inherited to future generations. We have also recently begun to better understand (or perhaps remember) that our natural world is not a luxury: it is fundamental to our well-being, health and economy. The natural environment provides us with a range of benefits – ecosystem services including food, water, materials, flood defences and carbon sequestration – and biodiversity underpins most, if not all, of them”.

5.2 There are many research studies that have highlighted the importance of nature and access to the natural environment on peoples’ health, wellbeing and development. Conserving and improving the natural environment is important for the following reasons:

- Enriching the lives of individuals and improving the quality of life across the borough. People enjoy experiencing the natural environment: they get pleasure from seeing beautiful landscapes, watching wildlife living in their natural surroundings, learning about the natural environment and getting satisfaction from helping to conserve and improve it;
- Improving health. There are many research studies that have highlighted the positive impact that engaging with the natural world have on peoples’ mental and physical health. A recent Yahoo survey drew a response from someone who said something that many people know to be a truism: “I’ve noticed that people who spend a lot of time in the woods, meadows, mountains etc. often have a placid nature, and, if they are edgy when they set out, they quickly calm down. Being close to nature seems to have a beneficial effect”. Roger Ulrich, a United States psychologist, proved in a 1984 study that surgery patients with a view of nature suffered fewer complications, used less medication and were discharged sooner than those with a view of a brick wall”. Other research, including by the charity “Thrive” has shown that access to a garden and gardening can help people with a range of mental health problems and people with dementia. The natural world also provides endless opportunities to participate in activities that are beneficial for physical and mental health, whether it be walking, cycling, playing sport, painting or just contemplating the world about you. The natural environment can also help offset damaging health impacts, such as asthma – for example, the Journal of Epidemiology and Community

health established that “Children living in areas with more street trees had lower prevalence of asthma”.

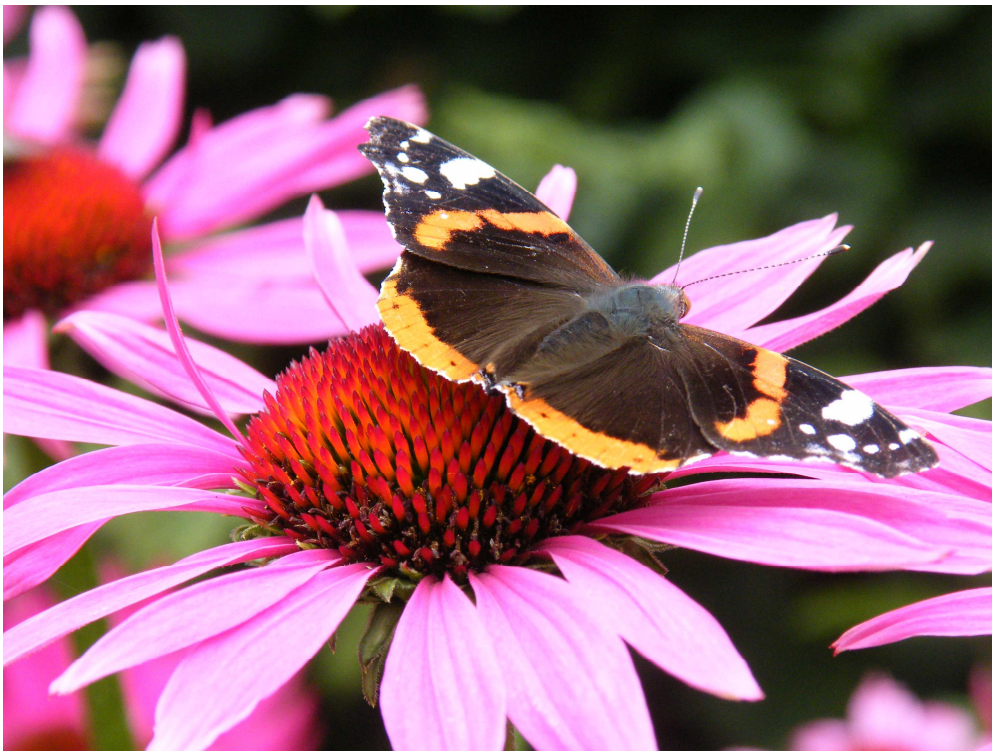
- Providing opportunities for children to play and connect to the natural world. Research has shown that Nature is important to childrens’ development in every major way – intellectually, emotionally, socially, spiritually and physically for example a report by planners in Montana, US – “Research in to how interaction with nature affects our children”. An American Journal of Public Health Studies reported a reduction in Attention-Deficit, Hyperactivity Disorder (ADHD) symptoms when children engaged with nature. A recent research study (October 2013) undertaken by the Royal Society for the Protection of Birds has concluded that only one in five children in the United Kingdom are “connected to nature”. The report highlights a growing concern about a generation of children who have little or no contact with nature. The RSPB believes this lack of contact, with the associated lack of knowledge and interest, is one of the biggest threats to nature in the future.
- Improving educational outcomes and stimulating the imagination. A US report on the Environment and Behaviour states that “Proximity to, views of and daily exposure to natural settings increases childrens’ ability to focus and enhances cognitive abilities”;
- Helping communities to understand and adapt to changes in the natural world.

5.3 There is also a growing body of evidence the benefits of nature in providing “ecosystem services”. The health and wellbeing of mankind depends upon the services provided by ecosystems and their components: water, soil, nutrients and organisms. “Ecosystem services” are the processes by which the environment produces resources utilised by humans, such as clean air, water, food and materials. Ecosystem services can be defined in various ways. The Millennium Ecosystem Assessment provided the most comprehensive assessment of the state of the global environment to date; it classified “ecosystem services” as follows:

- Supporting services: The services that are necessary for the production of all other ecosystem services including soil formation, photosynthesis, primary production, nutrient cycling and water cycling.
- Provisioning services: The products obtained from ecosystems, including food, fibre, fuel, genetic resources, biochemicals, natural medicines, pharmaceuticals, ornamental resources and fresh water;
- Regulating services: The benefits obtained from the regulation of ecosystem processes, including air quality regulation, climate regulation, water regulation, erosion regulation, water purification, disease regulation, pest regulation, pollination, natural hazard regulation;

- Cultural services: The non-material benefits people obtain from ecosystems through spiritual enrichment, cognitive development, reflection, recreation and aesthetic experiences – thereby taking account of landscape values.

5.4 It is indisputable that many people care about their local environment, including the natural environment, and this is one of the main reasons why Havering Council and its partners have been working proactively to conserve and improve those aspects of the natural environment that matter to local residents. Although there is no local research available, a survey undertaken by “Natural England” (2012) revealed that 93% of the 47,000 respondents agreed that having green space close to where they live is important.



(Butterfly in Lodge Farm Park)

6 Havering Strategic Documents and Policy Context

6.1 Havering Council has developed a number of policies and strategic documents that help shape the way in which the natural environment in Havering is conserved and improved; including:

- (i) The Council’s “Living Ambition” – Nature and the natural environment in Havering play a crucial role in helping the Council to achieve its Living Ambition Goals.
- (ii) The Local Development Framework (LDF). The key policies that relate to nature conservation in the Council’s LDF are DC 58 and DC 59;

- (iii) The current Supplementary Planning Policy document entitled “Protecting and Enhancing the Borough’s Biodiversity”. This Supplementary Planning Document (SPD) has been prepared by Havering Borough Council to provide detail on how Development Control Policies DC58 and DC59 are implemented. It draws upon regional and national planning policy and guidance relevant to biodiversity with the aim of providing advice that is relevant to the local area on how to protect and enhance existing biodiversity where opportunities arise, particularly in new development proposals. It is also used to inform local master-planning and regeneration strategies, to ensure appropriate protection, mitigation and enhancement of the natural environment through design, construction and future management.
- (iv) Havering’s Parks and Open Spaces Strategy sets out the significant health and wellbeing benefits associated with ensuring people have access to the natural environment, including reducing stress, depression, anxiety and aggression; reducing problems such as asthma and bronchitis as a result of breathing in fresh air and increasing happiness. The Strategy focuses on the importance of promoting biodiversity in Havering’s parks and open spaces: “The central plank of parks management and maintenance is built around biodiversity. The protection, conservation and enhancement of biodiversity is ‘part of the day job’ in terms of the management and development of all open spaces. We help to support biodiversity both through sensitive grounds maintenance practices and through the creation of natural habitats such as wildflower and grass meadows, reed beds, butterfly and bee borders, and bird and bat boxes. Surveys by nature conservation groups feedback from residents has recorded an increase in species of butterfly such as Small Heath Butterfly, Small Skipper Butterfly and Six Spot Burnett Moth. In addition song birds have increased particularly Goldfinch and Greenfinch in the borough, along with an increase in the variety of habitats. We now have more Cuckoo Flower, which feeds the Orange Tip Butterfly, Birdsfoot Trefoil which is the food plant for the Common Blue Butterfly and White Clover which is a favourite plant of bees in the borough”.
- (v) Neighbourhood Agreements – These are shared commitments between the Council and the local residents to work together to improve the area where they live. The agreements cover a number of important issues including keeping the neighbourhood clean and green. They explain the standard of service that will be provided by the Council and what is expected from the residents in turn. This allows partnership working with the aim to improve the quality of life for all residents.
- (vi) The Havering Local Biodiversity Action Plan (BAP) identifies specific work to be carried out in specific areas. It concentrates on species and habitats that are characteristic of Havering, as well as those that

are under threat regionally or nationally. For a full list of species and habitats please see table in Appendix 2.

6.2 In formulating a strategy for Havering the Council and its partners need to take account of relevant legislation, as well as national and regional policy documents. These include:

- (i) The National Park and Access to the Countryside Act 1949 laid the foundations for designating places that are special for wildlife (notably National Nature Reserves and Sites of Special Scientific Interest, SSSIs) and people (National Parks, Local Nature Reserves and Areas of Outstanding Natural Beauty). Subsequent legislation has improved first the protection, and more recently the management, of wildlife sites.
- (ii) The Wildlife and Countryside Act 1981 provides protection to wild birds, designated wild animals and designated wild plants, as well as seeking to prevent the introduction of detrimental non-native species and the protection and management of Sites of Special Scientific Interest (SSSIs).
- (iii) Local authorities, including Havering Council, have a Duty to regard the conservation of biodiversity in exercising their functions. This Duty was introduced by the Natural Environment and Rural Communities (NERC) Act which came into force on 1st October 2006. The Duty affects all public authorities and aims to raise the profile and visibility of biodiversity, to clarify existing commitments with regard to biodiversity and to make it a natural and integral part of policy and decision making. The Department for the Environment, Food and Rural Affairs (DEFRA) subsequently produced guidance on how local authorities can help meet this Duty.
- (iv) In 2010 DEFRA published a new biodiversity strategy for England “Biodiversity 2020” (or “B2020”) which set out an overall aim to “halt biodiversity loss by 2020, support healthy functioning ecosystems and establish more coherent and better places for nature, for the benefit of wildlife and people”.
- (v) Since 2010 there has been a shift in the focus of delivery on nature conservation at a national level. At the heart of this is the Government’s “The Natural Choice” White Paper which sets out its intentions in relation to nature and the natural environment. The White Paper is largely a response to the Lawton Report, “Making Space for Nature”, a government commissioned report by a panel of experts on nature conservation.

The Lawton Report concluded that “England’s collection of wildlife sites, diverse as it is, does not comprise a coherent and resilient ecological network even today, let alone one that is capable of coping with the challenge of climate change and other pressures.” Although there are 24 specific recommendations from this report, the broad overall objective is to create ecological networks that are more, bigger, better and more joined up.

The theme of the White Paper is to ensure that the current generation is first to leave the natural environment of England in a better state than it inherited. To achieve this, the Government wants to ensure that the intrinsic value of nature, as well as its value in terms economic and social benefits that arise from a healthy natural environment are fully recognised. The Government intends to ensure that the value of nature is understood and mainstreamed across society, in terms of policy development and decision making, which is what this Strategy is advocating for Havering. To help achieve these aims the White Paper introduces a number of new policies and initiatives including:

“Local Nature Partnerships” (LNPs) strategic partnerships working at a regional level and encouraged to work with Local Enterprise Partnerships and Health & Wellbeing Boards to, amongst other things, contribute to local plan and decision making. The government is also committed to reforming the planning system to ensure that a strategic approach is taken to planning for Nature within and across local areas.

Nature Improvement Areas (NIAs) – Intended to work at a landscape scale to enhance and reconnect nature

Biodiversity offsetting – aimed at delivering biodiversity benefits in compensation for losses in a measurable way.

Green Infrastructure Partnership – aimed at supporting the development of green infrastructure to improve ecological networks and improve communities.

- (vi) In May 2013 25 wildlife organisations released the ground breaking “State of Nature” report which revealed that 60% of the wildlife species studied (at national level) have declined over recent decades.
- (vii) Policy 2.18 of the Mayor’s London Plan (July 2011) and the All London Green Grid Supplementary Planning Guidance promote the provision of an integrated green infrastructure network and support the extension of the “Green Grid” to the whole of London. Havering is in Area 3 of the London Green Grid, known as the “Thames Chase, Beam and Ingrebourne” area within the framework. The Area Framework strategy includes reference to a number of significant projects in Havering, which the Council is already committed to.
- (viii) The Mayor’s Biodiversity Strategy 2002 sets out how he will protect and conserve London’s natural open spaces. Published in 2002 this currently remains the Mayor’s biodiversity policy for London.

7. Stakeholders who have an interest in conserving and improving the natural environment in Havering.

- 7.1 Havering Council plays an important leadership and advocacy role in encouraging residents and a wide range of partners to conserve and improve the natural environment. The Council plays a crucial role in

managing much of the natural environment through its stewardship of parks and open spaces, street verges, woodland areas and rivers; plus it plays a crucial role in helping residents and visitors access the natural environment through promotion and publicity; maps, signage and interpretation and through the management and development of a network of roads, paths, bridleways and green corridors.

- 7.2 Schools manage large areas of open space which can provide important habitats for wildlife. Schools are increasingly improving their outdoor areas to make them more stimulating and of interest to pupils, including the provision of gardens, food growing areas and areas of importance in terms of nature conservation. School, alongside parents/carers, play an important role in stimulating the interest of children in nature, through visits to outdoor areas, the development of projects within schools and through teaching in the classroom. Nature conservation and biodiversity are not specifically included in the new statutory National Curriculum (due to come in to effect in 2014), but schools will nevertheless still be able to teach pupils about nature conservation and biodiversity, as a cross-cutting agenda, through other subjects including geography and science. Local parks and green space provide schools with a living, breathing, fully interactive and continually changing outdoor classroom; a wonderful resource with which to support curriculum activities. Access for schools is easy and free, and because they exist locally visits can be frequent allowing longer-term projects to be undertaken. For this reason, local parks have become an increasingly popular destination for study of the natural environment and life sciences.
- 7.3 A number of voluntary sector organisations in the Borough have an interest in the natural environment, including the Royal Society for the Protection of Birds, Essex Wildlife Trust, the Forestry Commission and Thames Chase Trust. There are a number of Friends of Parks Groups who provide an important input into the management of the Council's green spaces through practical work, monitoring wildlife and lobbying for improvements. The Friends Groups have delivered a number of important nature conservation projects over the last few years (such as the Friends of Bedfords Park's work to weed tree removal programme to preserve wild meadows and the Friends of Raphael and Lodge Farm Park's work with the environment agency to improve the lake habitat). "Clear Village" have taken on a lease for the Bedfords Park Walled Garden, with the aim of developing a food growing project, enhancing the natural environment within the garden, promoting biodiversity and restoring the walls.



(Volunteers working in Cranham Brickfields)

- 7.4 Veolia Environmental Services are responsible for the restoration of their landfill site in Rainham and the creation of a new country park. The “North Thames Veolia Trust” (formerly Veolia Havering Riverside Trust) have also funded many local projects in Havering helping to conserve and improve the natural environment, as well as encouraging further involvement by local communities.
- 7.5 The Havering Wildlife Project (HWP) is a voluntary body that is able to provide expert advice and assistance on ecological matters. The partnership has a lead role in monitoring change in biodiversity as part of the Biodiversity Action Plan (BAP) process. Partners in the project include the Environment Agency, Essex Wildlife Trust, Friends of the Earth, Friends of Parks Groups and Council officers from Economic Development and Culture and Leisure. The HWP play an important role in advocating the importance of nature and improving wildlife habitats, as well as recording habitats and species. A guide entitled “Havering’s Wildlife Indicators” has been produced to encourage residents to monitor the health and wellbeing for a number of “indicator species” and guidance notes have been produced to advise people how to undertake “living landscape” surveys. HWP have also substantially developed an action plan for the borough, which has been updated and is attached to this Strategy as appendix 1.
- 7.6 The Essex Wildlife Trust (EWT) play a significant role in promoting nature conservation and biodiversity in the borough through their management of the Bedfords Park visitor centre and the associated education programme and also through the development of the Ingrebourne Valley Project. In

2014 a new EWT managed visitor centre will open in the Ingrebourne Valley (Hornchurch Country park). EWT have recently expanded their role by bringing together organisations within defined geographical areas (linked to their visitor centres) to work on improving the “living landscape” in that area.



(Bedford Park Visitor Centre)

- 7.7 The Royal Society for the Protection of Birds (RSPB) manages 137 acres of valuable marshland habitat, south of the A13, as well as a visitor centre located just beyond the borough boundary in Thurrock. The RSPB have recently launched their “Homes for Wildlife” project which aims to encourage people to support wildlife in their gardens.
- 7.8 The Havering branch of Friends of the Earth play an important role in highlighting the importance of nature and how the harmful effect of human activity can negatively impact on nature. A recent campaign to help protect bees, through the planting of appropriate species and by reducing the use of harmful pesticides, has recently received a lot of publicity in Havering.
- 7.9 A significant number of residents with an interest in nature conservation and biodiversity are volunteering in the borough’s parks and open spaces. These include the volunteers managing the Thames Chase Visitor Centre, the Thames Chase Conservation Volunteers (TCV), the volunteers who are members of the numerous Friends of Parks and the volunteers who lead Walking for Health groups. There are also a number of volunteers living in Havering who are experts in species recording, providing valuable information of local, county wide and even national importance.
- 7.10 Residents who own gardens and / or allotments are also playing a role in encouraging biodiversity. Such environments form part of the network of green spaces in the borough, which help encourage the movement of animals, birds, bees, insects and plants.



(Pretoria Road Allotments)

- 7.11 The Environment Agency is an arms length government agency that has responsibility for environmental protection and regulation in England and Wales, including responsibility for flood forecasting, flood warning systems and responding to flood emergencies; air quality; land quality (including waste management); water quality; water resources; fishing and navigation. The Environment Agency has a regional structure, with Havering being a part of the south east region. The EA work in partnership with the Council with a specific focus on the Ingrebourne, Rom/Beam and Rainham Marshes.
- 7.12 Natural England is a non-departmental body of the Government that is responsible for protecting and improving the natural environment, including its land, flora and fauna, fresh water and the marine environment, geology and soils. Natural England has an important role to play in helping people to enjoy, understand and access the natural environment. Natural England are promoting the concept of “Green Infrastructure” which is made up of the network of green spaces in urban and rural areas, green corridors and access links between them, such as paths and rivers. Natural England work in partnership with the Council to implement positive management of its SSSIs and administer the DEFRA HLS grant.
- 7.13 Greenspace Information for Greater London (“GiGL”) is the capital's environmental records centre. They collate, manage and make available detailed information on London's wildlife, parks, nature reserves, gardens and other open spaces. GiGL act on behalf of their partners, including Havering, in providing data on protected sites, species and habitats (Havering has an annual service agreement with GiGL). GiGL’s partners

include the GLA, Natural England, Environment Agency, the Forestry Commission, Wildlife Trust, and Local Naturalist Groups such as the London Bat Group and the London Natural History Society. A full list of GiGL partners can be found on their web site www.gigl.org.uk.

- 7.14 One of the Forestry Commission's twelve community forests in England, the Thames Chase Community Forest, covers a substantial part of Havering, along with other areas in east London and south Essex. The forest is managed by the Thames Chase Trust, an environmental charity that was established in 1990, to improve the landscapes within its geographical area. The Trust is responsible for 10 sites, Pages Wood, Cely Wood, Berwick Glades, Bonnetts Wood, Folkes Lane Woodland, Harold Court Woods, Ingrebourne Hill, Mardyke Woods, Thames Chase Forest Centre and Tylers Wood. The recently renovated Thames Chase Visitor Centre (and adjoining land) is located at Broadfields Farm on the edge of Upminster. The Trust are currently reviewing their 10 year strategic plan and as one of the host authorities (and one of three authorities who provide a small amount of funding), it is intended that Havering Council will make a significant contribution to this plan.
- 7.15 Since 1990, the Forestry Commission has planted approximately 100ha of new woodland in the borough within the Thames Chase Community Forest. These new woods are concentrated in areas near to Upminster at Broadfields Farm, Bush Farm and Baldwins Farm. This new woodland makes a substantial contribution to the existing 307ha of existing native woodland in Havering.
- 7.16 The Forestry Commission (London Region) also work with the Council to administer the English Woodland Grant Scheme and encourage stewardship of the Borough's woodlands.



(St Andrews Park wildflower meadow)

8. OBJECTIVES

The following Objectives are proposed for the next three years:

- (i) To increase the amount of natural space in the borough
- (ii) To protect and improve the management of wetland habitats;
- (iii) To improve the management of trees and woodlands;
- (iv) To improve the management of grasslands;
- (v) To restore important landscapes, ensuring nature conservation and biodiversity issues are fully taken in to account;
- (vi) To improve wildlife corridors and ecological networks;
- (vii) To encourage residents to proactively support biodiversity in the outside areas they own;
- (viii) To protect and promote Biodiveristy Action Plan priority species;
- (ix) To reduce the impact of barriers to wildlife movement;
- (x) To improve water flows and drainage, in partnership with other agencies, where opportunities arise;

- (xi) To reduce the entrance of pollutants in to river systems, in partnership with other agencies, where opportunities arise;
- (xii) To encourage volunteers to take an active role in protecting and enhancing the natural environment and biodiversity;
- (xiii) To increase access to the natural environment;
- (xiv) To increase the opportunities available to learn about the natural environment and biodiversity;
- (xv) To encourage the development of local markets for natural products;
- (xvi) To publicise and promote the importance of nature conservation and biodiversity and how it can be accessed;
- (xvii) To encourage visitors to access and experience the natural environment in Havering;
- (xviii) To investigate how planning policies can enhance nature conservation and biodiversity in Havering.

9. ACTION PLAN

The Action Plan for this Nature Conservation and Biodiversity Strategy is focused on addressing the 18 objectives set out in section 8 above. The 18 objectives are designed to improve and protect natural habitats, given their importance and the underpinning role they play in protecting and enhancing wildlife, whether it be plants, insects and / or animals. The Action Plan is built around a plan that has already been substantially developed by Havering Wildlife Project (HWP).

The Action Plan is attached as appendix 1 to this strategy.

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**HAVING NATURE CONSERVATION AND BIODIVERSITY
ACTION PLAN (2014-16)**

Rationale / Issues	Targets / Actions	Lead Organisation / Person
<p>1. Increasing the amount of natural space in the borough.</p> <p>Natural space provides a positive environment in which a variety of species can thrive. There is a need to balance the need for more formal green space, for sport and recreation activities, with spaces that are managed in way that supports nature conservation and biodiversity.</p> <p>Though the Council has taken opportunities to increase the size of parks and green spaces over the years, adding approximately 80 hectares to Dagnam Park in 2013; confirming 55 hectares as Rainham Wildspace in 2012; identifying 23 acres to be managed by the Council as a new nature reserve (adjoining Wildspace); adopting Hornchurch Country Park in 1980, adopting Havering Country Park in 1986 and enhancing the nature conservation value of spaces in town centres, through initiatives such as the wild flower planting next to Central Library in Romford; this objective is not seeking to increase the amount of designated public open space in the borough, although taking advantage of opportunities to increase the amount of open space in areas of deficiency may be desirable and it is recognised that urban development will have its benefits. Rather, the objective is primarily about increasing the amount of open space that is managed in a way that increases the amount of natural space.</p>	<p>To increase the amount of park land and open space that is managed as grass meadows and wildflower meadows, year on year.</p> <p>To prevent the intrusion of “scrub” in to areas of grassland that are important in nature conservation and biodiversity terms.</p> <p>To take advantage of opportunities to acquire land that could be converted in to a more natural environment, particularly in areas of the borough where there is a deficiency of open space.</p> <p>To create more natural environments in town centres, where opportunities arise, particularly where such areas can link to surrounding open space via green corridors.</p> <p>To manage Dagnam park in a way that support and enhances nature conservation and biodiversity.</p> <p>To work with the Cems and Crems Service to establish whether further effective ways to promote nature conservation and biodiversity in cemeteries can be developed.</p>	<p>LBH / Havering Wildlife Project / Friends of Groups</p>

Rationale / Issues	Targets / Actions	Lead Organisation / Person
<p>2. Wetlands:</p> <ul style="list-style-type: none"> • Ingrebourne & Inner Thames Marshes SSSIs • Ingrebourne & Beam/Rom rivers <p>Lakes, ponds and other marshes</p> <p>Wetlands are nurseries and feeding areas for a vast range of animals, including a number of specially protected species such as water vole, bittern, marsh harrier and great crested newt.</p> <p>Within Greater London, Havering has 56% of the grazing marsh, 31% of the reedbed, 31% of the floodplain grassland, 25% of the marshland, and 19% of the lakes and ponds, in all cases more than any other London borough.</p> <p>Its river systems, the Beam/Rom and the Ingrebourne, are exceptional in London in that (with the exception of the Rom through central Romford) they are largely natural, i.e. not straightened or canalised.</p>	<p>Support the Environment Agency (EA) in the development and rollout of catchment management plans with the aim of working towards good ecological status as defined by the Water Framework Directive for the Ingrebourne and Beam/Rom river systems.</p> <p>As a riparian owner the Council will manage its landholdings alongside main rivers in the interests of Nature Conservation, at the same time as managing rivers and associated flood plains to reduce the risk of flooding.</p> <p>Continue the work of restoring Havering's wetland habitats and monitoring for priority species including great crested newts, water voles and wetland birds.</p> <p>Continue the creation of new ponds in suitable (i.e. not vulnerable to pollution) locations, seeking especially to extend existing clusters of ponds.</p> <p>Continue to support the "Froglife" project, focusing on amphibian and reptile conservation at Bedfords park, Dagnam park and Hornchurch Country park.</p> <p>Management of SSSI sites in line with HLS management prescriptions to maintain/achieve favourable condition</p> <p>Monitor and, where possible, eradicate non-native invasive species including floating pennywort, crassula, Himalayan balsam and Japanese knotweed</p> <p>Develop and promote the Ingrebourne Valley and Wildspace projects as exemplars of good practice in the management of wetland habitats in Greater London and Essex</p>	<p>Environment Agency / LBH / Havering Wildlife Project / Friends of Groups</p>

Rationale / Issues	Targets / Actions	Lead Organisation / Person
<p>3. Woodlands: established and developing</p> <p>Before the new plantings initiated by the Forestry Commission within the Thames Chase Community Forest (TCCF), Havering was poorly wooded (particularly in the south of the borough), but it had important woodland assets in the form of:</p> <ul style="list-style-type: none"> • wet woodland in the Ingrebourne Valley; • the parkland sites (Bedfords Park, Havering Country Park and Dagnam Park) in the north of the borough; • a scattering of ancient woodlands. • <p>158.3 ha of new community woodlands have been planted by the Forestry Commission, increasing woodland coverage in Havering by more than 40%.</p> <p>Established and immature woodland will lose its value unless actively managed, as the canopy closes and the understorey declines.</p>	<p>Encourage good management of ancient woodland, wet woodland and parkland, such as by encouraging take up of the Forestry Commissions’s English Woodland Grant Scheme (EWGS) and establishing markets for woodland products.</p> <p>Link established woods to developing woodlands and to one another via restoring or planting tree belts and new hedges.</p> <p>Support the Thames Chase Trust and the Forestry Commission in their ongoing development and management of the Thames Chase Community Forest.</p> <p>Devise and implement woodland management plans using diverse resources including local colleges, forestry operators and local wood fuel suppliers</p> <p>In managing its own woodlands, the Council will work towards a target of thinning 30%, under the agreed felling licence.</p>	<p>Forestry Commission / Thames Chase Trust / Havering Wildlife Project / Essex County Council</p>

Rationale / Issues	Targets / Actions	Lead Organisation / Person
<p>4. Grasslands, meadows and pastures</p> <p>Having have 12% of London's grassland resource, more than any other London borough except Bromley and Hillingdon. Roughly half is high-value (acid and unimproved) grassland, and half is 'semi-improved', in other words it has been ploughed and/or fertilized and/or reseeded in the recent past to improve it for agricultural purposes. This reduces its wildlife value drastically in the short term, but in time this value can be recovered through appropriate management, such as by grazing and hay cutting.</p> <p>Having Council has introduced a new Higher Level Stewardship (HLS) scheme at 3 of the most important grassland sites in the borough at Bedfords Park, Dagnam Park and Having Country Park.</p>	<p>Improve grassland management by the encouragement of sustainable long term conservation grazing and sympathetic cutting regimes.</p> <p>In the management of its own grasslands, meadows and pastures, the Council will consider the improvement of grassland management through sustainable conservation grazing and sympathetic cutting regimes. This will include the management of its parks and road side verges.</p> <p>Identify potentially valuable scrubbed over grasslands for restoration.</p> <p>Work with Natural England to encourage private landowners to enter their grasslands into agri-environment schemes, particularly where this buffers existing priority habitats or improves ecological networks.</p>	<p>LBH / Forestry commission / NE / Private landowners</p>

Rationale / Issues	Targets / Actions	Lead Organisation / Person
<p>5. Restored landscapes</p> <p>The Council, in partnership with a wide range of local, regional and national organisations will be progressing a significant number of projects and initiatives to conserve and protect the natural environment in the next few years:</p> <p>The Green Belt land around Havering has been mined heavily for gravel in the past and former gravel pits and other brownfield sites are now being exploited for landfill.</p> <p>Habitats of high value for invertebrates (e.g. Thames Terrace grasslands) have developed on some brownfield sites, while others have reptile assemblages that are rare in Greater London and should be prioritised for protection and restoration.</p>	<p>The restoration of Raphael Park; the restoration of Langtons Gardens; the creation of a new park on the Broxhill site; the creation of a new park in Rainham (“Wildspace”); the proposed “naturalisation” of the River Ingrebourne in Harrow Lodge park; the restoration of the Bedfords Walled garden and the growing of “indigenous” vegetables, fruits and plants; the proposed new visitor centre in the Ingreborne Valley; the creation of new, publically accessible open space in the heart of Romford town centre; the creation of new meadow areas in parks and open spaces; the continuation of the “Rainham to the River”project; the “Greening the Ringroad” project in Romford, which will include the promotion of walks connecting the town centre to local open space; environmental improvements in Hornchurch Town Centre, which will include the promotion of walks connecting the town centre to local open space and the countryside; the creation of a new open space on Briar Road estate; the extension of Dagnam park.</p> <p>Use planning conditions and other means to gain optimum advantage from restored brownfield sites for significant species (such as invertebrates and reptiles) and for ecological and public access networks.</p>	<p>LBH / RSPB / EWT / Veolia / NE / EA / Forestry Commission / Friends Groups / Clear Village / Sustrans</p> <p>LBH</p>

Rationale / Issues	Targets / Actions	Lead Organisation / Person
<p>6. Wildlife Corridors and Ecological networks</p> <p>Priority habitats in Havering support a wealth of plant and animal communities that, given an effective ecological network, can disperse to other habitats and enrich the borough's wildlife</p> <p>Havering has already defined a network of wildlife corridors, intended to allow wildlife to disperse from high-value areas into all parts of the borough and beyond *. So far this has been improved reactively via the planning system but, with wildlife under pressure to adapt to a changing climate, it is now clear that a proactive approach is essential to halt the loss of wildlife.</p>	<p>Audit and improve the borough's ecological network, securing good management of existing linkages and creating new linkages where possible, including into urban areas and neighbouring boroughs.</p> <p>Monitor the effect of improvements by tracking the fortunes (numbers and distribution) of indicator species*, chosen to reflect what is happening to the important habitats identified above and also the urban and suburban areas in which most people live.</p> <p>* See Appendix 2</p> <p>Produce maps highlighting the green corridors and accessible open space within and surrounding the borough's town centres. A map for Hornchurch town centre to be developed in the first instance.</p>	<p>LBH / Havering Wildlife Project</p>

Rationale / Issues	Targets / Actions	Lead Organisation / Person
<p>7. Gardens</p> <ul style="list-style-type: none"> • private • informal parks associated with schools, churches & cemeteries <p>Private gardens are estimated by the GLA to occupy about 20% (31,600 ha.) of London's surface area. Wildlife value increases with garden size, and hence the large gardens in parts of the borough such as Gidea Park, Emerson Park and Upminster are particularly valuable (as evidenced by the high incidence of stag beetles – a national priority species), but all gardens contribute something, such as by providing nectar plants for bees. Larger public or semi-public gardens such as in parks, churchyards or cemeteries can – and some already do – contribute significantly.</p>	<p>Advocate through publicity and promotion the importance of gardens for wildlife and the best things to do (or not do).</p> <p>Encourage residents to proactively encourage biodiversity in the outdoor areas which they own, whether it be a window box, balcony or a garden.</p> <p>Increase the weighting for wildlife features in the borough through In Bloom garden competitions (and publicise the fact).</p> <p>Adopt best ecological practice guidelines for gardens in public or semi-public spaces.</p> <p>Use the planning process to minimise the number of gardens that are built on and/or appropriate mitigation is implemented where garden space is lost through development.</p>	<p>LBH – Planning / Communications</p>
<p>8. Significant species</p> <p>In addition to legally protected species including bats, great crested newts, badgers, reptiles and water voles, Havering has important populations of other species listed in National, London or Havering Biodiversity Action Plans (BAP)</p>	<p>Use the planning system to protect and promote both protected and BAP priority species.</p> <p>While improving ecological and access networks, look out for opportunities to support protected and priority BAP species.</p> <p>Run awareness campaigns to recruit public support for flagship species.</p>	<p>LBH – Planning / Communications</p>

Rationale / Issues	Targets / Actions	Lead Organisation / Person
<p>9. Major roads as barriers to movement</p> <p>Major roads such as the A12, A127, A13/1306 and M25 form significant barriers to wildlife movement, both through their sheer size and because of the noise and vibration associated with them that deters many small animals. (Railways are less of a problem, because they are narrower and because activity is intermittent.) It follows that two-level junctions, culverts under bridges or over bridges form pinch points in ecological networks that demand particular attention.</p>	<p>Encourage the appropriate highway authority and the Environment Agency to improve/green/reopen existing culverts and underpasses.</p> <p>Install hedges, fences etc. where needed, to channel wildlife towards them.</p> <p>Create new wildlife bridges where opportunities arise.</p>	<p>LBH Planning / Streetcare / Havering Wildlife Project</p>
<p>10. Rapid drainage of built-up areas and well-drained arable fields, leading to 'boom or bust' water flows.</p> <p>Rapid drainage increases flood risk and is also detrimental to wildlife in watercourses, carrying contaminants, inhibiting the growth of marginal vegetation and sweeping small animals downstream. Highly variable water levels also expose animals, such as water voles, that rely on water for protection from predators.</p>	<p>Where opportunities arise and where external funding is available, create:</p> <ul style="list-style-type: none"> (i) new small urban wetlands as components of sustainable urban drainage systems (SuDS), both in new developments and by retro-fit; (ii) new backwaters and floodable areas in rivers and streams to mitigate water flows. (iii) re-align water courses that have been straightened 	<p>LBH Streetcare / Planning / EA / Thames Water</p>

Rationale / Issues	Targets / Actions	Lead Organisation / Person
<p>11. Eutrophication (enrichment of water and soil by excess of nutrients)</p> <p>Eutrophication is caused mainly by nitrate runoff from agriculture and also by phosphates from household products in urban runoff, carried into watercourses.</p> <p>Its effect is to encourage coarse plants such as nettles and creeping thistles and invasive alien plants, reducing plant diversity and in turn the diversity of animals that feed on plants.</p> <p>Rampant growth of coarse plants also creates physical barriers to access to the countryside and raises the cost of managing watercourses, footpaths and the like.</p>	<p>Work with Environment Agency and Thames Water to reduce entry of pollutants into river systems.</p> <p>To reduce inputs, encourage take up of environmental stewardship schemes and/or plant trees in areas adjacent to water courses.</p> <p>To enhance in-stream vegetation that can absorb nutrients:</p> <ul style="list-style-type: none"> • encourage community groups, schools, etc. to adopt and manage local river and stream banks; • develop new sustainable methods of managing bankside vegetation (e.g. rotational grazing by goats or konik ponies). 	<p>Environment Agency / Thames Water / LBH</p>

Rationale / Issues	Targets / Actions	Lead Organisation / Person
<p>12. Volunteering</p> <p>Havering has a strong network of volunteer groups involved in small scale practical nature conservation work, including those associated with the Thames Chase Trust, conservation organisations such as EWT and RSPB, and 'Friends of' parks groups. To be effective, such volunteers often need support in the form of coordination and guidance, tools and sometimes expert assistance (e.g. a chainsaw operative to do the heavy work).</p> <p>Local people can also make a contribution through monitoring for and reporting indicator species, suspected pollution of watercourses, anti-social behaviour and the like.</p>	<p>Encourage 'Friends of' and other community groups, local employers, schools to take on (some of) the Living Landscapes agenda in their local area.</p> <p>Continue, and extend where possible, the support of volunteer groups by Council staff and community groups.</p> <p>Encourage – via leaflets, website, smart Phone applications (apps”) – reporting of sightings of indicator species *.</p> <p>* See appendix 2</p>	<p>LBH / Voluntary sector</p>

Rationale / Issues	Targets / Actions	Lead Organisation / Person
<p>13. Access</p> <p>Havering has an extensive network of public and permissive footpaths but this network does not fully meet the needs of people who use it to walk the dog, for exercise or to get a taste of the countryside, often preferring circular to out-and-back routes. Many countryside footpaths are unsuitable for people with fairly minor walking difficulties, and many are partly obstructed by crops in summer.</p>	<p>Define a strategic network of recommended walking routes and concentrate management effort on those.</p> <p>Identify and create new circular routes by agreement with landowners.</p> <p>Train and support Walking for Health walk leaders to increase appreciation of the natural environment among participants.</p>	<p>LBH Parks / Walking for Health</p>
<p>14. Education</p> <p>The beneficial effects to people of contact with the nature are widely acknowledged and, through initiatives such as Forest Schools, its educational benefits may be formalized within the system.</p>	<p>Encourage local schools to use local resources such as LNRs and visitor centres for educational purposes.</p> <p>Involve local schools in the management of nearby natural assets, and in monitoring of indicator species.</p> <p>Advocate and promote the uptake of Forest Schools.</p> <p>Continue to take a lead on the Havering Environmental Education Partnership</p>	<p>LBH / Schools</p>
<p>15. Natural Products / sustainable management</p> <p>To stay or become healthy, many natural habitats depend on traditional management practices such as grazing, haymaking and coppicing. The associated product markets are much weaker than they used to be.</p>	<p>Encourage the development of local markets for natural products such as logs, charcoal, woodland crafts and hay, by publicity, grants and purchasing power.</p>	<p>LBH</p>

Rationale / Issues	Targets / Actions	Lead Organisation / Person
<p>16. Publicity and Promotion</p> <p>It is believed that there is a limited understanding of Havering's significance in terms of nature conservation and biodiversity, despite the best efforts of individual organisations who promote what they do. There is a need to provide accessible information about the whole borough.</p>	<p>To produce a brochure on nature and biodiversity in Havering.</p> <p>To develop the nature conservation and biodiversity pages on the Council's Web Site.</p> <p>To ensure all recorded and verified material covering nature and biodiversity in Havering is available on the Council's Data Hub, as well as being made available to GiGL.</p> <p>To produce and disseminate information about the planting of flowers, shrubs and trees that are beneficial in relation to nature conservation and biodiversity</p> <p>Where resources allow, install new signage at entrances to parks and open spaces, promoting the ecological and biodiversity value of the site.</p> <p>Install new signage next to grass meadows, wildflower meadows and butterfly gardens to explain how they will encourage important local habitats and species.</p>	<p>LBH / Havering Wildlife Project</p>

Rationale / Issues	Targets / Actions	Lead Organisation / Person
<p>17. Tourism</p> <p>Havering can justifiably claim to be one of the greenest boroughs in London, but currently lacks any spectacular 'claim to fame' to attract visitors beyond the sub region, such as a Richmond Park or having a population of red kites. However, the RSPB site in Rainham and Havering's wetlands / grasslands could provide such a Unique Selling Point (USP), particularly if they were stocked with charismatic animals such as konik ponies, highland cattle or beavers (and which should also contain or reduce management costs).</p> <p>Havering nevertheless has open spaces of sub regional importance, which have been improved significantly in recent years (and are set to improve further in future years); so there is significant scope to encourage visitors from adjoining areas and inner east London.</p>	<p>Encourage people to visit Havering, to experience and enjoy the borough's green assets, the natural environment and biodiversity.</p> <p>Ensure that any tourism plans or strategies focus on nature conservation and biodiversity in Havering.</p> <p>Ensure marketing material is available in adjoining areas.</p> <p>Continue to develop and promote the work of partners through existing and new visitor centres</p>	<p>LBH / RSPB / EWT</p>

Rationale / Issues	Targets / Actions	Lead Organisation / Person
<p>18. Planning</p> <p>Reforms to planning legislation could bring about significant changes.</p> <p>One of the 24 recommendations within the Lawton report is to consider off-setting impacts to biodiversity, in particular in relation to development. In addition to established mitigation and compensation the report goes one step further to recommend that offsets should compensate for the loss of identified future wildlife networks and for the effects of diffuse issues such as air and water pollution. This recognises that in order to achieve resilient ecosystems for the future, it will be necessary to restore or 're-build' the existing biodiversity network.</p>	<p>LBH to investigate how biodiversity offsetting could benefit the existing network.</p> <p>The Local Plan to include a focus on how nature conservation and biodiversity can be promoted in Havering.</p>	<p>LBH</p>

Appendix 2

Habitat/Species	Legal designation		Other classification						notes
	European	Wildlife & Countryside Act	UK BAP Priority	Lon BAP Priority	LBH BAP Priority	Nationally scarce	Locally scarce	Other	
Pond & Lakes			✓	✓	✓				Having has 19% of the total resource in London, made up of 343 sites. Associated species include great crested newt, bats, pochard, and water vole.
Reedbed			✓	✓	✓				Having has 31% of London resource, mainly in Ingrebourne and Rainham Marshes. Associated species include reed bunting, harvest mouse.
Thames Terrace Grasslands			✓	✓	✓				Rare habitat holding nationally significant resource. Associated species include bumblebees.
Woodland			✓	✓	✓				Having is a focus of woodland creation through the Thames Chase Community Forest. Associated species include stag beetle, song thrush, and green woodpecker.
Hedgerows			✓	✓	✓				Having has 32% of the total native-species hedgerows in London. Associated species include song thrush, stag beetle & reed bunting.
Private gardens				✓	✓				Estimated to cover 20% of surface area in Having. Associated species song thrush, house martin, slow worm, stag beetle.
Great crested newt	✓	✓	✓	✓	✓			SPI ² ,	Having has largest population in London. In decline in London
Stag Beetle		✓		✓	✓	✓		SPI ² ,	Having has largest percentage of London population. In decline in London

Bumblebees			✓	✓	✓			SPI ² ,	Important population in Havering, especially along the east Thames corridor. In decline in London
Green woodpecker					✓				Good indicator of woodland/parkland management.
Slow Worm		✓	✓	✓	✓				Nationally in decline. Vulnerable to development as it occurs on brownfield sites.
Serotine (bat)	✓	✓	✓	✓	✓				Threatened with local extinction.
Brown Hare			✓		✓				Havering has largest population in London.
Harvest Mouse					✓				Nationally in decline, Havering has largest percentage of London population.
Water vole		✓	✓	✓	✓				Nationally in decline, Havering has largest percentage of London population.
Barn owl		✓			✓				In decline nationally, Havering has large %age of Essex population.
Grey Partridge			✓		✓			Red list ¹	Limited to Berwick Ponds and Thameside Marshes.
House Martin					✓				In decline nationally, 70% decline in Havering, indicator of clean air.
Pochard					✓	✓			Nationally rare. Important breeding populations at Berwick Ponds and Rainham gravel pits(20% of Essex pop)
Reed bunting			✓		✓			Red list ¹	Important population in south of borough.
Skylark			✓		✓			Red list ¹	Important population in south of borough.
Song Thrush			✓		✓			Red list ¹	In decline in Havering.

¹ Birds of Conservation Concern: Red-list species are those that are Globally Threatened according to the IUCN criteria; those whose population or range has declined years; and those that have declined historically and not shown a substantial recent recovery.

² Species of Principal Importance for the conservation of biological diversity in England (CRoW Act 2000).

Sites of Metropolitan Importance

These are sites containing the best examples of London's habitats, sites which contain particularly rare species, rare assemblages of species or important populations. They are of the highest priority for protection and include SSSI's. There are 9 such sites identified in Havering, these are listed below with their grid square reference.

M014 Cranham Marsh	TQ 565 854
M031 River Thames and tidal tributaries	TQ 167 754
M039 Rainham Marshes	TQ 528 804
M090 The Chase and Eastbrookend Country Park	TQ 512 863
M108 Ingrebourne Valley	TQ 538 842
M150 Bedfords Park	TQ 518 923
M151 Dagnam Park and Hatters Wood	TQ 550 930
M152 Belhus Woods	TQ 568 825
M153 Havering Country Park	TQ 505 928

Sites of Borough Importance

These are sites which are important at a borough level. Borough sites are divided, on the basis of their quality, into two grades, but they are all important on a borough wide view. There are 21 Grade I sites identified in Havering, these are listed below with their grid square reference.

HvBI 01 Mudlands	TQ 510 824
HvBI 02 Frank's Wood and Cranham Brickfields	TQ 580 881
HvBI 03 Fields south of Cranham Marsh	TQ 573 852
HvBI 04 Codham Hall Wood West	TQ 582 886
HvBI 05 Hornchurch Country Park (inc Southern Grasslands of St George's Hospital)	TQ 532 842
HvBI 06 Tylers Common	TQ 566 905
HvBI 07 Tomkyns East Pastures	TQ 571 897

HvBI 08 Upminster Lodge Farm Horse Field	TQ 556 891
HvBI 09 Fairplay Farm	TQ 601 862
HvBI 10 Warwick Wood	TQ 558 830
HvBI 11 Bellvue	TQ 528 921
HvBI 12 Foxburrow Wood, Havering-Atte-Bower	TQ 526 933
HvBI 13 Spice Pits Wood	TQ 539 940
HvBI 14 Long Wood and Sage Wood	TQ 544 922
HvBI 15 Romford Golf Course	TQ 524 903
HvBI 16 Mid Beam Valley	TQ 514 848
HvBI 17 Beam Valley South	TQ 506 836
HvBI 18 Lower River Beam & Ford Works ditches	TQ 499 819
HvBI 19 Hainault Forest Golf Centre	TQ 486 929
HvBI 20 Duck Wood	TQ 555 923
HvBI 21 Clay Tye Wood	TQ 596 868

In addition, there are 43 Grade II sites identified in Havering:

HvBII 01 Bower School Wood	TQ 509 920
HvBII 02 South Park Plantation	TQ 516 934
HvBII 03 River Rom in North West Havering	TQ 496 917
HvBII 04 Bedfords Farm Wood	TQ 522 927
HvBII 05 Immanuel School Wood	TQ 507 922
HvBII 06 Cranham Hall Shaws and Pasture	TQ 577 866
HvBII 07 All Saints Churchyard, Cranham	TQ 572 861
HvBII 08 Strawberry Farm Wood	TQ 568 889
HvBII 09 Puddle Dock Angling Centre	TQ 594 868
HvBII 10 Lodge Farm Spinney	TQ 548 846
HvBII 11 Curtis Plantation	TQ 540 947

HvBII 12 Central Farm streamsides	TQ 551 842
HvBII 13 Foxlands Farm	TQ 551 895
HvBII 14 Hall Lane Verge and Montrose Pasture	TQ 561 899
HvBII 15 Boxhill Road Wood	TQ 528 927
HvBII 16 Home Farm Wildnerness	TQ 552 938
HvBII 17 The Butchers Paddock	TQ 513 937
HvBII 18 Carters Brook and Paines Brook	TQ 541 929
HvBII 19 Tylers Hall Pond	TQ 566 913
HvBII 20 Jarmains Wood	TQ 570 908
HvBII 21 Foxburrow Wood, Upminster	TQ 573 902
HvBII 22 Broadfields Farm	TQ 583 861
HvBII 23 Upminster Sewage Works Grass Bed	TQ 608 865
HvBII 24 Bourningwood Fields	TQ 557 906
HvBII 25 Hall Farm Moat, Paddock & St Mary Magdelene Churchyard, N.Ockendon	TQ 587 847
HvBII 26 Stubbers Outdoor Pursuit Centre	TQ 573 844
HvBII 27 Redlands Aggregates Angling Lake	TQ 572 832
HvBII 28 Common Watercourse & Williams Lake	TQ 544 822
HvBII 29 Moor Hall Farm Shaws	TQ 552 812
HvBII 30 The Willows	TQ 550 814
HvBII 31 Noak Hill Archery Field	TQ 526 915
HvBII 32 Tench Pond Plantation	TQ 531 935
HvBII 33 St Thomas's Churchyard, Noak Hill	TQ 541 940
HvBII 34 Forge House Paddocks and Fishing Lake	TQ 543 936
HvBII 35 Home Farm Broxhill	TQ 530 930
HvBII 36 Brett Havering Aggregates East	TQ 550 828
HvBII 37 Brett Havering Aggregates West	TQ 536 816

HvBII 38 North Ockenden Pit	TQ 591 844
HvBII 39 Riverside Sewage Treatment Works	TQ 511 821
HvBII 40 Little Chef Pasture	TQ 555 889
HvBII 41 Chequers Road Wood	TQ 544 939
HvBII 42 Railside Land (divided into 6 sections A-F)	TQ 530 894
HvBII 43 Hill View	TQ 573 889

Sites of Local Importance

These are sites which are important to local residents or schools. Local sites can be important in areas which would otherwise be deficient in wildlife sites. There are 16 such sites identified in Havering, these are:

HvL 01 Raphael Park	TQ 518 899
HvL 02 River Rom at King George's Playing Fields	TQ 501 897
HvL 03 Wennington Churchyard	TQ 539 809
HvL 04 Shoulder of Mutton Wood	TQ 551 919
HvL 05 Westlands Rough	TQ 495 880
HvL 06 Romford Cemetery	TQ 505 876
HvL 07 Harrow Lodge Park	TQ 530 866
HvL 08 Clockhouse Gardens	TQ 563 865
HvL 09 St Lawrence's Churchyard, Upminster	TQ 559 864
HvL 10 Pot Kiln Wood & Sickle Wood	TQ 571 886
HvL 11 Langton's Gardens	TQ 537 874
HvL 12 Parklands, Corbets Tey	TQ 555 849
HvL 13 Rise Park Stream	TQ 514 911
HvL 14 Bob's Lane and Ash Lane	TQ 522 914
HvL 15 Bower Farm Green Lane	TQ 512 939
HvL 16 The Dell	TQ 544 868

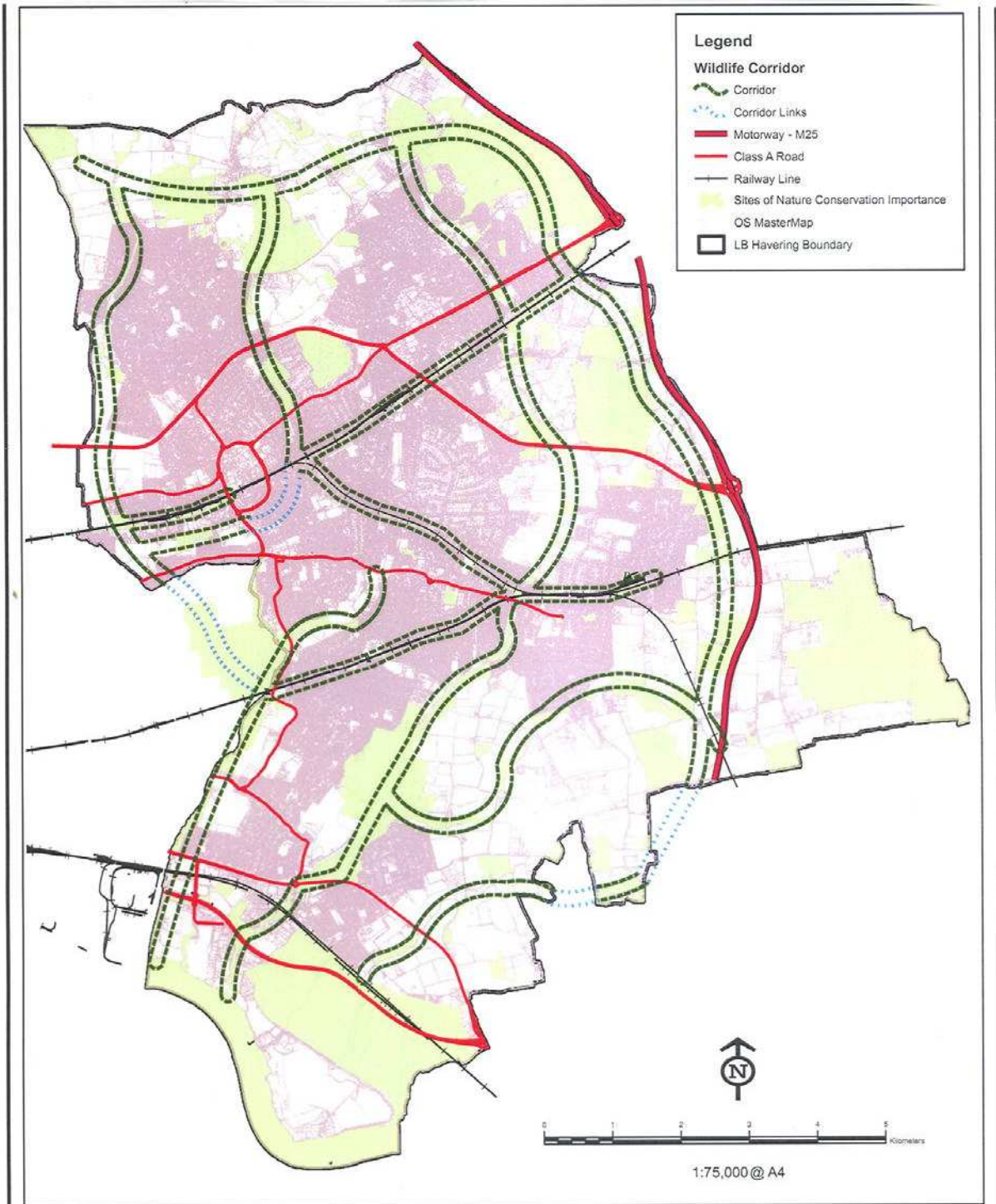
A Review of Havering's Wildlife Corridors

Wildlife corridors are linear features whose primary function is to connect significant areas of wildlife habitat and, in so doing, moderate some of the adverse ecological effects of habitat fragmentation. Habitat fragmentation is a threat to many wildlife species because chance events such as freak weather can wipe out an isolated population with little possibility of re-colonisation and also because it limits the size of the gene pool, weakening the species through inbreeding and low genetic variance. In the context of a changing climate, habitat fragmentation limits the options available to species if the changing climate creates unsuitable conditions in their current habitat, because they cannot easily move to other habitats where conditions are more favourable.

Havering has a concentration of sites of high biodiversity value across the northern ridge and, in the south of the borough, the high-value Ingrebourne and Inner Thames Marshes SSSIs and the corridor of the River Thames. The aims of protecting and enhancing wildlife corridors are:

- To link these high-value areas to one another and to developing sites such as those recently planted within the Thames Chase Community Forest;
- To improve links northwards and eastwards from the Inner Thames Marshes SSSI and the Thames Corridor;
- To improve links to high-value sites outside the borough, including to Hainault Forest to the north-west and to the Thorndon complex to the north-east;
- To support existing corridors in the west of the borough via the Beam River and the Dagenham Corridor.

A map of the designated corridors is included below.



London Borough of Havering
 Planning Department
 Mercury House, Mercury Gardens
 Romford, RM1 3SL
 Tel: 01708 434343



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 London Borough of Havering 100024327

Habitat requirements

The effectiveness of a wildlife corridor depends on continuity of the types of habitat along which wildlife will migrate. Hence land managers and/or developers should be encouraged to retain all relevant existing natural features and where possible to introduce improvements. As a minimum, the aim is to maintain a continuous band of natural vegetation that is at least 10m. wide and ideally 30m. wide.

The types of habitat that are desirable are as follows:

- For all corridors: rough grassland/low scrub, with or without a hedgerow.
- For corridors running north from the Thames: open grassland on south-facing slopes of river/stream valleys, where possible with exposed gravels.
- For rivers and streams: continuity of bankside vegetation, ideally 15m wide, with occasional trees or shrubs but without heavy shading.
- For the Thames Corridor: continuity of open habitat – foreshore and rough grassland/low scrub – at least 30m wide.

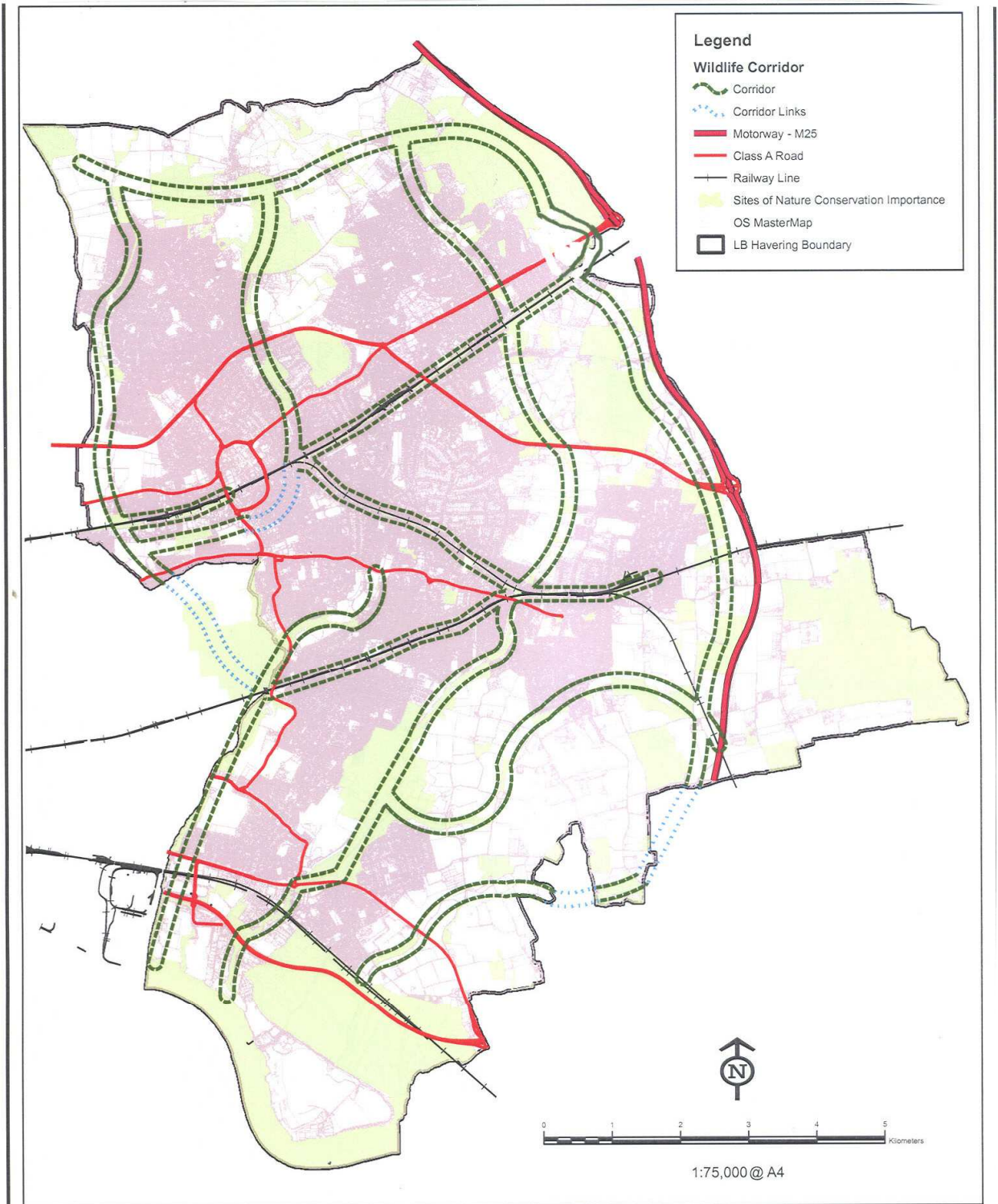
Corridor features

- Maintain as much natural open space as possible next to any culverts to encourage the use of the culverts.
- Maximize land uses adjacent to the corridor that reduce human impacts to the corridor. Isolation effects along corridors can be offset by having surrounding habitat similar to that found within corridors.
- Do not allow housing or other impacts to project into the corridor to form impediments to movement and increase harmful edge effects.
- If housing is to be permitted next to the corridor, apply conditions on adjacent properties to prohibit structures nearest the corridor.
- Develop strict lighting restrictions for the houses adjacent to the corridor to prevent light pollution into the corridor: for example, external lighting should be directed downward and inward toward the home.

“Formal” Wildlife Corridors in Havering

1. From the Inner Thames Marshes SSSI following the Common Sewer NE into Running Water Brook and Belhus Woods.
2. The Ingrebourne Valley from the Thames to Harold Wood, then up through Harold Hill via Carters and Paines Brooks.
3. The stream valley from Berwick Ponds up to Cranham Marsh and then via Broadfields Farm, Cranham Brickfields, Tylers Commons and Maylands Golf Course to Dagnam Park.
4. From Dagnam Park via Bedfords Park to Havering Country Park and Hainault Forest.
5. Beam Valley and Dagenham Corridor, with a branch up through Harrow Lodge Park into Hornchurch.
6. From Bedfords Park south via Rise Park and Raphael Park.
7. The River Thames.

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CABINET
22 JANUARY 2014

Subject Heading:

Proposed grant funding bid for the Restoration of Upminster Windmill Heritage Site

Cabinet Member:

Councillor Andrew Curtin
 Cabinet Member for Culture, Towns & Communities

CMT Lead:

Cynthia Griffin, Group Director Culture, Community and Economic Development

Report Author and contact details:

Nicola Houseago, Business Development Officer, Economic Development
 Tel: 01708 432795
 nicola.houseago@havering.gov.uk

Policy context:

Living ambition – Towns and Communities
 Culture Strategy

Financial summary:

Authority is sought to submit a Round 2 funding bid to the Heritage Lottery Fund for the Restoration of the Upminster Windmill Heritage Site for £1,384,500, with match funding from Veolia North Thames Trust funding of £255,902 and volunteer funding equivalent to £170,200 with no additional budget requirement for the Council.

Is this a Key Decision?

Yes

When should this matter be reviewed?

September 2015

Reviewing OSC:

Towns and Communities

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

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

SUMMARY

This report describes the development of a project to restore the Upminster Windmill Heritage Site following a successful Stage 1 application for development funding to the Heritage Lottery Fund (HLF). In November 2012 funding of £128,920 was granted to progress plans to restore the windmill and build an Education & Training Centre.

This report seeks approval to make a Round 2 application to the HLF Heritage Grants Programme in partnership with the Upminster Windmill Preservation Trust (the Trust), for £1,384,500.

RECOMMENDATIONS

To agree the submission of a Round 2 grant funding application to the Heritage Lottery Fund Heritage Grants Programme for £1,384,500.

REPORT DETAIL

1. Between April 2008 and March 2013 the London Borough of Havering was a priority borough for HLF funding. During this period a number of successful funding applications were submitted including:
 - Havering Museum
 - Ingrebourne Valley
 - Raphael's Park
 - Langtons Gardens
 - Rainham Hall
2. The Heritage Lottery Fund is the largest dedicated funder of the UK's heritage investing approximately £375million per year in new projects. Since 1994, HLF has supported over 35,000 projects, allocating more than £5.5billion across the UK.

The Heritage Grants Programme is for grants of over £100,000 for projects that meet their aims relating to learning, conservation and participation. To receive a grant projects must:

- Help people to learn about their own and other peoples heritage,

and must also do either or both the following:-

- Conserve the UK's diverse heritage for present and future generations to experience and enjoy;
 - Help more people, and a wider range of people, to take an active part in and make decisions about heritage
3. The Council, in partnership with the Upminster Windmill Preservation Trust, successfully submitted a Stage 1 application to HLF and gained development funding for the Restoration of Upminster Windmill Heritage Site, specifically developing plans to undertake the restoration of the windmill and build a new Education & Training Centre. Alongside these capital elements, the development funding has enabled a number of plans to be produced that will support the HLF aims as outlined above. These include:
- Conservation Management Plan – to ensure the mill is protected
 - Activity Plan – to support and encourage volunteers involved in the project to access opportunities, including supporting the restoration of the mill
 - Interpretation Plan – to help people understand the site and its wider social and historical importance
 - Business Plan – to ensure the long-term sustainability of the site
4. The Round 2 bid will build on the work undertaken during the development phase outlining in detail the delivery plans to restore the windmill and build the Education & Training Centre. The bid will also encompass the range of community activities that will meet the HLF learning, participation and conservation aims.
- An outline timetable for the project is as follows:
 - 3rd March 2014 – 2nd Round bid submitted to HLF
 - June 2014 – decision from HLF
 - Subject to a positive decision:
 - August – December 2014 – tendering for new build
 - January – September 2015 – new building completed
 - September 2015 – sails and cap removed; refurbishment starts using the facilities in the Education & Training Centre
 - March 2016 – October 2017 – restoration of the windmill
 - Early 2018 – Formal opening of the site
5. The Education & Training Centre will be subject to Planning permission. It is envisaged that the planning application will be submitted at the beginning of January with a decision expected prior to the HLF Board meeting in June 2014.
6. The Council has worked closely with the Trust to develop plans for the site and an integral part of the project has been the volunteer time allocated during both the development stage and the delivery stage.

REASONS AND OPTIONS

7. Reasons for the decision:

- 7.1. Upminster Windmill is a Grade II* listed building, currently registered by English Heritage as in poor condition and priority D on their At Risk Register (Priority D is classified as: slow decay; solution agreed but not yet implemented). English Heritage has been consulted during the development phase and awareness of the project has raised expectations of delivery from English Heritage.
- 7.2. In order to maximise the benefits of HLF funding a decision by Cabinet is required to authorise the submission of funding bids in excess of £500k. The Constitution sets out that pursuant to the delegated authority for corporate functions in Part 3 Section 2.2 in the following paragraphs to Cabinet:-
- (a) To take decisions on all matters relating to the Council's finances including but not exclusively:
 - (i) budgetary control
 - (q) To approve applications for the submission of bids for grants and other financial assistance which require the provision of additional finance or match funding or are likely to lead to residual costs or implications for the Council or where the amount of the grant application exceeds £500,000

8. Other options considered:

Submitting external funding bids above £500k requires Cabinet approval, without which there are no other options available.

IMPLICATIONS AND RISKS

Financial implications and risks:

HLF Heritage Grants contribute grants of £100,000 and over to the cost of an agreed project. A grant of below £1million needs a contribution of at least 5% of the project costs from the bidding organisation. A grant of £1million or more needs a contribution of at least 10% of the project costs from the bidding organisation. These cost contributions can be either cash, or in-kind.

Non-cash contributions can include goods or services offered without charge and volunteer time.

The total project budget is £1,983,572, (inclusive of fees and 10% contingency) made up of the following:

- Round 1
HLF Development funding of £128,920,
Volunteer contribution the equivalent of £33,250
Contribution from the trust £10,800 (via a separate grant)

- Round 2
Veolia North Thames Trust funding of £255,902 (secured subject to a successful HLF bid); this fulfils the 10% contribution from the bidding organisation.
Volunteer contribution the equivalent of £170,200
HLF bid £1,384,500

Risk around costs, and volunteer contribution, will need to be managed as appropriate. Subject to Cabinet approval, an application for the HLF Heritage Grants programme will be submitted in March 2014 for £1,384,500.

The council will bear no responsibility for any additional revenue costs within the bid. Management of the site and its associated costs, as stipulated in the lease, will be borne by the Upminster Windmill Preservation Trust, once the works are completed and the lease signed.

Two three-year posts are included within the bid; the current plan is that these posts would be employees of Havering, and redundancy costs would potentially be payable at the end of the contract period. These costs will be met by existing budgets within the Culture & Leisure Service.

Legal implications and risks:

A lease has been drafted and Heads of Terms agreed with Strategic Property Services. It is proposed that the lease will be signed upon completion of the new building, scheduled for October 2015.

Should the funding application be successful there will be contractual arrangements relating to funding agreements, and other arrangements to deliver specific aspects of the project that must comply with the Council's approved procedures for procurement which will require legal input.

Human Resources implications and risks:

The cost of preparing the Round 2 bid will met within existing resources.

The Round 2 bid includes provision for two part-time posts:

Project Manager – 0.6 FTE for three years to oversee the delivery of the capital build and restoration programme;

Education Officer – 0.8 FTE for 2 years and 0.6FTE for 1 year to deliver the Activity plan and promote the site as a heritage destination.

Should the bid be successful both posts will be based within the Culture & Leisure service.

Equalities implications and risks:

Equal opportunities will be central to the delivery of this project, bringing people from all protected characteristics together to take part in a range of conservation and cultural activities that develop community relationships and strengthen community cohesion.

An Equality Analysis will be completed to ensure any potential negative impact is identified and minimised/eliminated and positive equality outcomes and opportunities are enhanced.

BACKGROUND PAPERS

Round 1 Bid
Education & Training Centre Designs
Activity Plan
Interpretive Framework
Business Plan
Conservation Management Plan

CABINET

22 January 2014

Subject Heading:

Community Action Member Project

Cabinet Member:

Cllr Andrew Curtin

CMT Lead:

Cynthia Griffin

Report Author and contact details:

Claire Thompson, Corporate Policy and
Community Manager, 01708 431003

Claire.thompson@havering.gov.uk

Kayleigh Pardoe, Policy, Marketing and
Administration Manager, 01708 432080

Kayleigh.pardoe@havering.gov.uk

Policy context:

The Community Action project was a key element of the corporate plan objective around strengthening communities through volunteering and by getting people involved in making a difference in their local area.

Financial summary:

All the outcomes listed in this report were delivered within existing resources.

Is this a Key Decision?

No

When should this matter be reviewed?

N/A

Reviewing OSC:

Value

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

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

SUMMARY

At the beginning of this term, ten Strategic Administration Projects were established to help deliver services more effectively and in new ways. The Projects were each to be driven by a Member of the Cabinet, working with a select team of officers, representing a diverse variety of disciplines within the Council.

The projects were:

Council Effectiveness
Think Family
Open Government
Community Action
Harold Hill Ambitions

Neighbourhood Responsibility
Civic Pride
Future Financing
Rainham Compass
Romford Regeneration

In the last year of this Administration, each Project will be reporting back to Cabinet, to note the achievements attained and the progress made.

The **Community Action** project has now been completed, although many of the initiatives it put in place will continue to be delivered as it now forms the mainstream work for a number of council services.

The project:

- **Strengthened relationships with the voluntary sector** by developing, in partnership, volunteering projects such as Cold Weather Befrienders, that utilised the specialisms of local organisations and community groups to help reach isolated older people
- **Saw over £250,000 awarded to local grassroots groups** through the Community Chest small grants programme
- **Capitalised on the Olympics and Paralympics legacy** by galvanising the huge interest the Games brought about in volunteering, and put in place the Community Clean-Ups programme, part of the 'Cleaner Havering' Campaign
- **Put in place the Active Living over 50s programme**, designed to help older people stay healthy, social and safe for longer
- **Improved the Council's offer for young people**, through the new 'Assets Framework'
- **Looked at ways of removing barriers to engagement**, by making volunteering, particularly in cultural activities, as inclusive as possible.

RECOMMENDATIONS

That Cabinet note the outcomes delivered by the Community Action project.

REPORT DETAIL

1. BACKGROUND

- 1.1. The 'Community Action' project was formally initiated in July 2011 and put in place a range of initiatives to encouraging local people to get involved in volunteering in their local area and strengthen community capacity and resilience, particularly during these times of austerity when more vulnerable people than ever need the support of the community around them.
- 1.2. The project looked at ways of building community resilience through increased levels of voluntary action, support for older people to stay healthy and independent for longer, a new 'offer' to engage young people in their communities, and removing barriers to engagement through cultural activity.

2. SUPPORTING THE VOLUNTARY SECTOR

- 2.1. The Council works closely with, and invests in, the voluntary (not for profit) sector who provide vital community services and social activities that are used and valued by thousands of Havering's residents on a daily basis.
- 2.2. Havering's voluntary sector consists of a broad, diverse range of organisations, from large service providers delivering contracts, through to uniformed organisations like the Scouts and Guides, community sports clubs, heritage walking clubs – all run by local people willing to give up their spare time for the benefit of their community.
- 2.3. Each year the Council spends roughly £7m commissioning vital services from the voluntary and community sector, which provide care and support to some of our most vulnerable residents, including isolated elderly people, people with mental health and other disabilities and looked after children.
- 2.4. It also provides small grants, such as the highly successful Community Chest programme, which has awarded over £250,000 during the length of this project to over 140 community projects, from allotment facilities through to cultural events, computer and sports equipment, employment projects and cookery workshops.
- 2.5. As well as this investment, the Council also contributes to the London Borough Grants Scheme, run by London Councils, which commissions projects from the voluntary sector across London to tackle issues common to all boroughs, such as homelessness, poverty and unemployment.
- 2.6. As well as funding support, the Council is keen to promote a culture of volunteering within Havering, as it is well documented what positive health and wellbeing impacts it can have on the people who volunteer as well as

the recipients of help from volunteers. The Council works closely with organisations such as the volunteer centre at HAVCO, to help members of the public find out about volunteering opportunities in their area and how to get involved. With a growing population and reducing levels of public funding, strengthening community capacity through increased levels of volunteering will be crucial over the coming years.

- 2.7 The Council owns 18 community halls that are managed and run by committees made up of local people – a fantastic example of ‘community action’. These vital centres provide services and social activities, often to between 500 and 1000 people each per week. This year, the Council has looked to further strengthen community capacity in the borough through the lease of New Windmill Hall in Upminster and Tweed Way Hall in Romford to two new Community Associations. Under the lease arrangement, New Windmill Community Association and Tweed Way Hall Community Association are responsible for the management of the respective halls and promoting activities that take place in the halls. Not only does this approach enable local communities to have more of a say over the services that are provided locally, but it also enables them to access funding for the benefit of the local community, accessing funding to keep these vital community hubs alive, that the Council might not otherwise be able to bid for.

3. OUTCOMES FROM THE COMMUNITY ACTION PROJECT

3.1 THE ‘ACTIVE LIVING’ PROGRAMME

- 3.1.1 One of the most successful elements of the Community Action project has been the Active Living campaign, the new programme for the borough’s older people, designed to help them stay healthy, social and active for longer, by engaging in voluntary activity.
- 3.1.2 This five-year project is being delivered in partnership with a host of voluntary sector organisations including the Over fifties Forum, HAVCO, Citizens Advice Bureau, Age Concern and the Havering Museum. It was funded by the Havering Strategic Partnership’s LAA performance reward grant in 2011.
- 3.1.3 The Active Living campaign has already achieved a number of fantastic outcomes:
- Delivered the ‘Active Living’ week, a week-long programme of taster activities for older people to get involved in, which included the Silver Sunday Awards, hosted by the Over Fifties Forum, which recognised the contribution that older residents make to the borough.
 - Enabled the extension of the hugely popular free swimming sessions for the over fifties at Hornchurch and Central Park leisure centres as well as Chafford Sports complex

- Set up the Havering Circle social membership scheme, giving members access to a wide variety of social events and access to ‘helpers’ to help with gardening, cleaning, DIY and technology.
- Funded the variety ‘reminiscence’ clubs for older people at Havering Museum, run by local volunteers
- Provided social activities such as sewing and knitting clubs in Havering’s libraries, cookery workshops, poetry readings and tea dances – all designed to combat social exclusion and help older people feel engaged in their communities
- Allowed for the continuation of the hugely popular ‘Perky Pensioners’ and Pub Clubs with Age Concern, where older people have the chance to meet each other and socialise
- Set up the Cold Weather Befrienders scheme, part of the Council’s fuel poverty campaign, which involves volunteers being given training to support vulnerable people in the community with no friends or family nearby, who are most at risk in times of severe bad weather, by calling in on them each day and helping with groceries, etc.

3.1.4 The Active Living campaign has been, and continues to be, a fantastic example of positive community action, led by local people and community groups, and will help to keep our older people healthier for longer.

3.2 ENGAGING YOUNG PEOPLE

3.2.1 Engaging with young people was another key strand of the Community Action project and a lot of activity has taken place over the last two years, led by young people themselves with support from the council.

3.2.2 The Council has re-designed its youth service offer around an innovative “Young People’s Assets Framework”, which recognises the importance of young people reaching their maximum potential and making a positive contribution to society, utilises existing community assets. This new model is already delivering improvements in outcomes, and has attracted the attention of Cabinet office and numerous other local authorities keen to emulate our approach in delivering improved outcomes - for a lot less money than before.

3.2.3 Some early outcomes of the new youth assets framework are:

- In May, a new Young Leader, Princess Bright, was elected by young people to ensure the views of young people in Havering are represented within the Borough, across London and the rest of the UK.

- The Youth Service engaged a local media company, HYPE TV, to work with young people in Harold Hill to produce an award-winning film about the area
- An arts course was held where local artists ran workshops with young people on each of the 12 “assets”
- Youth Zone – young people’s activities are now running out of libraries rather than youth clubs that were costly and under-used
- Young People’s Friends Of Parks groups have been established to run alongside the borough’s existing Friends of Parks with a number of young people involved
- A new programme regularly involving 200+ young people is being run by youth workers and other council departments, with support from the borough’s large employers, getting young people ready for employment
- A group of Harold Hill teenagers have set up their own youth group, Piggie Lot, and have attracted national attention with their positive activities, organising themselves to fundraise through Facebook and other social media.
- A range of free courses/workshops for young people was launched in Romford through the NICHE project, which stands for ‘Non-Institute of Collaborative Happenings and Endeavours’ provided by the Council in partnership with the Romford Contemporary Arts Programme. The free courses were all run by professionals and based around the 12 personal ‘assets’ as part of the Young People’s Asset Framework.

3.3 THE OLYMPICS AND PARALYMPICS LEGACY

- 3.3.1 The borough saw a huge interest in volunteering during the Olympic and Paralympic Games and hundreds of people were signed up as volunteers during the games as part of our Ambassadors programme.
- 3.3.2 Many of these volunteers continue to volunteer at events around the borough, including the Havering Show and are getting involved in our community clean-ups.
- 3.3.3 The Community Clean-ups originated from the Spring Clean survey in 2013, where hundreds of residents told us they wanted to volunteer in their local areas, and also formed an integral part of the Council’s ‘Cleaner Havering’ campaign. Through the volunteer centre at HAVCO, we contacted these residents and organised community-led clean up days in local areas including Hornchurch Country Park, Briar Road, Rise Park, Gooshays ward, Crow Lane, Harold Hill, Harrow Lodge Country Park, to name but a few. At these clean up days, local people organise themselves into teams and set

about making the area look better, including litter picking, pruning, planting - with clean-up packs provided by the Council.

3.3.4 The Community Clean Ups have taken a short pause over winter, with a calendar of clean-ups being planned to start again in the spring.

3.4 REMOVING BARRIERS TO COMMUNITY ACTION THROUGH CULTURE

3.4.1 Key to promoting a culture of volunteering in Havering is making volunteering opportunities as inclusive as possible. The Council and its partners work hard to ensure that volunteering opportunities are open to all members of the community. Some examples include:

- The Library Service, which works with the community and partners such as Rose (Realistic Opportunities for Supported Employment) Program and PACT (Parents of Autistic Children and Teenagers) to provide volunteering, work experience and paid employment opportunities for disabled people. Many of the library volunteers also work with disabled groups, such as a reading group for Deaf people and 'listening group' for visually impaired people to improve literacy and computer skills, as well as access to services generally, for example through the investment of specialised computer software.
- The School Sports Collective, a partnership of both primary and secondary schools, and the Council's Sports Development Team, work in partnership to run a number of events throughout the year aimed at disabled Children and Young People. Over the past year these have included primary and secondary Panathlon and Boccia Competitions, Disability Swimming Gala, Disability Athletics Competition and Adaptive Indoor Rowing Competition. These are supported by Young Leaders who volunteer their time and skills to help run the various events.
- The Positive Parents Group, a parent forum for parents and carers of children and young people with disabilities and / or additional needs volunteered their time to help the Parks Team with the design for the restoration of Raphael Park. Following the forum's feedback the park now includes special play equipment suitable for disabled children and a 'Changing Places' toilet facility suitable for both disabled children and adults.
- Havering's Walking for Health Scheme is led by Walk Leaders of all ages, skills and abilities who volunteer their time 6 days a week to lead walks across the borough. Over the last few years the number of participants has more than doubled from 4,634 in 2008/09 to 10,944 in 2012/13. The walk leaders do a fantastic job of increasing the physical and mental health of residents. For example, in the borough's recent Walking for Health survey, 99% found the leaders supportive and 94% found that the walks had made them feel fitter. The walk leaders also volunteer their time outside of the walking programme to organise

special walks and also attend community events to promote the programme.

- Supported by the Council, Havering Museum is run by many trained volunteers and active 'Friends of Havering Museum' group. Opportunities for volunteering range from working in the office doing administrative tasks, to manning the reception and gift shop and putting together exhibitions. The benefits of volunteering at the museum are particularly evident for many young people who have volunteered on a short term basis to gain to skills and experience they need before entering employment.
- A new partnership between Fairkytes Arts Centre and HAVCO saw the recruitment of four 'ambassadors' for Fairkytes Open Day in June. This partnership is likely to continue and grow in the future. Fairkytes Arts Centre is the hub of voluntary and community arts activity in the borough with over 6,000 people per month visiting to take part in group, club and society activities, ranging from painting to singing, model railways, amateur radio, quilt making and flower arranging. Some activities are specifically aimed at disabled people and often run in partnership with voluntary organisations such as PACT (Parents of Autistic Children and Teenagers).

4. CONCLUSION

- 4.1 Much of the 'community action' project now forms part of the mainstream work of the Council, with almost all Council services involved in community engagement.
- 4.2 The Community Action Project leaves a legacy of positive outcomes and a new way of working with the community to help Havering continue to be the great place it is to live, even in difficult economic times.

REASONS AND OPTIONS

Reasons for the decision:

This report is being brought to cabinet to provide Members with an overview of the Council Effectiveness Member project.

Other options considered:

N/A

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no specific financial implications arising from this report. The recommendation is simply to note the report. All activities mentioned in this report were delivered using existing resources or through small amounts of external funding.

Legal implications and risks:

There are no legal implications or risks arising from this report.

Human Resources implications and risks:

There are no HR implications arising from this report.

Equalities implications and risks:

This Member Project has focused on engaging with both the population as a whole, and also targeted activity with specific groups such as older people, and younger people from disadvantaged backgrounds, to try and reduce inequality and barriers to engagement that many people face.

As encouraging voluntary action was such an important part of this project, and will continue to be a priority for the Council, the Council and its partners are monitoring volunteering take up according to protected characteristics in the Equality Act to monitor trends in volunteering take up and to use this information to better target underrepresented groups.

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CABINET

22nd JANUARY 2014

Subject Heading:

Award of the Waste and Recycling
Collection Contract

Cabinet Member:

Cllr Barry Tebbutt

CMT Lead:

Cynthia Griffin

Report Author and contact details:

Bob Wenman 01708 432898

bob.wenman@havering.gov.uk

Policy context:

Delivering a statutory waste collection service is one of the top priorities for the Council

Financial summary:

The cost of the recommended award can be contained within the current revenue base budget.

Is this a Key Decision?

YES

(a) Expenditure or saving (including anticipated income) of £500,000 or more

(b) In excess of 10% of the gross controllable composite budget at Head of Service/ Assistant Chief Executive level (subject to a minimum value of £250,000)

(c) Significant effect on two or more Wards

When should this matter be reviewed?

August 2016

Reviewing OSC:

Environment O&S

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

Ensuring a clean, safe and green borough	[x]
Championing education and learning for all	[]
Providing economic, social and cultural activity in thriving towns and villages	[]
Valuing and enhancing the lives of our residents	[x]
Delivering high customer satisfaction and a stable council tax	[x]

SUMMARY

This report set out the details of the recent procurement process for the supply and delivery of the Council's Waste and Recycle Collections Contract for a period of 7 years from 1st August 2014, with the option to extend for a further 3 years subject to performance.

RECOMMENDATIONS

1. Members approve the award of the Refuse and Recycle Collections Contract for the period of seven years plus the option to extend by up to three further years subject to satisfactory performance, commencing August 1st 2014.
2. Members approve the Award of the Refuse and Recycle Collections Contract to Tenderer A as set out in Appendix B, confidential section of this report.

REPORT DETAIL

1. Background and Strategic Approach

1. This report sets out the details of the recent procurement process for the Waste and Recycle Collections Contract which is due to commence 1st August 2014. The service is currently outsourced to Biffa Municipal Waste Services.
2. Officers commenced preparations for the re-tender of this service in 2011, the primary objective being to ensure medium term costs were controlled, service satisfaction was maintained and a smooth transition to a new provider was delivered. It became clear at that stage that the difficulties with such a high profile contract were how the current low cost could be maintained and the long term contracted arrangements with the Council's disposal partners which limit the ability for an incoming contractor to maximise any opportunity from the core recyclables collected.
3. A project team of experienced officers from Waste Services, Legal, Procurement, Health and Safety, Finance and HR was assembled to review the contractual and specification requirements for the new service. Analysis

based on data that had been gathered was also undertaken with a view to refining what had previously worked well and what required improvement. The data considered was the feedback received from residents, Members and customer satisfaction surveys, which placed these services amongst the highest rated the Council provides.

4. Given the scale of the project, support was commissioned from WRAP (Waste Resources Action Programme), one of the waste industry's leading experts, who provided a support team of many years' waste expertise.
5. For the purposes of the procurement exercise, the service was split into the Core Service, (the weekly refuse and recycle collections, garden waste, bulky and clinical waste collections from all households), with a range of additional service options ranging from 1 – 4. The approach taken in the Invitation to Tender, (ITT) was to clearly set out the available service budget and to seek a range of options that would contain service cost throughout the duration of the contract.
6. Officers sought tendered rates for the following services.
 - Core Service
 - Plus:
 - Option one - the collection of glass on a weekly basis
 - Option two - fortnightly collection of mixed dry recyclables (MDR)
 - Option three - fortnightly collection of MDR and glass
 - Option four - commercial waste recycling.
7. The evaluation process was constructed to make sure contractors fully understood the Council's requirements; a scoring matrix of 60% quality and 40% price was applied. Further details of requirements in respect of technical compliance and contract management were also set out in the ITT. Section 4 below deals with this further.

2. EU Procurement Process

(i) Expressions of Interest, Pre-Qualification Questionnaire, (PQQ) and Invitation to Tender Stages

8. A Contract Notice was placed in the Official Journal of the European Union on 25th June 2013. Expressions of interest were received from 24 suppliers. Some were vehicle manufacturers and recycling producers who subsequently withdrew from the process.
9. The date for expressions of interest closed on 7th August 2013 and was followed by the PQQ stage. The intention was to identify a short list of five suitably qualified potential suppliers to invite to tender.

Cabinet, 22 January 2014

10. The closing date for the return of completed PQQs was the 19th August. From the initial 24 expressions of interest, 8 returned completed PQQs, each of which were evaluated. The top five scorers were invited to tender.
11. From the 5 suppliers invited to submit a tender, only 3 returned completed acceptable tender documents in accordance with the Council's requirements. The remaining two indicated their intention to formally withdraw from the tender process.

	EOIs	Returned PQQs	Approved PQQs	Invitation to Tender	Tender Returns	Acceptable Tenders
Number of Suppliers	24	8	5	5	3	3

12. ITT documents were sent to the 5 shortlisted suppliers. The date for the return of tenders was no later than 12.00 noon, 1st November 2013. The table below sets out the procurement process timetable in more detail.

Timetable	Activity
21-06-2013	Contract advertisement/OJEU notice published with PQQ made available to potential suppliers.
07-08-2013	Closing date for expressions of interest
12-08-2013	Closing date for clarification questions
19-08-2013	PQQ return date (no later than 12 Noon)
26-08-2013	Evaluation of PQQs
20-09-2013	Invitation to tender issued to qualified potential suppliers
11-10-2013	Closing date for requests for information
01-11-2013	Tender return date (no later than 12 noon)
20-12-2013	Evaluation of tenders completed.
22-01-2014	Cabinet Decision
30-01-2014- 12-02-2014	10/15 day mandatory standstill period
13-02-2014	Contract Award.
01-08-2014	Contract Start Date

3. Refuse & Recycle Collection Services

13. The Refuse and Recycle collection teams serve 86,485 low level properties and 14,600 properties that use bulk containers for the storage of waste each

week. The service operates from 07.00hrs to 15.00hrs and collects in excess of 73,000 tonnes of household waste per year. Satisfaction rates with these services are at an all-time high of 85% and 81% respectively making them the highest regarded service the Council provides, as measured from the most recent “Your Council Your say” survey feedback in early 2013.

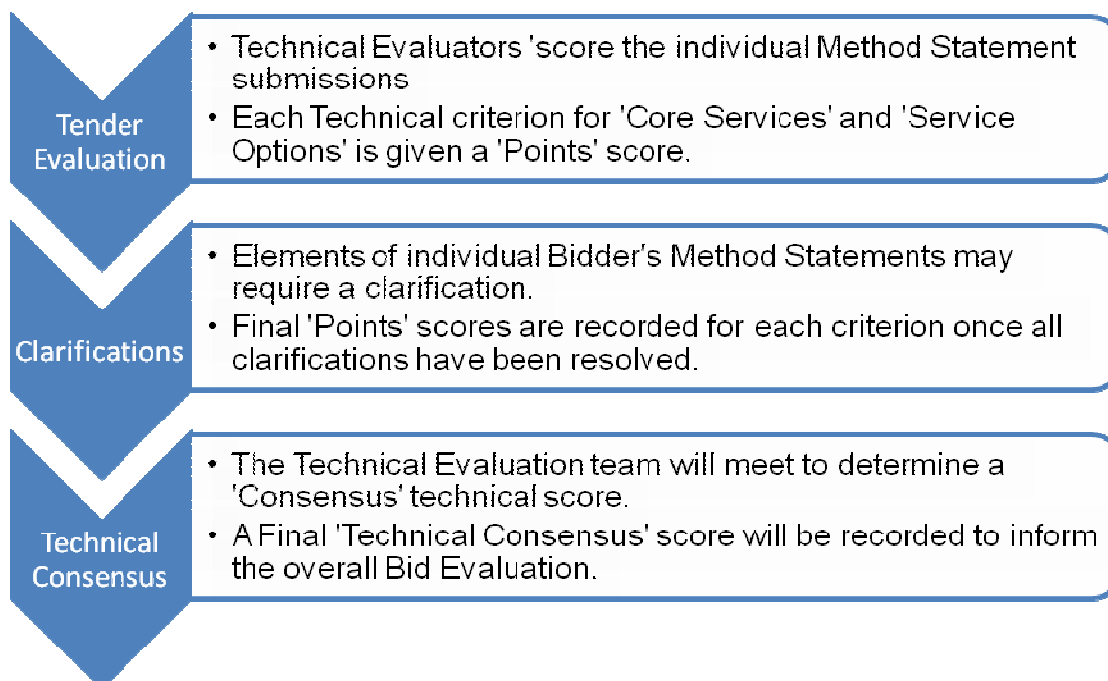
14. The service currently collects household waste and recycling materials in black and orange sacks. These are transported in separate vehicles which were purchased following investment in the service in 2009. This investment has seen an improvement in the quality of collected recycled materials and has enabled the service to increase its recycle performance outcome from 26.5% in 2009 to its current levels of 36%.
15. The new service will seek to improve recycling performance, customer satisfaction levels and efficiency, through a number of initiatives bidders were asked to consider, e.g. simultaneously collecting black and orange sacks within different compartments of the same vehicle, commonly known as a “One Pass Operation”. This would contribute to a more efficient front line service, reduce emissions, improve air quality and provide better value for money whilst maintaining the highest service standards.
16. The Invitation to Tender (ITT) sought innovative ideas from bidders to improve performance and customer satisfaction. Most offered a range of items that could be in place at the start of the new service, e.g. separately collected small electrical items and textiles was a common submission. Reuse options and greater customer engagement were also submitted as a way of delivering an improved service. All these proposals fell within the available budget.
17. The current service is delivered by an ageing vehicle fleet. Early in the procurement process it was recognised that all vehicles should be new and Euro 6 compliant, as this would provide the opportunity to promote the Council’s image, improve on vehicle advertising so as to encourage greater recycling and less waste overall and meet the highest emissions standards, thereby contributing to improved air quality within the borough. All bidders said they would run the service using Euro 6 compliant vehicles.
18. With the vehicle fleet making up a significant part of the cost of this contract, officers engaged financial advisors SECTOR to undertake vehicle cost benchmarking. If financially prudent to do so, the Council would seek to finance the fleet. In the event, this was not deemed optimal.
19. Given the financial pressures being faced by local government in future years, officers have sought to maintain some control over the potential escalation of costs by including in the contract a clause that restricts price increases. The effect of the clause is that there shall be no increase in the rates and prices for labour in the first 3 years of the new service. Thereafter, following the price reviews that will take place annually from year 3 onwards,

any annual rise will be capped at 2% of CPI. This provides for a level of budget forecasting and stability in the early years of the contract.

20. Given the volatility of fuel prices, RPI will be applied on an annual basis to the cost of fuel. Rising property growth will also be applied annually via a unit rate submitted within the tendered rates. For information, the Greater London Authority housing growth rates projected for Havering are an average of 1200 properties per annum.
21. Another requirement of the new service is that the successful bidder must provide depot facilities within 9 miles of Gidea Park station. The idea behind this is to improve service reliability, reduce fuel costs and generate economic growth within the borough.

4. Tender Evaluation Process

22. Completed tenders were received from 3 companies on 1st November 2013.
23. The Flow Chart below illustrates the evaluation process undertaken by the Technical and Quality Evaluation Team.



24. The priced tenders were weighted at 40% overall with the core service receiving 90% of price marks. The options were split into smaller percentages reflecting the likelihood of take up, as follows: option one @ 6%, option 2 @ 3%, option 3 @ 0% and option 4 @ 1%.
25. The functional and technical compliance with the specification and contract management was weighted at 60% overall with each sub-criteria

subsequently weighted in accordance with the methodology as set out in the ITT.

26. Suppliers were asked to complete detailed method statements against stated criteria setting out how they would deliver the services in all the areas. This is illustrated in the table below. All bids were then scored by the Technical Evaluation Team, in accordance with the methodology in the ITT, to determine the best Technical submission.

Headline Criterion	Level 1 Criteria	Level 2 Criteria	Weighting %
Technical 60%	Functional and technical compliance with the Specification 38%	B1: Understanding of the Requirement , Service Continuity, Approach to Targets and Performance	3%
		B2: Mobilisation	1%
		B3: Service Continuity Plan	2%
		B4: Core Service – Household Waste	10%
		B5: Core Service – Household Recycling	10%
		B6: Core Service – Garden Waste	5%
		B7: Core Service – Clinical Waste	2%
		B8: Core Service – Bulky Waste	2%
		B9: Core Service – Commercial Waste	1%
		B10: Added Value, Improvement and Innovation	2%
	Contract Management 22%	C1: Staffing and Management Structure	1%
		C2: Data management, ICT, Reporting	3%
		C3: Customer Care and Public Relations	3%
		C4: Training and Recruitment	2%
		C5: Management Systems	2%
		C6: Performance Monitoring	2%
		C7: Fleet Management	4%
		C8: Environmental Impacts and Initiatives	2%
		C9: Health, Safety and Welfare Issues	3%

27. All officers and consultants in the Technical Evaluation Team followed the scoring and evaluation process set out in the ITT, which has been reproduced in the table below. Scores were awarded relative to the detail of information submitted by each supplier against each criterion. Any concerns were noted by the Team and where clarification was required, this was sought. At no stage were suppliers allowed to change their submitted tenders.

No. of Points	Definition
0	Not answered or no information provided on how this will meet the Authority's requirements
1	Unacceptable or Non-Compliant Submission – which fails to meet the Authority's requirements and is not explained. Submission has major issues.
2	Weak or Partially Compliant Submission – which in some areas falls short of requirements and is poorly explained. Submission has minor issues.
3	Satisfactory or Compliant Submission – which meets the essential requirements and is explained in adequate detail.
4	Good or Fully Compliant Submission – which meets all the requirements and is explained in reasonable detail.
5	Very Good or Fully Compliant Submission – which meets all requirements and is fully explained in comprehensive detail.

Following analysis of the scores, Supplier A scored highest.

	Technical Evaluation	Financial Evaluation	Total Evaluated Scores	
Supplier A	44.20%	37%	81.20%	
Supplier B	31%	40%	71.00%	
Supplier C	44.40%	34%	77.40%	

5. Detail of Service Delivery

28. The Refuse and Recycle collection service has for many years operated in an efficient manner being one of the lowest cost operations in London, with this in mind officers sought to contain cost and seek further efficiencies through innovative, practical, cost effective and flexible solutions for the next seven years with the option to extend for up to ten years subject to satisfactory performance.
29. The present operations are undertaken via the use of separate vehicles for the collection of Residual Waste (black bag waste) and Mixed Dry Recyclables (Orange Sacks) to 86,500 properties, whilst this operation has

served the borough well over recent years and can be demonstrated in the increased recycle performance and customer satisfaction rates, the specification provided the opportunity for officers to take advantage of more recent advances in technology within the waste collection industry.

30. The tender submissions received have demonstrated that further efficiencies can be delivered through the use of the “One Pass” vehicle approach, where both residual waste and recycle materials can be collected within separate compartments of the collection vehicle, leading to improved operational efficiencies in reduced running cost, reduced fuel use contributing to the Councils commitment to reducing CO₂ and an improved street scene by removal of all sacks at the same time of collection, whilst maintaining the quality of the materials collected.



31. Waste collections from flats (Homes of Multiple Occupancy, HMOs) will continue to be collected by vehicles in a single waste stream to maintain efficiency, this is largely due to the size and type of the waste containers that are used to store waste in flat developments, container capacity for the locations are between 1,000 and 1,100 litres and require different lifting equipment to lift the containers.
32. There are 14,600 flatted properties throughout the borough served on either a twice weekly or weekly collection depending upon waste storage capacity within the bin storage areas.



33. A requirement of the contract was the introduction of new vehicles from contract commencement date, vehicles will be of the new Euro 6 emissions standards as required from 1st January 2014 and will be white in colour with Havering and supplier branding on the vehicle cab, the smooth panelled sides will contain promotion panels (as present) encouraging both waste reduction and increased recycling, vehicles will also be installed with CCTV cameras to the front, sides and rear for improved safety.
34. In addition to the refuse and recycle collection the Council collects Green Waste, Bulky Waste and Clinical Waste from domestic properties, the successful contractor has supplied within their method statement proposals that will allow integrated wheeled green bin and compostable green waste sacks being collected within the same vehicle, improving the present arrangements and with the potential to increase an already well established customer base (20,000 customers) through the introduction of a scheduled service for those who chose to subscribe to the green waste collection service via an annual payment.
35. The compostable sack service will be phased in from October 2014, providing time to run down current sack stocks. Collection of plastic garden sacks that residents have already purchased will continue to be collected by the refuse crews in the present manner. Residents purchasing the new compostable sacks will initially be provided with a 6 month supply (2 per collection week = 25 sacks), and then from 1st April 2015 the service will fall in line with the wheeled bin service for annual subscriptions, with residents receiving the full year's subscription quantity (50 sacks).
36. Further proposals submitted include the greater use of third party reuse outlets, which provide for furniture reuse to those in need via direct links with the contact centre or a direct approach to an independent storage outlet either by telephone or via the councils website free of charge, this service

covers the collection of beds, wardrobes, furniture cabinets, sofas, dining suites and large electrical appliance such as fridges, freezers and TVs.

37. In addition, small electronics items will be collected on a six monthly basis, these items include fans, toasters, kettles, Irons, hairdryers and microwaves, the collection of textiles will also be scheduled to be collected on a six monthly basis, both these arrangements will be communicated through effective communications.
38. Recognising resident concern about having to place waste out for collection by 07.00 hrs, the contract now requires a later start time of 07.30 hrs. Officers were also seeking improved customer satisfaction in this high profile service, with the preferred supplier demonstrating a clear commitment to linking the councils CRM system to the Contractors technology resulting in real time waste collection tracking facilities, enhancing our ability to respond to missed collections in a speedier manner.
39. The successful bidder has proposed a Waste Collection Guarantee – residents register for inclusion in the guarantee scheme & nominate a chosen charity, this can be completed via social media, with electronic details captured to help market future service initiatives & advise of any collection day changes, *i.e* Bank Holidays. The principle of the scheme is structured around service standards being maintained, and if not delivered the weekly collection cost for the household will be donated to a chosen charity. In addition, an annual donation of £10K to the agreed Havering Charities is being proposed.

Communicating the New Service

40. Communicating the new service and its' efficiencies to residents will be an important task, particularly so for the first few months of the contract. Ensuring residents understand that there will be new "One Pass" vehicles collecting their refuse and recycling at the same time and that each material is treated separately, will be important to get residents support of the service. We will be working in partnership with the successful bidder utilising their available resources, skills and experience and ensuring messages are clear and consistent whatever the source.
41. Communications will be achieved through a range of media, including a new service leaflet, posters at libraries and community buildings, information on the Havering website, articles in Living and local press. The new service vehicles will also carry livery panels across the length of them, which will enable the "One Pass" service to be directly displayed when residents see collections taking place.
42. Face-to-face conversations will also be an important part of introducing the new service, so staff will conduct a series of Roadshows across the Borough and attend community group meetings and forums to be on-hand to answer resident queries.

43. Additionally, staff will work closely with Managing Agents and Homes and Housing staff to ensure the service is communicated at all levels.
44. The newly established rewards and incentives scheme; London Green Points – Havering, will also be an important platform for communicating the new service. The scheme will encourage residents to reduce, reuse and recycle their rubbish to enable them to earn “Green Points” that can be spent or donated to local charities. The London Green Points – Havering website, e-zines sent periodically to residents signed up to the scheme, and written communication will all mention the new service and enable us to have articles sent directly to residents on an on-going basis.

Service Options Considered

45. Given the current financial pressures being faced by the Council over the coming years officers sought a range of options for consideration, the proposals submitted reflected our request as set out in the specification and these are summarised below ;

Option One – Collection of Glass

46. The specification requested priced proposals for the introduction of a kerbside glass collection scheme; complete with the provision of kerbside 55 Litre containers on the same weekly frequency as the present Orange Bag Mixed Dry Recyclables. The proposals were seriously considered as a service enhancement but rejected due to the cost implications over the coming years.

Option Two – Fortnightly Collection of Orange Bags (Mixed Dry Recyclables).

47. The specification also sought priced proposals in the event that the financial constraints imposed on the Council over the coming years were such that warranted a reduction in service provision amounting to a fortnightly collection of Orange bag recyclables, the tendered returns provide little added value, and in some cases a greater cost given the impact to the fleet cost incurred at contract commencement stage.

Option Three – Fortnightly Collection of Glass & Mixed Dry Recyclables

48. The specification also sought priced proposals for a fortnightly collection of Orange bag recyclables and kerbside glass collection via a 55 Litre storage container, the tendered returns provided some added value if such an option was considered viable at contract start date, given this option is not being recommended it is unlikely to deliver any longer term efficiencies due to the impact to the fleet cost incurred at contract commencement stage.

Option Four – Commercial Waste

49. The final option being considered was the delivery of Commercial Waste collection arrangements over the coming years following the impact of the Waste Framework Directive requirements to provide a recycle service for trade/commercial waste in future years. Recycling of trade and commercial waste is currently not offered to customers due to cost constraints in the collection process, priced proposals were provided within the submitted tenders for consideration at this stage.
50. It should be noted that in addition to this procurement exercise a separate procurement exercise is being undertaken for the sale of the commercial waste portfolio and this will be subject to a separate report for Member consideration at a later meeting.

REASONS AND OPTIONS

Household Waste (Refuse and Recycle) collection services are a statutory function of the Council as set out in the Environment Protection Act 1990.

Reasons for the decision:

The current Refuse and Recycle Collection Contract expires on 31st July 2014. and has already been extended to its maximum period of 10 years.

Following a detailed EU procurement exercise officers now require formal approval to award the new contract effective from 1st August 2014.

Other options considered:

The option to extend the existing contract was considered, however as this option was already exercised some years ago a further extension was not possible, hence the need to launch a new procurement exercise.

IMPLICATIONS AND RISKS

Financial implications and risks:

This report is recommending award of the contact to Tenderer A. It can be seen from Section 4 of the report that tenderer A was placed second on finance but, with its strong quality score, it is placed first in the overall evaluation.

The confidential Appendix B provides the headline tendered figures for the core service, The tendered figures for tenderer A can be contained within the current base budget available.

The contract terms allow for the cost of fuel to be increased annually, by RPI. Labour rates will be frozen for the first 3 years and thereafter, will be increased by CPI, but capped at 2%.

The tenderers have submitted unit rates for any increase in the number of dwellings served.

For information, the Pre-Qualification Questionnaire process has sought to establish that each tenderer invited to tender is of sufficient financial stability to run a contract of this size.

Legal implications and risks:

The overall value of the contract meant it was necessary to conduct the procurement in accordance with EU procurement rules. The OJEU Notice was lodged on the 21st June 2013 and the procurement followed the restricted procedure. The process was overseen by an in-house multi-disciplinary project team and consultants provided additional support and expertise as required. The ITT included full details of the Council's requirements and set out how each bid was to be evaluated. Efforts were made to ensure there were no conflicts of interest and a detailed audit trail has been maintained. In view of the fact the restricted procurement process was adopted, the draft contract, (a copy of which went out with the ITT), will not be amended, save for the correction of any minor details. An award letter will go out to the successful bidder and once the mandatory stand still period has expired, the contract can be formally awarded and executed under seal.

Human Resources implications and risks:

There was a number of human resource, (HR) matters to be considered during the re-tendering process specifically related to ensuring that appropriate HR information was supplied to bidders and obtained from the current external supplier in a timely manner for bidders. The Council's HR team liaised closely with the current service provider's HR Service and provided management support for the smooth transition of important Transfer of Undertaking and Protection of Employment (TUPE) information so that bidders had a full understanding of TUPE cost, terms & conditions of the staff entitled to transfer to a new service provider.

HR officers are satisfied that all HR requirements were complied with and played an active role in ensuring that all HR matters were been appropriately managed.

Equalities implications and risks:

The Refuse and Recycle collection service impacts on all residents and an Equality Analysis has been produced at Appendix A.

BACKGROUND PAPERS

The following documents were considered during the compilation of this Cabinet report and throughout this procurement process;

- Separate Collections of Kerbside Recycling – LBH Cabinet 27th May 2009
- Waste Strategy for London 2012

Appendix A, Equality Analysis



LONDON BOROUGH OF HAVERING EQUALITY ANALYSIS

Refuse and Recycle Collection Contract - Contract start date 1 August 2014

SCOPE OF PROPOSAL

1. What is the scope and intended outcomes of the activity being assessed; in terms of both the Council's organisation and staffing, and services to the community?

1 (a) Organisation and Staffing

The waste collection service is outsourced but managed by Streetcare. The current Waste and Recycling Collection Contract expires on 31 July 2014 and has been re-tendered.

There are no plans to change the internal organisational structure or staffing arrangements within the Client role.

1 (b) Services to the Community

It is a statutory duty of the Council to provide a household waste and recycling collection service.

This service includes household waste and recycling collections, commercial, clinical, green and bulky waste collections, impacts on all sections of the community. Assisted collections are arranged under the current contract and will continue in the new contract.

Our aim is to procure a contractor that delivers an excellent value for money service and assists the Council's commitment to reduce waste and increase recycling.

PEOPLE AFFECTED

2. Which individuals and groups are likely to be affected by the activity?

2 (a) Staff Individuals and Groups

There are a number of Streetcare staff engaged in the management and on street monitoring of these services and the promotion of waste and recycling to children at school events, door step advice and enforcement. These day to day activities will continue in the new contract arrangements.

Should the incumbent contractor be unsuccessful in the re-tendering process, there will be a contractor to contractor staff issue arising from TUPE.

A Project Team was set up to manage the contract procurement. Equality and Diversity issues were considered as a part of this process in addition to ensuring that any TUPE transfer staffing needs were fully complied with.

Over 70% of Council staff members live locally and are affected by the service as local residents.

2 (b) Community Individuals and Groups (including voluntary organisations)

The waste and recycling collection service impacts on all sections of the community and includes household waste and recycling collections, commercial, clinical, green and bulky waste collections. Assisted collections are arranged under the current Contract and are also included in the new contract specification.

DATA AND INFORMATION

3. What data/information do you have about the people with ‘protected characteristics’ (age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sexual orientation) or other socio-economic disadvantage (e.g. disabled and part-time workers, low income and/or lone parents (mothers and fathers), looked-after children, other vulnerable children, families and adults) among these individuals and groups? What information do you have about how they will be affected by the activity? Will you be seeking further information in order to assess the equalities impact of the activity? How is this information being used to influence decisions on the activity?

3 (a) Staff

A Project Team was set up to manage the contract procurement. Equality and Diversity issues were considered as a part of this process in addition to ensuring that any TUPE transfer staffing needs are fully complied with.

Over 70% of Council staff members live locally and are affected by the service as local residents. Those staff members are considered as part of the community.

3 (b) Community

All sections of the community receive a waste and recycling collection. The service therefore affects all individuals and groups living in Havering.

Havering's population profile

The 2011 Census data releases show that:

- 17.8% of the population are aged 65 and over. This percentage is above the average for London (11.1%) and slightly above the average for England (16.3%)
- The 65+ population in Havering is expected to grow the fastest overall in the future, increasing by 16% by 2021. The fastest growth is in the 90+ age, expected to increase by 70% by 2021
- It is estimated that 49% of older people (aged 65 and over) in Havering have a long term limiting illness where long term illness is considered to last 12 months or longer
- More than 1,100 residents are registered as being blind or partially sighted in Havering
- It is estimated that more than 14,000 adults (aged 18 - 64) in Havering have a moderate or severe disability. The number of those with moderate or severe disabilities will rise by around 7% in the next ten years, with more than 15,000 adults in Havering having a physical disability by 2021
- Of all London boroughs, Havering has the highest percentage of long-term health problems – both limited a little and limited a lot - 17.3%
- Female life expectancy in Havering (83.3) remains higher than male life expectancy (79.2), which is in line with the national trends¹. Longer life expectancies may result in increased burden of disease if extended survival is accompanied by longer average period of morbidity
- Female disability free life expectancy in Havering (68.1) is higher than male disability free life expectancy (65.6). However, disability free life expectancy rates are slightly higher than London and national trends²

Data intelligence and Customer Satisfaction

Customer Insight, Customer Segmentation and Satisfaction Data helps us to improve our knowledge of customers' diversity and socio-economic profile, increase our understanding of our customers' needs and tailor the waste collection and recycling services to address those needs.

¹ Office for National Statistics 2007-2009(ONS), released 2012

² Office for National Statistics 2007-2009(ONS), released 2012

The 'Spring Clean' and 'Your Council Your Say' surveys seek feedback on the quality of these services which help us identify any gaps and equality and diversity related issues in the provision of our services. Additionally, we carry out localised environmental quality surveys and receive feedback from contact centre management who are in direct contact with our customers on a regular basis.

Targeted service provision

We recognise that while all people living in Havering are entitled to this service, individuals and groups with protected characteristics, such as disabled people and older people, are affected differently and in order to be able to use this service, often need support. Assisted collections is therefore an integral part of the current Contract and was included in the tender specification for a new service provider.

A list of customers who receive assisted collections is held by street care and the contractor. This list is regularly reviewed and updated by the Streetcare team to enable the better targeting of services, particularly to the most vulnerable residents of the borough.

The availability of the assisted service has been advertised and publicised in Living and at talks to interested groups, with further supporting information available on the Council's website and/or from Streetcare staff members.

CONSULTATION

4. If no data and information is available about the groups likely to be affected by the activity, how would you inform your EA? Will you be considering carrying out some consultation to inform your EA?

4 (a) Staff

A Project Team was set up to manage the contract procurement. Equality and Diversity issues were considered as a part of this process in addition to ensuring that any TUPE transfer staffing needs are fully complied with.

Staff members who live locally have been consulted as part of the community. For further information, please see section 4 (b) below.

4 (b) Community

We use Customer Insight, Customer Segmentation and Satisfaction Data analysis to improve our knowledge of customers' diversity and socio-economic profile, increase our understanding of our customers' needs and tailor the waste collection and recycling services to address those needs.

For example, the 'Spring Clean' and 'Your Council Your Say' surveys seek feedback on the quality of these services which help us identify any gaps and equalities-related issues in the provision of our services. Additionally, we carry out localised environmental quality surveys and receive feedback from contact centre management who are in direct contact with our customers on a regular basis.

LIKELY IMPACT

5. Based on the collected data and information, what will be the likely impact of the activity on individuals and groups with protected characteristics or other socio-economic disadvantage?

5 (a) Staff

There are no plans to change the internal organisational structure or staffing arrangements within the Client role.

A Project Team was set up to manage the contract procurement. Equality and Diversity issues were considered as a part of this process in addition to ensuring that any TUPE transfer staffing needs are fully complied with.

Staff members who are local residents are considered as part of the community. Please refer to section 5 (b) for further information.

5 (b) Community

We recognise that while all people living in Havering are entitled to this service, individuals and groups with protected characteristics, such as disabled people and older people, are affected differently and in order to be able to use this service, often need support. These individuals and groups may be less able or unable to present their waste at the boundary of their property as requested. They may also have difficulty manoeuvring the garden waste bins and may have more need for the clinical waste collection service. Assisted collections is therefore an integral part of the contract and was included in the tender specification.

A list of customers who receive assisted collections is held by Streetcare and the contractor. This list is regularly reviewed and updated by the Streetcare team to enable the better targeting of services, particularly to the most vulnerable residents in the borough.

The availability of the assisted service has been advertised and publicised in Living and at talks to interested groups, with further supporting information available on the Council's website and/or from Streetcare staff members.

There is currently no kerbside glass recycling collection service. Residents are required to take their glass to communal "bring banks". This may be difficult for older people and disabled residents; for this reason glass collections was included as a separate option in the procurement process.

Negotiations are on-going with Shanks / ELWA regarding the possibility of including glass in the kerbside recycling service. If this does not materialise there are a number of recycling bring banks located across the borough which can be used for glass recycling. These may be difficult to access by older people and

disabled residents, however we are investigating the possibility of minimising any issues.

Glass bottles can also be collected as waste and processed at the Shanks bio Materials Recycle Facility into an aggregate fraction for reuse.

6. What is the likely impact on arrangements for safeguarding children and/or safeguarding vulnerable adults?

6 (a) Vulnerable Children

Internal staff and external contractor staff have been briefed on safeguarding matters.

6 (b) Vulnerable Adults

Internal staff and external contractor staff have been briefed on safeguarding matters.

PREVENTING DISCRIMINATION

7. If any negative impact is identified, is there a way of eliminating or minimising it to reasonable level? If not, how can the negative impact be justified?

7 (a) Staff

No Impact

A Project Team was set up to manage the procurement. Equality and Diversity issues were considered as a part of this process in addition to ensuring that any TUPE transfer staffing needs are fully complied with.

Staff members who are local residents are considered as part of the community. Please refer to section 5 (b) above for further information.

7 (b) Community

An assisted collection service, (sacks/sharps boxes are collected from an agreed location – e.g. front door), is available on request and a smaller wheeled bin for garden waste customers is available for those that find this easier to manage than the standard size bin. These arrangements will continue in the new service. A list of customers who receive assisted collections is held and reviewed annually.

The availability of the assisted service has been advertised and publicised in Living and at talks to interested groups, with further information and support available on the Council's website and/or from both the Contact Centre and the Public Advice Service Centre (PASC).

Negotiations are on-going with Shanks / ELWA regarding the possibility of including glass in the kerbside recycling service. If this does not materialise there are a number of recycling bring banks located across the borough which can be used for glass recycling. These may be difficult to access by older people and disabled residents, however we are investigating the possibility of minimising any issues.

Glass bottles can also be collected as waste and processed at the Shanks bio MRF facility into an aggregate fraction for reuse.

PROMOTING EQUALITY

8. How will the activity help the Council fulfil its legal duty to advance equality of opportunity in the way services are provided?

8 (a) Staff

Please refer to sections 6 (a) and 7 (a) above.

8 (b) Community

The measures identified above will ensure equality of access to the service. All vehicles involved within the refuse and recycling collection carry distinctive promotional material setting out how and what to recycle and key contact numbers.

The availability of the assisted service and updates on the waste and recycling service are widely advertised and publicised in Living and at talks to interested groups.

The Council's website offers comprehensive information on all council services. Further information and/or support is available from both the Contact Centre and the Public Advice Service Centre (PASC).

SPECIFIC NEEDS

9. What actions will you be taking in order to maximise positive impact and minimise negative impact from the activity?

9 (a) Staff

Please refer to sections 6 (a) and 7 (a) above.

A Project Team was set up to manage the procurement exercise. Equality and Diversity issues were considered as a part of this process in addition to ensuring that any TUPE transfer staffing needs are fully complied with.

9 (b) Community

Please refer to sections 7(b) and 8 (b) above.

MONITORING AND REVIEW

10. Once implemented, how often do you intend to monitor the actual impact of the activity?

10 (a) Staff

Although no negative impact is envisaged, on street monitoring will take place to ensure the collection regimes deliver for all involved within the service.

A Project Team was set up to manage the procurement. Equality and Diversity issues were considered as a part of this process in addition to ensuring that any TUPE transfer staffing needs are fully complied with.

10 (b) Community

Equality and Diversity considerations and requirements were regularly discussed, challenged and monitored throughout the procurement process.

Meetings with Community Street leaders are held quarterly. All issues associated with the new contract can be discussed at those meetings and any gaps or issues dealt with.

Contract liaison meetings were held on a monthly basis with the previous service provider. This will continue with the new service provider.. Equality and Diversity issues will be a standard item on the agenda.

We will continue to meet with interested groups, monitor satisfaction levels and seek feedback on all aspects of the service including Equality and Diversity.

SIGN OFF AND PUBLICATION

11. When completed, the Equality Analysis needs to be signed off by the Head of Service. Once signed off, it should be forwarded to the Directorate Equality Analysis Web administrator to publish it on the council's website.

HEAD OF SERVICE

Name: Bob Wenman

Date: 20th December 2013

Signature:

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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