



CABINET

7.30 pm	Wednesday 16 February 2022	Council Chamber - Town Hall
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Members 9: Quorum 3

Councillor Damian White (Leader of the Council), Chairman

Cabinet Member responsibility:

Councillor Dilip Patel

Deputy Cabinet Member for Business Recovery

Councillor Robert Benham

Cabinet Member for Education, Children & Families

Councillor Osman Dervish

Cabinet Member for Environment

Councillor Joshua Chapman

Cabinet Member for Housing

Councillor Jason Frost

Cabinet Member for Health & Adult Care Services

Councillor Roger Ramsey

Cabinet Member for Finance & Property

Councillor Viddy Persaud

Cabinet Member for Public Protection and Safety

Councillor John Crowder

Cabinet Member for Regeneration

Councillor Ciaran White

Cabinet Member for Community Safety

Zena Smith
Democratic and Election Services Manager

For information about the meeting please contact:
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Webcast

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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.

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

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

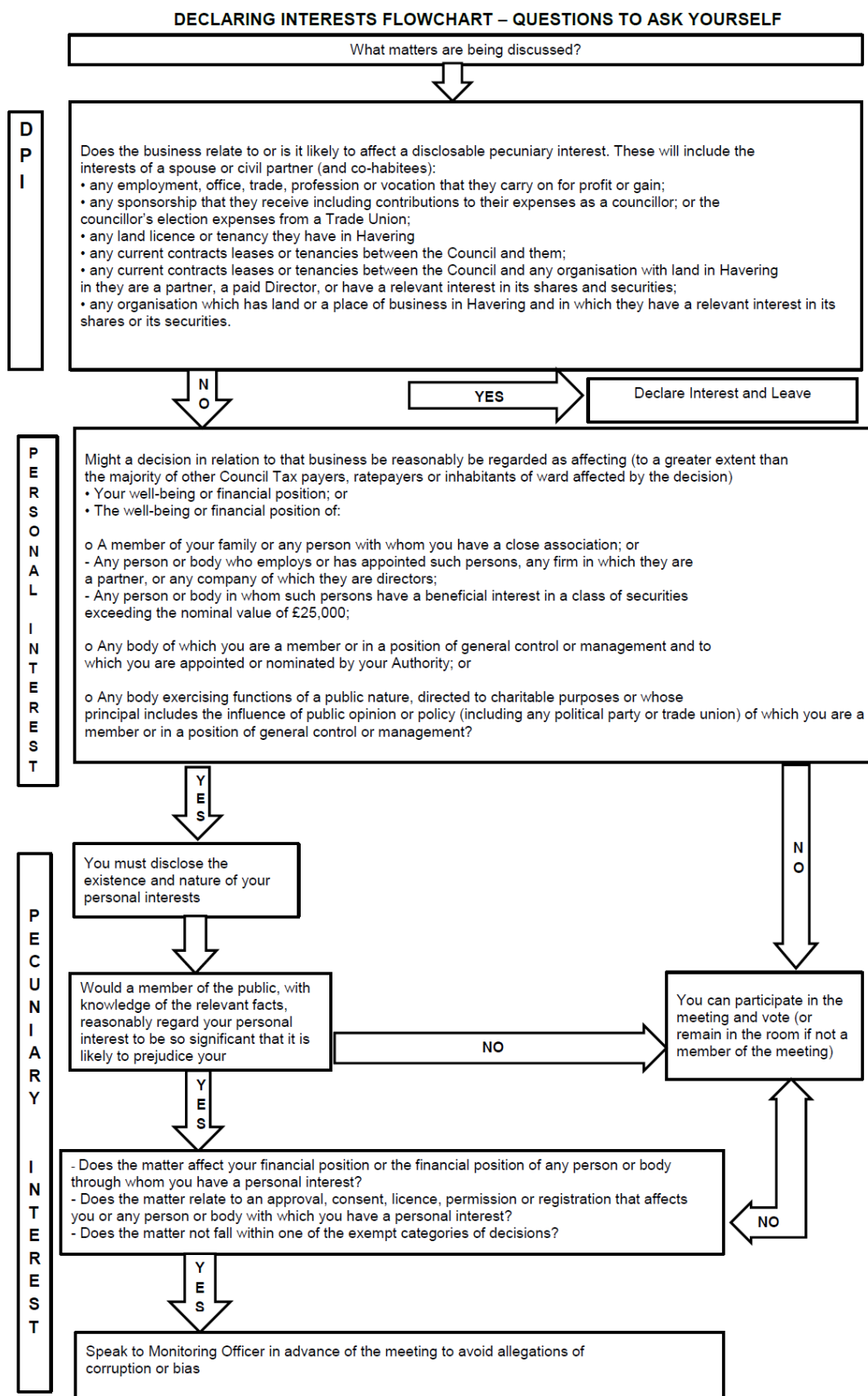
Reporting means:-

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

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

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

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



AGENDA

1 ANNOUNCEMENTS

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

2 APOLOGIES FOR ABSENCE

(if any) - receive

3 DISCLOSURES OF INTEREST

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

4 MINUTES

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

5 APPROVAL OF THE HRA BUDGET 2022/23 & CAPITAL PROGRAMME 2022/23–2026/27 (Pages 1 - 52)

Report and appendix attached

6 2022/23 BUDGET AND 2022-2026 MEDIUM TERM FINANCIAL STRATEGY (Pages 53 - 354)

Report and appendices attached

7 5 YEAR CAPITAL PROGRAMME AND STRATEGY - 2022/23 TO 2026/27 (Pages 355 - 384)

Report and appendices attached

8 TREASURY MANAGEMENT STRATEGY STATEMENT (Pages 385 - 456)

Report and appendix attached

9 FORMAL ADOPTION OF EAST LONDON JOINT RESOURCES AND WASTE STRATEGY (Pages 457 - 552)

Report and appendices attached

10 THE REQUIREMENTS OF THE BUILDING SAFETY BILL AND REGULATORY REFORM (FIRE SAFETY) ORDER 2005 FOR THE COUNCIL AS A LANDLORD. (Pages 553 - 570)

Report and appendices attached

11 SUPPORTED HOUSING STRATEGY (Pages 571 - 618)

Report and appendices attached

12 EXCLUSION OF THE PUBLIC

To consider whether the public should now be excluded from the remainder of the meeting on the grounds that it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public were present during those items there would be disclosure to them of exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972; and, if it is decided to exclude the public on those grounds, the Committee to resolve accordingly on the motion of the Chairman

13 HAVERING WATES REGENERATION LLP - UPDATE TO BUSINESS PLAN FOR 2022/2023 (Pages 619 - 708)

Report and appendices attached

14 BRIDGE CLOSE REGENERATION LLP BUSINESS PLAN REFRESH 2021-22
(Pages 709 - 1004)

Report and appendices attached

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CABINET

16 February 2022

Subject Heading:

HRA Business Plan update, Budget 2022/23 & Capital Programme 2022/23–2026/27

Cabinet Member

Councillor Joshua Chapman – Lead Member for Housing

SLT Lead:

Patrick Odling-Smee, Director of Housing

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Policy context:

This report presents the HRA Budget recommendations for agreement by Cabinet and recommendations on to Council for consideration and approval.

Financial summary:

The Council is required to set an annual HRA Revenue Budget for 2022/23. This report includes recommendations to agree the HRA revenue spend budget, the rents and other charges, the HRA Major Works Capital Programme, detailed in Appendix 1a and the Business Plan projections as outlined in Appendix 2a and 2b.

Is this a Key Decision?

Yes

Is this a Strategic Decision?

Yes

When should this matter be reviewed?

September 2022

Reviewing OSC

Towns and Communities

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

Communities making Havering	[X]
Places making Havering	[X]
Opportunities making Havering	[X]
Connections making Havering	[X]

SUMMARY

This report sets a budget for the Council's Housing Revenue Account (HRA) and HRA Major Works and Capital Programme. Cabinet approved the Housing Asset Management Plan 2021-2051 in October 2021 and the budgets and projections of expenditure required to maintain the stock to a good standard have been used in the preparation of the capital programme in this report. A summary is provided of the HRA Business Plan 2022-52.

The HRA is a ring-fenced account that is used to manage and maintain the Council's own housing stock. The proposed budget will enable the Council to manage and maintain the housing to a good standard and provide funding for a significant acquisition, new build and estate regeneration programme. It further sets rents, service charges and other charges for Council tenants and leaseholders for the year 2022/23.

As part of the new regulatory framework for local government housing services, councils are now subject to the Regulator of Social Housing's (RSH) Rent Standard. This has ended the annual 1% reduction and re-established the CPI + 1% increase.

In order to change any HRA rent liability, the local authority must notify tenants and give 28 days' notice of any change after the authority has made a properly constituted decision of that change. This means that, following a Cabinet decision on rent levels to be charged in any year, the local authority must write to all tenants to advise them of the new rent liability for the following 12 months.

Should the Cabinet adopt the recommendations, a notification will be sent to tenants in the first week of March 2021, to make the new charge effective from the first week of April 2021.

RECOMMENDATIONS

That Cabinet:

- 1 Approve the Housing Revenue Account Budget as detailed in paragraph 3.4.
- 2 Agree that the rents chargeable for tenants in general needs Council properties owned by the London Borough of Havering be increased by 4.1% from the week commencing 5th April 2022.
- 3 Agree that the rents chargeable for tenants in supported housing Council properties, such as sheltered housing and hostels, owned by the London Borough of Havering, are increased by 4.1% from the week commencing 4th April 2022.

- 4 Agree the four rent-free weeks for 2021/22 are: week commencing 22nd August 2022, the two weeks commencing 19th and 26th December 2022, and the week commencing 27th March 2022.
- 5 Agree that service charges and heating and hot water charges for 2022/23 are as detailed in paragraph 2.10 of this report.
- 6 Agree that charges for Houses in Multiple Occupation (HMO) leased and managed by the Council (General Fund) are set at the LHA applicable on the 4th April 2022.
- 7 Agree that charges for garages should be increased by 4.1% in 2022/23 as detailed in paragraph 2.7 of this report.
- 8 Agree that the service charge for the provision of intensive housing management support in sheltered housing for 2022/23 shall be as detailed in paragraph 2.17 of this report.
- 9 Agree the Supported Housing Charge for HRA Hostels as detailed in paragraph 2.22
- 10 Agree that the Careline and Telecare support charge should be increased by 4.1% for 2022/23 as detailed in paragraph 2.19 of this report.
- 11 Approve the HRA Major Works Capital Programme, detailed in Appendix 1a of this report and refer it to full Council for final ratification.
- 12 Approve the HRA Capital expenditure and financing for the 12 Sites Joint Venture and other acquisition and regeneration opportunities detailed in section 4 and Appendix 1b of this report and refer it to full Council for final ratification.

REPORT DETAIL

1. BACKGROUND

- 1.1 This report sets out what HRA income the Council has available to spend on housing, the current HRA financial position and the proposed spending plans for 2021/22.
- 1.2 The regulation of social housing has changed as a result of the Grenfell Tower disaster and the Housing Green Paper of 2019. The Government has instructed the Regulator of Social Housing to take a more proactive role in the implementation of the standards and quality of management of council housing. The Housing White Paper has set out a “Charter for Social Housing Residents” that aims to improve the way that residents engage with their landlords. The Government has also implemented a new rent standard for all social housing and issued guidance to local authorities on the implementation of this standard.

- 1.3 The Council recognises that there is a need for good quality affordable homes, especially for vulnerable residents such as the elderly, those on low income and first-time buyers, and has set out its ambition to meet these needs by using resources generated through the Housing Revenue Account Business Plan. The formula for setting social rent should enable registered providers, including councils, to set rents at a level that allows them to meet their obligations to their tenants, maintain their stock, to at least Decent Homes Standard, and continue to function as financially viable organisations.
- 1.4 However, there are many influences on the resources available to the HRA. These are all identified and quantified within the HRA Business Plan (HRA BP). The Business Plan is composed of various income and expenditure lines. Some of the lines are under the complete control of the Council, whilst some are affected by market conditions, government policy and legislation.
- 1.5 The lines in the business plan that have a direct impact on the income into the HRA BP include:
- Rent policy regarding supported housing rents.
 - Service charge recovery.
- 1.6 The elements which affect the levels of expenditure in the HRA BP include:
- Planned maintenance to existing stock.
 - Responsive repairs costs to existing stock.
 - Delivery of new build homes.
 - Staffing costs.
 - Financing costs of the borrowing in the HRA and interest rates.
 - Losses from bad debts, voids etc.
- 1.7 The Government has published the Building Safety Bill that is currently being considered in Parliament. The key elements of the Bill that will impact on the HRA are:
- Building Safety and maintaining homes:
 - A strengthened role of the existing Regulator of Social Housing (RSH) in consumer regulation and safety with links to the new Building Safety Regulator.
 - Social landlords must identify a nominated person responsible for Health & Safety
 - Requirement to have data relating to the construction and maintenance of buildings.
- 1.8 A separate report was presented to Cabinet in January 2022 setting out in detail the implications of the Bill and the actions that the council, as a landlord, will be required to take to prepare for its implementation.

2. INCOME

2.1 Rents

- 2.2 The previous Government required Councils to reduce rents by 1% against July 2015 levels for four years. This reduced the rental income available to the HRA over the four years of the reduction by just under £8m. This significantly reduced the income in the business plan model by £68m over 10 years and this loss can never

be recovered. Since 2020/21 however, the HRA has reverted to the original rent setting formula of up to CPI +1% for 5 years. This provides certainty for rents in council housing up to 2025. CPI for September 2021 was 3.1% so the rent increase for 2021/22 will be 4.1%. The council does have discretion to set a lower rent however, given the increase comes after 4 years of rent cuts, it is recommended to implement the maximum increase allowed. The analysis of the Business Plan in Section 7 demonstrates that given the inflationary impact on building and maintenance costs, and the likely salaries increases, the proposed rent increase only just keeps the HRA in balance within the performance measures.

- 2.3 Following the implementation of Universal Credit a new social housing rents cap at LHA levels was introduced in 2019/20 to replace “limit rents”. In Havering, given the historically low level of council rents, the LHA levels for each bedroom size is above the proposed levels of the 2022/23 social rents and so there is no impact on the HRA BP. Future announcements on LHA levels may have a future impact and this will be kept under review and reported annually as part of the rent setting report.
- 2.4 The 2022/23 average weekly rent, applying the 4.1% increase to all General Needs properties and Sheltered Housing units is £104.88. Individually, the average weekly rent for the general needs properties is £105.83 and £90.07 for the sheltered housing.
- 2.5 The rent charged to hostel residents will be increased in line with new general needs rents for 2022/3 – 4.1%.
- 2.6 **Garages**
- 2.7 It is proposed to increase the level of charges for garages in 2021/22 by 4.1%. There are currently a range of charges for garages within the high, medium and low demand bands. Over one third of our garages have low rates of occupancy. This is due to a combination of poor condition and low marketability. There is significant investment needed to bring the buildings and sites up to a good standard that will enable better utilisation of these assets and increase revenue whilst at the same time improving the amenities for residents. The increased charges will enable revenue to be raised to carry out a number of much needed improvements and support a review of the garages and parking arrangements. This issue is one of our tenants’ key priorities. The increase means that the average charge for a high-demand garage will be £16.21 per week (£15.57 in 2021/22), £15.10 per week (£14.51 in 2021/22), for a medium demand garage and £11.75 per week (£11.29 in 2022/22) for a low-demand garage.
- 2.8 **Service charges**
- 2.9 The Council is required to only recover the costs of providing a service. We also ensure that the services tenants and leaseholders receive deliver value for money. There will continue to be a regular programme of reviews of services to make sure we deliver value to tenants and leaseholders.
- 2.10 The basis for calculation of service charges, to ensure full recovery of the cost of the service, is accepted practice where landlords are able to fully justify the cost base and calculation method and conforms to our legal requirements. It also maintains equality of charging between leaseholders and tenants. On that basis, the

service charges and heating and hot water charges for 2022/23 are detailed in the following table with a comparison with the costs for the current year.

Service Charges	2021/22 Weekly charge (£)	2022/23 Weekly charge (£)
Caretaking	3.85	3.92
Internal Block Cleaning	3.80	4.25
Bulk Refuse Collection	0.96	0.80
CCTV - Static Service	1.70	1.70
Housing Enforcement Services	1.18	1.44
Door Entry	0.32	0.34
Grounds Maintenance	4.64	4.88
TV access	1.86	1.88
Heating	5.74	6.31
Heating and Hot Water	9.28	10.21
Communal electricity	1.36	1.53

2.11 Caretaking, Internal Block Cleaning & Bulk Refuse Collection

- 3 The reorganisation of this service has led to a 3% reduction in the overall costs for this trio of cleaning services directly provided by the Estate Service Team.

3.8 Enforcement Services

- 3.9 Housing service has a service level agreement (SLA) with the Enforcement Service, which is subject to an annual review and ensures that housing residents receive an enhanced service and good value for money. The proposed increase of 22% allows for the addition of an Anti-Social Behaviour Casework Service (ASB) to be included on the Enforcement Service SLA. This increase enables the council to achieve full cost recovery of service delivery cost.

3.10 Communal Electricity & Heating Charges

- 3.11 It is estimated that the average weekly charge for communal electricity for tenants will be £1.53 per week, a 12.5% increase from 2021/22. This is due to the increased costs of electricity. The communal electricity charge is full recoverable through Housing Benefit and Universal Credit.
- 3.12 LBH is part of a consortium of 25 local authorities which enables the council to continue to deliver considerable efficiencies and cost savings for our residents in the current volatile market conditions.
- 3.13 2021 has seen the most unprecedented wholesale gas and power price movement ever witnessed, rising some 250% during the year and an exceptional 70% from August alone. The soaring increase in the cost of wholesale gas has put pressure

on energy companies resulting in a number of wholesale energy suppliers ceasing to trade and being forced into administration.

- 3.14 The long-term hedging and procurement strategies adopted by the consortium has enabled this council to continue to deliver considerable efficiencies and cost savings for our residents in the current volatile market conditions. Therefore, the council is paying considerably less, on average 30% less, than domestic customers.
- 3.15 The council has maintained the cost of gas and communal electricity charged to residents in 2021/22, however an increase in the energy price cap in October 2021 and the proposed increase in April 2022 will see resident's heating and hot water bills increase by 20%. This still represents a significant saving for our residents given that energy prices are expected to increase by 40-50% by the spring of 2022. However, given the concern on the standard of living due to this and other inflationary increases this report is recommending capping the increase for heating and hot water charges to 10%.
- 3.16 The table below shows the cost of the proposed council 2022 charges compared to the latest government data. This demonstrated that council tenants will be paying less for heating and hot water in 2022 than comparable bills in the private sector in 2021, ahead of the expected hike in fuel prices in 2022.

	WEEKLY	PER MONTH	DIFFERENCE	DIFFERENCE %
LBH Gas - Heating & Hot Water 2022	£11.14	£44.56		
UK Average Gas 2021	£11.98	£47.93	£3.37	+8%
LBH Gas - Heating Only 2022	£6.89	£27.56	£20.37	-74%

3.17 Sheltered Intensive Housing Management Charge

- 3.18 The sheltered housing service directly supports residents in schemes and in their homes. The service charges reflect the full cost of providing this service. Charges in relation to Sheltered Intensive Housing Management service will increase from £13.80 to £16.68.

Service Charges	2021/22 Weekly charge (£)	2022/23 weekly charge (£)
Sheltered Cleaning	10.48	11.28
Sheltered Intensive Housing Management	13.80	16.68

3.19 Service charges – Careline and Telecare support

- 3.20 It is proposed that the Careline and Telecare service charges will be increased by 4.1% for 2022/23 as detailed below:

Service	2021/2022 Weekly charge (52 Wks) (£)	2022/2023 Weekly charge (52 Wks) (£)
Careline – sheltered tenants	5.08	5.29
Careline – community users	5.43	5.65

Service	2021/2022 Weekly charge (52Wks) (£)	2022/23 Weekly charge (52 Wks) (£)
Telecare – base unit plus two sensors	7.88	8.20
Additional Telecare sensor	1.30	1.35

- 3.21 These charges compare favourably with other boroughs who provide a comparable service as shown in the table below.

Borough	Careline Charge (£)
Croydon	13.70
Islington	9.20
Portsmouth	10.00

3.22 **Hostels in the HRA**

- 3.23 There are two hostels in the housing revenue account. Following a review of service charges, we have moved to ensure that the charges meet the full recovery of costs. The service provides security and facilities across 24-hour coverage.

Additional Hostel Support

Service	2021/22 Weekly charge (£)	Full cost recovery 2022/23 Weekly charge (£)
Hostels - Additional Staffing Support (ASS)	24.90	31.13
Hostels – Service Charges (HSC)	51.70	60.77

3. THE HRA BUDGET 2022/23

- 3.1 The major expenditure from the HRA Business Plan is the investment in existing stock or the capital programme. The level of expenditure is controlled by each local authority and is dependent on the investment levels in the Asset Management Strategy (AMS). During 2020/21, the council carried out a new stock condition

survey, the results of which have informed investment decisions in the new Asset Management Strategy.

- 3.2 As detailed in the AMS, this level of expenditure allows decent homes levels to be maintained and all health and safety requirements to be met. In order to meet the decent homes target, planned expenditure on new kitchens, bathrooms and electrical systems remain at previous levels.
- 3.3 As the main level of income to the HRA BP comes from rents, it is imperative that the number of rental properties is maximised. The current HRA BP expects to lose 65 properties per year through RTB and other stock due to regeneration. This reduces rental income by around £0.179m per year, assuming a full year loss of income per property. Rent loss will also be incurred from the loss of properties through the regeneration programme. These losses have been factored into the business plan income projections.

3.4 Proposed HRA Budget 2022/23

	2021-22 Final Budget	2022-23 Final Budget	Variance
Income and Expenditure		£	£
Income			
Dwelling rents	(46,480,130)	(49,025,150)	(2,545,020)
Garages	(332,080)	(369,600)	(37,520)
Charges for services and facilities - Tenants	(6,140,200)	(6,546,900)	(406,700)
Charges for services and facilities - Leaseholders	(1,597,960)	(1,744,570)	(146,610)
Shared ownership	(267,670)	(278,640)	(10,970)
Other	(1,088,560)	(733,060)	355,500
Total Income	(55,906,600)	(58,697,920)	(2,791,320)
Expenditure			
Repairs and maintenance	8,149,740	10,864,490	2,714,750
Supervision and management plus recharges	25,244,710	26,859,400	1,614,690
Depreciation and impairment	16,590,400	16,590,400	0
Debt management costs	47,820	47,820	0
Bad debt	665,080	665,080	0
Total Expenditure	50,697,750	55,027,190	4,329,440
Net cost of HRA services	(5,208,850)	(3,670,730)	1,538,120
Interest payable and similar charges	7,756,350	9,700,850	1,944,500
Interest and investment income	(35,640)	(35,640)	0
Surplus or deficit for the year on HRA services	2,511,860	5,994,480	3,482,620
Statement on movement of HRA balances			
Surplus or deficit for the year on HRA services	2,511,860	5,994,480	3,482,620
Capital expenditure funded by the HRA	8,000,000	4,270,110	(3,729,890)
Reversal of impairment charge	(7,110,110)	(7,110,110)	0
Net (income)/Expenditure	3,401,750	3,154,480	(247,270)
HRA balance brought forward		(17,028,520)	
Net (income)/Expenditure		3,154,480	
HRA balance carried forward	(17,028,520)	(13,874,040)	

3.5 Depreciation & Impairment

- 3.6 Depreciation is the decline in the value of assets over time due to wear and tear. The Housing Revenue Account receives an annual charge, but an adjustment is also made for the same amount to the Major Repairs Reserve. This can be used to fund capital expenditure, or to pay off debt.
- 3.7 Impairments are reductions/increases in the book value of capital assets, compared with their market value. In accounting for these annual entries, the Housing Revenue Account is allowed to reverse these amounts out to the Capital Adjustment Account, removing the impact on the HRA. The impairment is only realised if the asset is sold.

4. Capital programme

4.1 12 Sites Joint Venture Funding

- 4.2 The remaining provisions for expenditure below relate to the 12 sites joint venture proposals. A report on the revised Havering and Wates Regeneration Joint Venture (HWR JVLLP) Business Plan and Budget 2022/2023, is to be presented to Cabinet on 16th February 2022. One of the provisional recommendations on this report is:

That Cabinet agree:

Agree and endorse the inclusion of a budget of £106.5m equity for the scheme together with a budget of £70.3m for potential land acquisition/CPO costs within the proposed HRA capital programme that will be considered by Cabinet in February 2021 in the annual rent setting and Capital Strategy and Programme report, and this is recommended to Council for final approval in February 2021

- 4.3 The gross capital requirement for the scheme is £560.8 million to deliver 1,562 units of affordable housing. HRA Borrowing for the scheme is set to peak at £247.5 million. At scheme completion, scheme borrowing is projected to fall to £206.3 million.
- 4.4 The following summarises the potential key changes that have been incorporated into the latest refresh of the HWR JVLLP Business Plan and Opportunity Site Assessments.
- 4.5 A detailed review of the Phase 1 development budget on Waterloo & Queen Street. The Phase would deliver 370 new homes, with construction scheduled to commence in Q3 2022.
- 4.6 The periodic review of site assembly commitments, taking account of the latest information linked to Waterloo & Queen Street, acquisition of family housing linked to the Solar Serena Sunrise estate and the WP234 sites.

4.7 Farnham Hildene – Council Direct Delivery

- 4.8 The regeneration of Farnham and Hildene, is to be progressed under a Council led option. A HRA capital budget of £176.9 million was approved to progress the scheme. HRA Borrowing for the scheme is set to peak at £55.6 million, before falling to £51.8 million at completion.

4.9 Bridge Close – Council Direct Delivery

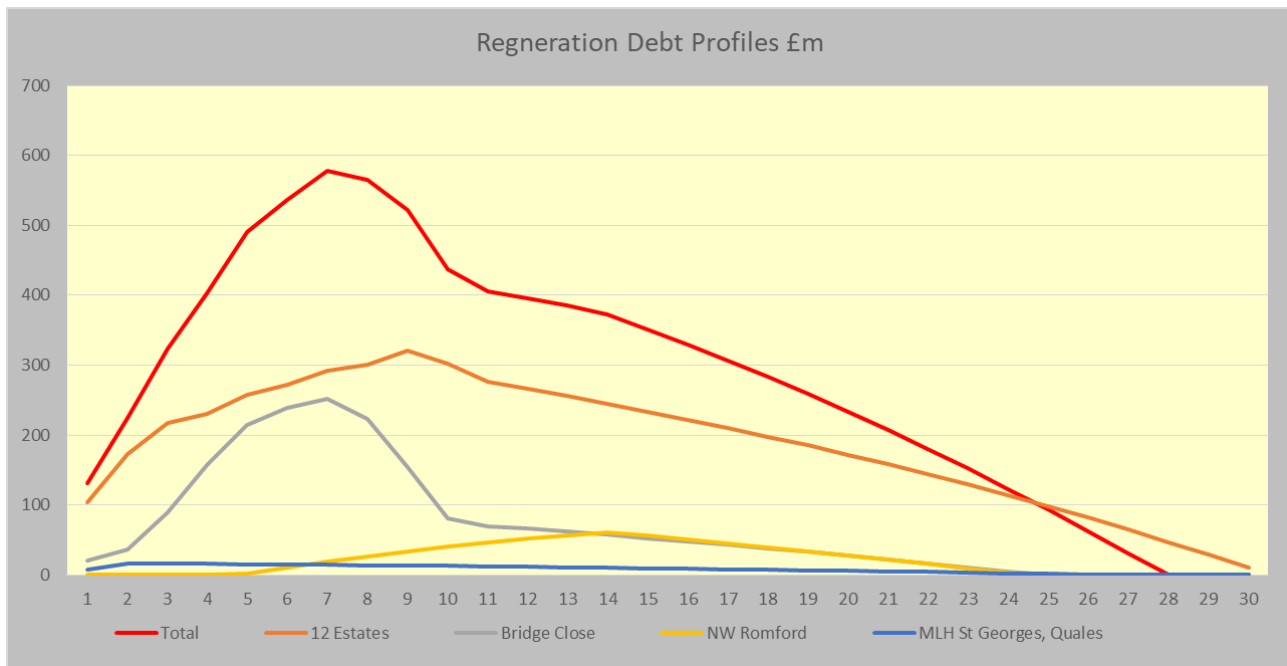
- 4.10 Cabinet approved the provision of a gross HRA capital budget of £462.9 million to progress the scheme, to fund site assembly and construction activities.
- 4.11 HRA Borrowing for the scheme is set to peak at £211.3 million. At scheme completion, scheme borrowing is projected to fall to £70.4 million.
- 4.12 The proposed budget incorporates the outputs from the latest refresh of the Bridge Close Business Plan. The key changes incorporated the latest review of the cost and review assumptions provided by the Council's external advisors, and an update to the scheme tenure assumptions.
- 4.13 Next Phase Development. It is proposed that the HRA will purchase the shared ownership and social rent properties in later years. This will be subject to review of the HRA Business Plan and any necessary approvals by Cabinet and/or Council of the revised Housing Capital Programme. A provisional sum of £152m has been reflected in the business plan in anticipation of progression of such schemes.

4.14 St Georges and Quarles

- 4.15 Cabinet approved the acquisition of land and properties on the St Georges Hospital site. The development would provide 36 units of affordable housing (14 affordable rent, 22 shared ownership). A gross HRA capital budget of £9.9 million has been set aside, including fees and Stamp Duty Land Tax. The gross budget will be funded by a combination of initial disposal receipts, GLA grant, and HRA borrowing.
- 4.16 A further £13.0 million, including SDLT has been set aside to progress the acquisition of 34 units of affordable housing on the Quarles development. The scheme will be led by Mercury Land Holdings and is incorporated in its current Business Plan. The gross budget will be funded by a combination of initial disposal receipts, RTB receipts, GLA grant, and HRA borrowing.

Scheme Name	Years of deliver	No. of units	Total HRA (peak) borrowing requirements
Napier New Plymouth	2022-2023	197	£33m
Solar Serena Sunrise	2021-2023	134	£30m
Waterloo Estate	2022-2030	568	£100M
WP234 Sites	2022-2031	663	£130M
Council Buy-back scheme including regen	2020-2030		£43M
Farnham & Hildene	2022-2331	685	£56M
Family Welcome Centre	2022-2024		£15m
Bridge Close	2020-2028	535	£211M
St Georges Hospital Quarles	2020- 2024	87	£28M

- 4.17 The graph below shows specifically the financial impact of the various schemes to the HRA, if long-term borrowing is assumed at 2%.



5.0 Major Works Budget – HRA 2021/22 – 2025/26 major works resources and proposed spend.

- 5.1 Appendix 1a sets out proposed the investment needs for the stock over the next 30 years as agreed by Cabinet in the Housing Asset Management Strategy in October 2021. In principle, the investment in existing stock should be funded through revenue contributions to capital rather than borrowing as the investment maintains the value of the asset rather than creating an asset.
- 5.2 This 30-year plan has been updated to reflect the new Housing Asset Management strategy which will include our continued approach to Decent Homes and the impending Decent Homes 2, our continued programme of environmental improvement across our estates, the continued focus on building safety and compliance programmes plus our commitment to decarbonising our housing assets by 2040.
- 5.3 The table shows spend broken down by some core themes including our statutory requirements in maintaining the Decent Homes standard for both internal elements (kitchens, bathrooms, heating etc.) and external elements (roofs, wall finished, and windows and doors), this level of spend will maintain our near 100 decent home compliance position.
- 5.4 Total expenditure in the stock over the 30-year plan period is £645m and this includes £18m for fire related works and £72m to reduce the carbon emissions from the stock, although significant further work is continuing to determine the scope, extent and types of works are required in these areas.

- 5.5 We have included monies for the refurbishment of our garage sites, which will help address void issues and bring sites back into use. These monies will be used to improve the access where possible, refurbish the hard standings and improve lighting and security where possible.
- 5.6 We acknowledge that our housing stock does not always match the demand profile of our residents, especially in regard to larger family properties. As part of the Asset Management Strategy, we will develop approaches to how we can better match the need through active asset management and have therefore included monies to undertake extensions, infills, rooftop development or loft conversions where feasible.
- 5.7 We have also included monies to support the refurbishment of properties to support residents moving from regeneration sites, this will support the enabling approach of the 12 sites programme.
- 5.8 Also included are the ongoing projects such as the estate improvement works and Hitchin Close balconies project and a number of replacement lifts across the estate. including the addition of a number of lifts to sheltered properties, both improving accessibility for residents and improving desirability to support lettings.
- 5.9 Budgets have been included for the provision of additional cyclical programmes of work, including gutter and drain clearance and replacement and cyclical decorating programmes. These programmes will allow us to proactively manage our stock and move from a predominantly responsive service to a more planned approach, which will improve the service for our customers, and provide better long-term value for money.
- 5.10 The addition of pro-active cyclical programmes will also ensure we minimise legal disrepair claims, reduce the cost of both managing the claims and any compensation and helping to reduce some of the inherent issues which arise when these programmes are stopped, such as leaks from guttering and damp issue. This in turn will help to reduce complaints from our customers.

6.0 Repairs, Maintenance and Compliance Budgets

- 6.1 We have undertaken a comprehensive review of our repairs, voids, maintenance and compliance budgets to ensure they adequately reflect current and future needs. This shows an increase in budget requirement from previous years, the growth being a reflection of changing requirements, under budgeting in previous years and programmes moving from capital to revenue.
- 6.2 We have included sufficient monies to continue to address our compliance regimes, both to support our current approaches and to address the future requirements flowing from the Fire Safety Act 2020, and the Building Safety Bill and Regulatory Reform (Fire Safety) Order, including the likely need for a bi-annual check of all fire doors and improved building safety information.
- 6.3 We have also included specific budgets for other compliance areas, over and above the core six areas which will help ensure we meet all of our statutory duties as a landlord and comply with the Regulator of Social Housing consumer standards. Included is the budget required for a full asbestos survey of our domestic properties

which will help us with improved risk management of homes. Additionally, monies are allocated to provide third party assurance on compliance going forward.

- 6.4 The ongoing requirement for risk assessments, principally around fire and legionella has been included in our revenue budgets, previously these had been capitalised as they drove the initial capital works programmes to bring our properties up to the relevant requirements, going forward the required resurveys should only identify day-to-day repair issues.
- 6.5 We have completed the tendering exercise for the new repairs, maintenance and voids contract, which should start in April 2022. The Tender prices and the new delivery model are reflected in the revised budgets.
- 6.6 The build-up of repairs and maintenance costs is comparable to costs of other organisation as provided by Savills and does include reasonable contingencies to reflect market uncertainties and potential legislation changes in the future.

7.0 30-year Business Plan 2021/22 to 2049/50

- 7.1 Attached at Appendix 2a and 2b are extracts from the HRA 30-year Business Plan financial model. Year 1 of the business plan is based on the 2021/22 budget.
- 7.2 The plan for the HRA is based on keeping a minimum of £10m in working balances and using current reserves above this figure to invest in the major works programme. It has been assumed that all available resources over and above those required for revenue spend, payment of interest on debt and maintaining reserves at £10m, are available for major works, for as long as the Asset Management Strategy requires it.
- 7.3 The Business Plan projections are based on the following assumptions:
- Voids and bad debts
The assumptions of void losses at 2% and bad debts at 1.41% are consistent throughout the plan and in line with other authorities.
 - Inflation
Management, maintenance, service costs and charges are all inflated at 2% pa at the assumed CPI rate and therefore aligned with rent increases in the medium to longer-term.
 - Operating costs
Operating costs cover such items as staffing costs and responsive repairs. Havering's costs are below average however an assumption has been made of a growth 0.5% in year 21/22 and then CPI per year with an adjustment for stock numbers.
 - Stock Numbers
As at 31st March 2021, the stock numbers were 9,125 tenanted properties. Stock loss is assumed Right to Buys losses of 50 in 21/22 and 50 pa thereafter. Increase in stock due to regeneration and acquisitions are based on the numbers set out in this report.
 - Interest rates

All new borrowing for development and refinancing of existing loans if they cannot be fully repaid within the plan has been set at 2.0%. At the time of writing, we anticipate being able to access borrowing at lower rates following the recent government consultation which proposed discounted levels if borrowing for the purposes of housing and regeneration however there are risks that interest rates may increase in 2022 due to the impact of inflation.

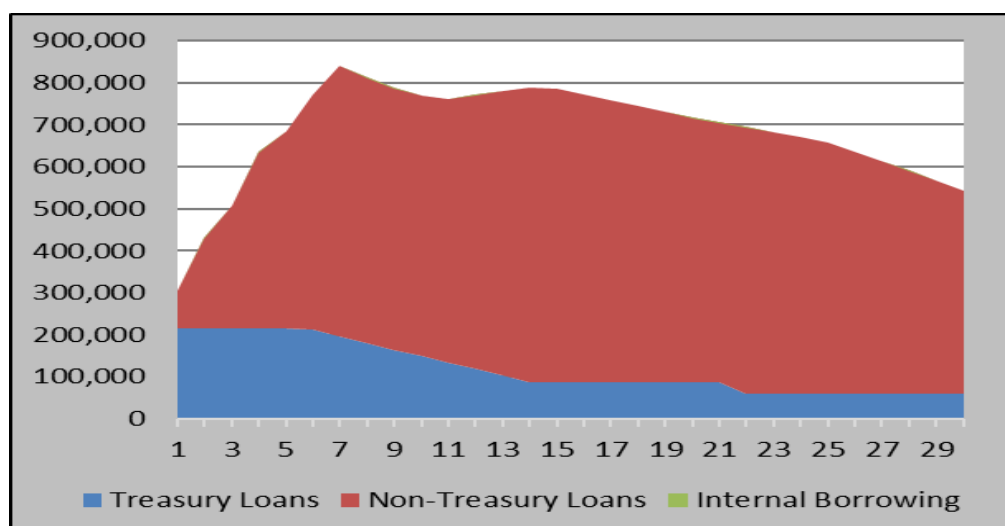
- **Minimum Reserve Balance**

The minimum balance for the HRA needs to be determined and the existing level of £10 million has been applied in this model.

- 7.4 In October 2018 the Government announced the immediate removal of the HRA borrowing cap. This means the Council can borrow against the HRA assets to fund new development as long as the prudential borrowing rules are followed. The Business Plan assumes borrowing of £600m over and above the current £196m treasury debt. The borrowing is against the following projects, some of which is funded by HRA reserves, land and reinvestment of capital receipts.

Scheme	Capital £m
12 Estates	366
Bridge Close	77
MLH/Other Schemes	96
HRA Acquisitions Fund	51
Welcome Centre	16
Total	606

- 7.5 The HRA continues to increase borrowing until 2027/28, at which point the debt peaks at £838m with total additional borrowing of £623m.



CFR = Capital Finance Requirement

- 7.6 From 2028/29, the HRA debt begins to reduce to £542m in year 2050/51 and over the 30 years, the average annual cost of servicing this debt is £18.7m against an average annual rental income of £78m. This is because the debt is made up of long-

term loans that are not repaid until after the 30-year plan. There is enough income to cover the cost of debt.

- 7.7 The Business Plan makes provision for the repayment of some of treasury debt. It would be prudent, in future Business Plans, once projects have been completed, to make provision to reduce debt levels. This level of debt needs to be sustainable in the long term and supported through the Council's Treasury Management policy.

8 CONCLUSION

- 8.1 The Self-Financing Business Plan extracts (Appendix 2a and 2b) show that the Council is able to maintain and improve its stock and provide good quality housing services over the next 5 years. The Housing Revenue Account budget, which is set out in this report is designed to maintain a good level of service and inject further resources into a programme of major investment in the housing stock that will maintain the Homes Standard of existing housing stock and provide significant funding for wide-ranging estate regeneration programmes. The long-term implications of this investment needs to be assessed when considering the viability and affordability of future investments.

REASONS AND OPTIONS

Reasons for the Decision

The Council is required to set the housing rent, service charges and a budget in accordance with the Local Government and Housing Act 1989 and set a budget that is not in deficit.

Alternative Options Considered

There are no alternative options in so far as setting a budget is concerned. However, there are options in respect of the various elements of the budget. These are considered in preparing the budget and cover such things as the rent and service charge increases, budget growth and major works programme proposals. The rationale for the levels of investment and levels of charges are contained within the body of this report.

IMPLICATIONS AND RISKS

Financial implications and risks:

HRA Revenue

This report largely concerns the financial implications and risks concerning the setting of the HRA budget for 2022/23 and the revision of the figures for the 30-year Business Plan. The HRA is sufficiently robust to generate a minimum estimated annual working balance reserve of £10m at the end of 2021/22 and for the following 3 years.

In addition to £10m reserves on the HRA, there is a bad and doubtful debt provision of £3.326m.

HRA Investment Capital Budget

Appendix 1a sets out the Major Works Programme 2022-27. This is funded from resources available for housing expenditure, which is summarised in the table below: -

Year Financial Year	1 2021.22	2 2022.23	3 2023.24	4 2024.25	5 2025.26	6 2026.27
HRA CAPITAL PROGRAMME						
Stock capital investment	27,412,643	32,957,045	29,735,320	29,334,867	34,483,369	32,543,372
Other Improvements	0	0	0	0	0	0
Development/Acquisition	71,400,524	71,785,864	66,208,239	47,535,664	44,365,744	42,322,855
Demolition	16,659,187	31,317,997	62,479,624	109,861,475	95,389,830	89,597,517
Other Regeneration	25,498,630	34,581,227	22,548,308	8,583,320	6,335,880	12,049,735
Capital programme	140,970,984	170,642,133	180,971,492	195,315,326	180,574,823	176,513,480
Scheduled Debt Repayment	0	0	0	0	0	0
<i>Financed by...</i>						
Major Repairs Reserve	-22,682,680	-9,480,294	-9,659,419	-9,842,128	-10,028,490	-10,218,580
RTB receipts (Allowable Debt)	-1,065,028	-1,072,634	-1,080,254	-1,087,889	-1,081,427	-1,074,836
1-4-1 receipts	-5,020,224	-13,976,516	-13,016,287	-13,536,864	-11,181,874	-8,717,642
Other receipts and grants	-7,828,727	-16,626,391	-75,782,440	-40,219,423	-96,638,650	-60,774,135
Revenue contributions	-14,973,302	-4,891,315	-2,906,837	-4,519,818	-10,517,968	-8,423,608
HRA borrowing	-89,401,023	-124,594,984	-78,526,254	-126,109,204	-51,126,414	-87,304,680
Capital financing	-140,970,984	-170,642,133	-180,971,492	-195,315,326	-180,574,823	-176,513,480

The capital programme incorporates the HRA capital funding requirements for the 12 Estates HWR JVLLP and sets aside sufficient capital resources to fund the acquisition of 321 affordable dwellings (30% affordable) from the Bridge Close HWR JVLLP. These commitments will require the Council (HRA) to borrow an additional £557m by the close of 2026/27.

Risks

Legal implications and risks:

Under Part VI of the Local Government and Housing Act 1989, any local authority that owns more than 200 units of housing stock is obliged to maintain a Housing Revenue Account. The HRA is a record of revenue expenditure and income in relation to an authority's own housing stock. The items to be credited and debited to the HRA are prescribed by statuteⁱ. It is a ring-fenced account within the authority's General Fund, which means that local authorities have no general discretion to transfer sums into or out of the HRA.

By section 76 of the Local Government and Housing Act 1989, the Council is required in January and February each year to prepare, and make available for public inspection, proposals relating to the income of the authority from rents and other charges, expenditure in respect of repair, maintenance, supervision and management of HRA property and other prescribed matters. The proposals should be made on the best assumptions and estimates available and should be designed to secure that the housing revenue account for the coming year does not show a debit balance. The report sets out information relevant to these considerations.

Section 76 also places a duty on local housing authorities: (a) to ensure that the annual budget for their HRA avoids a deficit; (b) to review and if necessary, revise that budget from time to time and (c) if it seems that an end-of-year deficit may occur, to take all reasonably practicable steps to avoid it. The proposed HRA budget fulfils these requirements.

The report seeks approval for major investment estimates in relation to a variety of schemes. In compliance with Section 151 of the Local Government Act 1972, the Council has in place Financial Regulations and Financial Procedures that provide appropriate arrangements for the approval of major works estimates. The various major works schemes must be capable of being carried out within the Council's statutory powers. To the extent that the details of the schemes appear from the body of the report, it does appear that the proposed works meet this requirement. In particular the maintenance and repair of dwellings may be considered consistent with the Council's repairing obligations under Sections 9Aⁱⁱ and 11 of the Landlord and Tenant Act 1985.

The regulator may under section 194(2A) of the Housing and Regeneration Act 2008 set standards for registered providers requiring them to comply with specified rules about their levels of rent (and the rules may, in particular, include provision for minimum or maximum levels of rent or levels of increase or decrease of rent). The current Rent Standard allows for a rent increase of CPI +1% and so the proposed rent increase as set out within in this paper is in line with the Rent Standard.

The Equality Act 2010 requires the Council to have due regard to the public sector equality duty when carrying out its functions and have due regard to the need to eliminate discrimination and advance equality of opportunity. They must also show they have carried out an Equality Impact Assessment in reaching such decisions as introducing charges to tenants.

Human Resources implications and risks:

There are no HR implications arising from this report.

Equalities, Health and Well-being implications and risks:

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under the Equality Act 2010.
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

An equalities impact assessment has been carried out and is attached as appendix 3. Of note, central government influences rent levels and the rent increases proposed within this report will be affordable to households on welfare benefits. Furthermore, best practice and guidance dictates that service charges should be set at a level that covers the cost of providing the service to which the charge relates. Therefore, the Council cannot operate in an unfettered way within regard to the rents and service charges it sets. That said, the Council has examined the proposals in this report from an equalities perspective.

68% of council tenants are in receipt of welfare benefits and this rises to 75% for tenants over 65 years old. The proposed rents and service charges eligible for housing benefit, or universal credit, are within the benefit caps for Havering, therefore those in most financial hardship, which can include particular minority groups, will be protected.

The investment in new homes through the HRA will benefit those in housing need in the borough and will therefore have a positive impact on households with protected characteristics. With the higher percentage of people with disabilities and disadvantages, the ongoing partnership working and future opportunities for engaging with those groups to improve overall health and wellbeing is essential.

The Council will monitor the impact of the increase across protected characteristics. We will ensure that anyone affected by the increase has equal access to advice and information in relation to income maximisation should they be unable to meet their rent/service charge liabilities. We will follow the guidelines set out in the income maximisation policy. The EqHIA will be updated in 6 months with information provided through the monitoring process and if required further activity will be undertaken to mitigate any adverse impact.

BACKGROUND PAPERS

- Appendix 1a** Draft 2022/23– 2026/27 HRA Major Works
- Appendix 1b** 2022/23– 2026/27 HRA Regeneration and Acquisition Programme.
- Appendix 2a:** Draft HRA Projections from Business Plan - Years 1-10.
- Appendix 2b:** Draft HRA Capital Investment Requirement Projection from Business Plan
- Appendix 3** Equalities & Health Impact Assessment

APPENDICES

Appendix 1a – Draft 2022/23– 2026/27 HRA Major Works Capital

Work Stream	2021/22	2022/23	2023/2024	2024/25	2025/26	2026/27
Decent Homes Works - Internals	£ 4,045,667	£ 5,427,512	£ 4,949,402	£ 4,699,402	£ 5,199,402	£ 5,981,179
Decent Homes Works - External	£ 3,443,299	£ 6,935,138	£ 5,685,138	£ 3,685,138	£ 3,935,138	£ 8,438,364
Environment Improvement Works	£ 3,094,291	£ 9,944,291	£ 2,494,291	£ 1,994,291	£ 1,994,291	£ 3,493,052
Energy Saving works	£ 3,025,280	£ 5,000,280	£ 4,000,280	£ 6,000,280	£ 10,000,280	£ 5,004,000
Garages and garage site Work	£ 1,185,142	£ 684,142	£ 634,142	£ 634,142	£ 634,142	£ 228,731
Residents Safety Related Works	£ 7,427,600	£ 6,200,000	£ 5,900,000	£ 5,800,000	£ 5,800,000	£ 250,000
Stock alignment	£ 1,217,400	£ 2,150,000	£ 1,150,000	£ 1,150,000	£ 1,150,000	£ 1,200,000
Professional Support Services	£ 1,075,000	£ 690,000	£ 690,000	£ 690,000	£ 690,000	£ 185,000
Unidentified Asset Works	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000
Regeneration voids	£ 500,000	£ -	£ -	£ -	£ -	£ -
Cyclical works	£ -	£ 1,065,000	£ 1,080,300	£ 1,095,906	£ 1,111,824	£ 1,020,606
Capitalisation of Salaries	£ 717,000	£ 717,000	£ 717,000	£ 717,000	£ 717,000	£ 717,000
Leaseholder Works	£ 873,260	£ 873,260	£ 873,260	£ 873,260	£ 3,069,158	£ 873,260
Multi disciplinary team	£ 450,000	£ 450,000	£ 450,000	£ 450,000	£ -	£ 450,000
Total	£ 27,253,939	£ 40,336,623	£ 28,823,813	£ 27,989,419	£ 34,501,235	£ 28,041,191

Appendix 1b - 2022/23– 2026/27 HRA Regeneration and Acquisition Programme.

<u>HRA BUDGET REPORT - 5 YEARS</u>	2022.23	2023.24	2024.25	2025.26	2026.27	5 year
	£m	£m	£m	£m	£m	Totals
<u>12 Estates Budgets</u>						
Affordable Housing (inc SDLT)	27.649	50.115	36.986	30.586	16.865	162.200
Partner Loan (Land)	3.981	0.395	0.077	0.018	1.669	6.139
Partner Loan (Cash)	15.193	18.518	3.969	6.318	10.381	54.379
Forward Funding	20.447	16.659	16.043	19.330	21.367	93.847
Vacant Possession	3.971	6.408	10.050	9.213	9.213	38.854
Tenant compensation	3.807	2.252	0.500	0.500	0.500	7.559
Demolition & Other Costs	10.871	0.300	0.000	0.000	0.000	11.171
Total 12 Estates Gross Budget	85.917	94.647	67.625	65.965	59.994	374.148
<u>Bridge Close Budgets</u>						
Partner Loan (Cash)	15.408	3.635	4.537	0.000	0.000	23.580
Forward Funding	0.000	45.520	93.818	76.059	68.230	283.628
Total Bridge Close Gross Budget	15.408	49.155	98.356	76.059	68.230	307.209
<u>Other Regeneration Schemes</u>						
NW Romford	0.000	0.000	0.000	4.068	15.745	19.813
HRA Buybacks	20.000	0.000	0.000	0.000	0.000	20.000
Welcome Centre	8.928	4.783	0.000	0.000	0.000	13.711
Crow Lane	0.000	0.000	0.000	0.000	0.000	0.000
MLH Schemes	6.282	2.650	0.000	0.000	0.000	8.932
HRA Prev New Build	1.150	0.000	0.000	0.000	0.000	1.150
Total Other Regen Schemes	36.360	7.433	0.000	4.068	15.745	63.606
Total HRA Regeneration Schemes	137.685	151.236	165.980	146.091	143.970	744.963

Appendix 2a: Draft HRA Projections from Business Plan - Years 1-10.

Year	1	2	3	4	5	6	7	8	9	10	11
Financial Year	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32

HRA 30 YEAR SUMMARY

Dwelling rents	48,012,648	50,709,466	53,343,743	55,761,864	57,735,081	60,198,580	62,168,361	65,211,882	67,364,902	69,778,728	72,517,339
Non-dwelling rents	332,080	338,722	345,496	352,406	359,454	366,643	373,976	381,456	389,085	396,866	404,804
Service charge income	7,841,120	7,997,942	8,157,901	8,321,059	8,487,480	8,657,230	8,830,375	9,006,982	9,187,122	9,370,864	9,558,282
Other income and contributions	1,111,810	1,710,451	2,015,742	3,929,810	12,925,818	10,899,136	8,087,022	11,886,839	15,067,904	12,480,592	19,770,479
Total income	57,297,658	60,756,582	63,862,883	68,365,139	79,507,833	80,121,589	79,459,734	86,487,158	92,009,013	92,027,051	102,250,903
Repairs & maintenance	8,116,930	11,560,890	12,747,661	12,368,075	12,970,693	13,264,322	13,546,159	13,909,839	14,200,591	14,504,693	14,834,169
Management (incl RRT)	25,072,100	25,691,743	26,388,602	27,057,956	27,741,531	28,543,219	29,240,448	30,092,619	30,874,370	31,679,382	32,538,693
Bad debts	683,001	514,011	540,788	565,357	585,419	610,482	630,506	661,485	683,376	707,926	735,789
Dwelling Depreciation	9,304,680	9,480,294	9,659,419	9,842,128	10,028,490	10,218,580	10,422,952	10,631,411	10,844,039	11,060,920	11,282,138
Debt management	47,820	48,776	49,752	50,747	51,762	52,797	53,853	54,930	56,029	57,149	58,292
Total costs	43,224,531	47,295,714	49,386,222	49,884,263	51,377,895	52,689,400	53,893,918	55,350,284	56,658,405	58,010,070	59,449,082
Net income from services	14,073,127	13,460,868	14,476,661	18,480,876	28,129,938	27,432,189	25,565,816	31,136,874	35,350,608	34,016,980	42,801,821
Interest payable	-7,056,078	-10,153,695	-12,627,006	-14,805,244	-18,244,452	-20,224,675	-22,765,738	-24,258,509	-23,578,953	-23,005,026	-22,622,259
Interest income	579,729	761,996	745,668	586,408	303,869	501,622	600,142	886,499	726,099	497,610	74,527
Net income/expenditure before appropri	7,596,777	4,069,169	2,595,323	4,262,040	10,189,356	7,709,136	3,400,220	7,764,864	12,497,754	11,509,564	20,254,090
Set aside for debt repayment	0	0	0	0	0	0	0	-7,511,585	-11,741,758	-11,448,247	-7,489,505
Revenue contributions to capital	-14,624,777	-3,869,169	-2,391,323	-4,053,960	-9,977,114	-7,492,649	-3,179,404	0	0	0	-12,906,857
Net HRA Surplus/Deficit	-7,028,000	200,000	204,000	208,080	212,242	216,486	220,816	253,279	755,996	61,318	-142,273
HRA Balance brought forward	17,028,000	10,000,000	10,200,000	10,404,000	10,612,080	10,824,322	11,040,808	11,261,624	11,514,903	12,270,899	12,332,217
HRA surplus/(deficit)	-7,028,000	200,000	204,000	208,080	212,242	216,486	220,816	253,279	755,996	61,318	-142,273
HRA Balance carried forward	10,000,000	10,200,000	10,404,000	10,612,080	10,824,322	11,040,808	11,261,624	11,514,903	12,270,899	12,332,217	12,189,944

Appendix 2b: Draft HRA Capital Investment Requirement Projection from Business Plan

Year	1	2	3	4	5	6	7	8	9	10	11
Financial Year	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32

HRA CAPITAL PROGRAMME

Stock capital investment	42,495,543	39,873,218	29,735,320	29,334,867	34,483,369	32,543,372	33,226,162	33,903,719	34,611,491	35,397,860	34,569,584
Other Improvements	0	0	0	0	0	0	0	0	0	0	0
Development/Acquisition	88,330,018	62,084,656	59,800,635	46,717,442	44,365,744	42,322,855	45,869,466	44,561,256	45,169,018	34,554,600	16,658,247
Demolition	31,059,976	16,917,208	66,068,202	109,957,224	95,549,134	89,686,012	100,597,428	36,110,790	24,034,269	23,051,670	18,767,786
Other Regeneration	14,633,453	26,259,588	22,519,075	8,585,033	6,335,880	12,049,735	12,548,418	15,440,380	6,548,029	913,521	0
Capital programme	176,518,990	145,134,670	178,123,232	194,594,567	180,734,126	176,601,975	192,241,474	130,016,145	110,362,808	93,917,649	69,995,617
Scheduled Debt Repayment	0	0	0	0	0	0	0	0	0	0	0
<i>Financed by...</i>											
Major Repairs Reserve	-22,682,680	-9,480,294	-9,659,419	-9,842,128	-10,028,490	-10,218,580	-10,422,952	8,732,942	568,465	-5,201,399	-11,282,138
RTB receipts (Allowable Debt)	-1,065,028	-1,072,634	-1,080,254	-1,087,889	-1,081,427	-1,074,836	-1,068,112	-1,061,255	-1,054,260	-1,047,125	-1,039,848
1-4-1 receipts	-7,209,062	-11,146,098	-12,988,383	-13,526,153	-11,181,259	-8,711,930	-9,758,238	-3,202,039	-864,081	-38,108	0
Other receipts and grants	-4,717,164	-19,737,954	-75,364,397	-40,239,552	-96,628,684	-60,652,484	-99,898,480	-134,485,793	-109,012,931	-87,631,018	-44,763,028
Revenue contributions	-14,624,777	-3,869,169	-2,391,323	-4,053,960	-9,977,114	-7,492,649	-3,179,404	0	0	0	-12,906,857
HRA borrowing	-126,220,278	-99,828,522	-76,639,456	-125,844,884	-51,837,152	-88,451,496	-67,914,289	0	0	0	-3,746
Capital financing	-176,518,990	-145,134,670	-178,123,232	-194,594,567	-180,734,126	-176,601,975	-192,241,474	-130,016,145	-110,362,808	-93,917,649	-69,995,617

Net balance on capital programme

Alert

Major Repairs Reserve b/fwd	13,378,000	0	0	0	0	0	0	0	0	0	0
HRA depreciation (net)	9,304,680	9,480,294	9,659,419	9,842,128	10,028,490	10,218,580	10,422,952	10,631,411	10,844,039	11,060,920	11,282,138
Financing for capital programme	-22,682,680	-9,480,294	-9,659,419	-9,842,128	-10,028,490	-10,218,580	-10,422,952	8,732,942	568,465	-5,201,399	-11,282,138
Debt Repayment	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment (Max)	0	0	0	0	0	0	0	-19,364,353	-11,412,504	-5,859,521	0
Major Repairs Reserve c/fwd	0	0	0	0	0	0	0	0	0	0	0

Appendix 5

Equality & Health Impact Assessment (EqHIA)

Document control

Title of activity:	HRA Budget & Business Plan 2022/23
Lead officer:	Philip Dewar, Strategy & Policy Officer Patrick Odling-Smee, Director of Housing
Approved by:	Patrick Odling-Smee, Director of Housing
Date completed:	24 January 2022
Scheduled date for review:	Annual

Did you seek advice from the Corporate Policy & Diversity team?	Yes
Did you seek advice from the Public Health team?	Yes
Does the EqHIA contain any confidential or exempt information that would prevent you publishing it on the Council's website?	No

Please submit the completed form via e-mail to EqHIA@havering.gov.uk thank you.

1. Equality & Health Impact Assessment Checklist

Please complete the following checklist to determine whether or not you will need to complete an EqHIA and ensure you keep this section for your audit trail. If you have any questions, please contact EqHIA@havering.gov.uk for advice from either the Corporate Diversity or Public Health teams. Please refer to the Guidance in Appendix 1 on how to complete this form.

About your activity

1	Title of activity	HRA Budget & Business Plan 2020/21		
2	Type of activity	This report recommends the capital and revenue budgets for the council owned housing stock for 2022/3 and the investment in housing for the next 30 years.		
3	Scope of activity	<p>Setting the rent, and services charges for council owned housing for the coming financial year.</p> <p>Approving the housing capital program for the next three years. This includes the investment in the existing housing stock and the new build programme through the regeneration programme.</p> <p>Advising on the review of the HRA 30-year business plan.</p>		
4a	Are you changing, introducing a new, or removing a service, policy, strategy or function?	No	If the answer to <u>any</u> of these questions is 'YES', please continue to question 5.	If the answer to <u>all</u> of the questions (4a, 4b & 4c) is 'NO', please go to question 6.
4b	Does this activity have the potential to impact (either positively or negatively) upon people (9 protected characteristics)?	Yes		
4c	Does the activity have the potential to impact (either positively or negatively) upon any factors which determine people's health and wellbeing?	Yes		
5	If you answered YES:	Please complete the EqHIA in Section 2 of this document. Please see Appendix 1 for Guidance.		
6	If you answered NO:			

Completed by:	Patrick Odling-Smee, Director of Housing
Date:	24 January 2022

2. The EqHIA – How will the strategy, policy, plan, procedure and/or service impact on people?

Background/context:

Who will be affected by the activity?

Tenants and leaseholders of the council stock and occupants of temporary accommodation owned or leased by the council.

Protected Characteristic - Age: Consider the full range of age groups

Please tick (ü) the relevant box:		Overall impact: Overall impact: The majority of council tenants are of working age in Havering. 30% of all council tenants in the Borough are of pension age, compared to 18% of the general population. Of the over 65s, 74.9% of tenants are on full or partial benefits, compared to 68% of all tenants. Housing Benefit or Universal Credit payments will cover or reduce the impact for many tenants, although for benefit purposes, heating and water charges are exempt and tenants are expected to pay these costs themselves. The council also collects these water charges on behalf of the Water Authority which reduces the cost to the residents. The remaining 25% of older tenants will be responsible for meeting all of their rent and service charge costs. The biggest impact is likely to be on low income working households and pensioner households whose income and savings respectively take them above the Housing Benefit threshold. We recognise that the increase in service charges could potentially impact negatively on tenants who are not in receipt of Housing Benefit. The decision to increase Telecare and Careline costs may affect those residents who self-fund this service. These services enable tenants to stay in their homes for longer, allowing the tenant to maintain their independence. There is the potential consequence that affected tenants may withdraw their subscription to this scheme. The costs are similar or lower than those charged in other London boroughs. All tenants regardless of their age who are affected by the increase in service charges will be notified of the specific changes to their service charges and will be provided with information and guidance for money and debt advice.
Positive		
Neutral		
Negative	X	

Housing services has a dedicated resource in our Financial Inclusion and Welfare Benefit team who can provide advice and support to assist tenants to manage this increase in service charges. This applies to all tenants whether in general needs or supported housing accommodation.

Housing Services' will advise tenants to make welfare benefits claims and to refer tenants to sources of support. To this end, as part of 'business as usual', details of the increase in service charges will be included in the end of year rent statement sent out to tenants. We will also include information on Housing Services' pages on the Havering website, the tenant magazine 'At the Heart' and in any direct contact our officers have with tenants.

On request, Housing Services can provide this information in an appropriate format according the needs of the tenant.

The impact of the increase in fuel costs is likely to affect older people as the majority of those receiving heat and hot water are in sheltered blocks. The recommendation to cap the increase in heating costs to 50% of the actual will mitigate that impact and will put those residents in a preferable position to other tenants who pay for their own gas and will be subject to the signifiant increases due this year.

Evidence:

The estimated population of Havering is 260,651¹ is the twelfth smallest population in London. It has a median age of approximately 39.2 and the highest percentage of people aged over 65 (18%) out of the London boroughs, although this is below the proportion of over 65's for England as a whole.

Table 1: Population by age range in Havering, London and England including percentage of the population

Age Ranges	Havering	Havering %	London	London %	England	England %
0 - 4	17,167	6.6	595,799	6.6	3,239,447	5.7
5 - 9	17,251	6.6	606,333	6.7	3,539,458	6.3
10 - 14	15,719	6	550,753	6.1	3,435,579	6.1
15 - 19	14,105	5.4	474,456	5.3	3,115,871	5.5
20 - 24	14,117	5.4	556,594	6.2	3,472,522	6.1
25 - 29	17,407	6.7	757,848	8.4	3,771,493	6.7
30 - 34	18,900	7.3	822,084	9.1	3,824,652	6.8
35 - 39	18,698	7.2	779,934	8.7	3,738,209	6.6
40 - 44	16,677	6.4	677,463	7.5	3,476,303	6.2
45 - 49	15,913	6.1	598,535	6.7	3,638,639	6.4
50 - 54	17,227	6.6	569,938	6.3	3,875,351	6.9
55 - 59	16,644	6.4	508,722	5.7	3,761,782	6.7
60 - 64	14,308	5.5	405,576	4.5	3,196,813	5.7
65 - 69	11,672	4.5	318,142	3.5	2,784,300	4.9
70 - 74	12,035	4.6	280,432	3.1	2,814,128	5
75 - 79	8,509	3.3	196,419	2.2	2,009,992	3.6
80 - 84	6,833	2.6	150,980	1.7	1,449,189	2.6

85+	7,469	2.9	152,480	1.7	1,406,410	2.5
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Household types in Havering are mainly composed of pensioners or married couples with dependants², with the highest proportion of one person households occupied by a persons aged 65 years and over, at 48% of one person households. 32% of the over 65 population live in a one-person household.

It is projected that the proportion of people aged 0-15 and over 65 will increase, with a slight decrease in the proportion of working age population ³.

In relation to Havering tenants, 30.4% of main tenants are aged 65 and over⁴. When we look at the proportion of over 65's as part of the Havering adult population, this is almost 7% lower, at 23.7%.

Table 2: Age range of Havering Councils main tenants and the percentage of these as part of the main tenant population

Age Ranges	Havering Main Tenants	Percentage of main tenants
15 - 19	1	0.01
20 - 24	134	1.59
25 - 29	365	4.32
30 - 34	652	7.72
35 - 39	702	8.31
40 - 44	752	8.90
45 - 49	725	8.58
50 - 54	889	10.52
55 - 59	871	10.31
60 - 64	784	9.28
65 - 69	674	7.98
70 - 74	616	7.29
75 - 79	505	5.98
80 - 84	361	4.27
85+	415	4.91

For people at a working age in Havering (16 – 64), approximately 83% are economically active ⁵. Data is limited in terms of the working age population who are Havering tenants, as this is ongoing gathered at the time of applying to the housing register, then at the time of offer if needed.

Most tenants receive a form of benefit (housing benefit or universal credit), an estimated 68% of all tenants. The proportion varies amongst age groups with the lowest proportion at age 55-59 (59% of this age group) and over 65's at 74.9% of tenants. Whilst the highest percentage is in the 15-19 age range, this relates to only one tenant.

As the taper that is applied to UC takes away from the housing element in the first instance, the data received from DWP and uploaded on to the system does not distinguish between those that are in receipt of this element and those that are not, only whether the receive UC.

Table 3: Proportion of tenants within each age range who receive either UC or HB.

Age Range	Percentage of main applicants in receipt of UC or HB within each age group (% , rounded)
-----------	--

15-19	100
20-24	79.9
25-29	66.3
30-34	71.8
35-39	69.4
40-44	66.2
45-49	61.1
50-54	63.6
55-59	59
60-64	64.3
65-69	70.8
70-74	70.8
75-79	79
80-84	78.7
85-89	82.3
90-94	73
95-99	83.7
100 - 104	75

Life Expectancy

A new-born male baby in the UK today can expect to live for 79.2 years and a girl to 82.9 years, with 22.6% of new-born boys and 28.3% of new-born girls projected to live to 100 years.

The life expectancy at age 65 years in Havering is 19 years for males and 21.7 years for females.

The life expectancy at birth for people living in Havering is 80.2 years for males and 83.9 years for females.

Sources used:

1 - Midyear estimates of population for 2020 – ONS – Published June 2021

2 - Census 2011; Office for National Statistics (ONS)

3 – Projected population growth by age by 2043 – ONS, 2018

4 – Open housing report – Current tenancies E&D dated 14 January 2022

5 - https://www.haveringdata.net/business-and-employment/#/view-report/e20793b6fb0647e4980a5868fa1d817c/_iaFirstFeature

Protected Characteristic - Disability: Consider the full range of disabilities; including physical mental, sensory and progressive conditions

Please tick (ü) the relevant box:

Positive

Neutral

Negative

x

Overall impact:

There will be some disabled people on low incomes who may find that the rent and service charge increases may cause them financial difficulties, particularly those who may have income or savings which are just above the threshold to qualify for Housing Benefit. Tenants within this protected characteristic who receive a full or partial award of Housing Benefit or UC may find that this covers or reduces the impact of the increase in service charges.

We recognise that any increase in rent and service charges could potentially impact negatively on tenants who are not in receipt of Housing Benefit. The decision to increase Telecare and Careline costs may affect those tenants who self-fund this service. These services enable tenants to stay in their homes for longer allowing them to maintain their independence. There is the potential consequence that

	<p>tenants withdraw their subscription to this scheme. The charges are similar or below those charged by other boroughs.</p> <p>Housing Services has a dedicated resource in our Financial Inclusion and Welfare Benefit team who can provide advice and support to assist tenants to manage this increase in service charges. This applies to all tenants whether in general needs or sheltered housing accommodation.</p> <p>Information on the increase in rent and service charges will be made accessible to disabled people. To this end, details of the increase in service charges will be included in the end of year rent statement sent out to tenants. We will also include information on Housing Services' pages on the Havering website, the tenant magazine 'At the Heart' and in any direct contact our officers have with tenants.</p> <p>On request, Housing Services can provide this information in an appropriate format according to the needs of the tenant.</p>
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Evidence:

At a national level individuals with a disability aged 16 – 64 were less likely to own their own home 40.9%) than non-disabled people (53.4%), and more likely to have rented social housing (at 24.9% compared with 7.8%)

The following shows the estimated prevalence of various disabilities in Havering in 2020 for working age people^{2, 3}.

Table 4: Number of people aged 18-64 with disabilities in Havering by age band, 2020

Age band	Number with learning disability	Number with impaired mobility	Number with serious visual impairment	Number with moderate or severe, or profound hearing impairment
18-24	519	192	12	347
25-34	911	366	24	791
35-44	882	1,790	23	1,652
45-54	792	1,685	22	4,271
55-64	721	4,438	21	8,143
18-64	3,824	8,471	102	15,204

Table 5: Number of people aged 18-64 with mental health problems in Havering, 2020

Mental health problem	Number
Common mental disorder	29,906
Borderline personality disorder	3,796
Antisocial personality disorder	5,184
Psychotic disorder	1,100
Two or more psychiatric disorders	11,327

Table 6: Number of people aged 65 & over unable to manage at least one mobility activity on their own in Havering, 2020

Age band	Number
65-69	1,023

70-74	1,642
75-79	1,506
80-84	1,740
85 and over	3,410
65 and over	9,321

It is also worth mentioning that research on the impact of COVID-19 shows that the coronavirus pandemic has increased psychological distress both in the general population and among high-risk groups. Behaviours such as physical distancing, as well as their social and economic impacts, are worsening mental health consequences. Research on the psychological impact of mass trauma (e.g., natural disasters, flu outbreaks) suggests that the pandemic might particularly harm the mental health of marginalized populations who have less access to socioeconomic resources and supportive social networks (Galea S, 2020).

There are unique stressors and challenges that could worsen mental health for people with disabilities during the COVID-19 crisis. Research on past pandemics shows that disabled people find it harder to access critical medical supplies which can become even more challenging as resources become scarce (Goldmann E, 2014).

Some people with disabilities report higher levels of social isolation than their non-disabled counterparts. They may experience intensified feelings of loneliness in response to physical distancing measures.

Data on disabilities in Havering council stock is limited. The Housing Services diversity report in 2017 led to 18% of tenants self-declaring that they had a physical and/or mental disability, and 3% a sensory disability, albeit without any measurement of disability related benefit or medical evidence. Data extracted from Open housing indicates that 21.5% of council tenants have identified themselves as having a disability at some point during the process of applying and holding a tenancy.

In terms of demand, of the live applications on the housing register at this time, the primary reason is medical for 77 applicants meaning that they have a severe health condition that is significantly impacted by their current housing situation.

Sources used:

1. Outcomes for Disabled People in the UK – 2020
2. Projecting Older People Population Information:
<https://www.poppi.org.uk/index.php>Projecting Adults Needs and Services Information:
3. <https://www.pansi.org.uk>
4. Housing Service Diversity Report – November 2017
5. Housing Waiting list report dated 14 January 2021

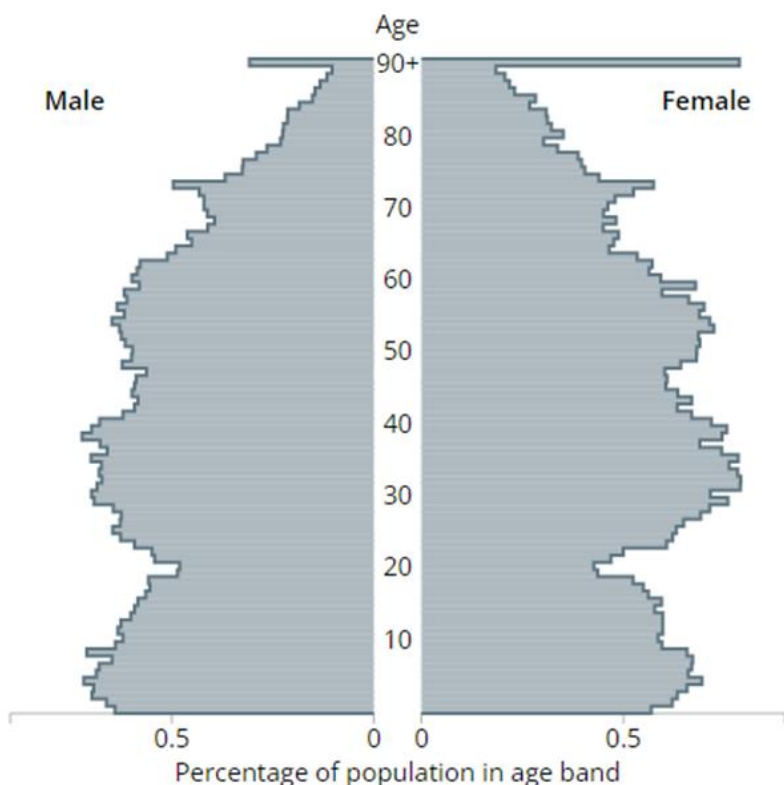
Protected Characteristic - Sex/gender: Consider both men and women		
Please tick (ü) the relevant box:		Overall impact:
Positive		The demographic profile of Havering council tenants indicates that an increase in service charges is more likely to affect woman rather than men. Many of these tenants will be the heads of single parent families who may be in lower paid/lower
Neutral		

<p>Negative</p>	<p>x</p>	<p>income jobs. The decision to increase rent and service charges might cause an increased financial burden on some of our vulnerable tenants, regardless of gender, when considered alongside other elements of welfare reform.</p> <p>Tenants within this protected characteristic who receive a full or partial award of Housing Benefit or UC may find that this covers or reduces the impact of the increase in rent and service charges. While they will still be responsible for meeting the service charges for heating and water charges.</p> <p>Tenants will be paying a fuller contribution towards the costs of these services and the increase genuinely reflects, and is required to meet, the actual cost of providing this service.</p> <p>We recognise that any increase in rent and service charges could potentially impact negatively on tenants who are not in receipt of Housing Benefit or UC. Housing services has a dedicated resource in our Financial Inclusion and Welfare Benefit team who can provide advice and support to assist tenants to manage this increase in service charges. This applies to all tenants whether in general needs or sheltered housing accommodation.</p> <p>To this end, details of the increase in rent and service charges will be included in the end of year rent statement sent out to tenants. We will also include information on Housing Services' pages on the Havering website, the tenant magazine 'At the Heart' and in any direct contact our officers have with tenants.</p>
<p>Of the estimated 260,651 people in Havering, 48.2% are male and 51.8% are female ¹.</p> <p>Table 7 – Percentage of population in each age band</p>		

All ages

125,614 males
135,037 females

48.2%
51.8%



Working aged women are less likely to be economically active in Havering (78%, compared to 86% for men) and when they are in work, they continue to earn less than men because of a gender pay gap in Havering (15.4%). Women are also more likely than men to live in poverty. As a result, women are more likely to be eligible for social housing with 58% of social rented homes nationally are headed by a female

In terms of demand for local authority housing in Havering, of the main applicant's active on the housing register, 84.3% (of 1502 applicants) identify as female.

Within current housing stock, 64.5% main tenants identify as female and 35.48% identify as male, with one tenant identified as "other". A slightly higher proportion of female tenants (70%) receive either UC or HB than men (64%). Only one lead tenant identified as "other" and in receipt of a benefit.

Sources used:

- 1 - Midyear estimates of population for 2020 – ONS – Published June 2021
- 2 – <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/annualsurveyofhoursandearningsashegenderpaygaptables>
- 3 – Open housing report - Housing Waiting List 14 January 2022
- 4 - Open housing report – Current tenancies E&D dated 17 January 2022

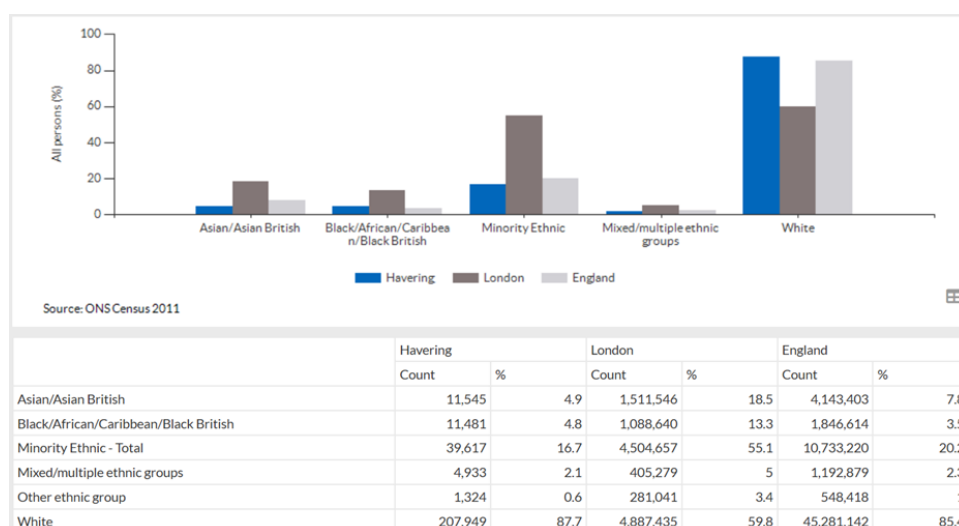
Protected Characteristic - Ethnicity/race: Consider the impact on different ethnic groups and nationalities

Please tick (ü) the relevant box:		Overall impact: 17% of the Havering population is from an ethnic minority. For those tenants who have provided us with the information only 8.3% are from ethnic minorities. However 22.0% of households on the Housing Register are from ethnic minorities so it is anticipated that the porportion of tenants from ethnicminotities will grow in future years. We recognise that the increase in rent and service charges could potentially impact negatively on tenants who are not in receipt of Housing Benefit or UC. Housing Services has a dedicated resource in our Financial Inclusion and Welfare Benefit team who can provide advice and support to assist all affected tenants to manage this increase in service charges. This applies to all tenants whether in general needs or sheltered housing accommodation. To this end, details of the increase in rent and service charges will be included in the end of year rent statement sent out to tenants. We will also include information on Housing Services' pages on the Havering website, the tenant magazine 'At the Heart' and in any direct contact our officers have with tenants. Any potential impact to this protected characteristic group is thought to be minimal and will be managed through translation services where necessary. These resources are available to the Council as part of its daily business which will ensure that tenants, whose first language is not English receive the help and support which they may need.
Positive		
Neutral		
Negative	x	

Evidence:

Havering continues to be considered one of the most ethnically homogenous places in London, with 83% of its residents recorded as White British in the 2011 census, higher than both London and England.

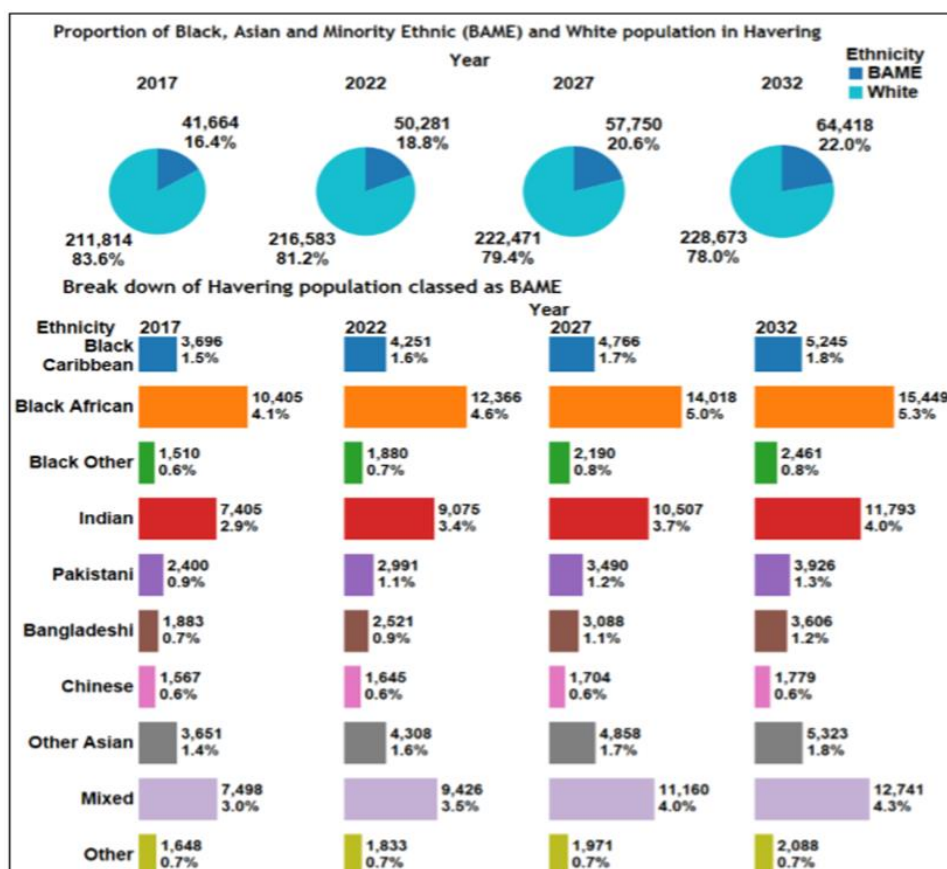
Table 8 – Population of Havering, London, and England by ethnicity¹



It is estimated that the ethnically homogenous characteristic of Havering is gradually changing due to its growing cultural diversity. In this regard, the Borough's white population is projected to decrease from the current 84% to 78% in 2032. The BME population, notably those from Black African heritage (though many of whom are likely to be British born) is projected to increase from 4.1% in 2017 to 5.3% of the Havering population in 2032. The number of Black & minority ethnic group residents in the borough is expected to rise from 18% currently to 22% by 2032.

This is further highlighted in the GLA ethnic projections (2020) There are approximately 40,500 (18%) people from BAME (Black Asian Minority Ethnic) groups living in Havering, the majority being of a Black African ethnicity (11,700, 4.5%).

Table 9: GLA projections of changes in ethnicity of the Havering population²



The UK poverty rate is twice as high for black & minority ethnic groups as for white British groups. Nationally, ethnic minority groups are more likely than white British households to spend a high proportion of income on rent, regardless of whether they live in social or private rented housing. However, the housing they live in tends to be of lower quality, especially among households of Pakistani origin, and overcrowding is more common, particularly among households of Bangladeshi origin.

Within Havering council stock, we see the current population by ethnicity where the tenant has made the decision to provide this information:

Table 10: Ethnicity of Havering Council main tenants as a percentage of the tenant population ³

Ethnicity	No. Tenants	Proportion of tenant population (%)

Asian or Asian British Bangladeshi	14	0.2
Asian or Asian British Chinese	10	0.1
Asian or Asian British Indian	16	0.2
Asian or Asian British Other	38	0.4
Asian or Asian British Pakistani	11	0.1
Black or Black British African	262	3.1
Black or Black British Caribbean	86	1.0
Black or Black British Other	52	0.6
Mixed Other	33	0.4
Mixed White & Asian	15	0.2
Mixed White & Black African	41	0.5
Mixed White & Black Caribbean	53	0.6
Other Ethnic Group: Other	4	0.0
Refused	595	7.0
White British	6658	78.8
White Irish	74	0.9
White Other	206	2.4
(blank)	279	3.3

Most tenants are White British as would be expected with a homogenous population and secure tenancies, followed quite distantly by Black or Black British African.

There is, however, quite a notable change in ethnicity based on housing demand. Housing needs, based on the housing register data, see an increase in the proportion of Black or Black British African applicants, making up 9% of households, with White British households at 59.3% of applicants

Table 11: Ethnicity of applicants with an assessed housing need ⁴

Ethnicity	Percentage (%) with an assessed housing need
Asian or Asian British Bangladeshi	0.7
Asian or Asian British Indian	0.7
Asian or Asian British Other	1.3
Asian or Asian British Pakistani	0.6
Black or Black British African	9.7
Black or Black British Caribbean	2.4
Black or Black British Other	1.0
Mixed Other	0.7
Mixed White & Asian	0.4
Mixed White & Black African	1.5
Mixed White & Black Caribbean	2.3
Other Ethnic Group: Arab	0.1

Other Ethnic Group: Other	0.1
Refused	4.9
White British	59.3
White Irish	0.5
White Other	4.3
(blank)	9.6

Sources used:
1 - Census 2011; Office for National Statistics (ONS); Produced by Public Health Intelligence Diversity Report from OHMS – May 2018
2 - [Ethnic group population projections - London Datastore](#)
3 - Open housing report – Current tenancies E&D dated 17 January 2022
4 - Open housing report - Housing Waiting List 14 January 2022

Protected Characteristic - Religion/faith: Consider people from different religions or beliefs including those with no religion or belief		
<i>Please tick (ü) the relevant box:</i>		Overall impact:
Positive		<p>There is insufficient data to suggest that an increase in rent and service charges will have any greater or lesser effect on the grounds of a tenant's faith or religious beliefs. There is a deficit within our data on this protected characteristic with 32% of our tenants preferring not to say or where we have been unable to record this information. A further 30% of our tenants stated that they did not have a faith or religious belief.</p> <p>All tenants regardless of their religion or faith who are affected by the increase in service charges will be notified of the specific changes to their service charges and will be provided with information and guidance for money and debt advice.</p> <p>Housing Services has a dedicated resource in our Financial Inclusion and Welfare Benefit team who can provide advice and support to assist tenants to manage this increase in service charges. This applies to all tenants whether in general needs or supported housing accommodation.</p> <p>Housing Services' will advise tenants to make welfare benefits claims and to refer tenants to sources of support. To this end, details of the increase in rent and service charges will be included in the end of year rent statement sent out to tenants. We will also include information on Housing Services' pages on the Havering website, the tenant magazine 'At the Heart' and in any direct contact our officers have with tenants.</p>
Neutral	X	
Negative		

Evidence:

Most recent available data (Census 2011) show most Havering residents are Christians.

Table 12: Religion and Belief 2011 Census, Havering

Faith	Number	%
Christian	155,597	65.6%
Buddhist	760	0.3%
Hindu	2,963	1.2%
Jewish	1,159	0.5%
Muslim	4,829	2.0%
Sikh	1,928	0.8%
Other Religion	648	0.3%
No Religion	53,549	22.6%
No Response	15,799	6.7%
Totals	237,232	100%

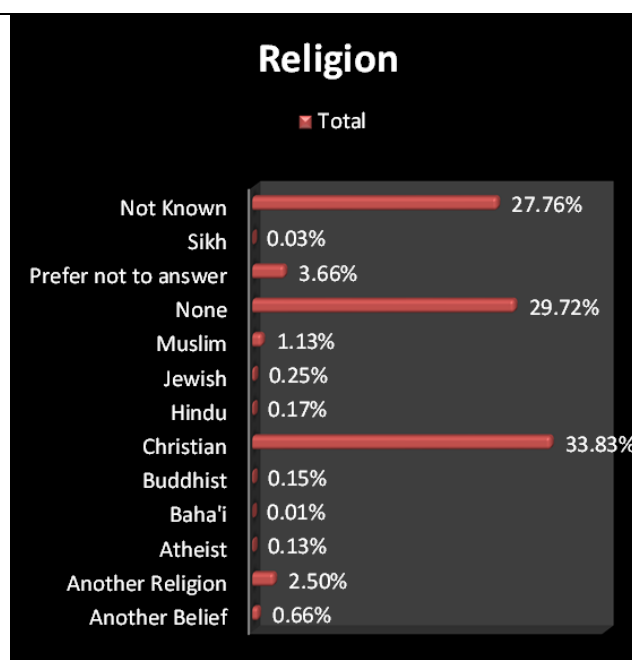
However, data is lacking in relation to Havering tenants, with many tenants either refusing to provide this information or the field in Open housing has been left blank, meaning that this may not even have been an option for most tenants to answer. The limited information is as follows:

Table 13: Religion/belief of Havering Council main tenants

Agnostic	6
Another Religion/Belief	49
Atheist	12
Buddhist	6
Christian	459
Hindu	2
Jewish	2
Muslim	35
No religion	565
Prefer not to answer	90
Sikh	2
(blank)	7219

Alternatively, the Housing Diversity report from 2017 also sought to gather information on religion/belief of tenants.

Table 14: Religion/belief of Havering council tenants from the Housing Diversity Report 2017



The majority of current Council Tenants who provided this information have indicated that they follow the Christian faith, 31% have not provided this information while 30% have indicated that they do not have a particular religious or faith belief.

However, the Service recognises that as the demographics of the borough and London are changing, the variety of religious beliefs and faiths among our tenants will widen.

Sources used:

- 1 - Census 2011; Office for National Statistics (ONS)
- 2 - Open housing report – Current tenancies E&D dated 17 January 2022
- 3 - Housing Services Diversity Report – November 2018

Protected Characteristic - Sexual orientation: Consider people who are heterosexual, lesbian, gay or bisexual

Please tick (ü) the relevant box:

Positive

Neutral

Negative

Overall impact:

Although Housing Services has very limited data available, we have been unable to identify where the increase in service charges will have a disproportionate impact on this protected characteristic

Sexuality is not relevant to the majority of housing services, with the exception of tackling harassment, hate crime or domestic abuse.

The increase in rent and service charges will be applied to tenants regardless of their sexual orientation. The increase will not have a disproportionate effect on the ground of this protected characteristic.

Housing Services has a dedicated resource in our Financial Inclusion and Welfare Benefit team who can provide advice and support to assist tenants to manage this increase in service charges. This applies to all tenants whether in general needs or supported housing accommodation.

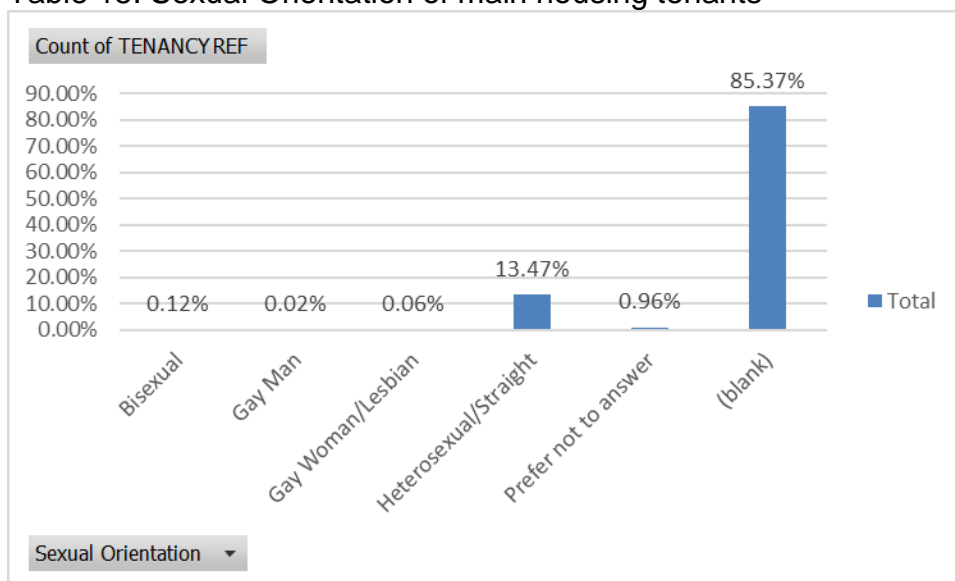
Housing Services' will advise tenants to make welfare benefits claims and to refer tenants to sources of support. To this end, details of the increase in rent service charges will be included in the end of year rent statement sent out to tenants. We will also include information on Housing Services' pages on the

		<p>Havering website, the tenant magazine 'At the Heart' and in any direct contact our officers have with tenants.</p> <p>On request, Housing Services can provide this information in an appropriate format according the needs of the tenant.</p> <p>Housing Services would benefit from a better understanding of service take up by all service users. This information can then be provided to management so that they can have a clear picture of need, and therefore take appropriate action to plan services. It is anticipated that once Housing Services new IT system is embedded, we will be able to do so.</p>
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Evidence:

There remains a deficit in the data held on the sexual orientation of residents within the Borough. The data held has empty fields for over 85% of tenants.

Table 15: Sexual Orientation of main housing tenants



Nationally an estimated two-thirds (64%) of LGBTQ+ people had experienced anti-LGBT+ violence or abuse and 18% have experienced homelessness at some point in their lives ² Additionally, people who are part of the LGBT+ community generally have an increased likelihood of mental health problems which are more likely to be exacerbated by external factors

Sources used:

- 1 - Open housing report – Current tenancies E&D dated 17 January 2022
- 2 - Stonewall LGBTQ+ facts and figures, Galops Hate crime report 2021

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

Please tick (ü) the relevant box:

Positive

Overall impact:

Neutral	X	There is no qualitative or quantitative data to suggest that the increase in Rent and Service Charges would have a greater or lesser effect on people from this protected characteristic
Negative		<p>Housing Services would benefit from a better understanding of service take up by all service users. This information can then be provided to management so that they can have a clear picture of need, and therefore take appropriate action to plan services. It is anticipated that once Housing Services new IT system is embedded, we will be able to do so.</p> <p>Gender reassignment is not relevant to the majority of housing services, with the exception of tackling harassment, hate crime or domestic abuse.</p> <p>The increase in rent and service charges will be applied to the tenant regardless of any protected group they may belong to. The increase will not have a disproportionate effect on the ground of this protected characteristic.</p> <p>Tenants within this protected characteristic who receive a full or partial award of Housing Benefit may find that this covers or reduces the impact of the increase in service charges.</p> <p>We recognise that the increase in rent and service charges could potentially impact negatively on tenants who are not in receipt of Housing Benefit. Housing Services has a dedicated resource in our Financial Inclusion and Welfare Benefit team who can provide advice and support to assist all affected tenants to manage this increase in service charges. This applies to all tenants whether in general needs or sheltered housing accommodation.</p> <p>Housing Services' will advise tenants to make welfare benefits claims and to refer tenants to sources of support. To this end, details of the increase in rent and service charges will be included in the end of year rent statement sent out to tenants. We will also include information on Housing Services' pages on the Havering website, the tenant magazine 'At the Heart' and in any direct contact our officers have with tenants.</p>
Evidence: <p>There is a deficit in the data held on residents who have undergone or are undergoing gender reassignment. In a similar vein to the protected characteristic of sexual orientation, there is a reticence among residents and tenants to disclose this information.</p> <p>We recognise that this is an elective process on the part of the tenant and Housing Services will respect the confidence given to our officers when a tenant discloses this information to us.</p>		

Sources used:

No data is currently available concerning this protected characteristic

Protected Characteristic - Marriage/civil partnership: Consider people in a marriage or civil partnership

Please tick (ü) the relevant box:

Positive

Overall impact:

There is no qualitative or quantitative data to suggest that the policy would have a greater or lesser effect on people on account of their marital status

Neutral

X

Negative

The marital status of residents does not have any impact on the management and delivery of Havering's housing services. Evidence of marriage or civil partnership holds use only to enable officers to determine if a person has the right to succeed a tenancy when their partner passes away.

It is thought that this policy will not have any negative impact on persons within this protected characteristic.

Evidence:

We do not collate data on the marital status of council tenants, only at the point of entry on to the Housing Register and for the purposes of succession of a tenancy.

Sources used:

No data is currently available concerning this protected characteristic.

Protected Characteristic - Pregnancy, maternity and paternity: Consider those who are pregnant and those who are undertaking maternity or paternity leave

Please tick (ü) the relevant box:

Positive

Overall impact:

An impact on this protected characteristic may be more likely as tenants within this group may be on a lower income, particularly where they are receiving maternity/paternity leave pay or benefits.

Neutral

Tenants within this protected characteristic who receive a full or partial award of Housing Benefit may find that this covers or reduces the impact of the increase in rent and service charges.

Negative

x

To minimise the effect of any increase in rent and service charges, the Council have applied a cap of 25% on all service charges. Tenants will be paying a fuller contribution towards the costs of these services and the increase genuinely reflects, and is required to meet, the actual cost of providing this service.

We recognise that the increase in rent and service charges could potentially impact negatively on tenants who are not in receipt of Housing Benefit. Housing Services has a dedicated resource in our Financial Inclusion and

		<p>Welfare Benefit team who can provide advice and support to assist tenants to manage this increase in rent and service charges.</p> <p>Housing Services has a dedicated resource in our Financial Inclusion and Welfare Benefit team who can provide advice and support to assist tenants to manage this increase in rent and service charges.</p>
<i>*Expand box as required</i>		
<p>Evidence:</p> <p>The only data which Housing Services collects for this protected characteristic is due dates for pregnancy, usually collated at the point of entry to the Housing Register. This data is used to ascertain the size of property/ the number of bedrooms a tenant is requires under the 'bedroom standard'.</p> <p>However, due to the nature of the protected characteristic, it would be difficult to collect accurate and up to date data.</p>		
<p>Sources used:</p> <p>No data is currently available concerning this protected characteristic</p>		

Socio-economic status: Consider those who are from low income or financially excluded backgrounds		
<i>Please tick (ü) the relevant box:</i>		<p>Overall impact:</p> <p>The increase in rent and service charges may have a disproportionate effect on those with a lower income, as they may have a lower level of disposable income available to cover this increase.</p> <p>An increase in rent and service charges will have a negative impact upon the finance of residents not currently in receipt of full Housing Benefit, or for those tenants who are working in lower paid employment. It could affect tenants of pension age whose income and savings fall just above the threshold to qualify for Housing Benefit.</p> <p>45% of council tenants will be affected as they do not receive full or partial housing benefit. Approximately 55% of our tenants will have the impact reduced by their entitlement to Housing Benefit.</p> <p>To minimise the effect of any increase in service charges, the Council have applied a cap of 25% on supported housing service charges. Tenants will be paying a fuller contribution towards the costs of these services and the increase genuinely reflects, and is required to meet, the actual cost of providing this service.</p> <p>We recognise that the increase in service charges could potentially impact negatively on tenants who are not in receipt of Housing Benefit. Housing Services has a dedicated resource in our Financial Inclusion and Welfare Benefit team who can provide advice and support to assist tenants to manage this increase in service charges.</p>
Positive		
Neutral		
Negative	ü	

Evidence:

Across London, the raw number of households in poverty in socially rented properties sits at 950,000. Whilst this is similar to the total number of private renters in a similar position (870,000) the actual rate of poverty is higher, at 51% (PRS 33%).

As one of the least deprived boroughs in London, it still has over 8500 (16.6%) of children in households with a relatively low income, and almost 7000 (13.4%) children with absolute low incomes ¹. After housing costs, 30-33% of children would be living in poverty, with the most deprived areas including Gooshays and Heaton. The map below shows deprivation patterns in Havering based on the IMD 2019 child poverty index by Lower Super Output Areas (LSOAs).²

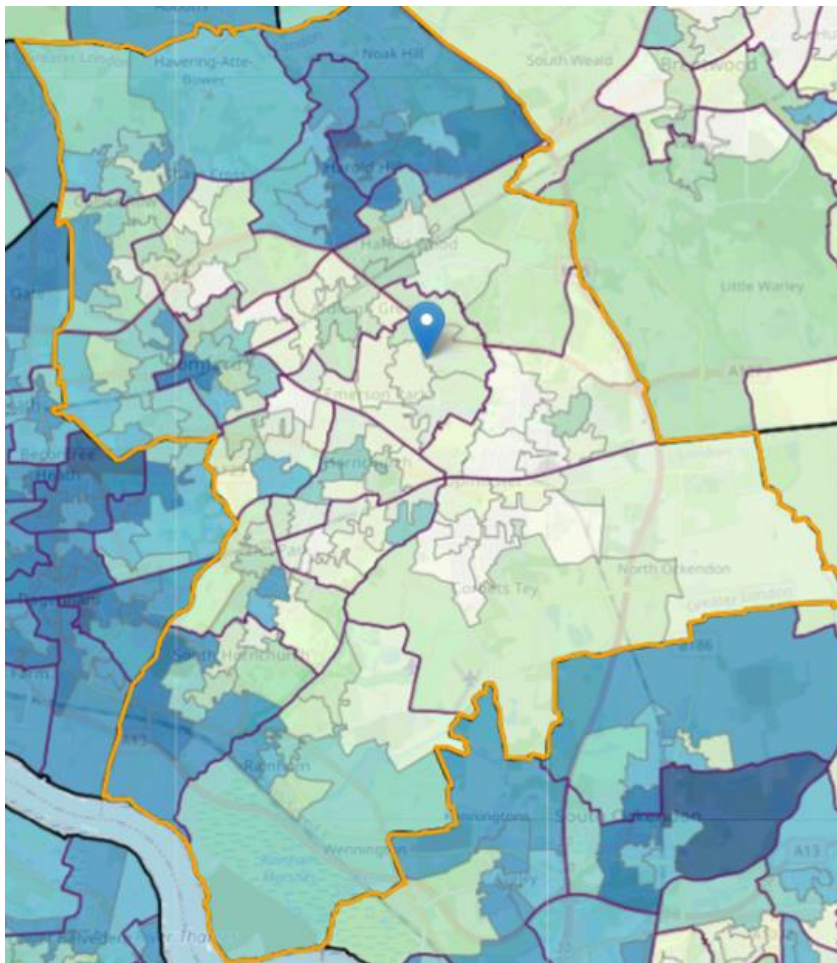


Figure 1: Map showing the index of multiple deprivation, darker blues equal more deprived areas.

Gooshays is the most deprived ward, with an IMD average score rank of 50 out of 633 and 2165 out of 32844 LSOAs, making it amongst the 10% most deprived neighbourhoods in the country. Upminster is the least deprived with an IMD average score rank average of 615 out of 633, and ranked 32563 out of 32844 LSOA's, meaning it is in the top 1% of least deprived neighbourhoods.

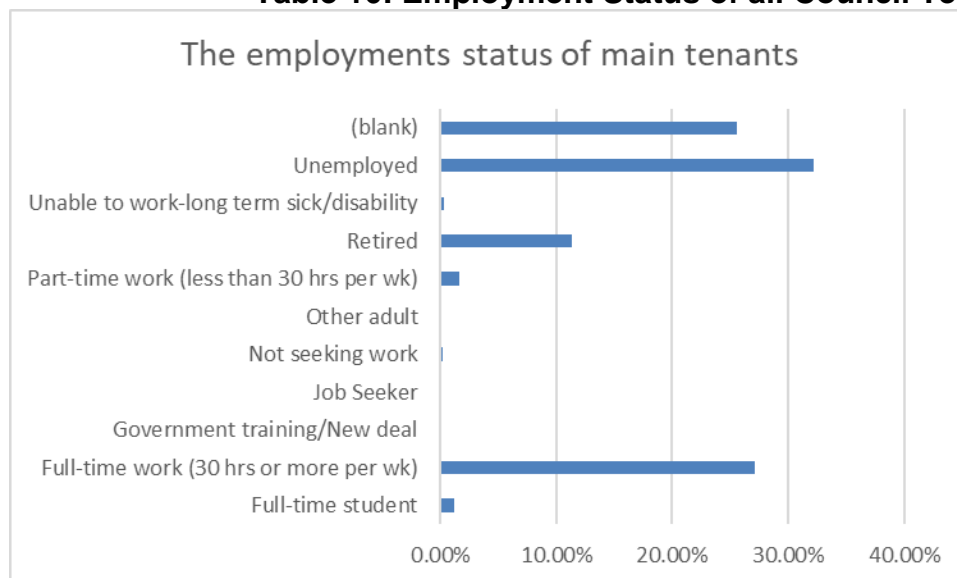
Despite generally low deprivation scores and high employment rates (economic activity 83%, 16 – 64), the median full time annual salary in Havering is £33,836, as measured in 2021, is low in comparison to the London median of £41,017 and slightly higher than the England median of £31,777.

The proportion of working age residents in Havering claiming out-of-work benefits (7.0%) is significantly lower than England (8.6%).

The employment rate within the Borough is higher than the London and England averages. About 79.4% of working age residents in Havering was employed in 2021, compared to 73.8% and 74.7% in London and England respectively.

The proportion of working age residents claiming out of work benefits (12.3%)⁴ is significantly lower than England (13.8%)

Table 16: Employment Status of all Council Tenants



Data held on current Council Tenants demonstrates that 28.8% of all Council Tenants are employed on a full-time or part-time basis, while just over 30% are unemployed. The number of tenant's whose employment status remains unrecorded will change as the process of reviews takes place over time.

It is worth adding once more that this data is not reliable in that this data is only picked up at the point where a tenant accepts an offer of council home, and individual circumstances can change over time.

Sources used:

- 1 - HM Revenue and Customs - Personal Tax Credits: Children in low-income families local measure
- 2 - [Indices of Deprivation 2015 and 2019 \(communities.gov.uk\)](https://communities.gov.uk/publications/indices-of-deprivation-2015-and-2019)
- 3 - Annual Survey of Hours and Earnings (ASHE), ONS and ONS CPI series – June 2021
- 4 - People on out-of-work benefits, by London borough | Trust for London
- 5 - Open housing report – Current tenancies E&D dated 17 January 2022

Health & Wellbeing Impact: Consider both short and long-term impacts of the activity on a person's physical and mental health, particularly for disadvantaged, vulnerable or at-risk groups. Can health and wellbeing be positively promoted through this activity? Please use the Health and Wellbeing Impact Tool in Appendix 2 to help you answer this question.

Please tick (ü) all the relevant boxes that apply:

Positive

Neutral

ü

Overall impact:

[Section 210\(1\)](#) of the Housing Act (1996) requires a housing authority to have regard to the following provisions when assessing the suitability of accommodation for an applicant:

<p>Negative</p>	<ol style="list-style-type: none"> 1. (a) Parts 9 and 10 of the Housing Act 1985 (the ‘1985 Act’) (slum clearance and overcrowding); and, 2. (b) Parts 1 to 4 of the Housing Act 2004 (the ‘2004 Act’) (housing conditions, licensing of houses in multiple occupation, selective licensing of other residential accommodation, additional control provisions in relation to residential accommodation). <p>The rent increase and increase in service charges will provide the resources to fund the development programme to deliver new high quality affordable housing in the borough through the regeneration programme. This will alleviate levels of overcrowding and households living in poor housing in the borough thereby improving the health outcomes.</p> <p>Do you consider that a more in-depth HIA is required as a result of this brief assessment? Please tick (ü) the relevant box</p> <p style="text-align: right;">Yes O No X</p>
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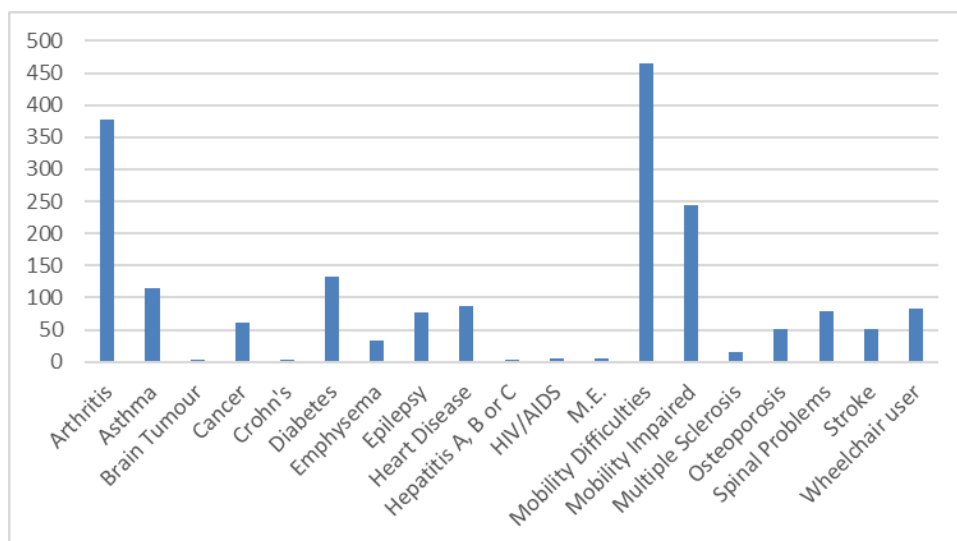
Evidence:

Average self-reported wellbeing in Havering has declined slightly from 2019/20 to 2020/21, decreasing from 7.7 to 7.5 out of 10 for Life Satisfaction, which is still high. For anxiety we see a continuation of this increase, seen from 2015/16 (2.6 out of 10) to 2020/21 (3.1 out of 10), albeit this is still in the low category. “Happiness” saw a slight increase to 7.5 in 2020/21 from the previous year and “worthwhile” remained around the same at 8.

Equalities data from the current Housing Register, (as at 2018), shows that 5.1% of applicants accepted on to the Housing Register have a sensory or physical disability which may necessitate the allocation of a property with a level of adaptation to meet their need.

Where the tenant continues to have an ongoing housing need and continues to meet the eligibility criterion for social housing according to the Council’s Allocation Scheme, the Council will offer the tenant a new tenancy for an appropriate property.

Table 17: Council Tenants who have identified a health issue



Data extracted from Open housing indicates that 21.5% of council tenants have identified themselves as having a disability. This is, however, a figure reliant on the self-reportage of tenants

and does not necessarily mean that all instances of physical disability require an adaptation or change in housing.

Sources used:

- 1 - [Personal well-being in the UK - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)
- 2 - Open housing report – Current tenancies E&D dated 17 January 2022

3. Outcome of the Assessment

The EqHIA assessment is intended to be used as an improvement tool to make sure the activity maximises the positive impacts and eliminates or minimises the negative impacts. The possible outcomes of the assessment are listed below and what the next steps to take are:

Please tick (✓) what the overall outcome of your assessment was:

	1. The EqHIA identified <u>no significant concerns</u> OR the identified <u>negative concerns</u> have already been <u>addressed</u>	➔	Proceed with implementation of your activity
	2. The EqHIA identified some <u>negative impact</u> which still needs <u>to be addressed</u>	➔	COMPLETE SECTION 4: Complete action plan and finalise the EqHIA
	3. The EqHIA identified some <u>major concerns</u> and showed that it is <u>impossible to diminish negative impacts</u> from the activity to an acceptable or even lawful level	➔	Stop and remove the activity or revise the activity thoroughly . Complete an EqHIA on the revised proposal.

4. Action Plan

The real value of completing an EqHIA comes from the identifying the actions that can be taken to eliminate/minimise negative impacts and enhance/optimize positive impacts. In this section you should list the specific actions that set out how you will address any negative equality and health & wellbeing impacts you have identified in this assessment. Please ensure that your action plan is: more than just a list of proposals and good intentions; sets ambitious yet achievable outcomes and timescales; and is clear about resource implications.

Protected characteristic / health & wellbeing impact	Identified Negative or Positive impact	Recommended actions to mitigate Negative impact* or further promote Positive impact	Outcomes and monitoring**	Timescale	Lead officer
Increase in rent and service charges	Negative impact on most groups.	That the increases are covered through welfare benefits. Letters and advice provided to tenants on UC.	That increases in rent and service charges are covered by Universal Credit and Housing Benefit.	Within one month of the increase.	Evonne Hudson, AD Housing Management

Add further rows as necessary

* You should include details of any future consultations and any actions to be undertaken to mitigate negative impacts

** Monitoring: You should state how the impact (positive or negative) will be monitored; what outcome measures will be used; the known (or likely) data source for outcome measurements; how regularly it will be monitored; and who will be monitoring it (if this is different from the lead officer).

5. Review

In this section you should identify how frequently the EqHIA will be reviewed; the date for next review; and who will be reviewing it.

Review:

The assessment will be reviewed on an annual basis.

Scheduled date of review: February 2020

Lead Officer conducting the review: Patrick Odling-Smee

Please submit the completed form via e-mail to EqHIA@haverling.gov.uk thank you.

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CABINET

Subject Heading:

2022/23 Budget and 2022-2026 Medium Term Financial Strategy

SLT Lead:

Jane West
Chief Financial Officer

Report Author and contact details:

Richard Tyler
Head of Financial Strategy, oneSource
01708 433 957

Richard.Tyler@oneSource.co.uk

Policy context:

This report sets out the Council's revenue budget requirement for 2022/23 and MTFS for the following three years. It makes proposals regarding the level of Council Tax required to meet the budget requirement. The report also provides an update on the outcome of the 2022/23 local government financial settlement.

Financial summary:

This report includes:

- the approach to setting the Council's 2022/23 budget and MTFS for the following three years
- the outcome of the local government finance settlement
- The recommended Council Tax level for 2022/23.

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

Communities making Havering
Places making Havering
Opportunities making Havering

[X]
[X]
[X]

EXECUTIVE SUMMARY

The report sets out the Council's current financial situation and its approach to achieving financial balance over the period 2022/23 to 2025/26.

The 2022/23 budget has been prepared following two years where the impact of the COVID pandemic has profoundly affected everything the Council does. The Council responded quickly and decisively to the pandemic and has succeeded in providing a high quality service to its residents in very difficult circumstances. This year the Council has restored its business as usual as well as supporting the recovery of the borough as we come out of the pandemic.

The Council has continued to deliver key services to residents. It remains well on track to deliver the four year £40 million capital spend on roads (2019/20- 2022/23). It has continued to fund additional police officers for the borough, provided weekly bin collections and improved award winning parks. Investment continues in new homes that will provide local residents with good quality living accommodation into the future. The new Harrow Lodge leisure centre opened in Hornchurch in May 2021 and work started on site for the new Rainham Leisure Centre in January 2022. The Council's transformation programme is delivering improved services through initiatives such as the new Local Area Co-ordinators in Harold Hill and Rainham operating from community hubs that are geographically closer to residents. It is also supporting cash savings through investment in state of the art ICT systems that deliver staff efficiency as well as improving the customer experience.

The recovery of the borough has required the Council to provide funding for support to residents with Long Covid, for support to businesses in accessing government grants and for Covid-safe travel to school for children with special educational needs. The Council has used external funds to design and deliver a Memorial Woodland to commemorate residents who lost their lives in the pandemic.

However, the pandemic has had a significant negative impact on the Council's overall financial position and much work has been needed over the last year to ensure it maintains financial sustainability into the future. The 2022/23 budget and four year medium term financial strategy set out in this report recognise the additional demand and cost pressures the Council is facing following the pandemic. However, it assumes that there will be no further lockdowns and that services will be able to operate without further restrictions. Clearly this is a national issue and it is hoped that if further restrictions are put in place the Government will provide funding to cover additional pressures.

The Council has experienced high increases in demand for Social Care in the period following lockdown. The numbers of discharges from hospitals continue to be at very high levels placing extreme pressures on the Adult Social Care budget to meet the

needs of these clients. Demand is also rising in Children's services as the number of referrals post lockdown increases at a fast rate. The medium term financial strategy models the impact of this demand and also models the extent to which the pressure will change in future years. There will be risk associated with these assumptions and they will be monitored closely.

The Government has provided some additional financial support for 2022/23 to partly mitigate these pressures but the 2022/23 Local Government Finance Settlement is largely one off creating uncertainty for future years from 2023/24 onwards. The Government have taken this approach to enable the implementation of the Fair Funding Review and Levelling Up for next year. It is hoped that the Government fully recognises the extreme pressure on social care faced by boroughs such as Havering and redirect significantly more money to this area as part of the re-distribution in 2023/24. The Council has and will continue to lobby hard to exemplify this point to Government at every opportunity.

The Council's medium term financial strategy presented to Council in March 2021 identified a financial gap for 2022/23 to be closed. The increased demand on social care together with rising inflation increased this gap over the last year requiring the Council to find significant savings and efficiencies to close the gap and set the balanced budget proposed in this report.

The medium term financial strategy identified the majority of this pressure at an early stage enabling action to be taken in order to set a balanced budget for 2022/23. Savings options were developed and discussed strategically during the summer of 2021 resulting in a set of clear proposals which were reported to Cabinet in October 2021. The Council has further refined these proposals since October and the resultant savings and efficiencies are set out in Appendix A of this report.

These savings together with the additional funding in the Local Government Finance Settlement has partly closed the gap for 2022/23. The Government's strategy to fund social care has included the expectation that local government will increase Council Tax by 1% to fund a Social Care precept to support pressures in that area. The Council proposes to include this precept plus a further 1.99% general Council Tax increase in order to balance the 2022/23 budget bringing the total council tax increase in relation to London Borough of Havering services to 2.99%.

The Council only ever increases council tax as a last resort but given the extreme pressures on social care and the inadequate local government funding settlement from central Government, this increase is necessary.

It should be noted that the total increase in Council Tax may exceed 2.99% as currently the Mayor of London has published plans to increase the GLA precept on Council Tax by £31.93 in order to help fund transport and policing in the capital. The Mayor is due to set the GLA budget on Thursday 24th February 2022.

This budget paper provides a robust and balanced budget for 2022/23 but also highlights significant risks associated with future years and in particular 2023/24. The medium term financial strategy is showing a gap of £7.9m for 2023/24 even after further savings of £11.5m are included. This is reflective of additional demographics

and inflation and the significant risk of reduced central government funding. The Council will continue to work closely with its health partners and lobby central government for additional funding to meet these pressures.

The Council has reduced its budget significantly over the last decade and whilst this has been largely achieved through efficiency and modernisation the continued requirement for savings place ever increasing risk on the budget position. Appendix D of this report sets out the financial risks facing the Council and all of these risks will be closely monitored in the months ahead.

This report consists of the following sections:

- Introduction (Section 1)
- Background and Strategic Context (Section 2)
- The revenue monitoring position for 2021/22 (Section 3)
- The budget process (Section 4)
- The Local Government finance settlement and update on 2021 three year spending review plans (Section 5)
- 2022/23 Budget Proposals (Section 6)
- Impact of proposals on Council Tax levels (Section 7)
- Update on the Medium Term Financial Strategy (Section 8)
- Proposed Fees and Charges (Section 9)
- Contingencies Reserves and General Balances (Section 10)
- Update on the Capital Programme (Section 11)
- Budget risks and uncertainties (Section 12)
- Chief Financial Officer statement regarding the robustness of the budget (Section 13)
- Discount for Council Tax Payers Paying in Full (Section 14)
- Council Tax Support Scheme 2022/23 (Section 15)

RECOMMENDATIONS

Cabinet is asked to:

- Agree the Council Tax requirement for 2022/23 to be set at £140.823m as set out in section 6 and Appendix G of the report;
- Agree the Delegated Schools' draft budget set out in section 5.13 of this report;
- Agree a 1.99% increase in core Council Tax for 2022/23 as set out in paragraph 6.8;
- Agree an additional 1% Council tax increase for the Adult Social Care Precept;

- Note the Medium Term Financial Strategy position as set out in Section 8
- Agree the fees and charges schedule as set out in Section 9 and Appendix C
- Note the risks to the 2022/23 budget as set out in Section 12
- Note the requirements of S106 of the LGA 1992 Act as set out in Section 1
- Agree that to facilitate the usage of un-ringfenced resources, the Chief Financial Officer in consultation with Service Directors will review any such new funds allocated to Havering; make proposals for their use; and obtain approval by the Leader and the Cabinet Member for Finance and Property.
- Delegate to the Chief Financial Officer in consultation with Service Directors the authority to make any necessary changes to service and the associated budgets relating to any subsequent specific grant funding announcements, where delays may otherwise adversely impact on service delivery and/or budgetary control, subject to consultation with Cabinet Members as appropriate.
- Delegate authority to the Cabinet Member for Adult Social Services and Health and the Leader to approve an annual spend plan for the Public Health grant.
- Delegate to the Directors of Children's and Adults authority to agree inflation rates with social care providers for 2022/23.
- Read the Equalities Impact Assessment in respect of the CTS Scheme as set out in Appendix E to this report.
- Read the summary version of the Council Tax Support Scheme for 2022/23 as set out in Appendix F to this report (unchanged from 2021/22).
- Delegate authority to the Chief Executive, in consultation with the Leader and with the Council's recognised trade unions, to devise and implement a voluntary release scheme for staff as part of the Medium Term Financial Strategy position set out in Section 8.2.

Cabinet is asked to recommend to Council for consideration and approval:

- Agree the Council Tax requirement for 2022/23 to be set at £140.823m as set out in section 6 and Appendix G of the report;
- The Delegated Schools' draft budget set out in section 5.9 of this report;

- A 1.99% increase in core Council Tax for 2022/23 as set out in paragraph 6.8;
- An additional 1% Adult Social Care Precept ;
- That it pass a resolution as set out in section 14 of this report to enable Council Tax discounts for early payment to be given at the 2021/22 level of 1.5%.
- Recommend to Full Council that the Council Tax Support Scheme for 2022/23 is adopted as set out in Section 15 of this report (unchanged from 2021/22).

REPORT DETAIL

1. Introduction

- 1.1 This report presents the proposed 2022/23 budget and also an update of the Medium Term Financial Strategy (MTFS) between 2022/23 and 2025/26 that will support the delivery of the Council's objectives and priorities. The report includes a recommendation to increase the Havering element of Council Tax by 2.99% (including the Adult Social Care precept) in order to meet the new budget requirement whilst maintaining tight financial control and ensuring prudent levels of reserves and balances are maintained.
- 1.2 Councillors are reminded that Section 106 of the Local Government Finance Act 1992 requires any Member who is two months or more in arrears on their Council Tax to declare their position and not to vote on any issue that could affect the calculation of the budget or the Council Tax. Any Member affected by Section 106 who fails to declare could be subject to prosecution.

2. Background

- 2.1 Setting the 2022/23 budget and the production of the 2022-26 medium term financial strategy has been one of the most difficult and complex processes for a number of reasons

- The continued impact of COVID on service delivery

COVID continues to affect the delivery of Council services and demand from the public. The Government has provided no new un-ringfenced funding for 2022/23 to recognise ongoing COVID pressures. The variants including the current Omicron variant have resulted in the Council taking further social distancing measures to safeguard the health of our residents. Even if these measures are able to be relaxed by 1 April 2022 it will be some while before footfall reaches pre COVID levels in our leisure facilities and town centres.

More significantly the numbers of discharges from hospitals continue to be at very high levels placing extreme pressures on the Adult Social Care budget to meet the needs of these clients. Demand is also rising in Children's services as the number of referrals post lockdown increases at a fast rate.

- Future pressures opportunities and risks caused in part by the COVID pandemic

The pandemic has changed the way the Council provides its services in a way unimaginable a couple of years ago. Some services in particular social care have seen an explosion in demand and in setting the budget and medium term financial plan the Council has had to model the impact of this demand and also model the extent to which the pressure will change in future years. There will be risk associated with these assumptions and they will be monitored closely

During lockdown the Council workforce has been forced to work from home. This is now well established and Council business is conducted through online mediums such as MS Teams and Skype. As all restrictions ease the Council is developing its new model for working and the office space it may require in the future. This process may require investment in the short term to provide for hybrid facilities but in the medium term is likely to result in savings as the Council reduces the number of buildings it requires.

- Social Care and the demographic pressures being faced by Havering

Havering has been hit very hard by the increase in both demand and unit costs for its Social Care services. Both Adults and Children's have experienced a large increase in client numbers which has caused a revenue pressure in 2021/22 and a significant impact on the MTFS for 2022/23 onwards. The Government has increased grant for this area in the financial settlement but this new funding is not enough to plug the gap.

The pressures are not only increased demand but also the unit cost of that demand as our providers experience rising costs of both staff and running costs. The Government has introduced a 1.25% increase in National Insurance and energy costs which are a particular factor in care homes are increasing at a high rate. These pressures are set out in greater detail in section 6 of this report.

- Uncertainty about future government funding beyond 2022/23

The Local Government Finance Settlement has provided clarity regarding the 2022/23 level of funding. Much of the funding however was allocated for one year only which allows the Government the flexibility to introduce both distributional change through the Fair Funding Review and also to fund other policies such as Levelling Up from 2023/24 onwards. This provides considerable risk and uncertainty for medium term financial planning. We strongly hope the Government realise this and provide exemplifications to allow authorities to plan for 2023/24 onwards in an effective manner

- The changing need of our businesses and residents as we continue through the recovery period

It is nationally recognised that the demand and expectation of residents and businesses from the Council has never been higher. The requirements to the public has changed over time as well with increasing emphasis on online and digital solutions rather than more traditional methods. The pandemic has accelerated this process by requiring residents and the public to access the Council remotely and the Council is now working on the best future solutions to both meet the needs of the public and provide the efficiency to balance the budget.

The Council has invested in its digital infrastructure to help meet this demand and will continue to modernise its methods to adapt to the new environment. Havering has an elderly population and particular regard is always given to ensuring they have access to services in taking any decisions about future provision.

- Managing the current 2021/22 revenue monitoring position and its ongoing impact on the budget for 2022/23

The current revenue budget in 2021/22 is overspent as set out in section 3 of this report. The Council is working hard to bring this overspend under control so that it does not impact on the medium term financial position. The ongoing impact of the social care overspends has been built into the future planning for 2022/23 although there is considerable uncertainty thereafter if demand continues to rise.

3. The current 2021/22 revenue monitoring position

3.1 The Council has had to manage pressures and losses of income as a result of the pandemic throughout 2020/21 and 2021/22. The Government has provided significant support throughout the lockdown period which has largely mitigated the direct COVID pressures and losses of income. The Government however has not provided enough support to offset the continuing large increases in demand for both Adults and Children's services. As a result the Council has reported a projected overspend for 2021/22 which was over £14m at the end of September.

3.2 Senior Management and Councillors acted swiftly to develop an action plan aimed at both curtailing spend in the current year and developing both one off and ongoing savings. The actions included:

- All overspends to be reviewed and challenged to identify any non-recurrent Covid spend
- All use of consultancy to be reviewed by senior management
- All new one-off projects to be put on hold
- A brake on recruitment outside of particularly hard to recruit disciplines such as social workers and planners and excluding non-General Fund funded posts
- Major contracts approaching expiry to be reviewed for potential savings

- Contain Outbreak Management Fund to be examined to ensure the Council is funding all appropriate costs to the scheme
 - oneSource to deliver in-year savings of £1 million against its projected overspend
 - Further in-year savings target for Havering services of £5 million to be spread across departments based on controllable budgets
 - Review of the revenue implications of the Capital programme to take account of the latest forecast spend and use of internal borrowing.
- 3.3 At the same time Adults and Children's have undertaken a full review of all their costs aimed both at reducing costs in 2021/22 and at establishing which of the costs will remain as ongoing pressures to be built in to the Council's budget for 2022/23.
- 3.4 These actions have already had a significant impact on the Council's budget position in 2021/22 reducing the projected overspend to £10.8m at the end of November 2021 (Period 8).
- 3.5 It is expected that these actions will continue to improve the overspend position by year end and the Adults and Children's review has allowed the ongoing pressures that have emerged in 2021/22 to be provided for in 2022/23.
- 3.6 It should be noted that the 2021/22 budget included planned contributions to general reserves of £8m (including a £3m contribution from ongoing base budget) which if achieved would take the general balances to just under £19m. This will be reduced by any remaining overspend at the end of 2021/22.
- 3.7 The Period 8 November budget monitoring position is shown in the table below. Should this position not improve by March 2022, the Council's General Fund balance will be reduced to £8.1m at the end of 2021/22. The Council's strategic aim is to increase its General Fund balance to £20m.

Table 1: 2021/22 Revenue Monitoring position as at 30th November 2021

Financial Position	£m
Projected COVID Expenditure for the year	1.664
Potential income loss for the year	5.175
Potential gap in 2021/22 MTFS savings delivery	4.057
Business As Usual Net Position	10.629
Total Pressures	21.525
Government Support to date	(6.599)
Projected value of Government support on loss of income	(1.428)
Corporate	(2.700)
Remaining Gap (excludes £8m planned contribution to reserves)	10.798

- 3.8 The Council continues to work hard to close the 2021/22 gap and fully expects this position to improve by year end.

4. The Budget Process

- 4.1 The Council has worked tirelessly to meet the pressures and demands caused by the COVID pandemic over the two years. At the same time the Council maintained its medium term financial strategy in order to set a balanced budget for 2021/22. During the summer and early autumn the Council reviewed the pressures it expects to face in 2022/23 in order to determine the level of savings and efficiencies that would be required to balance the budget.
- 4.2 The process to set the budget and medium term financial strategy is an ongoing one and in effect starts at the beginning of the financial year. The process is robust and apart from the impact of the COVID pandemic takes account of the following factors:
- Inflation Rates
 - Demographic Assumptions
 - Interest Rates and the cost of borrowing
 - Current in-year pressures
 - Implications of the future Capital programme
 - Prudent levels of balances and reserves
- 4.3 The identification of demographic pressures moving into 2022/23 has been a robust process using metrics measuring both unit costs and client numbers. This process in Adults in particular has presented a very challenging position which appears to be more acute in Havering than other boroughs in London.
- 4.4 The Government has recognised these pressures and provided grant funding in the local government finance settlement to partially address these issues. The funding is set out in the section below but there is considerable uncertainty both in the extent of the demographic pressures in future years and the extent to which central government will recognise these pressures in future funding.

5 The Local Government Financial Settlement

- 5.1 The Local Government Finance Settlement was a one year settlement and whilst it included welcome extra funds in 2022/23 it also left uncertainty for future years.
- 5.2 In October the Chancellor announced a three year spending review which set out £1.6bn of additional funding for the next three years for Local Government. The finance settlement provided detail on how £1.5bn of this fund was to be allocated at an authority level for 2022/23. Much of the funding however was allocated for one year only which allows the Government the flexibility to introduce both distributional change through the Fair Funding Review and also to fund other policies such as Levelling Up from 2023/24 onwards.
- 5.3 The Government provided early exemplifications of the potential impact of the Fair Funding Review in 2019 and these showed a clear re-direction of funds away from London. The world has changed since then and it is hoped that as the distribution formula is updated the Government recognise the extreme pressures London Boroughs are facing following the pandemic. There is however a clear

risk that both through the new formula and Levelling Up that the Government will move money from London in particular resulting in grant loss for Havering from 2023/24 onwards.

5.4 The key points of the Settlement were as follows:

- Core Spending Power will increase by £3.5bn (6.9% in cash terms) nationally (This is the Government's measure of a Council's overall funding increase and includes the assumption that Council Tax will increase by 3%).
- £1.5bn new grant funding for Local Government in 2022/23 as set out by the Chancellor when he announced the Spending Review 2021 (SR21) in October 2021. This funding will continue into 2023/24 and 2024/25 but there is no detail on its future distribution paving the way for Levelling Up and the Fair Funding Review to move resources between regions, sub-regions and individual councils.
- The main council tax referendum principle will be triggered by a 2% increase in Council Tax and authorities will be able to include an Adult Social Care Precept of a 1% increase in Council Tax.
- Part of the £1.5bn allocation (£822m) for 2022/23 will be in the form of a one off Services Grant. This is an unringfenced grant to support general pressures. (Havering will receive £2.382m).
- A further £636m will be allocated as an addition to the existing Social Care Grant. (Havering will receive £2.437m).
- The Improved Better Care Fund will increase by 3%.
- Revenue Support Grant will increase by 2.7% (Havering only receives an additional £0.048m as its existing Revenue Support Grant is very low).
- There will be a continuation for one more year of the Lower Tier Services Grant (Havering will receive £0.300m). It is expected this grant will be rolled into general funding as part of the reforms in 2023/24.
- New Homes Bonus will continue for one more year funded by a top slice from Revenue Support Grant. Havering was just over the threshold to receive NHB and will receive an allocation of £0.284m.
- The Government have frozen the Business Rate Multiplier for 2022/23 and have compensated local authorities for the resultant loss of income (Havering will receive an additional £1.731m).
- As part of the first steps towards Adult Social Care reform the Government have allocated £162m to Local Authorities to prepare the system (Havering will receive £0.679m). There are a number of specific grant conditions and

requirements attached to this funding and Havering will earmark the fund to deliver these outcomes

- 5.5 The table below sets out the additional funding received by Havering as a result of the funding settlement. This table excludes the loss of the £2.222m CTCS grant which was awarded in 2021/22

Table 2: Havering Financial Settlement figures 2022/23

Havering Settlement figures - Additional Funding	Ongoing Funding	One Off Funding	Total Additional Funding
	(M)	(M)	(M)
Additional Social Care Grant	2.44		2.44
Additional Revenue Support Grant	0.05		0.05
Inflationary Increase to IBCF	0.20		0.20
New Services Grant		2.38	2.38
Lower tier services Grant		0.30	0.30
Additional New Homes Bonus		0.13	0.13
Compensation for not increasing the business rate multiplier		1.73	1.73
TOTAL NEW FUNDING	2.69	4.54	7.23

Havering received £0.153m New Homes Bonus in 2021/22 – This rose to £0.284m in 2022/23 but is set to end in 2023/24

5.6 Core Spending Power

The Government uses Core Spending Power as the measure of additional financing for an authority to meet its pressures. Core Spending Power includes an assumption of both taxbase growth and a maximum permitted increase in Council Tax for every authority

Table 3: Havering Core Spending Power 2022/23

Core Spending Power	Havering		
	2021-22	2022-23	Increase
	£ millions	£ millions	£ millions
Settlement Funding Assessment	35.96	36.01	0.05
Compensation for under-indexing the business rates multiplier	1.80	3.53	1.73
Council Tax Requirement excluding parish precepts	134.98	139.59	4.61
Improved Better Care Fund	6.62	6.82	0.20
New Homes Bonus	0.15	0.28	0.13
Social Care Grant	6.04	8.48	2.44
Market Sustainability and Fair Cost of Care Fund	0.00	0.68	0.68
Lower Tier Services Grant	0.28	0.30	0.02
2022/23 Services Grant	0.00	2.38	2.38
Core Spending Power	185.85	198.09	12.24
Percentage increase in CSP			6.59%

Rather than the national increase in Core Spending Power of 7.4%, the table above confirms that Havering's Core Spending Power increases by just 6.6%.

The Core Spending Power increase includes:

- An assumption of taxbase growth and an assumed 3% increase in Council Tax (totalling together £4.61m) thereby assuming an additional 3.4% in funding is available to Havering from Council Tax Payers collectively
- Funds earmarked for to develop the new cost of social care system (£0.68m)
- One off funds that have no guarantee from 2023/24 onwards (£4.54m)
- Ongoing increases in funding (£2.69m).
- It should be noted that Core spending power increase quoted by the Government excludes the loss of a £2.22m grant from 2021/22 which was allocated to authorities to recognise increases in the numbers of people on the Council Tax support scheme

5.7 Adult Social Care Reform

Funding to cover the costs of adult social care reforms has been included within Core Spending Power (as set out at Spending Review 2021 (SR21)). The "Market Sustainability and Fair Cost of Care Fund" is worth £162m and is intended to support local authorities prepare their markets for reform and move towards paying providers a fair cost of care. It will be allocated using the existing Adult Social Care Relative Needs Formula. Havering will receive £0.679m in 2022/23.

The Government will work closely with local government to determine appropriate grant conditions, national guidance and distribution mechanisms for funding allocations in 2023/24 and 2024/25, but has indicated that £600m will be allocated via this grant in each of those years.

5.8 Apportionment methodology and concern over future settlements

Havering welcomes the additional funding in the finance settlement but has a number of concerns which centre around the methodology used to apportion the grant and the considerable uncertainty for future funding beyond 2022/23.

The Council replied to the consultation on the settlement making the following points:

- The distribution formula for the Adult Social Care Grant is unfair as a proportion of the grant is based on the ability of an authority to raise council tax. The whole grant should purely be based on Adult relative need and there should not be an assumption that local taxpayers will partly fund the pressure through Council Tax.
- Whilst the increase is welcomed it is not enough to meet the current demand increases in Adult Social Care. Havering has potential pressures of over £10m next year in Adult Social Care and the grant of £2.4m does not come anywhere near to offsetting this increase in demand. The majority of the new £822m Services Grant needs to be redirected to local councils experiencing the most acute Adult Social Care spending pressures. If the Government refuse to do this in 2022/23 it is imperative that this happens as part of the re-distribution of the Services Grant in 2023/24
- There is a unique case for Havering regarding Adult Social Care. It has one of the most elderly populations nationally and one of the highest concentrations of care homes in the country. The impact of the pandemic and consequential increases in demand and unit costs have impacted on Havering more than any other London Borough.
- There need to be exemplifications modelling the potential redistribution from the Fair Funding Review and levelling up as soon as possible to provide clarity for 2023/24. The majority of these funds should be redirected to councils with the greatest Adult Social Care spending pressures.
- The allocation of additional Revenue Support Grant should not be based on current RSG levels but be a distribution based on pure need. Ability to raise Council Tax should not impact grant distribution to support need.
- The Government should provide clarity as soon as possible on what system follows New Homes Bonus or whether this funding is simply to be rolled into general support.

It is hoped the Government will take on board these points and provide clarity at an early stage on the 2023/24 proposals. In particular, it is essential that the Government stops using presumptive Council Tax increases as a basis for grant distribution. Councils that have higher Council Tax levels generally have been impacted by historic underfunding, usually owing to increasing relative needs that have not been recognised by the local government funding systems over a significant time period. It is perverse that the Government continues to compound this problem by reducing future funding for these same councils.

5.9 Dedicated Schools Grant and Schools Funding

The Dedicated Schools Grant (DSG) is a ring-fenced grant that is allocated to local authorities to meet their responsibilities for early years' education, the funding of schools and for provision and support for pupils with special educational needs and disabilities and for pupils requiring alternative provision. The grant is allocated in four "blocks" and the Havering's allocation for financial year 2022-23 is shown in table 1 below.

Previously, shortly before the start of the academic year 2019-20, the Government announced a £14 billion cash boost for schools over three years. The third and final year of the cash boost, was 2022-23 where a further £2.3 billion was committed.

Since then, as part of the Autumn Spending Review 2021, the Government have announced an additional £4.7 billion for schools in England by 2024-25, over and above the previous Spending Review settlement for schools in 2022-23.

For 2022-23, outside of the DSG settlement, there is a new £1.2 billion ring-fenced grant of Schools Supplementary Grant, which is to be used to cover the costs of the Health and Social Care Levy cost and wider costs, which also includes the National Insurance increase from April 2022, funding the move towards a starting salary of £30k for new teachers, and for continuing Covid recovery programmes.

Announcements followed in November and December 2021 confirming various elements and provisional allocations. Funding for early years provision has increased by £160m. The Government has now announced updated calculations reflecting the latest pupil numbers (using the January and October 2021 census data). Each local authority will, as usual, receive funding in four blocks, all of which have now been confirmed for 2022-23 (prior to recoupment of funding for Academies, which will be finalised in the coming months):

Table 4 - Havering's DSG allocation

	Schools Block						High Needs Block	Early Years	Central School Services Block	Total DSG
Year	Primary Funding per pupil (£)	Secondary Funding per pupil (£)	Pupil number allocation (£m)	Premises, pupil growth, falling rolls (£m)	NND R (£m)	Allocation (£m)	Allocation (£m)	Allocation (£m)	Allocation (£m)	Allocation (£m)
2022-23	4,667.87	6,285.13	201.78	1.61	2.34	205.74	36.58	19.73	1.66	263.71
2021-22	4,559.26	6,097.05	193.60	1.60	2.24	197.43	31.89	20.74	1.60	251.65
Diff	108.61	188.08	8.18	0.01	0.10	8.31	4.69	-1.01	0.06	12.06

Notes:

1. All of the above figures are before recoupment by the DfE for pupils attending academies, non maintained special schools and post 16 special educational needs provision.
2. The additional Schools Block funding includes funding for an increase of 296 pupils in Havering schools.
3. The Early Years block is indicative and will be recalculated based on the January 2022 and 2023 early years censuses.

- **Schools Block** - The allocations to local authorities include a 3% increase in the formula factor rates within the national funding formula, with at least £5,525 for every secondary school pupil, and £4,265 per primary pupil. Local authorities are required to ensure that these minimum per pupil levels are delivered in constructing their local funding formula although many schools will already be above these levels. In Havering this applies to ten primary schools and one secondary school.

Following agreement with the Schools Funding Forum and consultation with all schools, Havering is able to apply the national funding formula in full with a minimum 1.2% per pupil increase for all mainstream schools and academies with an affordability cap of 2.8% for schools that have received a higher per pupil increase greater than 1.2%.

The effect on Havering schools of implementing the NFF in 2022-23 is as follows:

	No of schools receiving the Minimum Pupil Level (MPL)	No of schools receiving the minimum 1.2% increase per pupil	No of schools receiving an increase between 1.2-2.8% per pupil (on formula)	No of schools increase capped at 2.8% per pupil
Primary	6	1	12	40
Secondary	0	3	3	12
Total	6	4	15	52
	8%	5%	19%	68%

Although this provides an increase in funding for all schools in Havering, many will continue to struggle to set balanced budgets as a result of past and continuing financial pressure in having to fund national pay awards, incremental progression, increases in employer national insurance and pension contributions, inflationary increases on goods and services and Covid related costs. School governors and head teachers are therefore continuing to implement efficiencies in the costs of running of their schools in an attempt to avoid falling into deficit.

In agreeing to the formula for distribution of funding to schools in 2022-23 the Schools Funding Forum has also agreed to use £0.6m of the Schools Block to meet commitments in pupil growth and falling rolls following the reduction in funding from the DfE, and also a transfer of 0.5% of the overall Schools Block to High Needs.

Although the final DSG settlement includes Rates (NNDR) for schools, from 1st April 2022, this will be recouped from LAs and paid by the ESFA directly to billing authorities on behalf of all maintained schools and academies. The ESFA will be making business rates payments directly to billing authorities.

- **Early Years Block** – the additional £160m has been allocated to local authorities by increasing the hourly rates used to fund parents' free entitlement to early years provision for 2 year olds by 21 pence and for 3 and 4 year olds by 17 pence which is to be passed on to providers.

Havering's central government rates' of funding are as follows:

	2 year olds	3-4 year olds
2021-22	£5.74	£5.42
2022-23	£6.03	£5.59
Increase	£0.21	£0.17

From a local authority's allocation, the pass-through rate to providers is 95% including contingencies and an inclusion fund to support access for children with special educational needs and disabilities. The remaining 5% is for local authorities to carry out their statutory duty to ensure sufficiency of provision, quality assurance, the funding of providers, data management control and business support.

Consultation with early years providers is currently underway to confirm Havering's funding arrangements for 2022-23.

- **High Needs Block** – as with schools' funding, the distribution of funding from central to local government is through a national formula. The formula for High Needs funding includes a number of factors including historic funding, pupil population, deprivation and the number of pupils attending special schools and post 16 provision. In 2022-23 the allocations include a minimum 8% increase in the funding for pupil population.

In common with many other local authorities, Havering will have difficulty in containing its expenditure with the allocation of funding because of an increasing number of pupils and students with Education, Health and Care plans and increasing complexity of need.

- **Central School Services Block** - this block is to fund some of the statutory education functions of local authorities that in previous years has been funded from the Schools Block and an Education Services Grant. This block also allocates funding for an LA's historic commitments previously funded within the Schools Block. Statutory functions include school admissions, the funding of national copyright licences, servicing the Schools Forum and other statutory duties previously funded from an Education Services Grant.
- **Education Services Grant (ESG)** - the ESG ceased from September 2017 and local authorities now receive funding on a per pupil basis through the Central Schools Services Block of the Dedicated Schools Grant. The reduction in grant leaves a shortfall against the cost of providing LA statutory services in spite of the savings made centrally and a contribution from LA maintained schools to meet the cost of central services relating only to that sector.

In January 2022 the DfE announced that the School Improvement, Monitoring and Brokerage Grant would be reduced by 50% for financial year 2022-23 and then removed completely from 2023-24. This follows a Government consultation in the autumn entitled 'Reforming how local authorities' school improvement functions are funded,' where 71% of respondents opposed the removal of the grant. The grant enable the LA to carry out all improvement activity, including core activities for maintained schools. The reduction of funding for this grant will lead to a shortfall of £89k in 2022-23 and £169k in 2023-24.

Table 5 – Shortfall in funding	£m
Estimated service costs in 2022-23	1.858
MTFS Contribution to Education Support Functions	(0.600)
DSG Central Services Block for LA central duties (previously ESG grant)	(0.688)
Contribution from schools – Education Functions	(0.320)
Shortfall	0.250

The intention is to manage the shortfall in funding as part of the ongoing transformational review of the service. The service will come forward with longer-term proposals for implementation aimed at minimising the future funding gap. In the meantime, a contribution from the reserves held to support the investment in education traded services will be used to supplement the funding already earmarked corporately to cover the shortfall shown above.

6 2022/23 Budget Proposals

- 6.1 A report to Cabinet in October updated the MTFS to reflect the latest assumptions at that time. That report set out a remaining £11.858m funding gap for 2022/23 as set out in the table below.

Table 6: Financial Position presented to October 2021 Cabinet

Updated MTFS	2022/23	2023/24	2024/25	2025/26	4 Year Plan
	£m	£m	£m	£m	£m
Corporate Pressures including govt grant	5.322	7.571	3.511	1.096	17.500
Demographic Pressures	5.527	4.923	3.500	3.500	17.450
Inflationary Pressures	3.544	2.557	2.557	2.557	11.215
TOTAL PRESSURES	14.393	15.051	9.568	7.153	46.165
Savings Proposals	-2.535	-1.150	-0.500	-0.500	-4.685
NET POSITION	11.858	13.901	9.068	6.653	41.480

- 6.2 The report was written prior to the Local Government Finance Settlement and also projected the budget position before additional savings had been built in. Since that time new data has become available and adjustments have been added.
- 6.3 The rising cost of Social Care

Adults

The cost of Adult Social Care has risen sharply through the pandemic driven by increased numbers of clients being discharged by hospitals and increases in numbers across most client groups. At the same time unit costs have significantly increased for these clients. Earlier in the year we had assumed that these numbers were spiking and would slowly reduce during the recovery period.

It has become apparent in the last few months that client numbers are actually still increasing as are the placement weekly rates. The Council is expecting these costs to potentially increase further next year (driven mainly by the National Living Wage and National Insurance increases). Complexity is increasing with more one to one, two to one and even four to one support for individuals. There have been thirty cases of this kind of multi-handed support required in the first half of 2021/22 compared to four in the whole of last year.

The costs locally are being driven at least partly by discharges from the Queen's Hospital, Romford. Its A&E was designed to deal with 80 cases a day but as an example of the pressure they are under, in December there was a day when there were 196 cases, well above their 110 safety trigger point. The clients coming out of Queen's and being discharged straight into care settings are being reviewed by the Council, but they are all extremely ill or extremely frail. Many have advanced dementia and can no longer be supported by elderly partners.

The medium term financial strategy had provided for additional expected costs of social care and the Local Government Finance Settlement also provided extra funding but there is still a further gap based on latest projections. The Council is working closely with its partners, the NHS and the Government to exemplify this situation and ensure that all funding available is directed towards this pressure.

Activity continues to rise across all service areas together with increases in the complexity and costs of provisions which are ongoing beyond the Hospital Discharge Programme Funding available. These pressures include:

- increasing levels of complexity at discharge leading to increases in one to one care (121s) and double handed packages,
- The ongoing impact of Hospital Discharge Programme (HDP) funded placements made above existing residential and nursing market rates, significantly in some cases, to assure a safe placement. Although we will move people to less costly placements, when feasible, this may not be a viable option once a vulnerable resident is settled into a care home setting,
- The ongoing care needs of individuals placed directly by the Health Service into care homes, and funded in the short term through HDP,
- High levels of ongoing nursing care numbers linked to ongoing system pressure and admissions.

The Council is also continuing to see a significant impact due to those who will have either refused care, or not visited the hospital as usual during the pandemic, and as these people continue to present that demand will subsequently rise, with an impact due to care being delayed due to a reluctance to engage with the health and care system.

For those already receiving care the Council has seen a significant increase in the demand for reviews followed by increases to complexity when people are being assessed, resulting in more costly packages.

More widely across the service the Council is also seeing an ongoing impact in 2021/22 in terms of Mental Health implications, Domestic Violence cases coming to the Safeguarding Team, homeless support and social care needs for those released from prison early.

The further impact of this ongoing demand is having a significant impact on Social Work Teams which limits the capacity available to complete reviews and on the potential future financial viability of the care market and local providers.

The service is taking action to mitigate problems where possible:

- The strength based approach, Better Living, is being focused upon by frontline teams to ensure clients maximise community resources over Council lead care.

- A savings plan is in place across the Service to review complex packages and 121s to mitigate increased costs.
- Work is underway with Health Service partners to mitigate nursing care pressures as far as possible by reviewing discharge pathways and scrutinising discharges.

Children's

Children's Services have also experienced a significant increase in demand in 2021/22 causing a budget overspend driven by the factors below.

- Increased placements for Looked After Children
- Increased placements for Children with Special Educational Needs (SEND)
- Additional Transport costs aligned to SEND placements
- Increased numbers of Unaccompanied Asylum Seeking Children (over 18s)

The number of people presenting into the system has increased over the last year as shown in the statistics below:

- Rates of contact to the department (reports of children suspected of suffering harm) up from 8,000 in 2018 to 14,000 in early 2020, 16,000 in 2021.
- Early Help interventions and the Innovation Programme saw Havering's rate of Children in Care decrease over five years to 2020, steadily rising since.
- Number of Care Leavers up from 189 in 2018-19 to 270 pre-pandemic and now 300 of which Unaccompanied Asylum-Seeking Children (UASC) up from approx 50 to 80.

The department has already started implementing measures to contain the current overspend and additional measures are being formulated which may enable the current position to be improved upon, rather than increasing. However, there are many risks associated with this assumption, as the demand data trends indicate increasing numbers of children requiring support unless action is taken to address pressures.

- Savings on placement costs (fostering) are already being achieved following the decision by Members to improve the offer to foster carers in July 2021. The service is able to offer up an MTFs saving in 2022/23 of £0.125m from the ongoing in-house foster carer recruitment project. As of today, we have a record high number of in-house foster carers currently.
- Remodelling and reorganising the Department via comprehensive workforce development, to reduce reliance on agency social workers

and managers by increasing our permanent workforce. Implement a pod of newly qualified social worker posts (less costly, lower caseloads).

- Arrest the increasing rate of referrals by working with and in schools to support them to safely 'hold' families below threshold for social care intervention
- Realign the Families Together service, working with families via earlier intervention and decrease the number of Looked After Children (LAC) by promoting return to home as a viable option.
- Develop and implement a Family Hubs model.
- Recommence Passenger Transport review.
- Continue the review of placements / step down and high cost placements.

Social Care Summary

The budget provides for the expected additional costs of these social care pressures in 2022/23. Additional Government funding for 2022/23 and the proposed 1% Adult Social Care Precept has partly closed the gap but the Council has had to make significant savings to make this possible. The 2021 Spending Review has indicated that no additional funding will be released in the 2023/24 settlement which will place authorities like Havering in a very difficult position if demand continues to increase.

6.4 Additional Costs of Levies

The Medium Term Financial Strategy provided for the expected increases in levy costs as set out in the papers from the various levying bodies. Two additional costs have recently been identified which will cause a further pressure to Havering.

- ELWA – Waste Disposal Costs

The Levy to ELWA for waste disposal is predominantly apportioned between the four constituent boroughs based on audited tonnages in the previous year. The 2020/21 final tonnages have shown that all 4 boroughs have an increase in tonnage but Havering's increase is proportionately greater than the other boroughs. This has directly increased the levy cost for 2022/23.

- LPFA – Costs of the Pension Fund Authority

The LPFA is an Administering Authority for the Local Government Pension Scheme. One of LPFA's functions is to discharge the historic pension liabilities of the Greater London Council (GLC) and Inner London Education Authority (ILEA). Based on the latest valuation there is currently a funding deficit, in relation to these GLC/ILEA liabilities and there is a pan London agreement for boroughs to cover this cost.

6.5 Increased Cost of Inflation

The Council seeks at all times to contain inflationary costs through efficiency and effective procurement. The latest Government figures however project inflation to exceed 4% in 2022 which is well in excess of the 2% currently provided for in the MTFS. The Council has therefore reviewed and uplifted the provisions for inflation in the MTFS.

6.6 Saving Proposals

The October Cabinet paper set out five focus areas where the Council was going to aim to find savings and efficiencies to help balance the 2022/23 budget. It was always recognised that these initiatives would both generate savings for 2022/23 but also make savings over the remaining years of the medium term financial strategy.

The table below sets out the savings that are proposed to be built in to the budget process. It should be noted that work is ongoing on these savings initiatives and it is fully expected that this will lead to further savings in the medium term.

Table 7: New Savings Proposals

New Savings Proposals	2022/23	2023/24	2024/25	2025/26	4 Year Plan
	£m	£m	£m	£m	£m
Business Intelligence Savings	-1.150	-0.600	-0.600	-0.600	-2.950
Regeneration Savings	-0.263	0.099	0.000	0.000	-0.164
New models of delivery savings	-0.797	-2.884	-0.500	-0.500	-4.681
Spans and Layers/Staffing	-7.000	-7.000	0.000	0.000	-14.000
Adults new savings	-3.189	0.000	0.000	0.000	-3.189
Provision for non delivery	2.000	0.000	0.000	0.000	2.000
New Savings	-10.399	-10.385	-1.100	-1.100	-22.984
Existing Savings	-2.629	-1.150	-0.500	-0.500	-4.779
TOTAL SAVINGS	-13.028	-11.535	-1.600	-1.600	-27.763

Further details of these savings proposals can be found at Appendix A

6.7 **Budget Consultation**

The Council has undertaken a comprehensive budget consultation process aimed at understanding the views and priorities of the public and key stakeholders.

The budget consultation, which included ratepayers, used two methods.

- An online Consultation paper
- Two face to face sessions with members of the public to ask for views on Council services and the budget position

Westco were asked to undertake this year's budget consultation through focus groups and analysis of an online survey. The following analysis is taken from the Executive Summary of their full report.

Within the survey, respondents were asked what they feel the most important issues are that the borough is likely to face in the next year. By weighted rank these are:

- Social Care provision
- National Health Service / Healthcare
- Crime / Community Safety

In relation to areas of personal concern, the top three things that respondents are personally most concerned about are:

- Cleanliness of street and local area
- Anti-social behaviour in my community
- My physical health and fitness

There was some alignment of views on this among the focus groups, commonly identified negative quality of life factors in the younger focus group were street cleaning and bin collections and the older group highlighted litter as an issue. The older focus group also felt community safety was an area the council needs to improve on.

The focus group participants associate value for money with efficient well-run services. The key value for money council services include street cleaning, bin collection, parks, street lighting and community safety and so there is a lot of cross over here with the survey regarding important issues for the area and for individuals personally.

Respondents to the survey were asked about their support for an increase to council tax. Almost three in five respondents (57%) said they support some form of increase, with two in five saying they do not support an increase (41%).

However, it is important to note the difference in opinion among age groups on this question. Those aged 25 to 44 are much less likely to agree to any rise (60%) compared with those aged over 45 (31% say they do not support any rise). It should also be noted that the survey had a higher-than-average proportion of older respondents (68% aged 45+) to the survey and so the data is skewed towards the views of that group for this question and across the survey results generally.

The majority of participants in both focus groups said they did not want to see any rise in council tax. A minority were split on whether to raise council tax by one or two per cent.

Between two in five and two thirds of survey respondents agree with the savings proposals, apart from the proposal around staff reduction – which saw less than half in support.

Proposal	Agree	Neither	Disagree
Better use of data through Business Intelligence	66%	23%	8%
New models of delivery	63%	25%	10%
Prevention	61%	30%	6%
Regeneration proposals	58%	27%	13%
Staff reduction through efficiency	45%	22%	31%

During the focus groups there was also general agreement with the proposals but there were concerns about reducing staff numbers by 400 due to the impact this could have on customer service and other services.

When asked in the survey if they had to remove £1 from one of a list of service areas, the areas for removal were corporate services (24%), support services (12%), highways, traffic and parking (12%) and libraries (11%).

During the focus group the services that saw the least prioritisation by the under 40s were, libraries, planning and community services. Libraries and planning were also among the services given the least prioritisation by the over 40s.

When asked in the survey if they had to add £1 to a list of services areas, the top responses were adult social care (12%), corporate service (11%), children's social care (8%) and enforcement and safety (7%). Children's social care was mentioned by both focus groups as being an area for prioritisation.

The full analysis of the budget consultation is set out in Appendix B1 and Appendix B2. The budget proposals set out in this report largely reflect the feedback from residents on areas for priority spend especially adults and children's social care. The proposed Council Tax increase is broadly in line with residents views.

The proposed staff reduction was less supported than other savings areas but the Council needs to progress this initiative if it is to keep the council tax increase down to 2%. One of the key messages from the residents' feedback is their recognition of the difficulty facing the Council in trying to reconcile residents' service needs with the desire to keep the council tax as low as possible.

6.8 Balancing the budget and setting the 2022-26 Medium Term Financial strategy

These proposals together with the Local Government Finance Settlement have significantly closed the budget gap for 2022/23. It is recommended that the remaining balance is closed by applying a 1.99% general increase to Council Tax and a 1% Social Care Levy, an overall increase of 2.99%. Increasing Council Tax is only ever considered when all other options have been exhausted. Given

the extreme and continued pressure on social care this is a necessary measure to balance the budget.

The table below sets out the journey from the Medium Term Financial Strategy position reported in the October Cabinet report to the current position.

Table 8: Medium Term Financial Strategy updates since October 2021 Cabinet

Update to the MTFS since October	2022/23	2023/24	2024/25	2025/26	4 Year Plan
	£m	£m	£m	£m	£m
OCTOBER CABINET	11.858	13.901	9.068	6.653	41.480
Additional Social Care Pressures	8.746	0.000	0.000	0.000	8.746
Increase inflation provision	1.802	-0.323	0.167	0.167	1.813
New Savings Proposals	-10.399	-10.385	-1.100	-1.100	-22.984
Impact of Financial Settlement	-7.227	3.200	0.000	0.000	-4.027
Corporate Pressures/Reductions	-2.710	1.497	1.681	2.930	3.398
Increase Budgetted Cont to Balances	2.000	0.000	0.000	0.000	2.000
ASC Precept Increase	-1.360	0.000	0.000	0.000	-1.360
1.99% Council Tax increase	-2.710	0.000	0.000	0.000	-2.710
UPDATED POSITION	0.000	7.890	9.816	8.650	26.356

Putting all this together gives a balanced budget for 2022/23 but a medium term financial gap to 2026 of £26.4m.

The future year gap is reflective of ongoing pressures in the following areas:

- Demographic pressures reflecting expected rises in demand for social care
- Inflationary pressures – The MTFS recognises that inflation is currently rising and so provides for assumed future contractual increases and pay awards
- Corporate pressures including the financing cost of the capital programme, increased costs of levies and increased costs of concessionary fares. It should be noted that concessionary fares costs went down for the last two years due to reduced footfall and the expected increase is partially reflective of usage rising back to pre-pandemic levels
- The MTFS also provides for the expected loss of Government grant as the current one year settlement is replaced by new formulae which include Levelling up and the fair funding review

The MTFS also assumes further savings particularly in 2023/24 where a further £11.5m is planned on top of the savings already in the 2022/23 budget. These savings will be closely monitored and reviewed to ensure they are robust and deliverable.

The gap for the Council to close rises by approximately £9m each year meaning that the Council is likely to have a £35m gap over the next 4 years to 2026/27

The table below sets out the revised Medium Term Financial Strategy setting out where the expected pressures will be.

Table 9: 2022-26 Medium Term Financial Strategy

MEDIUM TERM FINANCIAL STRATEGY	2022/23	2023/24	2024/25	2025/26	4 Year Plan
	£m	£m	£m	£m	£m
Corporate Pressures	4.657	8.995	5.192	4.026	22.870
Demographic Pressures	14.322	4.996	3.500	3.500	26.318
Inflationary Pressures	5.346	2.234	2.724	2.724	13.028
Impact of Financial Settlement	-7.227	3.200	0.000	0.000	-4.027
Savings Proposals	-13.028	-11.535	-1.600	-1.600	-27.763
ASC Precept Increase	-1.360	0.000	0.000	0.000	-1.360
1.99% Council Tax increase	-2.710	0.000	0.000	0.000	-2.710
UPDATED POSITION	0.000	7.890	9.816	8.650	26.356

The Council Tax requirement for 22/23 will be £140.823m. Appendix G sets out more detail on the new Council Tax levels

- 6.9 On 3rd February 2022 the Chancellor announced a one off payment of £150 to all Council Tax payers with properties in the Band A - Band D range. This payment will be in recognition of rising energy prices. The payment will be centrally funded by Government and be processed in April. The payment will operate outside of the council tax system, using council tax lists to identify eligible households. The payment does not affect council tax setting and the calculation of bills and the presentation of charges will not be impacted

7 Taxbase

- 7.1 The Council's taxbase is projected to increase during 2022/23. This is as a result of an increase in the number of chargeable properties and a reduction in single person discounts. The Band D taxbase for Havering is set at 89,390 Band D equivalents. This is an increase of 1,147 Band D equivalents in comparison to 2021/22.

8. Updating The Medium Term Financial Strategy 2022-2026

- 8.1 The budget process has closed the gap for 2022/23 enabling a balanced budget to be set. There is however still a significant gap in future years of £26.4m to 2026. The plan is currently over 4 years including 2022/23 but the gap to 2026/27 is expected to rise to £35m reflecting further demographic and inflationary pressures

8.2 Closing the Medium Term Financial Gap

At this stage it is prudent to flag the continuing risks over the next few years but there is work ongoing which it is expected will close the gap for 2023/24 during 2022. This includes:

- Estimation of Future Finance Settlements

The Financial Settlement is for 2022/23 only which makes projecting future years very difficult. It is expected that the next financial settlement will be multiyear but at the moment there is a huge amount of uncertainty for 2023/24 onwards. Many of the grants announced are one off and other existing grants are expected to be rolled into the overall Settlement Funding Assessment (SFA) from 2023/24 onwards. The Council has adopted a prudent approach to these grants by making provision in the MTFS for the reduction or loss of these grants

As stated elsewhere in this report Havering is experiencing unprecedented pressures on the Adult Social Care budget and will continue to lobby the Government to raise awareness of these issues. The funding reforms planned by the Government next year need to fully factor in the social care pressures boroughs like Havering are experiencing. Havering has been penalised for years through grant funding being reduced due to the borough having a high taxbase and Band D Council Tax level. Funding local government this way forces a further Council Tax increase which then accentuates the problem.

- Review of corporate and demographic pressures

The Council has adopted a prudent approach to future corporate and demographic pressures. These assumptions will all be tested during the first part of 2022 and the assumptions will be updated accordingly. This will include an evaluation of any lasting impact of COVID and the associated Government support.

- Specific Reviews of Adults and Children's Social Care budgets

The Council has developed metrics to measure the numbers and unit costs of its clients receiving social care support. These metrics have been used to model future demand and cost in the MTFS and moving forward these models will regularly be updated in both the 2022/23 monitoring and the next iteration of the MTFS.

- Further Savings

The budget is a cyclical process and opportunities to save money, modernise and improve efficiency happen every year. This is a normal process that every authority undertakes every year regardless of the financial position moving

forward. As stated earlier in this report the Council is fully committed to significant digital and IT enhancements which will lead to efficiency and savings.

- Staffing reduction through efficiency reducing headcount by approximately 400.

Undertake a Council wide review of staffing structures to delete vacancies, reduce management costs and remove activities that do not benefit residents.

- Updated Capital Financing Assumptions

The medium term financial strategy assumes a prudent position on all capital schemes including the major regeneration schemes. If the schemes are able to progress as forecasted in the business plans then the level of income generated will potentially exceed the current planned position. The Council has also taken a prudent position on future interest rates as recommended by our treasury advisors. Over time these assumptions can be updated.

9 Fees and Charges

9.1 The Council annually reviews its fees and charges to customers. **Appendix C** sets out the proposed fees and charges for 2022/23. In setting the fees and charges the Council takes account of:

- Full cost recovery where appropriate
- Statutory fees rates
- Inflation
- Benchmarking and other market comparators
- Delivery costs for social care providers.
- Current market conditions for any increase

10 Contingency, Reserves and Balances

10.1 The Council maintains a £1m central contingency budget as a sensible and prudent measure to mitigate unforeseen in-year events. When departments show an in-year overspend position the expectation is that they will develop an action plan to mitigate the pressure. The medium term financial strategy recognises demographic and inflationary pressures so the central contingency is maintained purely for unforeseen events.

10.2 Earmarked Reserves

Earmarked Reserves are time limited reserves for specific purposes. Some reserves such as the Insurance Fund will need to be replenished each year in line with projected future claims whilst others will be expected to be spent over

the next four years. The Council makes decisions to set up reserves where funding is required in future years as projects are identified.

It should be noted that the Council will always seek to contain costs and minimise the need to draw on the planned reserves where possible. The Council reviews reserves through the year and particularly at year end in order to ensure appropriate funds are set aside for future year projects and requirements and funds are released where they are no longer required.

10.3 General Balances

The General Fund Balance stood at £10.9m at 31 March 2021. The Council has a further planned contribution built into the 2021/22 budget which will bring the general reserves up to £18.9m at 31st March 2022. The continued pressures on social care following the pandemic has resulted in a significant overspend being predicted in the current revenue monitor. The Council is working tirelessly to reduce this overspend but the outturn position may result in a draw on the general reserves position. The Council will seek to avoid this if possible as it would delay the objective of building reserves up as set out in previous budget reports.

The Council is fully committed to building up reserves in the medium term to the £20m level set out in previous budget reports. The medium term financial plan includes provisions to move towards this target.

11 The Capital Programme and Strategy

11.1 The Capital Strategy and Programme is presented in a separate report on this agenda. The Medium Term Financial Strategy takes full account of the interest and borrowing cost of the proposed programme. This includes the revenue implications of a number of new bids which are included for approval by Council.

11.2 The Table below sets out the proposed General Fund Capital Programme for the next 5 years.

Table 10: Five year Capital Programme to 2026-27

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Adults Services						
Adults - DFG	4.945	0.000	0.000	0.000	0.000	4.945
Adults - Other	0.899	1.618	0.000	0.000	0.000	2.517
Adults Services Total	5.844	1.618	0.000	0.000	0.000	7.462
Customer, Communication & Culture						
Leisure - Other	5.535	0.000	0.000	0.000	0.000	5.535
Leisure - SLM	0.100	0.838	3.724	0.000	0.000	4.662
Libraries	0.039	0.000	0.000	0.000	0.000	0.039
Customer, Communication & Culture Total	5.674	0.838	3.724	0.000	0.000	10.236
Transformation	6.199	6.462	3.280	1.980	1.180	19.101
Childrens Services	0.944	0.891	0.000	0.000	0.000	1.835

Environment						
Environment - Highways	25.239	2.970	0.750	0.000	0.000	28.959
Environment - TFL	1.957	0.000	0.000	0.000	0.000	1.957
Environment - Parks	0.724	0.500	0.000	0.000	0.000	1.224
Environment Total	27.921	3.470	0.750	0.000	0.000	32.141
Registration & Bereavement	0.410	0.000	0.000	0.000	0.000	0.410
Asset Management						
Corporate Buildings	0.659	0.000	0.000	0.000	0.000	0.659
Health & Safety	0.100	0.024	0.000	0.000	0.000	0.124
Schools Conditions Programme	4.744	0.100	0.000	0.000	0.000	4.844
Schools Expansions	0.490	7.500	21.730	0.000	0.000	29.720
Vehicle Replacement	2.000	0.000	0.000	0.000	0.000	2.000
Asset Management Total	7.993	7.624	21.730	0.000	0.000	37.347
ICT Infrastructure	5.075	3.980	1.720	1.650	1.650	14.075
Regeneration	167.993	198.106	23.626	2.656	14.395	406.776
Total GF Capital Expenditure	228.053	222.989	54.830	6.286	17.225	529.384
HRA Capital Expenditure	170.642	180.971	195.315	180.575	176.513	904.017
Total Capital Expenditure	398.695	403.961	250.145	186.861	193.738	1,433.401

12 Budget Risks and Uncertainties

12.1 There are a number of risks and uncertainties which could potentially impact on the 2022/23 budget and also medium term forecasting. This section summarises those risks. **Appendix D** sets out these risks in more detail.

12.2 The Government have a number of reviews they have promised to implement. At the moment the financial impact of these reforms are unclear and for Adult Social Care in particular the full cost of the new care system is unknown. Other reviews such as fair funding and levelling up are expected in 2023/24 and it is hoped that the Government will provide exemplifications as soon as possible to show their intentions.

- **Reform of Adult Social Care**

The Government has set out the national funding position for adult social care over the medium term. Funding has been provided with grant conditions to set the new system up but it remains to be seen if either the funding is sufficient to create the system or potentially more significantly whether the future funding planned will be enough to cover the actual costs when it is up and running.

- **Fair Funding Review and Levelling Up**

The Fair Funding Review is expected to be wide ranging and will cover all cost drivers for local authorities. It is unclear at present how the government will choose to weight the various formulae and datasets available. There is therefore a direct risk to Havering's funding if the demographic pressures the borough is facing are not fully reflected in the revised formula. The initial modelling of the impact of the review implied that the overall effect would be to re-distribute funding away from London. Equally the Levelling Up

review has promised to redirect funds to other areas of the country and potentially away from the south east. Unless there is new funding for Levelling Up this will almost certainly be detrimental for London Boroughs and Havering.

- **Loss / Reduction in Business Rates**

The downturn in the economy has hit businesses hard. There is a significant and ongoing risk of business failure in the borough. This in turn will reduce the business rates collectable and also the level of bad debt. The Council almost certainly will bear a proportion of the lost income from reductions in the total amount of collectable business rates.

- **Business Rate reform**

The Government still accepts that reform of the Business Rate system is necessary although it is unclear exactly when and how they are planning the reforms. It is equally unclear what the impacts of this reform will be and as such this is a risk to the medium term position.

- **New Legislation/Burdens**

The Government periodically reviews national service provision and can transfer new burdens onto local government. When this happens there is always a risk that either the amount or the funding mechanism results in a new pressure for authorities. This is a risk particularly relevant to the recovery period following the COVID pandemic where it is entirely possible the Government will place expectation and burdens on local government without the ongoing funding to support those pressures.

- **Changes to Interest Rates/ Inflation**

The national economic situation is uncertain. As a result changes to interest rates and inflation levels are possible. An increase in inflation will potentially result in pressures on both pay and price locally and nationally.

- **Demographic pressures**

The borough's increased and aging population has resulted in demographic pressures over a number of years. Demographic pressures continue to be a significant risk both through government underfunding and accelerated population growth in the borough.

- **Pension Fund Performance**

The medium term financial strategy takes account of the latest triennial actuarial review of the pension fund. There will be a further review in 2023 and there is a risk of increased general fund and HRA contributions from April 2024 if the deficit has increased on the fund.

- **In-year pressures and overspends**

The 2022/23 budget will be a robust balanced budget that takes account of all known pressures facing services. There remains a risk however that increased demand and other demographic pressures over forecasts will result in service overspend next year.

- **Future waste disposal arrangements**
The current contractual arrangements with Renewi expire in 2027. There is likely to be significant investment required to secure future arrangements after that date. Future potential costs are therefore volatile and subject to those negotiations. It is expected however that the levy payable after 2027 will reduce considerably

- **Risks associated with the delivery of the regeneration programme**
The Council has an ambitious and far reaching regeneration programme which will rejuvenate key areas of the borough. There are however associated risks with the programme which are set out in detail in the business cases of the various schemes. The risks include:
 - **Cost of delays:** Delays to the programme result in some work needing to be repeated and updated and the cost of finance being incurred before it is required.
 - **Additional cost of re-design and changing plans:** If the plans are changed significantly this can lead to additional costs if the new designs are more expensive but also the delay costs as described above and potentially abortive costs on the original plans.
 - **Impact of a downturn in the economy including housing prices:** The schemes assume sales valuations in order to achieve returns on investment. Clearly a downturn in the Housing market will affect these assumptions.
 - **Impact of inflation:** The models assume costs over the medium term. If inflation increased significantly this would have a direct impact on these costs.
 - **Changing build costs/variations:** As the schemes progress it is possible that variations to the original specifications or additionality is required to deliver the required outcomes.
 - **Changes in legislation:** All assumptions are based on current regulations. Should any national legislation change regarding building works then this could affect the overall costs.
 - **Changes in Government legislation regarding MRP.** The Government are considering changing the way MRP is calculated for investment in joint ventures which could impact on the level of MRP required on capital expenditure.
 - **Issues with land eg. contamination:** There are currently no expected issues with any of the land involved in the various regeneration schemes. It is possible albeit unlikely that an issue may emerge as the projects progress.
 - **Overall financial risk:** The Council will invest significantly in the early years of these schemes with a return on investment in some cases maturing only in the medium term. Adverse movement in the assumptions caused by any of the above reasons will affect the financial modelling set out in the business cases and is therefore a material risk to the Council.

In mitigation, the Regeneration Joint Ventures include a number of mechanisms for the partners to exit from arrangements where schemes become unviable or for individual projects to be paused until conditions improve.

13 Chief Financial Officer (S151 Officer) statement regarding the robustness of the budget and MTFS

13.1 Section 25 of the Local Government Act 2003 requires Chief Financial Officers to report to their authorities about the robustness of estimates and the adequacy of reserves when determining their budget and level of council tax. Authorities are required to consider their Chief Financial Officer's report when setting the level of council tax.

13.2 Robustness of Reserves and Balances

The budget has been prepared using a four year Financial Strategy. The Government has provided no assurance over future funding beyond 2022/23 and as such planning even a four year framework is very difficult. If the Government produces exemplifications of future intentions and then a multi year finance settlement in December 2022 this will provide clarity.

The COVID pandemic has presented challenges to local government in a way that was not imaginable two years ago. The Council has acted swiftly and responsibly and has been able to continue its business in a responsive and professional manner. The Council recognises the ongoing impact of COVID particularly in Social Care demand and unit costs and has built this into the medium term financial strategy

The need to have a robust budget and medium term financial plan underpinned by adequate reserves has never been greater and this has been at the forefront of the Council's planning process this winter.

In setting the 2022/23 budget the process has taken account of the following factors

- The forecast position as set out in the Cabinet report in October 2021
- The outcome and forecast impact on the Council of the Provisional Local Government Financial settlement as presented in this report.
- The Spending Review announced in October 2021.

As the development of the budget for 2022/23 has progressed, the position has been the subject to review and challenge with Heads of Service, the Senior Leadership Team, the Leader of the Council and Cabinet Members. Due consideration has been given to the delivery of corporate priorities in this challenge process and this is reflected in the detailed budget proposals.

Budget proposals have been developed within the context of current and future service plans. The Council has reviewed its pressures using the latest

demographic and inflationary trends. In respect of savings, the proposals have been risk assessed and will be monitored closely during the year. A review of legislation takes place on an ongoing basis as part of the budget development process to assess possible implications.

The Council has continued to identify efficiencies and cost reductions for inclusion in the budget. In 2022/23 the budget includes significant savings from reviews of posts across the authority. The scale and complexity of this process means that it is once again prudent for the Council to include a provision for non achievement which has been included in the budget. Departments will work hard to achieve all savings and if this provision is not required then the budget will be available for other priorities or contribution to reserves.

At a more detailed level, budgets have been built having due regard to:

- Staffing changes incorporating proposed restructures
- Inflation
- Contractual commitments
- Existing budgets
- The proposals for budget adjustments and savings
- The impact of changes to specific grants.

The budget includes a contingency that will provide a reasonable level for unforeseen issues that could arise during the year. This has had due regard to a risk assessment. Further information on the basis of this is set out later in this statement.

A review of the 2021/22 significant budget variances has taken place to assess any impact on the 2022/23 budget outside of the proposals in order to:

- Ensure action plans are in place where a possible adverse variance could occur;
- Ensure use of any possible additional favourable variance is considered in the context of the overall strategy;
- Inform the risk assessment of contingency and reserves.

This year this has been particularly apparent in Adult Social Care where there have been significant ongoing pressures in 2021/22. A detailed review of all these pressures has been undertaken in order to set a budget for 2022/23 which should meet this demand.

13.3 The Adequacy of Estimates Reserves and Balances

Local authorities are required to maintain adequate balances to deal with unforeseen demands upon financial resources. It is the responsibility of each authority to set its level of reserves based on local conditions, but taking into account national factors. Although a view can be sought from the external auditors it is not their responsibility to prescribe or recommend the appropriate level. In setting the level, the Authority should take into consideration the advice

of their Chief Financial Officer (CFO), taking into account all local relevant circumstances.

The General Fund Balance stood at £10.9m at 31 March 2021. The Council has a further planned contribution built into the 2021/22 budget which will bring the general reserves up to £18.9m at 31st March 2022. The unprecedented financial situation due to increased costs of social care following the pandemic has resulted in a significant overspend being predicted in the current revenue monitor. The Council is working tirelessly to reduce this overspend but the outturn position may result in a draw on the general reserves position. The Council will seek to avoid this if possible as it would delay the objective of building reserves up as set out in previous budget reports.

The historic rule of thumb from the now defunct Audit Commission was that 5% of net budget should be held as a General Reserve that should be untouchable except in major emergencies. The Council holds slightly more than this at 7% of net budget. However, the volume and complexity of the issues facing local government, the lived experience of the COVID pandemic and the level of public expectation of councils from their residents suggests this is no longer sufficient. The medium term financial strategy includes proposals to increase balances towards the target of £20 million but this will be subject to no further funding gaps from the COVID pandemic.

Members will be aware that the working balances provide protection against unforeseen events that could impact on the authority. Reserves must be used carefully and can be used only once. As reflected in the revenue budget strategy, the Council will not utilise General Fund Balances to subsidise its budget or suppress council tax increases. Further it will not use any specified or earmarked reserves to subsidise its budget or to suppress council tax increases on an on-going basis as this is neither financially sustainable nor prudent.

It may, in exceptional circumstances, utilise appropriate specified or earmarked reserves to bridge short term forecast budget shortfalls to facilitate delivery and implementation of projects and service initiatives that will generate additional income or reduce on-going expenditure to achieve a balanced budget. Approval of decisions to utilise reserves in this manner will require the appropriate approval of a robust business case including implementation plan.

The Council maintains a number of earmarked funds for specific purposes and their use is planned and approved for these purposes. Often they are used to comply with accounting policies, manage arrangements across financial years, or to fund known future commitments.

The sums established within earmarked reserves were agreed by the Senior Leadership Team as at 1st April 2021 and were fully allocated to projects or liabilities. Other reserves continue to be expended/ planned in accordance with their specific approved purpose. A review is planned to take place as part of the accounts closure process over the next few months.

13.4 Opportunity Cost of Reserves

Holding general reserves to meet unexpected events or emergencies is a necessary requirement. However, there are opportunity costs and benefits of holding cash balances, which can be measured in different ways, depending on what these resources were alternatively to be used for. For example, holding cash gives a financial benefit in contrast to using the cash to fund capital expenditure. The financial benefit would be the difference between the investment return and the total borrowing cost. At the current time due to low interest rates, these are in fact broadly neutral. However, a cost of around 4% will be incurred in respect of a requirement to make revenue provision to repay debt.

On this basis, for every £1m of cash held, the purely financial benefit could be deemed to be £0.040m per annum or approximately £0.400m per year for balances of £10 million. This is dependent on prevailing money market conditions, which in the current economic climate can fluctuate significantly. Using the balances to repay debt earlier would not achieve a matching saving given the costs around early redemption and the similarity in short-term lending rates and long-term borrowing rates. For information, £1.3m equates very approximately to 1% on the level of Band D Council Tax.

If, however, this is considered in the context of using these balances to fund one off expenditure, then the opportunity cost is the improvements that would accrue from that expenditure. This might for example be improvements in services, increased performance or some other measure and would be assessed via a business case. Such items have been considered by officers during the course of developing the MTFS, but these have not generally been included within the final proposals or the detailed budget given the broad financial constraints within which Havering is operating.

Should these items be included within the budget, they would obviously provide a basis for additional and/or improved services; with the need to appreciate that reserves exist for various reasons, and once expended, either have to be replenished, or the funding terminated. This is the opportunity that is being potentially foregone by holding general reserves. However this is only relevant to the extent that such proposals align to Council's priorities and Medium Term Financial Strategy.

It is important that in considering the level of working balances that the issue of the opportunity costs and benefits of such an approach is also considered and that Members weigh up the potential benefits against the risks. The other important factor in making this judgement is to consider is that balances can as indicated only be spent once, and can realistically only be used to support one off expenditure, or to allow time for management action to be implemented to address ongoing expenditure requirements.

As stated above, the use of significant levels of balances to fund ongoing spending or reductions in Council Tax can pose material financial risks, especially given that the Council's ability to generate funds to replenish reserves through Council Tax is severely restricted by the Council Tax capping regime.

Hence the level of reserves held overall requires a balance to be struck between the opportunity cost of holding balances against the unknown risks facing the Council and the need to safeguard the provision of local services if such risk were to crystalize.

13.5 Review of Reserves and Contingency

The assessment of the sums required for reserves and contingency purposes is reviewed regularly, taking into account the various risks facing the Council, the level of risk, the actions taken to mitigate risk, and the financial assessment of the risk. The review includes consideration of the Corporate Risk Register, with the objective of ensuring that all risks having a potential financial impact are covered in the reserves and contingency assessment.

The Corporate Risk Register is kept under review by the Senior Leadership Team, so any changes are then reflected when the reserves and contingency assessment is updated.

13.6 Summary of Robustness of the Budget and MTFS

The 2022/23 budget and 2022/26 MTFS has been prepared taking into account the following:

- The impact of the COVID pandemic on the 2022/23 and future budgets.
- The estimated impact of underlying cost pressures, evidenced by financial monitoring reports in the current year.
- The estimated impact of inflationary pressures and pay awards. Allowance has been made for cost increases over and above the general rate of inflation where these are known.
- The estimated impact of demographic change and the effect of increasing demands on services where these are unavoidable.
- Provision for legislative change and changes to the Council's statutory responsibilities.
- The estimated impact of capital financing charges for the capital programme including regeneration and highways schemes.
- Provision for the impact of government grant changes across the lifetime of the MTFS and the continued risk of further tightening of finances in future years. The nature of the one year settlement has made this particularly difficult and it is hoped that the Government will clarify their intentions early in 2022.

Furthermore, taking into account the budget risks and uncertainties, and assuming that the recommendations set out above are agreed, the Council's contingencies and balances are considered prudent. The S151 Officer is

therefore of the view that the budget is robust. However, Members' attention is drawn to the need for close monitoring of the budget and, in particular, the achievement of the targets for savings. It will be essential for firm financial management to be exercised throughout the year to ensure that expenditure is contained within budget and targets for service improvements are met.

14 Discount for Council Tax Payers Paying in Full

- 14.1 The Council has agreed in the past to offer a discount to Council Tax payers who pay their Council Tax in full. It is necessary for Cabinet to recommend Council to agree a specific resolution for this purpose or for any change proposed as the current assumption is that the discount remains at 1.5%. Cabinet should note that a similar discount is not permitted under business rate regulations.

14.2 Resolution

"Any Council Tax payer who is liable to pay an amount of Council Tax to the authority in respect to the year ending on 31 March 2023, who is served with a demand notice under Article 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992 and who makes payment to the authority of the full balance of the estimated amount shown on that demand by 1 April 2022, may deduct a sum equivalent to 1.5% from the estimated amount and such reduced amount shall be accepted in full settlement of that estimated amount".

- 14.3 The Council meeting in March will receive a resolution in the form required reflecting the recommendations of Cabinet.

15 Council Tax Support Scheme 2022/23

- 15.1 The local Council Tax Support (CTS) Scheme in Havering has been designed to support residents on low incomes pay their Council Tax. Council Tax Support rules for claimants of pensionable age are prescribed in law and can cover up to 100% of the Council Tax due. For working age claimants with disabilities and claimants without disabilities, they can receive up to 80% and 75% respectively off their Council Tax bill. Local authority Care Leavers can receive up to 100% in Council Tax Support. The rules within the CTS scheme for working age applicants have been developed the Council.

The Council proposes to maintain the current CTS Scheme for 2022 putting forward no amendment to that scheme in 2021. A copy of the 2021 Council Tax Support Scheme can be found at https://www.havering.gov.uk/downloads/download/367/havering_local_council_tax_support_scheme

In accordance with Schedule 1A of the Local Government Finance Act 1992, Full Council is required to endorse the Council Tax Scheme for 2021 before 11 March 2021. The Council has due regard for the Equality Act 2010 and the need to eliminate unlawful discrimination. Consequently, an Equality and Health Impact

Assessment is attached to this report at Appendix E. An Equality Impact Assessment was also completed in December 2019 and this can be found at <https://www.havering.gov.uk/ctaxeia2020>

A draft summary version of the Council Tax Support Scheme for 2021 is contained within Appendix F. A full version of the draft CTS 2021 scheme can be found at <https://drive.google.com/file/d/1Y6sESoLmGdKKx1oqUEIUfDSdP13L0Wqg/view?usp=sharing>

REASONS AND OPTIONS

Reasons for the decision:

The Council is required to set a balanced budget in advance of the beginning of each financial year. This report sets out the process to reach a balanced budget for 2022/23 and sets out the Council's future plans for balancing the budget in the medium term from 2022/23 to 2025/26.

Other options considered:

The report outlines all the options identified for balancing the 2022/23 budget. Officers will continue to seek further options for balancing the budgets in future years.

IMPLICATIONS AND RISKS

Financial Implications and Risks

The financial implications of the Council's Medium Term Financial Strategy are fully set out in this report and are therefore implicit in the body of this report.

Legal Implications and Risks

Under S151 of the Local Government Act 1972 a local authority has to make arrangements for the proper administration of its financial affairs. . Each Member has a duty to ensure that the Council complies with its legal obligations by agreeing a balanced budget.

The Council is required under Part 1, Chapter III of the Local Government and Finance Act 1992 (the 1992 Act) to set its council tax for the forthcoming year. In accordance with section 30(6) of the Act this decision must be made before

11 March of the preceding year. The Council's calculation of its "council tax requirement" in accordance with sections 31A and 31 B of the 1992 Act is reflected in the body of this report.

The Council has a duty to maintain a balanced budget throughout the year and, accordingly, members are required to monitor the Council's financial position regularly in accordance with section 28 of the Local Government Act 2003 and take appropriate action if there is any significant deterioration in its financial position

The Council is required to set a balanced budget, taking into account a range of factors, including consultation feedback, and decisions must also have regard to the Council's public sector equality duties under the Equality Act 2010.

The budget consultation and approval process is separate from individual decisions which may need to be taken for example in relation to service delivery; these may require a separate consultation process and equality impact assessment before a final decision is taken.

Local Authorities owe a fiduciary duty to council taxpayers, which means it must consider the prudent use of resources, including control of expenditure, financial prudence in the short and long term, the need to strike a fair balance between the interests of council taxpayers and ratepayers and the community's interest in adequate and efficient services and the need to act in good faith in relation to compliance with statutory duties and exercising statutory powers.

Where consultation is undertaken it must comply with the "Gunning" principles; namely it must be undertaken at a formative stage, sufficient information should be provided to enable feedback, adequate time should be given for consideration of responses and the feedback should be taken into account in any decision taken.

Human Resource Implications and Risks

The Council continues to work closely with its staff and with Trades Unions to ensure that the effects on staff of the savings required have been managed in an efficient and compassionate manner. All savings proposals or changes to the funding regime that impact on staff numbers, will be managed in accordance with both statutory requirements and the Council's Managing Organisational Change & Redundancy policy and associated guidance.

Equalities and Social Inclusion Implications and Risks

Havering has a diverse community made up of many different groups and individuals. The Council values diversity and believes it essential to understand and include the different contributions, perspectives and experience that people from different backgrounds bring.

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

Note: ‘Protected characteristics’ are: age, gender, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council demonstrates its commitment to the Equality Act in its decision-making processes, the provision, procurement and commissioning of its services, and employment practices concerning its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing of all Havering residents in respect of socio-economics and health determinants.

Any decisions which need to be taken in furtherance of the budget proposals will be undertaken in accordance with the duty set out in Section 149 of the Equality Act 2010 and where appropriate full Equality Assessments will be undertaken and form part of the decision making process.

Health and Wellbeing Implications and Risks

The Council considers health and wellbeing implications in all the decisions it takes. The impact on general health and wellbeing is fully considered in developing the savings proposals in this report and in setting the Council’s budget each year

Climate Change Implications and Risks

The establishment of the Havering Climate Action Plan signals a commitment by the Council to tackle climate change and will affect all Council policies and decisions. This budget and financial strategy has been developed with this Climate Action Plan at its forefront with good financial stewardship and procurement contributing to the Council’s aim of achieving net-zero annual carbon emissions by 2040. In addition all projects included in the programme will follow the principles set out in the action plan and adhere to its key values.

BACKGROUND PAPERS

None

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APPENDIX A - PROPOSED SAVINGS

TOTAL NEW SAVINGS BY CATEGORY	Decscription	2022/23	2023/24	2024/25	2025/26	4 Year total
		£m	£m	£m	£m	£m
Staffing Reduction through Efficiency		-7.000	-7.000	0.000	0.000	-14.000
New Models of Delivery Savings		-0.797	-2.884	-0.500	-0.500	-4.681
Adult Social Care Savings and cost mitigation		-3.189	0.000	0.000	0.000	-3.189
Better use of data through Business Intelligence		-1.150	-0.600	-0.600	-0.600	-2.950
Regeneration Proposals		-0.263	0.099	0.000	0.000	-0.164
Full Year effect of existing savings		-2.629	-1.150	-0.500	-0.500	-4.779
Provision for non delivery of savings		2.000	0.000	0.000	0.000	2.000
TOTAL		-13.028	-11.535	-1.600	-1.600	-27.763

STAFFING REDUCTION THROUGH EFFICIENCY	DESCRIPTION	2022/23	2023/24	2024/25	2025/26	4 Year total
		£m	£m	£m	£m	£m
Staffing Reduction through Efficiency	Undertake and Council wide review of staffing structures to delete vacancies, reduce management costs and remove activities that do not benefit residents. Voluntary release scheme to be offered to staff (with some exceptions to be agreed) subject to business case and subject to a cap on numbers.					
	Reduce the Council's dependency on expensive agency staff and consultants.					
	Improve retention, career management and succession planning.					
	Create a One stop shop for residents for 'Life Events' or change of circumstances					
	Review of Business Processes across the Council to deliver greater efficiency There are a number of processes in the Council that have not been updated for some time. Technology has moved on significantly and in some cases systems have been introduced on a like for like basis, but the processes have not been changed to exploit the new capability or functionality within the system. There are also some process issues that are being highlighted through the Transformation Team service reviews.					
	Review of oneSource – This would be a joint review with Newham to see if there are any further services that could be shared. In addition, the review of oneSource should include the potential to expand the reach of oneSource to include services in other councils.					
TOTAL SAVINGS	Efficiencies from the development of the Havering Digital Portfolio: - The Council has included significant investment in its current Capital programme to develop its digital offer. This is expected to allow significant efficiencies through modernising work processes and improving service offers to our customers and partners					
		(7.000)	(7.000)	0.000	0.000	(14.000)

NEW MODELS OF DELIVERY SAVINGS	DESCRIPTION	2022/23	2023/24	2024/25	2025/26	4 Year total
		£m	£m	£m	£m	£m
Introduce price per property repairs service for PSLs.	Review of pricing structure for the PSL repairs service	-0.102	-0.173			-0.275
increased number of internal foster carers	Targetted programme to increase the number of internal foster carers	-0.125				-0.125
Housing Support for Social Care and the MASH	Funding of social care from the HRA where that support is directly for the benefit of HRA tenants. This support would be additional to core services	-0.050				-0.050
Review of income from Green Waste	<p>A review of income generated from green waste to ensure the budget is reflective of increased volumetric take up and the fees charged are uplifted to reflect increased cost of collection</p> <p>There were existing savings targets in 22/23 and 23/24 for contract reviews - Contract reviews are ongoing and similar savings can be targetted for 25/26 and 26/27</p> <p>A review of traffic enforcement has identified sites where enforcement could be introduced to improve road safety</p>	-0.270				-0.270
Review of contracts				-0.500	-0.500	-1.000
Review of Traffic Enforcement		-0.250	-0.250			-0.500
Other New ways of working initiatives			-2.461			-2.461
TOTAL SAVINGS		(0.797)	(2.884)	(0.500)	(0.500)	(4.681)

ADULT SOCIAL CARE SAVINGS AND COST MITIGATION	DESCRIPTION	2022/23	2023/24	2024/25	2025/26	4 Year total
		£m	£m	£m	£m	£m
Contract renegotiation	Adult social care has reviewed a range of contracts and will be seeking better value for money through renegotiating with some providers. This includes reviewing a historic health contract novated to the council which is coming to an end.	-0.189				-0.189
Better Living	This savings builds on the successful roll out of the Better Living approach to Working differently with residents to develop and link into their own personal networks rather than relying on a statutory service. This strength based approach is being focused upon by frontline teams to ensure clients maximise community resources over Council led care. Better Living has delivered significant savings to date and is consistently applied as part of the Social Work assessment process for all new care packages and as part of the annual review of existing packages to ensure value for money.	-1.500				-1.500
Targetted Reviews	This proposal will be delivered through the review of complex care package to reduce costs where possible, and ensure health funding is negotiated where applicable. It should be noted that this is dependent on resources to identify and carry out reviews and to undertake detailed negotiations with providers.	-1.500				-1.500
TOTAL SAVINGS		(3.189)	0.000	0.000	0.000	(3.189)

BETTER USE OF DATA THROUGH BUSINESS INTELLIGENCE	DESCRIPTION	2022/23	2023/24	2024/25	2025/26	4 Year total
		£m	£m	£m	£m	£m

Bringing properties into Council Tax	Additional Council tax yield through regeneration and the associated additional properties in the borough	-0.700	-0.500	-0.500	-0.500	-2.200
Removing erroneous Single Person Discounts	Additional Council Tax yield through a review of single persons discounts to ensure that all data is up to date and claims are stopped where circumstances have changes and there are multiple occupants	-0.160	-0.100	-0.100	-0.100	-0.460
Removing erroneous Freedom Passes	Review to ensure that freedom passes for those who have moved out of the borough or have sadly passed away are returned and not illegally used	-0.040	0.000	0.000	0.000	-0.040
Improving debt collection	Review of debt collection procedures to maximise collection and chase all debt where possible.	-0.250	0.000	0.000	0.000	-0.250
TOTAL SAVINGS		(1.150)	(0.600)	(0.600)	(0.600)	(2.950)

TOTAL REGENERATION SAVINGS	DESCRIPTION	2022/23	2023/24	2024/25	2025/26	4 Year total
		£m	£m	£m	£m	£m
80-84 Market Place	This property is no longer managed by the Council and therefore carries no cost to LBH. This generates a saving on business rates	-0.032				-0.032
Social Value Sponsorship	Social Value Sponsorship to an Existing Community Scheme or Project: There is an opportunity to utilise the Social Value programme to deliver a saving to the Council of around £40k, either through sponsorship from the JV/supply chain or by having partners deliver a Council project.	-0.040	0.040			0.000
Asset Appropriation	General Fund Savings by Appropriating Acquired Bridge Close Assets to the HRA. This will generate a saving in borrowing costs to the general fund	-0.161	0.029			-0.132
Acceleration of works	Acceleration of works previously planned for 2022/23 in order to maximise use of Business Support Government Grants	-0.030	0.030			0.000
TOTAL REGENERATION SAVINGS		(0.263)	0.099	0.000	0.000	(0.164)

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The London Borough of Havering

Budget Consultation Research Report

26 January 2022

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Introduction

This report summarises the findings from two pieces of budget consultation research conducted by the London Borough of Havering.

Online Survey

The council ran an online survey, from 2nd November 2021 to 4th January 2022 and received 456 responses. Of the responses, 95% came from Havering residents. The survey consisted of questions on:

- Issues and concerns in the local area
- Issues and concerns of personal importance
- Budget and Council Tax
- Saving proposals

Focus Groups

The council commissioned Westco, a market research agency, to conduct two qualitative online focus groups with residents to understand their budget priorities, their perceptions of the council's approach to budget saving and to find out their views on the level of council tax. The focus groups took place online on the 14th and 15th December 2021, using the Zoom platform.

The objectives for these focus groups were the following:

- To explore what is important to Havering residents in public service delivery
 - To explore the role public service delivery has on their quality of life in Havering
 - To explore satisfaction with perception and expectations of Havering Council
 - To explore residents' relative priorities in public service delivery in Havering
-

Methodology and sample

Survey

The council conducted an online survey to which 456 people responded. The breakdown of respondent types is detailed below:

- 432 identified as residents of the borough AND/OR
- 5 representing / owning a local business
- 5 representing a charity that covers the Havering area
- 2 representing a community group in Havering
- 18 working for Havering Council (resident)
- 8 working for Havering Council (non-resident)
- 6 representing a public sector organisation

Sample

It should be noted that this survey was self-selecting and is not a representative sample of residents. Therefore, results should be treated as indicative only.

The demographic profile of responses to the survey is broadly in line with the Havering population on characteristics including gender and ethnicity. However, the online survey respondents are not as closely aligned with the local population on age. The survey is quite heavily skewed towards older age groups, and this should be borne in mind when reading the results of the survey. Younger residents (aged under 45) made up 32% of the survey responses, whereas ideally, they would have made up 44%.

Age	Survey respondents %	Havering Population Estimates %	Difference
18-24	1%	7%	-6
25-34	12%	18%	-6
35-44	19%	18%	+1
Under 45	32%	44%	-12
45-54	18%	17%	+1
55-64	21%	16%	+5
65-74	20%	12%	+8
75+	8%	12%	-4
Over 45	68%	56%	+12

Focus Groups

Westco conducted two online focus groups over the course of two days in December 2021:

- Residents Focus Group 1 – 14th December 2020, 12:00pm – 1:00pm;
- Residents Focus Group 2 – 15th December 2020, 12:00pm – 1:00pm;

The first group contained participants aged 40 and under. The second group contained participants who were aged over 40 years old. This was done so that the groups felt more at ease expressing their opinions and were more likely to identify life stage themes. Ten participants were recruited for each focus group for a total of 20. Overall, 17 of participants attended the focus groups. The participants were asked to complete some pre-tasks prior to the discussions around their key positive and negative issues for the area and to perform a budgeting exercise.

The focus groups took place on Zoom and lasted for around an hour and 15 minutes. Feedback was recorded anonymously. Observers from Havering Council were present during the two focus groups but did not participate in discussions. The Finance Team gave a presentation on the current state of the council finances and gave an outline of savings and efficiency proposals.

Approach

Employing a qualitative approach allowed researchers to gather rich insights into participants' reflection on the budget and council tax. An online approach was necessary to mitigate the potential for lockdowns and general health and safety concerns arising from COVID-19. Zoom allowed participants to engage with us and one another freely and we were able to video capture their insights and feedback.

Recruitment

In order to recruit a broad range of participants we worked with a market research recruitment agency called Criteria who employed three professional recruiters to source Havering residents for the focus groups.

In order to identify suitable candidates, Westco developed a recruitment screener. The screener ensured that a mixture of residents with different demographic characteristics were recruited. It also ensured residents with a range of views and knowledge about the Council and Covid-19 government guidelines. Finally, the screening questionnaire was designed to also identify participants who were communicative and articulate, ensuring that everyone attending the focus group would provide lively debate and discussion.

The screening questionnaire can be found in Appendix 1.

Sample and Quotas

The following criteria were taken into account to ensure a good mix of participants:

- Demographics (age, gender, ethnicity)
- Mix of working status
- Mix of social grades
- Mix of attitudes towards the Council

Incentives

Participants were offered a cash incentive for attending the focus groups. Residents were offered £60 to attend. Offering incentives is considered best practice when conducting qualitative research, and incentives for this project were given in

accordance with the Market Research Society (MRS) guidelines. The use of incentives improves attendance and it ensures that those who are motivated to attend are not only those with strong opinions that they wish to share. There were no other conditions participants were required to meet in order to receive the incentive, other than to attend the focus group.

Discussion Guide

To facilitate the focus group, Westco produced a discussion guide for the focus groups. This discussion guide was approved by Havering Council.

The discussion guide can be seen in Appendix 2.

Analysis

The nature of qualitative research reflects opinions and is not designed to be statistically representative of the general public. It is rather an opportunity to discuss issues and probe deeply into the views held by the participants. Therefore, conclusions and recommendations from these groups cannot be applied to the general population.

Executive Summary

Life in Havering

Within the survey, respondents were asked what they feel the most important issues are that the borough is likely to face in the next year. By weighted rank these are:

- Social Care provision
- National Health Service / Healthcare
- Crime / Community Safety

In relation to areas of personal concern, the top three things that respondents are personally most concerned about are:

- Cleanliness of street and local area
- Anti-social behaviour in my community
- My physical health and fitness

There is some alignment of views on this among the focus groups, commonly identified negative quality of life factors in the younger focus group were street cleaning and bin collections and the older group highlighted litter as an issue. The older focus group also felt community safety was an area the council needs to improve on.

The focus group participants associate value for money with efficient well-run services. The key value for money council services include street cleaning, bin collection, parks, street lighting and community safety and so there is a lot of cross over here with the survey regarding important issues for the area and for individuals personally.

Council Tax

Respondents to the survey were asked about their support for an increase to council tax. Almost three in five respondents (57%) said they support some form of increase, with two in five saying they do not support an increase (41%).

However, it is important to note the difference in opinion among age groups on this question. Those aged 25 to 44 are much less likely to agree to any rise (60%) compared with those aged over 45 (31% say they do not support any rise). It should also be noted that the survey had a higher-than-average proportion of older respondents (68% aged 45+) to the survey and so the data is skewed towards the views of that group for this question and across the survey results generally.

The majority of participants in both focus groups said they did not want to see any rise in council tax. A minority were split on whether to raise council tax by one or two per cent.

Spending Priorities

Between two in five and two thirds of survey respondents agree with the savings proposals, apart from the proposal around staff reduction – which saw less than half in support.

Proposal	Agree	Neither	Disagree
Better use of data through Business Intelligence	66%	23%	8%
New models of delivery	63%	25%	10%
Prevention	61%	30%	6%
Regeneration proposals	58%	27%	13%
Staff reduction through efficiency	45%	22%	31%

During the focus groups there was also general agreement with the proposals but there were concerns about reducing staff numbers by 400 due to the impact this could have on customer service and other services.

Budget Prioritisation

When asked in the survey if they had to remove £1 from one of a list of service areas, the areas for removal were corporate services (24%), support services (12%), highways, traffic and parking (12%) and libraries (11%).

During the focus group the services that saw the least prioritisation by the under 40s were, libraries, planning and community services. Libraries and planning were also among the services given the least prioritisation by the over 40s.

When asked in the survey if they had to add £1 to a list of services areas, the top responses were adult social care (12%), corporate service (11%), children's social care (8%) and enforcement and safety (7%).

Children's social care was mentioned by both focus groups as being an area for prioritisation.

Life in Havering

Most important issues Havering is likely to face in the next year

The three most important issues that respondents considered that the borough is likely to face in the next year by weighted rank are:

- Social Care provision
- National Health Service / Healthcare
- Crime / Community Safety

Crime and community safety remains an important issue from the previous year. However, the pandemic and the economic situation appear less of a concern compared to the healthcare and social care provision.

Issue	Issue 1 score	Issue 2 score	Issue 3 score	Total score
Crime/Community Safety	240	144	50	434
NHS/Healthcare	162	120	50	332
Social Care	129	72	39	240
Ageing population	126	60	37	223
COVID/Pandemic	141	58	20	219
Economy/economic situation	102	66	35	203
Environment/climate change	99	38	28	165
Population levels/over-population	63	54	45	162
Education/schools	45	62	28	135
Housing	54	48	24	126
Inflation/prices	54	26	20	100
Immigration	51	30	15	96
Morality and individual behaviours	18	28	16	62
EU/Brexit	15	26	4	45
Low pay/wages	6	24	10	40
Unemployment	6	16	7	29
Personal finances	12	10	6	28
Race relations	9	4	5	18
Other	30	20	13	63

Issues the survey respondents feel the borough is facing, which they commented about via the open comment question include:

- Public transport and transportation links (e.g. Beam Park)
- Condition of pavements, roads and local landmarks
- Council Tax

- Social care support
- Health and wellbeing
- Overspending of council budget (e.g. housing benefits, Members' allowance)
- Education
- Waste Management e.g. wheelie bins, bin collection
- High streets
- Activities for children and young people

Things of most personal concern to respondents

The three things that respondents are personally most concerned about are:

- Cleanliness of street and local area
- Anti-social behaviour in my community
- My physical health and fitness

Physical health and fitness remains an important concern for respondents with cleanliness of street and local area, and anti-social behaviour is becoming a more pressing concern compared to employment stability and mental health & wellbeing from the previous year.

	Rank 1 score	Rank 2 score	Rank 3 score	Total score
Cleanliness of street and local area	153	94	69	316
Anti-social behavior in my community	123	146	35	304
My physical health and fitness	201	54	25	280
Being a victim of crime	123	64	37	224
Paying bills	120	54	26	200
The local environment/pollution	57	90	50	197
Climate change	111	56	27	194
My mental health and wellbeing	99	56	21	184
Staying in work/employment stability	84	44	19	147
Keeping a roof over my head	69	28	6	103
Raising children	48	28	17	93
Housing affordability	39	30	17	86
Public transport	33	38	12	83
Educational provision	24	24	16	64
Future job prospects	12	26	8	46
Community relations	9	16	18	43
Being lonely	6	10	3	19
None of these	18	10	11	39
Other	33	20	25	78

Issues the survey respondents feel are of personal concern to them, which they commented via the open comment question include:

- Health and wellbeing (e.g. lack of GP or face-to-face appointments, family health, waiting lists)
- Waste Management
- Social Care (care homes, Adult and Children's)
- Council Tax increase
- Parking
- Racism
- Shortage of housing
- Road and cycling infrastructure
- Local Government corruption and maladministration
- Crime and safety
- Overpopulation and immigration
- Climate change

A number of the areas listed above were identified during the focus groups as issues including street cleaning, litter and bin collections, anti-social behaviour and community safety.

Respondents were asked how the Council could support them with the issues that they are most concerned about. Responses are summarised and categorised under the Council's priorities.

CLEANER & SAFER

- More policing, CCTV and visible enforcement
- Preventing crime and antisocial behaviour (ASB) through education
- Reducing and enforcing against littering, noise pollution, ASB and crime
- Repairing roads, potholes and pavements
- Enforcing COVID-19 guidelines
- Schemes to reduce congestion and traffic
- More affordable public transport
- Better walking and cycling infrastructure
- Regular meetings with local residents about concerns
- Regular refuse collection and reducing fly-tipping
- Provision of wheelie bins
- Improving recycling facilities (including kerbside glass collection)
- Higher standards of cleanliness and maintenance of roads, pavements open areas, green spaces and parks
- Providing more parks and open spaces (that are well maintained and litter free)
- Addressing climate change, developing green policies and supporting green initiatives

TOGETHER

- Promoting religious tolerance and inter-cultural events
- Community meeting, groups and events
- Strengthen voluntary sector and increase volunteering opportunities
- Increasing volunteering opportunities and skill development courses

- Invest in community projects
- Prioritising and funding education and schools
- Build more primary and secondary schools
- Better support for mental health issues
- Supporting the NHS (e.g. GP availability)
- Better funding of mental health services
- Protecting social care support and funding
- More youth provision and engagement
- More sporting facilities, clubs and activities

VALUE FOR MONEY (and other Council related suggestions)

- No increase in Council Tax or Business Rates
- Supporting local businesses
- Reducing allowances and pay for staff and councillors
- Providing employment and training opportunities
- Lobbying for more funding from Central Government
- Budgeting well and targeted funding to priority areas
- Ensure value for money and better procurement processes
- Better customer service

PROUDER

- Building and investing in more affordable housing and social housing
- Regulating housing prices and rentals
- Reducing homelessness
- Reducing overdevelopment (and ensuring the right level of infrastructure is in place)
- Improving town centres
- Beam Park development
- Removing car parking charges
- Supporting sustainability / climate change agendas (e.g., planting trees, better recycling, reducing cars)

Quality of life factors

The first part of the focus groups asked participants, unprompted, about positive and negative impacts on their quality of life in Havering.

Positive quality of life factors

Many individuals in both focus groups identified Havering as a good location as it is both close to central London, with good connections, and far enough outside of the city to enjoy the benefits of outer London. Many of the participants had moved at different times from inner London to Havering.

Access and proximity to London

A key advantage of living in Havering is close access to central London whether via road or public transport.

One of the best things about living here is that it is so quick into London

Group 1, U40

*I love shopping in Romford, and I sold my car because the transport links are so good.
I can be in London in 18 minutes.*

Group 2, O40

Parks and open spaces

A reason many of the participants chose to live in Havering is because it has great open spaces and parks. The benefits of these spaces have also taken on new meaning since the beginning of the pandemic. Ready access to open spaces has had important quality of life benefits during lockdowns and the pandemic in general.

Good, clean parks, you know, these are...important for your quality of life.

Group 1, U40

*I like the area because it's very green. Yeah, there's so much open space. And it's not too
overly dense.*

Group 2, O40

*I'm enjoying lockdown. We went on some nice long walks in the Bedfords Park and all round,
and it was lovely.*

Group 2, O40

Shopping

Havering is seen by participants as having good shopping facilities by those that live in the area.

There are good shopping facilities here

Group 1, U40

Good schools

The final area where there is broad agreement, and broad agreement between younger and older groups, is that Havering has good schools.

*My daughter - she goes to local school, I have no complaints in terms of the school, I
think they might need a bit more funding.*

Group 1, U40

*I've got one in secondary and one in primary school. And where we live, I like the fact
that there is a variety of schools you can pick from, and most of them are pretty good.
In fact, they are very good. And I can't fault the schools I picked for both my children,
and they seem quite happy and content.*

Group 2, O40

It is important in terms of budgetary thinking and communications, that when asked about positive quality of life issues there is an absence of spontaneous identification of social care or, affordable decent housing or social housing from participants.

Negative quality of life factors

The most commonly identified negative quality of life factors in the younger focus group were street cleaning, bin collections and parking. The older group equally highlighted litter, parking and traffic issues. Some of the issues they highlighted align with issues raised in the survey about the local area and personal concerns.

Street cleaning, litter and bin collections

Research conducted by LG Comms has consistently shown that a select few universal services contribute most strongly to the public's overall perceptions of councils, and these are street cleaning, bin collections along with perceptions of parks and open spaces. Participants mentioned issues they perceive with these services in Havering.

I will say probably be a bit more punctual on the rubbish collection.

Group 1, U40

I think the bins aren't emptied often enough.

Group 2, O40

The parks I think the bins aren't empty often enough

Group 2, O40

Parking

Earlier in the pandemic and during lockdowns, Havering Council brought in some innovation around parking which proved popular with residents. Participants expressed concern that these changes were being reverted.

They [the council] can do something in regard to the parking, maybe revert back to the suggestion that was made earlier about half an hour free parking and maybe having some kind of concession or something for residents.

Group 1, U40

Allow them to increase parking spaces

Group 1, U40

I say it's more to do with the Ringo because all it's at the Ringo system, and a lot of my neighbours are really elderly, and they all have issues because the metres don't work and then they haven't got mobile phones so then they're sort of really limited to where they can go and do their shop.

Group 2, O40

Local road changes, traffic and potholes

Participants highlighted a range of issues with road changes, traffic flow through the borough and potholes.

the roadblocks seem to last forever, it's not helping the traffic.

Group 1, U40

Traffic at peak times I know you probably can't do a lot about that but certainly where I live...The traffic round there is a nightmare... it's especially the junction after gallows corner, with the filter... you're lucky to get two cars through before [they change].

Group 2, O40

Key council services like social care, affordable housing and council housing did not appear significantly as negative components of quality of life among the participants.



Perceptions of Havering Council

Council strengths

Focus group participants identified a number of strengths of the council:

- **Good communications** - *I like their newsletters. I get the newsletters every week or so. I think; their newsletters are informative.*
- **Good recycling** - *I like the fact that we get the orange recycle bags, they make sure that we get every couple of weeks as well, which is good.*
- **Community hubs** - *it's the information that you get like the community hubs when they have session times - information where you can be signposted to particular issues that you might have*
- **Good libraries** - *I think we're very fortunate. We have wonderful libraries in Havering. And that is the top of my list. One of the things that the council do well.*

Council areas for improvement

The participants were able to identify more areas for improvement than council strengths. Many of the perceived areas for improvement correspond to the factors that the public identified as issues which were having a negative impact on their lives.

- **Parking, traffic and state of the roads** - *I'd say the parking on the road, the state of the roads as well.
additional parking available or what's going on in terms of roadworks
The potholes we have in the surrounding roads around here [are very hazardous]*
- **Community safety** - *Safety in the area. You need to have CCTV cameras everywhere and put in good street lighting.
In terms of youngsters and keeping people off the streets*
- **Litter and flytipping** - *I know the council sort of deals with the rubbish but I notice more and more bigger items being left and being dumped at the end of the roads. So maybe that's something that needs to be looked at, fly tipping.*
- **Customer contact and customer care** - *just trying to get through to somebody can be a bit difficult, but you know, when they provide information for certain sectors it's quite good.*

Customer service is appalling.

- **Wasting money** - *They waste a lot of money, that's what I find so annoying. It's a lot of money, wasted by the council.*
- **Concern about social infrastructure being large enough to support new developments** - *it is great for the area to see that old developments are knocked down, but you worry what the infrastructure of the area will be after that.*

If new houses are going up and flats, those people might have children and that then means more who don't get into the local school places and preschool places, these are done on distance from the school to your residence. So yeah, I don't know if there's any plans for any new primary schools to be built.

Partnership working

Havering Council were also interested to find out what the participants thought about how the council works with their partners. Building on the issues already raised, regarding quality of life, participants directly raised issues of crime and anti-social behaviour and housing developments:

The police... For me, that would be the partnership that needs to be strengthened.

Group 1, U40

I don't know who it is but whoever does the housing developments, work closely with them. Maybe keep a consistent standard or a consistent way of building houses or new developments.

Group 1, U40

The relationship with public health and the NHS was not raised when we asked about partnership working but the following points were made in the general conversation that took place:

I had COVID back in July and I had a knock on the door actually from two council representatives and I don't know how they managed to do that, obviously I must have signed up for something, but they came just to check to see if I was okay. It was a bit weird, but I found that was quite helpful.

Group 1, U40

I was really impressed with the response that council had because my parents live in Havering. And when you had the lockdown, they were getting provisions and stuff sent to them and stuff like that.

Group 1, U40

Perceptions of Value for Money and Council Tax

What does value for money look like

Participants in both focus groups identified a range of different things which could be seen as 'value for money' or evidence of value for money. Perhaps one of the main challenges is that many people do not have the knowledge about how the council spends its money or where the money comes from. So, it can be hard for people to understand if and how money is being spent well.

Participants identified things that they feel do not make sense, or look like duplication, and see these things as waste but it is much harder for them to recognise when something is working well.

I think it goes down again to the council tax. I mean, that needs to be more transparent as to what my 155 pounds a month actually goes towards, because, apart from picking up my bins and some lighting on my road, really what else am I paying for... they need to demonstrate value for money, because you just don't know how they're spending it.

Group 1, U40

In both discussions, participants associate value for money with efficient well-run services:

Just more efficiency.

Group 2, O40

You need systems to be in place to deal with something - so you don't have to go from department to department and they have to get approved for different things.

Group 2, O40

Good customer service and answer your queries in good time.

Group 2, O40

There is also a pattern to the services they identify as value for money –universal services they said were important for quality of life, and services that contribute to an orderly public realm. These services are also fairly easy to see if they are working effectively – for instance having litter on the streets, having bins lying around and streetlights working.

Weekly refuse collections. That's good. Parks are in a good condition.

Group 2, O40

I think in terms of the council tax... I think the minimum expectation is cleanliness, right?

Group 1, U40

So, I can see that they are investing back into community... So, I think that's quite good. Like keeping everything neat keeping everything clean. So, once you see a clean-cut area, you don't really want to ruin it. If they don't take good care of it and then maybe people litter more etc.

Views on changing Council Tax

Survey respondents

Within the survey, respondents were asked about their support to increase council tax. Almost three in five respondents (57%) said they support some form of increase, with two in five saying they do not support an increase (41%).

	Frequency	Percentage (%)
I support an increase of 2% or above	60	13%
I support an increase of between 1% and 2%	101	22%
I support an increase of between 0% and 1%	96	21%
I do not support an increase	188	41%
Don't know/no opinion	9	2%
Total	456	100%

Views by age group of respondents

However, it is important to note the difference in opinion among age groups on this question. Those aged 25 to 44 are much less likely to agree to any rise (60%) compared with those aged over 45 (31% say they do not support any rise). It should also be noted that the survey had a higher-than-average proportion of older respondents (68% aged 45+) to the survey and so the data is skewed towards the views of that group for this question and across the survey results generally.

	Aged 25 to 44		Aged over 45	
	Frequency	Percentage (%)	Frequency	Percentage (%)
I support an increase of 2% or above	10	7%	47	16%
I support an increase of between 1% and 2%	18	13%	80	27%
I support an increase of between 0% and 1%	25	18%	64	22%
I do not support an increase	81	60%	94	32%
Don't know/no opinion	2	1%	7	2%
Total	136	100%	292	100%

Though not representative in terms of quantifying perceptions, the focus groups through stratified sampling are representative in terms of validating perceptions.

By this we mean the voting responses of the participants might not be the same as the wider population, but if the general public say council tax should go up then participants in the group who think council tax should go up are likely to be able to explain to us the kind of reasons the wider public think council tax should go up.

In the over 40s group, none of the participants thought Council Tax should be increased:

I've got a Tory MP. I'm sure he could wrangle another 14 million from the government. [They] Waste enough money and strangely enough [they can find money when they want to] So another 14 million

Group 2, O40

The majority in the under 40s focus group also did not want to see a rise in Council Tax:

personally, for me, I know what I want to pay. I want it to be reduced. I just think the whole system needs to be reformed.

Group 1, U40

The remainder of the group then split evenly between wanting a one per cent and a two per cent rise. The opinion among the under 40s focus group is not dissimilar from the in the findings of the online survey conducted last year about council tax increases.

Savings Proposals

During the focus group, the Havering Council Finance team gave a presentation regarding the £14m overspend, explaining that extra demands, especially around the adult and children's social care budget during COVID and lockdown, which have led to significant cost increases.

In order to bring the budget back into balance, the Finance team listed a set of savings proposals and wanted participant's feedback on these.

The Finance team identified the following areas to enable a range of budgetary savings - totalling £14 million.

Proposal	Saving	Details
Staffing reduction through efficiency	£7m anticipated saving	<ol style="list-style-type: none"> 1. Reduce headcount by approximately 400 2. Undertake review of staffing 3. Improve staff retention 4. Create a One stop shop for residents for 'Life Events' circumstances 5. Review Business Processes across the Council to deliver greater efficiency 6. Review of oneSource 7. Efficiencies from the development of the Havering Digital Portfolio: - The Council has invested to develop its digital offer which should allow significant savings through modernising work processes and improving service offers to customers and partners
New Models of Delivery	£4m anticipated saving	Including: <ol style="list-style-type: none"> 1. Review of Passenger Transport 2. Retendering of the waste contract 3. Review of enforcement activity 4. Front Door / prevention demand in Children's Services 5. Placements / sufficiency in Children's Services 6. Housing Services 7. Adult Services
Prevention	£1.5m anticipated saving	Reviewing opportunities that the new Borough Partnership between the Health system and the Council gives us, particularly around the prevention agenda
Better use of data through Business Intelligence	£1m anticipated saving	Including: <ol style="list-style-type: none"> 1. Data matching in relation to tracking people in temporary accommodation e.g., Private Sector Leased properties 2. Bringing properties into Council Tax 3. Removing erroneous Single Person Discounts 4. Removing erroneous Freedom Passes 5. Improving debt collection

Regeneration proposals	£0.5m anticipated saving	Including <ol style="list-style-type: none"> 1. 80-84 Market Place: no longer managed by the Council and therefore carries no cost to LBH. 2. Social Value Sponsorship to an Existing Community Scheme or Project: 3. General Fund Savings 4. Corporate 5. Impact of reviewing the Rainham Beam Park Joint Venture: 6. Review of all Regeneration JVs and major schemes 7. Assess whether the management of new regeneration sites could be overseen by the Council and used to create income. 8. Acceleration of works previously planned for 2022/23 in order to maximise use of Government Grants Land 9. Increased income from telecom masts 10. Income from Electric vehicle charging points 11. Refurbishment of white goods/furniture and onward sale through a social enterprise 12. Monetisation of government credits – carbon neutrality, research & development, recycling, new technologies 13. Income derived from letting out council office space 14. Central Romford business hub offering wraparound business support
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In the under 40s group, there was universal agreement with the savings proposals and that this is part and parcel of the kind of savings councils' need to be looking for:

[The council] was always going to be making savings - always, there's always gonna be a drive to reduce costs. I mean, this isn't anything that's new, really look at it as probably if we looked at last year's I'm sure last year will be similar.

Group 1, U40

Maybe not that many in terms of reducing headcount but I'm sure improving technology improving your online portals and things like that. behaviour and portals... so, this isn't ground-breaking.

Group 1, U40

I just wanna add in terms of children's services and social services, you always find that there's a lot of social workers are always in demand. They're always busy. They're always overworked. I've heard is that there's a lot of paperwork, there's a lot of fluff around it, maybe streamline the process and maybe get to the problem quicker...I find a lot of time is wasted.

Group 1, U40

However, in this group, there was more push-back on the council being able to reduce the number of staff by the numbers suggested:

I just want to say about reducing the headcount. I think you've touched on it, but it's 400. Sounds like a lot to me. I would just want to say that if the headcount has to be reduced by that amount, then ensure that the digital platforms are much easier to use, and to get access to, and that there's integration across the portal and other systems

The under 40s group did not suggest any areas of potential saving which had been overlooked.

Again, the over 40s group were in agreement with the main thrust of the savings proposals. However, they were more sceptical about the council being able to achieve its head count savings.

If you reduce staff numbers, your wait time to get through to a specific department would be that much longer. But one stop shop thing you really need someone in there really qualified to cover multiple subjects, rather than someone who generically deals with something. Other than that, we're looking through the rest of it. It's all fairly straightforward stuff ... the reduction of staff if you've got 20 people in a core team, and you'd knock it down to 10 the wait time is going to be longer, and it does have a knock-on effect. People don't spend most of their day sitting on the phone waiting for someone to answer it.

Group 2, O40

If they are reducing the number of staff, then quality of service will be affected as well, I don't want it to compromise the quality of service you give to residents.

Group 2, O40

Survey responses on savings proposals

Survey respondents were asked whether they agree with a range of savings proposals set out to allow the council to balance its budget. Between two in five and two thirds of survey respondents agree with the savings proposals, apart from the proposal around staff reduction – which saw less than half in support. These findings align with the sentiment about staff reductions among the focus group attendees.

	Agree (%)	Neither agree nor disagree (%)	Disagree (%)
Better use of data through Business Intelligence	66%	23%	8%
New models of delivery	63%	25%	10%
Prevention	61%	30%	6%
Regeneration proposals	58%	27%	13%
Staffing reduction through efficiency	45%	22%	31%

Survey respondents were asked for other areas that the Council should be considering for balancing the budget. Responses are summarised and categorised under the Council's priorities.

CLEANER & SAFER

- Better provision of services to prevent crime and antisocial behaviour
- Introducing Sunday parking fees
- Free 30mins – 1-hour local parking

- Review of discretionary fees e.g. planning
- Reducing car usage to support climate change agenda
- Enforcement of fly-tipping fines, including use of ANP cameras
- Better recycling
- Provision of wheelie bins

TOGETHER

- Invest in local charities
- Engage the voluntary sector (e.g. in libraries)
- Reduce funding for education as disproportionately high
- Better medical services
- Invest in social care
- Reduce funding for private support

VALUE FOR MONEY (and other Council related suggestions)

- Reducing energy usage in council buildings
- Reducing benefits (including means-testing)
- Creating a one-stop shop for council services
- Reallocating council spend
- Increasing income generation
- Ensure payment of Council Tax
- Better management of outsourced services (or bring services in-house)
- Reduce number of consultants

PROUDER

- Do not sell council housing
- Increase income generation through rents and rates
- Poor housing contractors
- Rationalise libraries
- More robust town planning
- Invest in regeneration of town centres
- Ensure no vacant or abandoned buildings or sites

Budget Exercise

Within the survey, as part of a budget exercise, respondents were asked about a hypothetical scenario where they needed to remove £1 from a Havering Council service. Almost a quarter of respondents said they would remove their £1 from Corporate services (24%).

Slightly over one in ten would remove £1 from Support Services (Finance, ICT, Legal, HR) services or Highways Parking & Traffic or Libraries, Arts and Music School (11%).

Service	Frequency	Percentage (%)
Corporate services	109	24%
Support Services (Finance, ICT, Legal, HR)	52	11%
Highways Parking & Traffic	52	11%
Libraries, Arts and Music School	48	11%
Leisure Centres and Sports	29	6%
Planning	28	6%
Housing	26	6%
Regeneration and Economic development	23	5%
Bereavement & Registration	14	3%
Adult Social Care	12	3%
Building Control	12	3%
Education Services	11	2%
Transport Services	8	2%
Early Help	7	2%
Environment Services	6	1%
Community Services	4	0.9%
Waste Services	4	0.9%
Children's Social Care	3	0.7%
Enforcement & Safety	3	0.7%
Public Protection & Licensing	1	0.2%

Survey respondents were then asked a similar question and were asked about what services they would add £1 to.

The most popular services which respondents would personally add their £1 to are Adult Social Care or Corporate Services (both 11%).

Service	Frequency	Percentage (%)
Adult Social Care	52	11%
Corporate Services	49	11%
Children's Social Care	33	7%
Enforcement & Safety	31	7%
Highways, Parking & Traffic	29	6%
Public Health	26	6%
Regeneration and Economic Development	23	5%
Environment Services	23	5%
Leisure Centres & Sport	21	5%
Libraries, Arts and Music School	21	5%
Community Services	19	4%
Transport Services	16	4%
Support Services (Finance, ICT, Legal, HR)	15	3%
Education Services	14	3%
Housing	14	3%
Building Control	11	2%
Waste Services	10	2%
Planning	9	2%
Bereavement & Registration	9	2%
Early Help	7	2%
Public Protection and Licensing	7	2%
Not answered	1	0.2%

Survey respondents were asked for other areas that the Council should be considering for balancing the budget. Responses are summarised and categorised under the Council's priorities.

CLEANER & SAFER

- Better provision of services to prevent crime and antisocial behaviour
- Introducing Sunday parking fees
- Free 30mins – 1-hour local parking
- Review of discretionary fees e.g. planning
- Reducing car usage to support climate change agenda
- Enforcement of fly-tipping fines, including use of ANP cameras
- Better recycling
- Provision of wheelie bins

TOGETHER

- Investing in local charities
- Engage the voluntary sector (e.g. in libraries)

- Reduce funding for education as disproportionately high
- Better medical services
- Investing in social care
- Reduce funding for private support

VALUE FOR MONEY (and other Council related suggestions)

- Employing more local residents
- Reducing benefits
- Review council spend (e.g. split per capita, restrict funds to non-borough initiatives)
- Full commitment to balancing the books
- Remove contribution to Mayor's office
- Reducing council spend
- Fix anticipated borrowing
- Freeze Council Tax
- Review staff and Councillors' pay and rewards
- Lobby for Central Government funding

PROUDER

- Do not sell council housing
- Increase income generation through rents and rates
- Poor housing contractors
- Rationalise libraries
- More robust town planning
- Investing in regeneration of town centres
- Ensure no vacant or abandoned buildings or sites

The Focus Group Pre-Task

Prior to the focus groups, participants in both groups were asked to undertake a simple budgeting exercise using council services. It was explained that the financial challenge Havering faces in 2022-23 is significant and means the council will need to make some difficult decisions in February 2022 if they do not get sufficient Government funding. It is important to understand what the participants would do in this situation, so they were asked what their priorities for funding are.

Our first observation was that participants in both groups shied away from making these difficult choices – they were more likely to give services more funding than identify what they would take away.

Participants were given 14 council service areas where they could choose to prioritise more, prioritise the same, or prioritise less. If they wanted to spend more in one area, they had to spend less in another. Equally, they were tasked with only leaving three services on the current level of spending so that their priorities between services were revealed.

Nine participants in each of the focus groups completed the budgeting exercise. As has already been stated, the voting responses are on too smaller scale to be statistically reliable but offer insights on the reasons for their choices.

Group 1, Under 40s Budget Exercise Table

Answer Choices	Prioritise more	Stay the same	Prioritise less
Children's Social Care (e.g. fostering, residential, family support, adoption, care leavers, safeguarding, children's centres)	67%	33%	0%
Education Service (e.g. Early years, Education, Special Education Needs, Youth services)	67%	33%	0%
Regeneration and Economic Development (e.g. Improving communities, town centres, infrastructure, supporting businesses and local economy)	56%	44%	0%
Waste Services (e.g. Collections, recycling & green collections, Household Waste Recycling Centres)	56%	33%	11%
Public health (e.g. Covid response, health and wellbeing, mental health)	56%	44%	0%
Environnent Services (e.g. Parks, Environment Management)	44%	44%	11%
Highways (e.g. Maintenance, footpaths, road signage, streetlights, traffic management, flood management)	44%	56%	0%
Community Services (e.g. Arts, Adult Education, Contact Centre, leisure centres, sports)	33%	44%	22%
Adult Social Care (18+) (e.g. residential & nursing accommodation, supported living, day care)	22%	78%	0%
Transport Services (e.g. Home to School transport)	22%	67%	11%
Housing services (e.g. housing benefit, homelessness, council housing, temp accommodation)	11%	89%	0%
Planning (e.g. building regulations and planning permission)	11%	67%	22%
Libraries, Registration and Archives	11%	44%	44%
Social Support (e.g. Carers, Information & Early Intervention, Safeguarding, Housing Related Support)	11%	89%	0%
Public Protection (e.g. Community Safety, Coroners, Trading Standards, Emergency Planning)	0%	89%	11%

The services that saw the most prioritisation by the under 40s were education services, children's social care, waste services, public health and regeneration. Some of these services align with the top 10 areas survey respondents would add £1 to.

I wished all mine would have stayed the same, but obviously the instruction was maximum of three - it was a very difficult so I can't imagine the members of the council that have to actually sit through this and make those decisions. But it took me over an hour just to kind of do this last bit. But I think the biggest things for me were kind of social care, children and adults, that it was easy for me to click to prioritise those.

If I'm honest, I looked at which ones I felt the most towards, and I picked one for prioritise more, then I went down the list looking for ones that I felt the least towards and prioritise less. I was kind of selfish when thinking about my own needs.

Group 1, U40

The prioritisations, to some extent, can be seen as following the concerns expressed by the under 40s in terms of quality of life with a focus on children and development:

Prioritise more education, and check for special education needs and new services, as I highlighted before it can be doing some more for young children and community centres and things like that.

Group 1, U40

The services that saw the least prioritisation by the under 40s were, libraries, planning and community services. Again, some of these services were within the top 10 areas for removal of £1 among survey respondents.

I put less priority for libraries, I think was it libraries and registration. For libraries just because there's so much more access to information, the majority of us have computers at home, we've got access to the internet... that was the only reason why I'd personally prioritise less - not saying that we don't have a need for those.

Group 1, U40

By way of comparison, the over 40s group prioritise the following council services: social support, children's social care, highways and regeneration. The under 40s and over 40s both shared a focus in the budget consultation on the provision of care.

Group 2, Over 40s Budget Consultation Table

Answer Choices	Prioritise more	Stay the same	Prioritise less
Children's Social Care (e.g. fostering, residential, family support, adoption, care leavers, safeguarding, children's centres)	67%	33%	0.00%
Highways (e.g. Maintenance, footpaths, road signage, streetlights, traffic management, flood management)	67%	11%	22%
Social Support (e.g. Carers, Information & Early Intervention, Safeguarding, Housing Related Support)	67%	33%	0%
Regeneration and Economic Development (e.g. Improving communities, town centres, infrastructure, supporting businesses and local economy)	56%	11%	33%
Adult Social Care (18+) (e.g. residential & nursing accommodation, supported living, day care)	44%	44%	11%
Public health (e.g. Covid response, health and wellbeing, mental health)	44%	56%	0%
Housing services (e.g. housing benefit, homelessness, council housing, temp accommodation)	33%	56%	11%
Education Service (e.g. Early years, Education, Special Education Needs, Youth services)	33%	67%	0%

Community Services (e.g. Arts, Adult Education, Contact Centre, leisure centres, sports)	22%	56%	22%
Environment Services (e.g. Parks, Environment Management)	22%	78%	0%
Public Protection (e.g. Community Safety, Coroners, Trading Standards, Emergency Planning)	22%	44%	33%
Transport Services (e.g. Home to School transport)	22%	44%	33%
Waste Services (e.g. Collections, recycling & green collections, Household Waste Recycling Centres)	22%	78%	0%
Planning (e.g. building regulations and planning permission)	11%	33%	56%
Libraries, Registration and Archives	11%	33%	56%

A range of focus group participants, who were over 40, highlighted care as an important issue:

children's one was them, I did because, you know, they're born into that situation and there's nothing they can do about it. And they've got to be looked after. Whether it's mental health or foster care.

Group 2, O40

I did children's for the same reasons. That's worth spending money on the Children's Services and the family support, all that kind of thing. I think that should be a priority

Group 2, O40

I think there's got to be more priority on adult social care. Definitely. There just isn't enough at the moment. Havering has always had an older population. It's getting harder and harder ...you know, to get anybody to do anything.

Group 2, O40

I think I put on there about the highways. Because I think even in the parks, after four o'clock, it's really dark in there. Probably needs more lighting. Footpaths are uneven. potholes are on the road.

Group 2, O40

Obviously, I support the social care for older and younger people. And generally, sort of mental health things like that, I think is to be prioritised.

Group 2, O40

The services that saw the least prioritisation by the over 40s were: libraries, planning, transport and public protection.

Where I live, it's very green. And the last thing I want them to do is take away what I call greenbelt and put houses there unnecessarily.

Group 2, O40

The libraries again I haven't been in the library for probably 15 years.

Group 2, O40

Survey Respondent Profile

Postcode

The postcode of those who responded to the survey are listed below. Responses came from across the borough - Hornchurch, Romford, Upminster and Rainham.

Postcode	Frequency	Percent
RM11	71	16%
RM14	66	14%
RM12	62	14%
RM3	53	12%
RM13	51	11%
RM1	48	11%
RM7	44	10%
RM2	28	6%
RM5	25	5%
CM1	1	0%
CM11	1	0%
E35BN	1	0%
EC1	1	0%
RM4	1	0%
RM6	1	0%
RM8	1	0%
SS17	1	0%

How did you find about this consultation?

The top channels used to find out about the consultation were emails from the council and the council website.

Channel	Frequency	Percentage %
Email from the council	158	35%
Havering Council website	133	29%
Facebook	59	13%
Friend/relative	26	6%
Newspaper	12	3%
Twitter	29	6%
Councillor	8	2%
VCS organisation	8	2%
Other	19	4%

How old are you?

Age group	Frequency	Percentage %
18-24	3	1%
25-34	53	12%
35-44	84	18%
45-54	80	18%
55-64	93	20%
65-74	85	19%
75-84	35	8%
Prefer not to say	22	5%
Not answered		

With which gender do you most identify?

Gender	Frequency	Percentage %
Man	217	48%
Woman	210	46%
Non-Binary	1	0.2%
Trans Man	1	0.2%
Gender Neutral / Agender	1	0.2%
Prefer not to say	25	6%
Not answered	1	0.2%

How would you describe your sexual orientation?

Sexual orientation	Frequency	Percentage %
Heterosexual	387	85%
Bisexual	7	2%
Gay man	5	1%
Lesbian/Gay woman	2	0.4%
Other	3	1%
Prefer not to say	50	11%
Not answered	2	2%

What is your marital or civil partnership status?

Relationship status	Frequency	Percentage %
Married	264	58%
Single	75	16%
Co-habiting	45	10%
Widowed	19	4%
Civil partnership	3	1%
Other	8	2%
Prefer not to say	40	9%
Not answered	2	0.4%

Ethnic origin is not about nationality, place of birth or citizenship. It is about the group to which you perceive you belong

Ethnic group	Frequency	Percentage %
White British	329	72%
White European	19	4%
White Irish	7	2%
White Other	14	3%
Mixed/multiple groups - White and Black Caribbean	6	1%
Mixed/multiple groups - other	7	2%
Indian	9	2%
Asian Other	11	2%
Black /Black British - Caribbean	6	1%
Black Other	4	1%
Other ethnic group	5	1%
Prefer not to say	4	1%
Not answered	47	10%

Faith, Religion or Belief

Religion	Frequency	Percentage %
Christian	217	48%
No Religion	137	30%
Muslim	9	2%
Hindu	5	1%
Jewish	4	1%
Sikh	1	0.2%
Buddhist	1	0.2%
Other	15	3%
Prefer not to say	58	13%
Not Answered	9	2%

Do you consider yourself to have a disability, impairment or health condition?

	Frequency	Percentage %
No	316	69%
Yes	94	21%
Prefer not to say	38	8%
Not answered	8	2%

Type of disability

	Frequency	Percentage %
Sensory - e.g. mild deafness; partially sighted; blindness	17	4%
Physical - e.g. wheelchair user	13	3%
Mental Illness - e.g. bi-polar disorder; schizophrenia; depression	14	3%
Development or Educational - e.g. autistic spectrum disorders (ASD); dyslexia and dyspraxia	12	3%
Learning Disability / Condition - e.g. Down's syndrome; Cerebral palsy	2	0.4%
Long-term Illness / Health Condition - e.g. cancer, HIV, diabetes, chronic heart disease, stroke	50	11%
Other	18	4%
Not answered	316	69%

What is your employment status?

Employment status	Frequency	Percentage %
Employed – Permanent	219	48%
Retired	144	32%
Self-employed	22	5%
Employed - Fixed term	14	3%
Unemployed and looking for work	3	1%
Unemployed and not looking for work	3	1%
Apprenticeship scheme / training	1	0.2%
Student	1	0.2%
Other	15	3%
Prefer not to say	28	6%
Not Answered	6	1%

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January 2022



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

**Budget Consultation 2021
Summary Results and Analysis
January 2022**

The budget consultation for Havering Council opened on 2nd November 2021 and closed on 4th January 2022. This is a report on the responses. Further engagement was conducted through two focus groups – those under 40 and those over 40 – on 14th and 15th December 2021.

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40% respondents found out about the online consultation through other means, mainly via the Council's Living Magazine and newsletter. 29% responded directly via the Council's consultation page.

Respondents were asked questions regarding the following:

- Main issues and concerns
- Budget and Council Tax
- Saving proposals

There were 456 responses received in 2021, compared to 205 responses in 2020.

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432 identified as residents of the borough AND/OR

5 representing / owning a local business

- 5 representing a charity that covers the Havering area
- 2 representing a community group in Havering
- 18 working for Havering Council (resident)
- 8 working for Havering Council (non-resident)
- 6 representing a public sector organisation

The three most important issues that respondents considered that the borough is likely to face in the next year by weighted rank are:

- Social Care provision
- National Health Service / Healthcare
- Crime / Community Safety

Crime and community safety remains an important issue from the previous year, however with pandemic and the economic situation appearing to less of a concern compared to healthcare and social care provision.

Question 4 – Most important issues facing the borough (weighted ranking)

Most important issues facing the borough (all respondents)

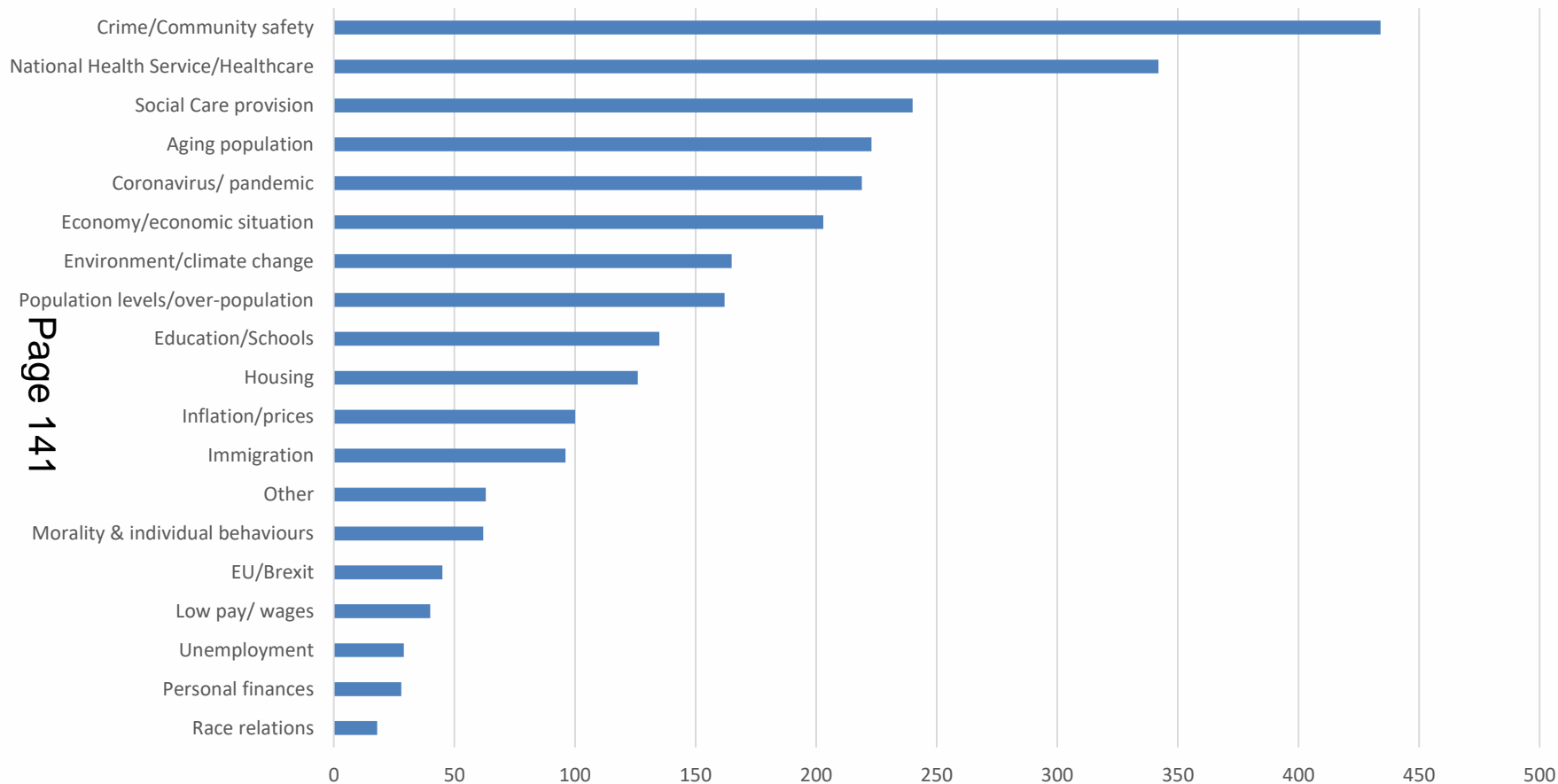


Chart shows weighted scores where rank 1 = 3 points, rank 2 = 2 points and rank 3 = 1 points.

Other issues that respondents thought that borough is facing, include:

- Public transport and transportation links (e.g. Beam Park)
- Condition of pavements, roads and local landmarks
- Council Tax
- Social care support
- Health and wellbeing
- Overspending of council budget (e.g. housing benefits, Members' allowance)
- Education
- Waste Management e.g. wheelie bins, bin collection
- High streets
- Activities for children and young people

Q5 – Most important things personally concerning respondents

The three things that respondents were personally most concerned about are:

- Cleanliness of street and local area
- Anti-social behaviour in my community
- My physical health and fitness

Physical health and fitness remains an important concern for respondents with cleanliness of street and local area, and anti-social behaviour becoming a more pressing concern compared to employment stability and mental health & wellbeing from the previous year.

Question 5 – Most important things personally concerning respondents (weighted ranking)

Most important concerns (all)

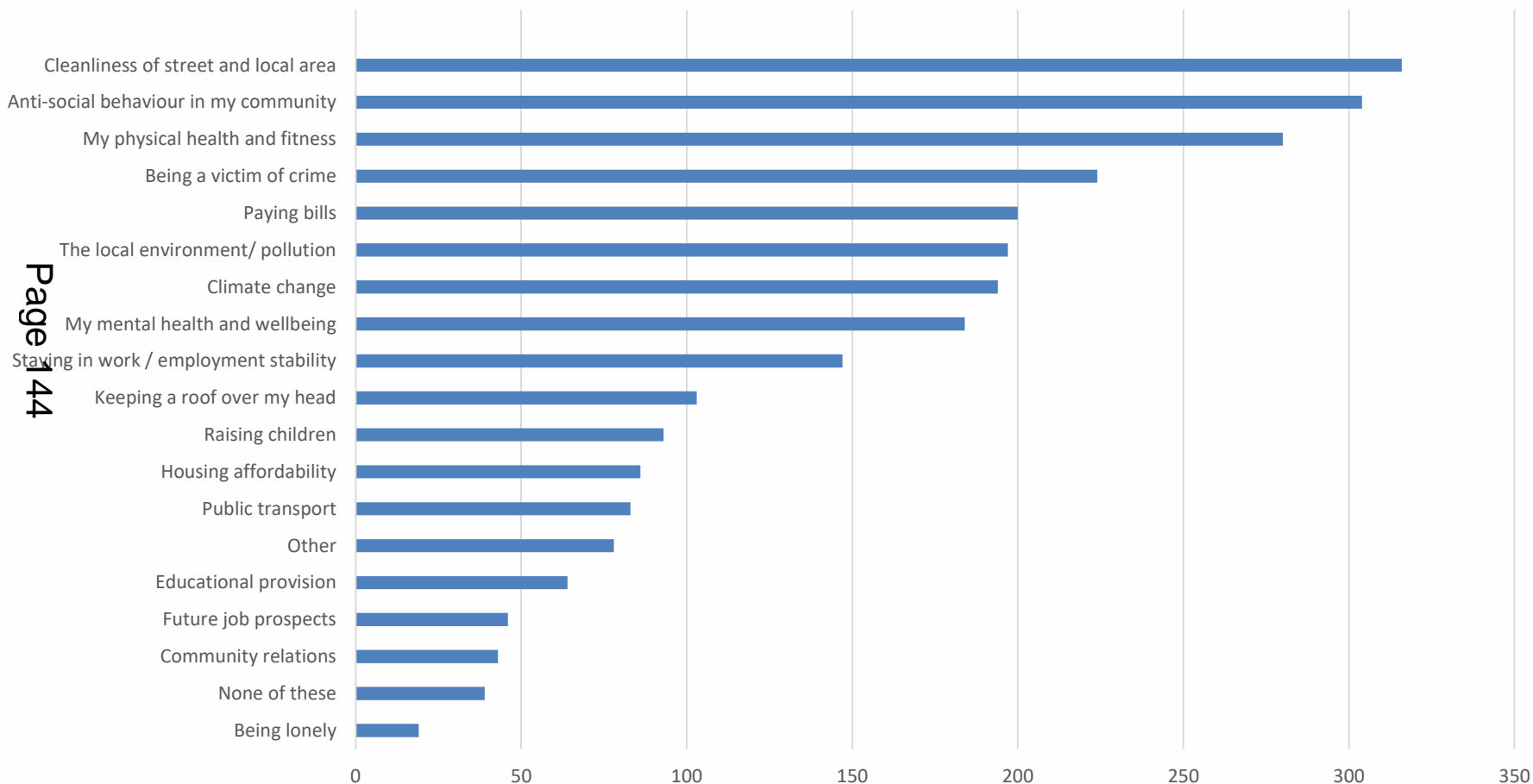


Chart shows weighted scores where rank 1 = 3 points, rank 2 = 2 points and rank 3 = 1 points.

Other issues that were concerning respondents, include:

- Health and wellbeing (e.g. lack of GP or face-to-face appointments, family health, waiting lists)
- Waste Management
- Social Care (care homes, Adult and Children's)
- Council Tax increase
- Parking
- Racism
- Shortage of housing
- Road and cycling infrastructure
- Local Government corruption and maladministration
- Crime and safety
- Overpopulation and immigration
- Climate change

Respondents were asked how the Council could support them with the issues that they are most concerned. Responses are summarised and categorised under the Council's priorities.

CLEANER & SAFER

- More policing, CCTV and visible enforcement
- Preventing crime and antisocial behaviour (ASB) through education
- Reducing and enforcing against littering, noise pollution, ASB and crime
- Repairing roads, potholes and pavements
- Enforcing COVID-19 guidelines
- Schemes to reduce congestion and traffic
- More affordable public transport
- Better walking and cycling infrastructure
- Regular meeting with local residents about concerns
- Regular refuse collection and reducing fly-tipping
- Provision of wheelie bins
- Improving recycling facilities (including kerbside glass collection)
- Higher standards of cleanliness and maintenance of roads, pavements open areas, green spaces and parks
- Providing more parks and open spaces (that are well maintained and litter free)
- Addressing climate change, developing green policies and supporting green initiatives

TOGETHER

- Promoting religious tolerance and inter-cultural events
- Community meeting, groups and events
- Strengthen voluntary sector and increase volunteering opportunities
- Increasing volunteering opportunities and skill development courses
- Invest in community projects
- Prioritising and funding education and schools
- Build more primary and secondary schools
- Better support for mental health issues
- Supporting the NHS (e.g. GP availability)
- Better funding of mental health services
- Protect social care support and funding
- More youth provision and engagement
- More sporting facilities, clubs and activities

Q6 – How the Council could support people



VALUE FOR MONEY (and other Council related suggestions)

- No increase in Council Tax or Business Rates
- Supporting local businesses
- Reducing allowances and pay for staff and councillors
- Providing employment and training opportunities
- Lobbying for more funding from Central Government
- Budgeting well and targeted funding to priority areas
- Ensure value for money and better procurement processes
- Better customer service

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PROUDER

- Building and investing in more affordable housing and social housing
- Regulating housing prices and rentals
- Reducing homelessness
- Reducing overdevelopment (and ensuring the right level of infrastructure is in place)
- Improving town centres
- Ensure Beam Park development
- Removing car parking charges
- Support sustainability / climate change agenda (e.g. planting trees, better recycling, reducing cars)

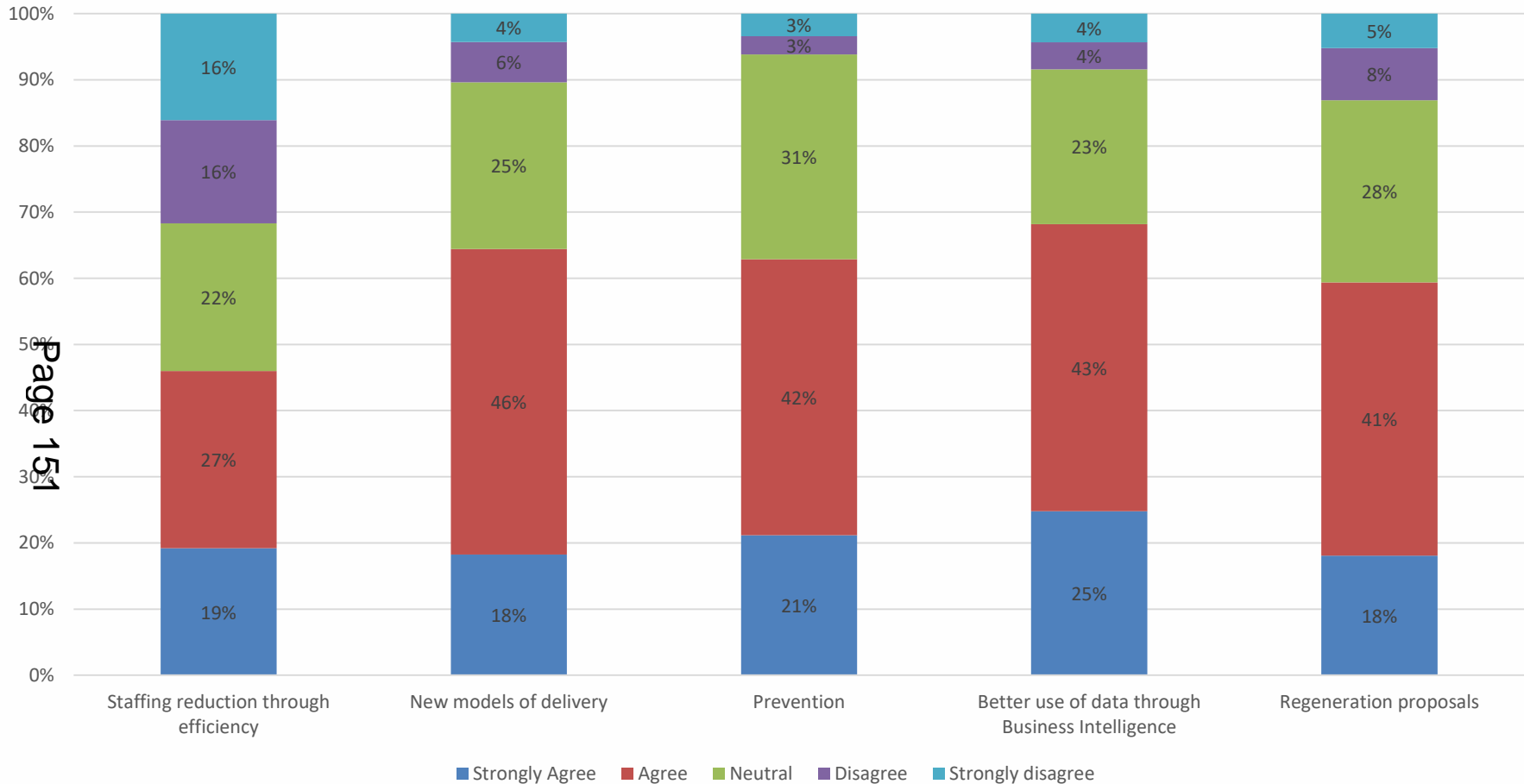
- A number savings in different services were proposed in the Medium Term Financial Strategy (MTFS) to help offset budgetary pressures.
- Savings proposals were proposed under the following:
 - Staffing reduction through efficiency
 - New models of delivery
 - Prevention
 - Better use of data through Business Intelligence
 - Regeneration

The following proposals were highly rated:

- Better use of data through Business Intelligence (68%)
- New models of delivery (64%)
- Prevention (63%)

Most responses were highly rated about the corporate saving proposals with highest disagree regarding staffing reductions through efficiency with 32% disagreeing with this proposal.

Budget Savings Proposals



**Please note percentages are taken from total of responses given to each question and exclude blank responses. Responses were aggregated to agree and disagree for summary.*

Q8 – Are there any other areas that the Council should be considering?

Respondents were asked for other areas that the Council should be considering for balancing the budget. Responses are summarised and categorised under the Council's priorities.

CLEANER & SAFER

- Better provision of services to prevent crime and antisocial behaviour
- Introducing Sunday parking fees
- Free 30mins – 1 hour local parking
- Review of discretionary fees e.g. planning
- Reducing car usage to support climate change agenda
- Enforcement of fly-tipping fines, including use of ANP cameras
- Better recycling
- Provision of wheelie bins

TOGETHER

- Invest in local charities
- Engage the voluntary sector (e.g. in libraries)
- Reduce funding for education as disproportionately high
- Better medical services
- Invest in social care
- Reduce funding for private support

Q8 – Are there any other areas that the Council should be considering?

VALUE FOR MONEY (and other Council related suggestions)

- Reducing energy usage in council buildings
- Reducing benefits (including means-testing)
- Creating a one-stop shop for council services
- Reallocating council spend
- Increasing income generation
- Ensure payment of Council Tax
- Better management of outsourced services (or bring services in-house)
- Reduce number of consultants

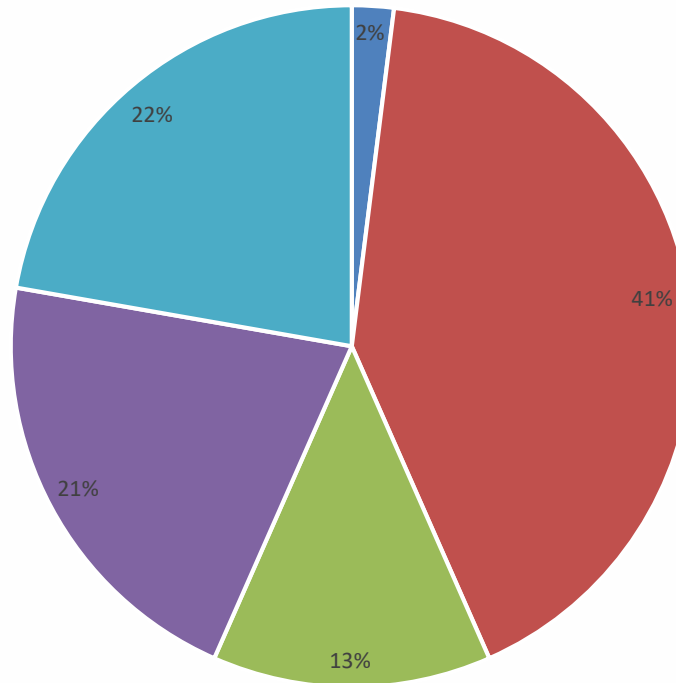
PROVIDER

- Do not sell council housing
- Increase income generation through rents and rates
- Poor housing contractors
- Rationalise libraries
- More robust town planning
- Invest in regeneration of town centres
- Ensure no vacant or abandoned buildings or sites

The Council did not include any include particular assumptions on a Council Tax increase but provided an illustration on how 1% increase in Council Tax adds 29p per week (£15.30 per year) to a typical band D property and increases the Council's income by approximately £1.3 million.

- 41% did not support an increase
- 43% supported an increase of up to 2%
- 13% supported an increase above 2%

Increasing Council Tax

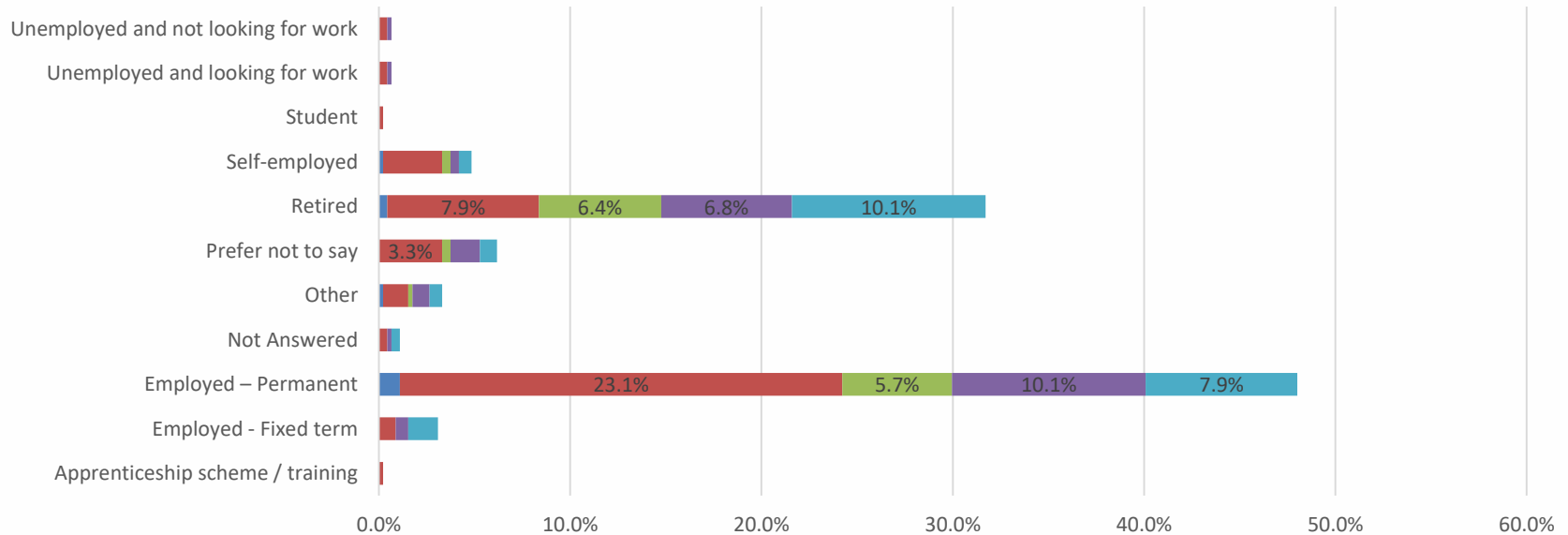


- Don't know / no opinion
- I do not support an increase
- I support an increase of 2% or above
- I support an increase of between 0% and 1%
- I support an increase of between 1% and 2%

**Please note percentages are taken from total of responses given to each question and exclude blank responses*

Q9 – Increasing Council Tax

Increasing Council Tax - by employment status



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	Apprentice ship scheme / training	Employed - Fixed term	Employed - Permanent	Not Answered	Other	Prefer not to say	Retired	Self- employed	Student	Unemploy ed and looking for work	Unemploy ed and not looking for work
■ Don't know / no opinion	0.0%	0.0%	1.1%	0.0%	0.2%	0.0%	0.4%	0.2%	0.0%	0.0%	0.0%
■ I do not support an increase	0.2%	0.9%	23.1%	0.4%	1.3%	3.3%	7.9%	3.1%	0.2%	0.4%	0.4%
■ I support an increase of 2% or above	0.0%	0.0%	5.7%	0.0%	0.2%	0.4%	6.4%	0.4%	0.0%	0.0%	0.0%
■ I support an increase of between 0% and 1%	0.0%	0.7%	10.1%	0.2%	0.9%	1.5%	6.8%	0.4%	0.0%	0.2%	0.2%
■ I support an increase of between 1% and 2%	0.0%	1.5%	7.9%	0.4%	0.7%	0.9%	10.1%	0.7%	0.0%	0.0%	0.0%

The chart shows that 23.1% of those permanently employed do not support a Council Tax increase, with 23.7% supporting an increase of some kind. For those retired, 23.3% supported some kind of increase.

**Please note percentages are taken from total of responses given to each question and exclude blank responses*

Respondents were asked which service area would they remove £1 from if savings were to be made in the Council in order to provide an understanding of priorities.

The top three services that respondents would remove £1 from are:

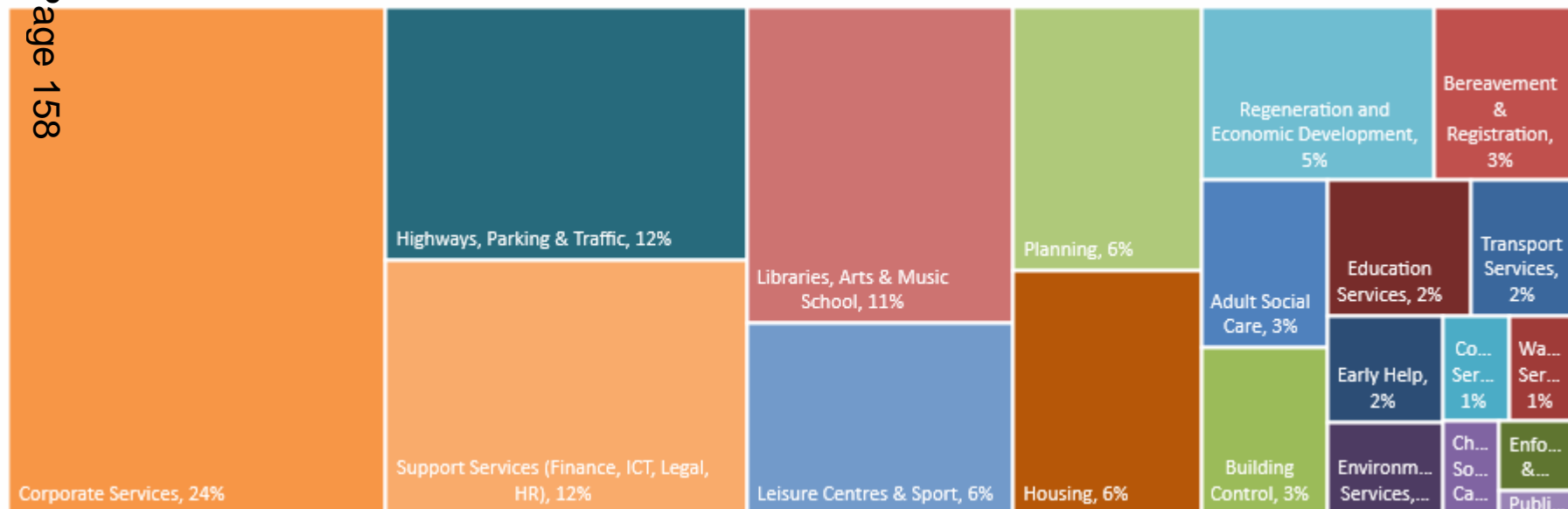
- Corporate Services (24%)
- Support Services (12%)
- Highways, Parking and Traffic (12%)

These remain the top three areas to remove £1 since the 2020 Budget Consultation.

Remove £1

- Adult Social Care
- Children's Social Care
- Early Help
- Environment Services
- Leisure Centres & Sport
- Public Protection & Licensing
- Transport Services
- Bereavement & Registration
- Community Services
- Education Services
- Highways, Parking & Traffic
- Libraries, Arts & Music School
- Regeneration and Economic Development
- Waste Services
- Building Control
- Corporate Services
- Enforcement & Safety
- Housing
- Planning
- Support Services (Finance, ICT, Legal, HR)

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**Please note percentages are taken from total of responses given to each question and exclude blank responses*

Respondents were asked which service area would they add £1 in order to provide an understanding of priorities.

The top three services that respondents would add £1 are:

- Adult Social Care (12%)
- Corporate Services (11%)
- Children's Social Care (8%)

The responses were generally balanced across the service areas in which £1 should be added, and therefore implies that all services are important.

Add £1

- Adult Social Care
- Bereavement & Registration
- Building Control
- Children's Social Care
- Community Services
- Corporate Services
- Early Help
- Education Services
- Enforcement & Safety
- Environment Services
- Highways, Parking & Traffic
- Housing
- Leisure Centres & Sport
- Libraries, Arts & Music School
- Planning
- Public Health
- Public Protection & Licensing
- Regeneration and Economic Development
- Support Services (Finance, ICT, Legal, HR)
- Transport Services



**Please note percentages are taken from total of responses given to each question and exclude blank responses*

Q12 – Anything else to consider as the Council sets the budget?

Respondents were asked for other areas that the Council should be considering for balancing the budget. Responses are summarised and categorised under the Council's priorities.

CLEANER & SAFER

- Better provision of services to prevent crime and antisocial behaviour
- Introducing Sunday parking fees
- Free 30mins – 1 hour local parking
- Review of discretionary fees e.g. planning
- Reducing car usage to support climate change agenda
- Enforcement of fly-tipping fines, including use of ANP cameras
- Better recycling
- Provision of wheelie bins

TOGETHER

- Invest in local charities
- Engage the voluntary sector (e.g. in libraries)
- Reduce funding for education as disproportionately high
- Better medical services
- Invest in social care
- Reduce funding for private support

Q12 – Anything else to consider as the Council sets the budget?

VALUE FOR MONEY (and other Council related suggestions)

- Employing more local residents
- Reducing benefits
- Review council spend (e.g. split per capita, restrict funds to non-borough initiatives)
- Full commitment to balancing the books
- Remove contribution to Mayor's office
- Reduce council spend
- Fix anticipated borrowing
- Freeze Council Tax
- Review staff and Councillors' pay and rewards
- Lobby for Central Government funding

PROUDER

- Do not sell council housing
- Increase income generation through rents and rates
- Poor housing contractors
- Rationalise libraries
- More robust town planning
- Invest in regeneration of town centres
- Ensure no vacant or abandoned buildings or sites

**Fees and Charges
Schedule
2022/23**

Adults
Adult Services

(A) Statutory and Nationally Agreed Charges -

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
1 Respite Care Weekly charges* Age over Pension Credit age Age 25 up to Pension Credit age Age 18 to 24 Annual increase subject to DWP minimum income allowance Net of personal expense allowance set by DOH * These charges will change in Jan/Feb 2019 when the new benefit, pension, and personal expense allowance rates are announced.	 139.75 87.90 69.40 	 tbc tbc tbc 	 01/04/20 01/04/20 01/04/20 	 L L L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

N - A nominal adjustment e.g. due to rounding of charge

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Adults Adult Services

(A) Statutory and Nationally Agreed Charges -

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
2 Court of Protection				
Annual charges - Fixed Costs as directed by Court of Protection*				
1 Work up to and including the date upon which the court makes an order appointing a deputy for property and affairs	745.00	745.00	01/04/17	Court Direction
Annual management fee where the court appoints a local authority deputy for property and affairs, payable on the anniversary of the court order for the first year:	775.00	775.00	01/04/17	Court Direction
2b for the second and subsequent years: Where the net assets are below £16,000, an annual management fee not exceeding 3.5% of net assets on the anniversary of the court order appointing the local authority as deputy	650.00	650.00	01/04/17	Court Direction
3 Annual property management fee to include work involved in preparing property for sale, instructing agents, conveyancers, etc or the ongoing maintenance of property including management and letting of a rental property	300.00	300.00	01/04/17	Court Direction

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

N - A nominal adjustment e.g. due to rounding of charge

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Adults Adult Services

(A) Statutory and Nationally Agreed Charges -

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
2 Court of Protection (cont)				
4 Preparation of Annual Report for the Public Guardian	216.00	216.00	01/04/17	Court Direction
5 Preparing basic HMRC tax return	70.00	70.00	01/04/17	Court Direction
6 Preparing complex HMRC tax return	140.00	140.00	01/04/17	Court Direction
7 Travel time £40 per hour in units of £10/15 mins	40/hour	40/hour	01/04/17	Court Direction
8 Recoup of Application fee paid from HMRC Account	365.00	365.00	24/07/18	Court Direction
Increase subject to Court of Protection/Direction and the 2017 Rate is the 1st increase since 2011				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

N - A nominal adjustment e.g. due to rounding of charge

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Adults Adult Services

(A) Statutory and Nationally Agreed Charges -

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Burials & Cremations (Public Health Act 1984 Section 46)				
1 Administration of arrangements to Bury/Cremate -Liaison with Hospital Bereavement Team -Investigation to trace next of kin -Liaison with various friends of the deceased, regarding funeral arrangements -Death Registration and purchase of certificates -Liaison with Funeral Directors and Travel -Liaison with the Local Authority Housing Department, regarding termination of tenancy and property clearance -Referral to Treasury Solicitor -Investigation of assets and liaison with financial institutions by post and in person	745.00	745.00	01/04/17	Section 46 of the Public Health Act (Point 5)
2 Forensic searches of property with 2 staff	300.00	300.00	01/04/17	Section 46 of the Public Health Act (Point 5)

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

N - A nominal adjustment e.g. due to rounding of charge

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Adults Adult Services

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
<u>1. Personal care and Support</u>				
Provision of homecare delivery to Service Users				
Homecare rate - hourly charge; per minute of actual care	18.58	tbc	01/04/21	D/L
<i>The individual contribution is subject to the individual means test assessment</i>				
Homecare rates are currently subject to review and may change following the publishing of these fees and charges				
<u>2. Care home</u>				
Provision of care home delivery to Service Users				
Care home rate based on authority's 'usual costs' -weekly charge				
Residential Standard Rate	584.00	tbc	01/04/21	L
Residential Enhanced Rate	656.00	tbc	01/04/21	L
Nursing Standard Rate	596.00	tbc	01/04/21	L
Nursing Enhanced Rate	640.00	tbc	01/04/21	L
Care home rates are currently subject to review and may change following the publishing of these fees and charges				
<u>3. Day Centre - Avelon Road & Yew Tree</u>				
Day care delivery to Service Users				
Day Centre daily rate	40.00	tbc	01/04/14	L
Transport to Day Centre (inclusive of return journey)	10.00	tbc	01/04/14	L

Basis of Increase:

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S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Adults Adult Services

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
<u>4. Day Centre - HOPWA & Paines Brook</u>				
Day care delivery to Service Users				
Day Centre daily rate	55.00	55.00	01/04/14	L
Transport to Day Centre (inclusive of return journey)	20.00	20.00	01/04/14	L
<u>5. Extra Care Housing</u>				
Dreywood Court - hourly rate	16.64	tbc	01/04/21	I/L
St Ethelburga Court - hourly rate	16.64	tbc	01/04/21	I/L
Paines Brook Court - hourly rate	16.64	tbc	01/04/21	I/L
<u>6. Deferred Payment Admin fees</u>				
Initial set-up fee	658.00	658.00	11/04/16	L
Annual review charge	89.00	89.00	11/04/16	L
<u>7. Court of Protection Filing Fee</u>		tbc	01/04/22	NEW

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**Chief Operating Officer
Culture and Customer Access**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
LIBRARY SERVICES:				
Fines (per item, per day)				
Adults	0.41	0.41	01/04/21	L
Children	No Charge	No Charge	01/04/14	L
Spoken Words	0.41	0.41	01/04/21	L
Lost Tickets	4.50	4.50	01/04/21	D/I/P
Lost Items - Replacement Cost (Minimum charge £10 + fines)	Cost + fines	Cost + fines	01/04/14	I/L
Pre Overdue by email	Cost + fines	Cost + fines	01/04/14	I/L
Overdue notifications				
1st Overdue (E-Mail)	No Charge	No Charge	01/04/14	L
1st Overdue (Text/Telephone)	No Charge	No Charge	01/04/19	L
Reservations- Internal				
Adult (E-mail)	No Charge	No Charge	01/04/19	L
Adult (Text/Telephone)	No Charge	No Charge	01/04/19	L
Children	No Charge	No Charge	01/04/14	L

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**Chief Operating Officer
Culture and Customer Access**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Items not held within borough				
Adult - Items within the London Library Consortium (LLC)	1.50	1.50	01/04/21	L
British Library Loans (plus postage)	Quoted	Quoted	01/04/20	I/L
Children	No Charge	No Charge	01/04/14	L
CDs N/A We no longer have CD's for hire.				
Per week:				
Singles	1.55	Borough's Rate*	01/04/21	L
Sets	2.60	Borough's Rate*	01/04/21	L
Per 3 weeks:				
Spoken Word	No Charge	No Charge	01/04/19	L
DVDs (per week)	N/A	N/A	01/04/21	L
Music Scores (3 Months)				
Cost to be agreed with customer before progressing order	Quoted	Quoted	01/04/15	D/L
Computer Use				
IT Hub - reservation fee per computer, per hour	No Charge	No Charge	01/04/15	D/L
*At the rate of the borough the CD's have been hired from				

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Culture and Customer Access**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Photo Copies				
B/W A4	0.36	0.37	01/04/22	D/P
B/W A3	0.45	0.46	01/04/22	D/P
Colour A3	2.30	2.36	01/04/22	D/P
Colour A4	0.36	0.50	01/04/22	D/L
Photocopying single sided	0.36	0.37	01/04/22	D/P
Photocopying double sided	0.55	0.56	01/04/22	D/P
People's Network - Printing				
B/W A4 (Printout per page)	0.36	0.37	01/04/22	D/P
Colour A4 (Printout per page)	0.36	0.50	01/04/22	D/L
Library Space				
2 hours for sole & guaranteed use of specific space, to include use of a desk/table & chair(s) to organisations for activities that benefit their members or participants, or where "drop in" services are being offered	16.00	17.00	01/04/22	D/P
Office Space in libraries	16.00	17.00	01/04/22	D/P

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Culture and Customer Access**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Community Group Room Hire	20% discount		01/04/17	D/P
Elm Park Library				
Elm Park Meeting Room per hour (Equiv. Hornchurch CR2)	19.00	20.00	01/04/22	D/P
Harold Hill Library				
Harold Hill Meeting Room per hour	24.00	25.00	01/04/22	D/P
Harold Hill Office Space per hour	17.00	18.00	01/04/22	D/P
Hornchurch Library				
Hornchurch Large meeting room - First Hour	29.00	30.00	01/04/22	D/P
Hornchurch Large meeting room - Additional Hours	24.00	25.00	01/04/22	D/P
Hornchurch - After 10pm, locking up fees	30.00	40.00	01/04/22	D/P
Hornchurch Class Room One, per hour	24.00	25.00	01/04/22	D/P
Hornchurch Class Room Two, per hour	19.00	20.00	01/04/22	D/P
Hornchurch Office Space per hour	15.00	16.00	01/04/22	D/P

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(B) Charges determined by Committee

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Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Rainham Library				
Rainham Library Meeting Room 1 (large room) First Hour	29.00	30.00	01/04/22	D/P
Rainham Library Meeting Room 1 (large room) Additional Hours	24.00	25.00	01/04/22	D/P
Rainham Library Meeting Room 2 per hour	24.00	25.00	01/04/22	D/P
Rainham Library Meeting Room 3 per hour	24.00	25.00	01/04/22	D/P
Rainham Library Meeting Room 4 per hour	18.50	20.00	01/04/22	D/P
Rainham Library Meeting Room 5 per hour	18.50	20.00	01/04/22	D/P
Rainham - After closing time, locking up fees	30.00	40.00	01/04/22	D/P
Nursery Room	24.00	25.00	01/04/22	D/P
South Hornchurch Library				
South Hornchurch Library Room 1 per hour	15.00	16.00	01/04/22	D/P
South Hornchurch Library Room 2 per hour	15.00	16.00	01/04/22	D/P
South Hornchurch Library Room 3 per hour	18.50	20.00	01/04/22	D/P
Harold Wood Library				
Harold Wood Library Meeting Room per hour	18.00	19.00	01/04/22	D/P

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D - Increase recommended by Head of Service

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Culture and Customer Access**

(B) Charges determined by Committee

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Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Room Hire Cancellation				
Notice of cancellation of room hire under 24 hours	75% of room hire	75% of room hire	01/04/14	L
Notice of cancellation of room hire 1-3 days	50% of room hire	50% of room hire	01/04/15	L
Notice of cancellation of room hire 3-7 days	25% of room hire	25% of room hire	01/04/15	L

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Exhibitions (per week)				
Upminster at exhibitors liability for one week	No Charge	No Charge	01/04/12	L
Hornchurch at exhibitors liability for one week	No Charge	No Charge	01/04/12	L
Cost of Digital images				
Image on disc (including disc)	4.50	4.65	01/04/22	D/P
Image on USB (excluding USB)	4.50	4.65	01/04/22	D/P
Image on Paper price on application plus postage	No Charge	No Charge	01/04/20	L
Commercial Reproduction price on application	No Charge	No Charge	01/04/20	L
Hourly rate for project work +	20.00	30.00	01/04/22	D/L

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Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
MUSIC SCHOOL:				
Peripatetic tuition in schools and colleges (per hour pro rata)				
Academies and non-LA				
Basic	45.50	47.00	01/04/22	L
Over 15 hours per week	44.50	No Charge	01/04/22	
Whole class instrumental	38.50	40.00	01/04/22	L
LA schools in Havering				
Basic	45.50	47.00	01/04/22	L
Over 15 hours per week	44.50	No Charge	01/04/22	
Over 25 hours per week	43.50	No Charge	01/04/22	
Whole class instrumental	38.50	40.00	01/04/22	L
NCC A-Level Tuition				
Basic	45.00	46.50	01/04/22	L

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(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
MUSIC SCHOOL:				
Direct Debit (weekly cost, charged monthly over 52.14 weeks)				
Bronze (36 shared 20mn lessons, Musicianship & 30mn Ensemble)				
First instrument	7.20	7.50	01/04/22	L
Second instrument	5.77	6.00	01/04/22	L
Third instrument	5.25	6.00	01/04/22	L
Silver (36 shared 15min lessons, including Musicianship & Ensemble & Summer School)				
First instrument	12.00	12.50	01/04/22	L
Second instrument	9.12	9.50	01/04/22	L
Third instrument	6.92	7.50	01/04/22	L
Adult: First instrument	9.12	9.50	01/04/22	L
Gold (36 shared 30min lessons, including Musicianship & Ensemble & Summer School)				
First instrument	19.27	20.00	01/04/22	L
Second instrument	15.12	16.00	01/04/22	L
Third instrument	13.21	13.50	01/04/22	L
Adult: Second instrument	15.50	16.00	01/04/22	L
Summer School (individual purchase)	180.00	185.50	01/04/22	L

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<u>MUSIC SCHOOL:</u>				
Direct Debit (continued)				
Kindergarten	3.58	No Charge	01/04/22	L
Reception Pupils - Saturdays per month per pupil	15.50	16.00	01/04/22	L
One Ensemble only	3.58	No Charge	01/04/22	
One Ensemble only - per month per pupil	15.50	16.00	01/04/22	L
Unlimited Ensembles only	6.46	No Charge	01/04/22	
Unlimited Ensembles - per month per pupil	28.50	29.50	01/04/22	L
Note: DDs are charged monthly and the weekly DD amounts are set to make the monthly figures rational.				

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(B) Charges determined by Committee

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<u>MUSIC SCHOOL:</u>				
Remissions Scheme charges (reduced fees)				
Pupil Premium students:				
Bronze first instrument	2.65	No Charge	01/04/22	L
Silver first instrument	4.32	No Charge	01/04/22	L
Gold first instrument	6.92	No Charge	01/04/22	L
Kindergarten	1.62	No Charge	01/04/22	L
One Ensemble only	1.62	No Charge	01/04/22	L
Unlimited Ensembles only	2.65	No Charge	01/04/22	L
Instrument Hire (annual charge)	10.00	No Charge	01/04/22	L
Looked After Children (all services in scope of Remissions Scheme)	No Charge	No Charge	01/04/22	L
Eligibility for reduced fees for children aged 5-18:				
Students school receive pupil premium for child or child is LAC				
Current Free School Meals eligibility or similar				
One package fee remitted but Music School Manager retains discretion, e.g. where existing multi-instrumentalist becomes eligible for remission.				

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<u>MUSIC SCHOOL:</u>				
Associate Ensemble Membership (termly charge) Associate Member (Adult)	52.50	No Charge	01/04/22	
Sounds Company Choir/Adult Music Groups - per term	51.00	53.00	01/04/22	L
Hire of Instruments (annual charge)	41.00	42.50	01/04/22	L
Administration fees				
Examination entries	2.00	2.50	01/04/22	L
Assisted Instrument Purchase Scheme	6.50	7.00	01/04/22	L
Timetable changes	20.00	21.00	01/04/22	L
Exam fees Including piano accompaniment as required (most instruments except piano/guitar/percussion) collected on a cost recovery basis	Cost recovery	No Charge	01/04/17	L

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FAIRKYTES				
Off Peak: Mon-Fri** up to 6pm*** (per hour unless otherwise stated)				
Main Room	21.00	22.00	01/04/22	I/N/P
Three hour hire discounted rate	44.50	46.00	01/04/22	I/N/P
Room 12	16.50	17.00	01/04/22	I/N/P
Three hour hire discounted rate	35.00	36.00	01/04/22	I/N/P
Room 13	13.00	13.50	01/04/22	I/N/P
Three hour hire discounted rate	27.50	28.50	01/04/22	I/N/P
Room 9	13.00	13.50	01/04/22	I/N/P
Three hour hire discounted rate	27.50	28.50	01/04/22	I/N/P
Art Room	16.50	17.00	01/04/22	I/N/P
Three hour hire discounted rate	34.00	35.50	01/04/22	I/N/P
Sculpture (includes access to Kiln Room when available)	13.00	13.50	01/04/22	I/N/P
Three hour hire discounted rate	27.50	28.50	01/04/22	I/N/P
Studio 1	30.00	31.00	01/04/22	I/N/P
Three hour hire discounted rate	64.00	66.00	01/04/22	I/N/P
Studio 2	20.00	21.00	01/04/22	I/N/P
Three hour hire discounted rate	43.50	45.00	01/04/22	I/N/P

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Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Off Peak: Mon-Fri** up to 6pm*** (continued) (per hour unless otherwise stated)				
Studio 3	13.00	13.50	01/04/22	I/N/P
Three hour hire discounted rate	27.50	28.50	01/04/22	I/N/P
Billet Studio 1	20.50	21.00	01/04/22	I/N/P
Three hour hire discounted rate	43.50	45.00	01/04/22	I/N/P
Billet Studio 2	14.00	14.50	01/04/22	I/N/P
Three hour hire discounted rate	29.00	30.00	01/04/22	I/N/P
Gallery Studio	18.00	19.00	01/04/22	I/N/P
Three hour hire discounted rate	39.00	40.00	01/04/22	I/N/P
Peak rate: Mon-Fri 6pm*** to close, all day Sat,Sun,public holidays (per hour unless otherwise stated)				
Main Room	25.00	26.00	01/04/22	I/N/P
Three hour hire discounted rate	52.50	54.00	01/04/22	I/N/P
Room 12	20.50	21.00	01/04/22	I/N/P
Three hour hire discounted rate	44.00	45.00	01/04/22	I/N/P
Room 13	16.00	16.50	01/04/22	I/N/P
Three hour hire discounted rate	34.50	35.50	01/04/22	I/N/P
Room 9	16.00	16.50	01/04/22	I/N/P
Three hour hire discounted rate	34.00	35.50	01/04/22	I/N/P

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*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Peak rate: Mon-Fri 6pm*** to close, all day Sat,Sun,public holidays (per hour unless otherwise stated)				
Art Room	20.50	21.00	01/04/22	I/N/P
Three hour hire discounted rate	44.00	45.00	01/04/22	I/N/P
Sculpture (includes access to Kiln Room when available)	14.00	14.50	01/04/22	I/N/P
Three hour hire discounted rate	29.00	30.00	01/04/22	I/N/P
Studio 1 ****	39.00	40.00	01/04/22	I/N/P
Three hour hire discounted rate	82.00	84.50	01/04/22	I/N/P
Studio 2	23.50	24.00	01/04/22	I/N/P
Three hour hire discounted rate	50.00	51.50	01/04/22	I/N/P
Studio 3	15.00	15.50	01/04/22	I/N/P
Three hour hire discounted rate	32.00	33.00	01/04/22	I/N/P
Billet Studio 1	23.50	24.00	01/04/22	I/N/P
Three hour hire discounted rate	50.00	51.50	01/04/22	I/N/P
Billet Studio 2	16.50	17.00	01/04/22	I/N/P
Three hour hire discounted rate	34.50	35.50	01/04/22	I/N/P
Gallery Studio	22.00	23.00	01/04/22	I/N/P
Three hour hire discounted rate	48.00	49.50	01/04/22	I/N/P

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**Chief Operating Officer
Culture and Customer Access**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Peak rate: Mon-Fri 6pm*** to close, all day Sat,Sun,public holidays (per hour unless otherwise stated) Private Studio/Workshop/Office (flat rate per calendar month)	215.00	225.00	01/04/22	I/N/P
Private/Commercial Function Rates in Studio 1 (Main Hall)**** (The below charged at a flat rate per hire including staffing charge)				
Saturday 6.00pm - 11pm †	310.00	320.00	01/04/22	I/N/P
Sunday & Public Holidays 6.00pm - 10.30pm †	280.00	290.00	01/04/22	I/N/P
Friday 6.00-10.30pm †	220.00	230.00	01/04/22	I/N/P

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HORNCHURCH STADIUM				
Weekday Use by Athletics Clubs (excluding training session)*				
Half Day*	92.00	94.75	01/04/22	I/N/P
Full Day*	174.00	179.25	01/04/22	I/N/P
Saturday Use by Athletics Clubs (excluding training session)*				
Half Day*	116.00	119.50	01/04/22	I/N/P
Full Day*	214.00	220.50	01/04/22	I/N/P
Sunday Use by Athletics Clubs (excluding training session)*				
Half Day*	152.00	156.50	01/04/22	I/N/P
Full Day*	290.00	299.00	01/04/22	I/N/P
Use by Schools (excluding training session)**				
Half Day**	110.00	113.50	01/04/22	I/N/P
Full Day**	227.00	234.00	01/04/22	I/N/P
Schools Training Sessions (per hour Inc. equipment)**	41.00	42.25	01/04/22	I/N/P
Occasional use - Football - without lights Seniors (3 hours)**	214.00	220.50	01/04/22	I/N/P
Occasional use - Football - without lights Juniors (2.5 hours)**	118.00	121.50	01/04/22	I/N/P
Occasional use - Football - with lights Seniors (3 hours)**	336.00	346.00	01/04/22	I/N/P
Occasional use - Football - with lights Juniors (2.5 hours)**	149.00	153.50	01/04/22	I/N/P
* VATable unless block (10 or more) booking				
** VATable unless block (10 or more) booking or Havering schools				

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Marketing Advertising in Fairkytes and other culture publications				
Full page (A4)	273.00	282.00	01/04/22	I/N/P
Full page (A5) or Half page (A4)	137.00	141.00	01/04/22	I/N/P
Half page (A5) or Quarter page (A4)	71.00	72.50	01/04/22	I/N/P
Quarter page (A5) or Eighth page (A4)	38.50	39.50	01/04/22	I/N/P
Online ticket sales				
10% of ticket price to be added to the charge for Culture Events when sold on-line	10% of ticket price	10% of ticket price	01/04/16	L

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Neighbourhoods Bereavement Services

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BEREAVEMENT SERVICES:				
Interments - Cemeteries (fees doubled for non-residents of LBH)				
Over 16 years	1,420.00	1,420.00	01/04/21	C/L
2 simultaneous full body interments aged over 16 years	2,120.00	2,120.00	01/04/21	C/L
Cremated remains	268.00	268.00	01/04/21	C/L
2 simultaneous cremated remains burials	480.00	480.00	01/04/21	C/L
Surcharge for cremated remains in full coffin	247.00	247.00	01/04/21	C/L
Non resident child cremated remains not over 16 years in any grave type	118.00	118.00	01/04/21	C/L
Extra depth (each interment over two) or casket/walled grave per depth	260.00	260.00	01/04/21	C/L
Resident child not over 16 Years	No Charge	No Charge	01/04/20	
Non resident stillborn to 1 month in child's grave or public grave	260.00	260.00	01/04/21	C/L
2 simultaneous non resident stillborn/to 1 month in child's or public grave	390.00	390.00	01/04/21	C/L
Non resident child not over 10 years in child's grave or public grave	402.00	402.00	01/04/21	C/L
Non resident child not over 16 years in child's grave	2,725.00	2,725.00	01/04/21	C/L
Use of chapel without organist	170.00	170.00	01/04/21	C/L
Hospital contract NVB (Non Viable baby) burials	262.00	262.00	01/04/21	C/L
Exclusive Right of Burial (50 years with option of further 10 years)				
Lawn section Grave	2,200.00	2,200.00	01/04/21	C/L
Traditional Grave	3,420.00	3,420.00	01/04/21	C/L
Children's section (under 10)	468.00	468.00	01/04/21	C/L
Children's section (under 16)	938.00	938.00	01/04/21	C/L

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Surcharges				
Child (under 16) Week-end full burial surcharge	710.00	710.00	01/04/21	C/L
Child (under 16) Week-end cremated remains burial surcharge	267.00	267.00	01/04/21	C/L
Adult Week-end full burial surcharge	1,066.00	1,066.00	01/04/21	C/L
Adult Week-end cremated remains surcharge	268.00	268.00	01/04/21	C/L
Funeral after published time or 48 hours of booking	340.00	340.00	01/04/21	C/L
Booking cancelled after 48 hours of booking	340.00	340.00	01/04/21	C/L
Booking cancelled within 48 hours of burial	340.00	340.00	01/04/21	C/L
 Extension of Right of Burial for 10 years				
Lawn section Grave	545.00	545.00	01/04/21	C/L
Traditional Grave	700.00	700.00	01/04/21	C/L
Children's section (under 10)	124.00	124.00	01/04/21	C/L
Children's section (under 16)	254.00	254.00	01/04/21	C/L
Walled graves	1,337.00	1,337.00	01/04/21	C/L
Other Charges				
Transfer of Exclusive Rights by Will, Letters of administration or assignment	56.00	56.00	01/04/21	C/L
Transfer of Exclusive Rights by statutory declaration/combination of methods	101.00	101.00	01/04/21	C/L
Certified extract from Burial Register	66.00	66.00	01/04/21	C/L

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Other Charges (continued)				
Staff attendance to select a new grave by appointment	52.00	52.00	01/04/21	C/L
Exhumation of cremated remains resident	268.00	268.00	01/04/21	C/L
Exhumation of cremated remains non-resident	536.00	536.00	01/04/21	C/L
Permit Charge				
Clean and renovate/National Association of Memorial Massons(NAMM) fixing	No Charge	No Charge	01/04/20	
Lawn (standard) headstone & kerb / additional memorial	135.00	135.00	01/04/20	C/L
Additional inscription on headstone or permit for a vase only / Lawn kerb	90.00	90.00	01/04/20	C/L
Full kerb traditional grave	347.00	347.00	01/04/20	C/L
Child Grave Memorial	135.00	135.00	01/04/20	C/L
Grave Maintenance Fees				
Biannual Spring and Summer planting service	285.00 *	285.00 *	01/04/21	C/L
Annual maintenance clean and tidy service	178.00 *	178.00 *	01/04/21	C/L
Turfing (winter months only after grave has settled)	115.00	115.00	01/04/21	C/L
Cremated Remains Burial Plots				
Purchase of exclusive rights (25 year term)	649.00	649.00	01/04/21	C/L
Extension of exclusive rights of burial for 10 years flat stone cremated remains plot	387.00	387.00	01/04/21	C/L
Tablet with first inscription	494.00	494.00	01/04/21	C/L

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Cremated Remains Burial Plots (continued)				
Additional / subsequent inscriptions	160.00	160.00	01/04/21	C/L
Blank stone	378.00	378.00	01/04/21	C/L
Photograph fixed to memorial	318.00	318.00	01/04/21	C/L
Granite memorial vases for use with cremated remains tablets (includes 45 letters)	362.00	362.00	01/04/21	C/L
Regilding or additional letter on granite vase	3.80	3.80	01/04/21	C/L
South Essex Crematorium				
Cremation includes organ/organist/polytainer or biodegradable casket:				
1 Hospital Contract Non-viable foetus cremation	83.00	83.00	01/04/21	C/L
2 Resident child not exceeding 16 years	No Charge	No Charge	01/04/20	
3 Non resident up to 6 years	120.00	120.00	01/04/21	C/L
4 Non resident from 6 years but not exceeding 16 yrs	235.00	235.00	01/04/21	C/L
5 Unattended Cremation (adult)	580.00	580.00	01/04/21	C/L
6 Early morning adult cremation 15 minute service	780.00	780.00	01/04/21	C/L
7 Over 16 years	995.00	995.00	01/04/21	C/L
8 Week-end cremation (Subject to availability)	1,742.00	1,742.00	01/04/21	C/L

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Additional Services and Surcharges				
Bookings cancelled after 10am one working day before reserved time	284.00	284.00	01/04/21	C/L
Surcharge for services over-running	284.00	284.00	01/04/21	C/L
Surcharge for cremation after 4pm	284.00	284.00	01/04/21	C/L
Surcharge for unattended cremation and use of chapel at a different time	140.00	140.00	01/04/21	C/L
Use of chapel for private memorial service or extra time	285.00	285.00	01/04/21	C/L
Strewing (burial) of cremated remains from elsewhere	Withdrawn	119.00	01/04/22	C/L
Witness committal	58.00	58.00	01/04/21	C/L
Week-end witness committal	116.00	116.00	01/04/21	C/L
Witness committal week-end child resident	58.00	58.00	01/04/21	C/L
Witness committal weekday child non-resident	58.00	58.00	01/04/21	C/L
Witness committal week-end child non-resident	116.00	116.00	01/04/21	C/L
2 Simultaneous week-end witness committals	200.00	200.00	01/04/21	C/L
2 Simultaneous weekday witness committals	100.00	100.00	01/04/21	C/L

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Additional Services and Surcharges				
CD audio recording of service	65.00	Withdrawn	01/04/22	C/L
CD audio recording additional copy	24.00	Withdrawn	01/04/22	C/L
DVD recording of service	65.00	Withdrawn	01/04/22	C/L
DVD recording of service additional copy	24.00	Withdrawn	01/04/22	C/L
Webcast of service	60.00	Withdrawn	01/04/22	C/L
Initial visual tribute set up and 1 photo	32.00	Withdrawn	01/04/22	C/L
Subsequent visual tribute per segment and 1 photo	16.00	Withdrawn	01/04/22	C/L
Visual tributes per additional 1 photograph	2.20	Withdrawn	01/04/22	C/L
Visual tribute video set up and 1 minute of video used	27.00	Withdrawn	01/04/22	C/L
Visual tribute per additional 1 minute of video used	6.00	Withdrawn	01/04/22	C/L
Tribute embedded into DVD recording of the service	75.00	Withdrawn	01/04/22	C/L
DVD or USB of visual tribute only (first disc)	45.00	Withdrawn	01/04/22	C/L
DVD or USB of visual tribute only, additional copy	24.00	Withdrawn	01/04/22	C/L
Download link of service only	60.00	Withdrawn	01/04/22	C/L
Download link of service and visual tribute	70.00	Withdrawn	01/04/22	C/L
Download link of visual tribute only	40.00	Withdrawn	01/04/22	C/L

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Additional Services and Surcharges				
Live webcast	30.00 *	30.00 *	28/04/21	C/L
Live webcast plus watch again and downloadable link	45.00 *	45.00 *	28/04/21	C/L
Keepsake copy of service including pro-tribute if ordered	50.00 *	50.00 *	28/04/21	C/L
Visual tribute (VT) slideshow	38.00 *	38.00 *	28/04/21	C/L
Pro-tribute	70.00 *	70.00 *	28/04/21	C/L
Family made VT with Video	18.00 *	18.00 *	28/04/21	C/L
Keepsake copy of tribute	25.00 *	25.00 *	28/04/21	C/L
Downloadable copy of VT	10.00 *	10.00 *	28/04/21	C/L
Additional keepsake copies	25.00 *	25.00 *	28/04/21	C/L
Extra 25 photos	21.00 *	21.00 *	28/04/21	C/L
Extra work	21.00 *	21.00 *	28/04/21	C/L
Webcast surcharge to include watch again and downloadable link	15.00 *	15.00 *	28/04/21	C/L
Storage of cremated remains after one month per quarter	60.00 *	60.00 *	01/04/21	C/L
Storage of cremated remains after one month per year	140.00 *	140.00 *	01/04/21	C/L
Genealogy searches per search not through deceased online	29.00 *	29.00 *	01/04/21	C/L

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Containers				
Bronzed metal urns	80.00 *	80.00 *	01/04/21	C/L
Standard wooden or metal casket	92.00 *	92.00 *	01/04/21	C/L
Juvenile caskets	37.00 *	37.00 *	01/04/21	C/L
Various decorative urns/caskets (price provided upon request)	RRP *	RRP *	01/04/20	-
Dedicated hymn book	90.00 *	90.00 *	01/04/21	C/L
Various keepsake memorials made from or to contain cremated remains including diamonds, paperweights, jewellery (price provided upon request)	RRP *	RRP *	01/04/20	-
Memorials				
Kerb Plaques				
Perspex plaque only	130.00 *	130.00 *	01/04/21	C/L
Bronze plaque only	257.00 *	257.00 *	01/04/21	C/L
Rights to second dedication (plus cost of plaque)	123.00	123.00	01/04/21	C/L
	255.00	255.00	01/04/21	C/L
Single motif on a perspex or bronze plaque	31.00 *	31.00 *	01/04/21	C/L
Two motifs on a perspex or bronze plaque	58.00 *	58.00 *	01/04/21	C/L
Bronze Wall Plaque				
Bronze wall plaque only	257.00 *	257.00 *	01/04/21	C/L
Bronze wall plaque renewal	255.00	255.00	01/04/21	C/L
Supplier refurbishment of a Bronze plaque	75.00	75.00	01/04/21	C/L

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Large Wall Plaques				
Single Slate or Large Bronze Wall Plaques				
Single plaque only (slate or bronze tablet)	344.00 *	344.00 *	01/04/21	C/L
Single plaque - Rights or Renewal fee for 10 years	255.00	255.00	01/04/21	C/L
Double Slate Wall Plaque single inscription	516.00 *	516.00 *	01/04/21	C/L
Double Slate Wall Plaque double inscription	834.00 *	834.00 *	01/04/21	C/L
Double Slate Wall Plaque second inscription within 1 year of original dedication	185.00 *	185.00 *	01/04/21	C/L
Double Plaque - Rights or Renewal 10 year renewal	510.00	510.00	01/04/21	C/L
Wall Niche for 10 years				
Renewal or Pre-purchase for Single Niche for 10 years	880.00	880.00	01/04/20	L
Renewal for Single Niche for 5 years	536.00	536.00	01/04/20	L
Replacement single plaque	590.00 *	590.00 *	01/04/20	L
Renewal rights or Pre-purchase for Double Niche for 10 years	1,780.00	1,780.00	01/04/20	L
Renewal for Double Niche for 5 years	981.00	981.00	01/04/20	L
Replacement double plaque	912.00 *	912.00 *	01/04/20	L
Wall Niche rights for second inscription	151.00	151.00	01/04/20	L

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Wall Niche Additional Items:				
Motif (optional)	98.00	98.00	01/04/21	C/L
Additional bud vase	34.00	34.00	01/04/21	C/L
Additional inscription	288.00	288.00	01/04/21	C/L
Casket including nameplate	98.00	98.00	01/04/20	C/L
Photograph	316.00	316.00	01/04/20	C/L
Sanctum ii Vaults for 10 years				
Second interment	175.00	175.00	01/04/21	C/L
2 simultaneous Sanctum interments	300.00	300.00	01/04/21	C/L
Sanctum second inscription	590.00 *	590.00 *	01/04/21	C/L
Sanctum plaque	470.00 *	470.00 *	01/04/21	C/L
10 year Rights or Renewal	1,164.00	1,164.00	01/04/21	C/L
5 year Renewal	677.00	677.00	01/04/21	C/L
Regilding (Inc. postage)	126.00 *	126.00 *	01/04/21	C/L
Replacement vase	21.00 *	21.00 *	01/04/21	C/L
Vase Blocks and Tablets (includes Scented Garden Memorials)				
Vaseblock tablet	280.00	280.00	01/04/21	C/L
Vaseblock Rights or Renewal for 10 years	590.00	590.00	01/04/21	C/L

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Neighbourhoods Bereavement Services

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Memorials				
Summer House Memorial				
Floris plaque only	175.00 *	175.00 *	01/04/21	C/L
Floris plaque Renewal Rights for 10 years	257.00	257.00	01/04/21	C/L
Posy holder rights or Renewal for 10 years	160.00	160.00	01/04/21	C/L
Posy holder memorial	22.00 *	22.00 *	01/04/21	C/L
Shrub, Rose or Tree with 10 Year dedication				
Shrub or Rose (including Bronze stem plaque)	257.00 *	257.00 *	01/04/20	C/L
Shrub 10 year Rights or Renewal (also applies to vase block with rose)	685.00	685.00	01/04/21	C/L
Shrub 5 year Renewal Rights (also applies to vase block with rose)	443.00	443.00	01/04/21	C/L
Tree (including bronze stem or Strap plaque)	257.00 *	257.00 *	01/04/21	C/L
Tree 10 year Rights or Renewal	835.00	835.00	01/04/21	C/L
Tree 5 year Renewal Rights	515.00	515.00	01/04/21	C/L
Benches and Chairs - 10 Year dedications				
Bench / Replacement bench	1,277.00 *	1,277.00 *	01/04/21	C/L
Chair / Replacement chair	746.00 *	746.00 *	01/04/21	C/L
Bench 10 year Rights or Renewal	1,160.00	1,160.00	01/04/21	C/L
Chair 10 year Rights or Renewal	1,030.00	1,030.00	01/04/21	C/L

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Neighbourhoods Bereavement Services

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Benches and Chairs - 10 year dedications (continued)				
Regular maintenance (per 2 years of remaining lease if not purchased or renewed since 1/1/2001)	53.00 *	53.00 *	01/04/21	C/L
Renovation of bench	230.00 *	230.00 *	01/04/21	C/L
Renovation of chair	146.00 *	146.00 *	01/04/21	C/L
Replacement summerhouse chair	753.00 *	753.00 *	01/04/21	C/L
Summerhouse chair - Renewal Rights	502.00	502.00	01/04/21	C/L
Bench, Tree & Shrub additional dedications				
Rights to second dedication within 1 year of original (plus cost of plaque)	124.00	124.00	01/04/21	C/L
Rights to second dedication after 1 year of original or renewal per remaining year of lease (plus cost of plaque)	24.00	24.00	01/04/21	C/L
Rights to second dedication life time of item (plus cost of plaque)	504.00	504.00	01/04/21	C/L
Replacement bronze plaque	257.00 *	257.00 *	01/04/21	C/L
Replacement perspex plaque	130.00 *	130.00 *	01/04/21	C/L

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Miscellaneous Memorials				
Mallard bridge	356.00 *	356.00 *	01/04/21	C/L
Administration fee for private purchase of plaque (plus cost of plaque)	52.00 *	52.00 *	01/04/21	C/L
Replacement metal vase	21.00 *	21.00 *	01/04/21	C/L
Floral arrangements stand - plus cost of flowers	35.00 *	35.00 *	01/04/21	C/L
Hanging baskets (per year)	142.00 *	142.00 *	01/04/21	C/L
Sculpture garden memorial	280.00	280.00	01/04/21	C/L
Sculpture garden rights	590.00	590.00	01/04/21	C/L
Birdbath rights	590.00	590.00	01/04/21	C/L
Books of Remembrance				
2 line entry	117.00 *	117.00 *	01/04/21	C/L
3 - 5 lines	167.00 *	167.00 *	01/04/21	C/L
6 - 8 lines	242.00 *	242.00 *	01/04/21	C/L
Additional line	26.00 *	26.00 *	01/04/21	C/L
Cards of Remembrance & additional entries in existing miniature books				
2 line entry	42.00 *	42.00 *	01/04/21	C/L
3 - 5 lines	72.00 *	72.00 *	01/04/21	C/L
6 - 8 lines	112.00 *	112.00 *	01/04/21	C/L

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Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Miniature Triptych of Remembrance/Book of Remembrance				
2 line entry	83.00 *	83.00 *	01/04/21	C/L
3 - 5 lines	117.00 *	117.00 *	01/04/21	C/L
6 - 8 lines	153.00 *	153.00 *	01/04/21	C/L
Book of Remembrance Sundries				
Motif	87.00 *	87.00 *	01/04/21	C/L
Triptych photograph	87.00 *	87.00 *	01/04/21	C/L
Mini Headstone Cremated Remains Burial Plots				
Purchase of exclusive rights (25 year term)	1,133.00	1,133.00	01/04/21	C/L
Extension of exclusive rights of burial for 10 years mini headstone cremated remains plot	475.00	475.00	01/04/21	C/L
Memorial and installation with first 60 characters	1,205.00	1,205.00	01/04/21	C/L
Additional inscription rate per letter	3.80	3.80	01/04/21	C/L
Blank headstone only	305.00	305.00	01/04/21	C/L
Photograph fixed to memorial	318.00	318.00	01/04/21	C/L
Replacement Granite memorial vase only for Mini headstone	100.00	100.00	01/04/21	C/L
Inscription first 60 characters on a pre purchased memorial	270.00	270.00	01/04/21	C/L
Blank memorial headstone only	876.00	876.00	01/04/21	C/L

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Mini Headstone Cremated Remains Burial Plots (continued)				
Stone chippings per bag	62.00	62.00	01/04/21	C/L
Flower holder	22.00	22.00	01/04/21	C/L
Book of Remembrance Memorial Tree				
Memorial Tree leaf 10 year Rights or Renewal	255.00	255.00	01/04/21	C/L
Memorial Tree leaf plaque	163.00 *	163.00 *	01/04/21	C/L
Rights for second inscription - Rights remain the same (plus cost of plaque)	123.00	123.00	01/04/21	C/L
Advertising Fees - Pre Funeral Brochure				
Display Advertisement quarter A4 page	660.00 *	660.00 *	01/04/21	C/L
Display and Directory entry quarter A4 page	855.00 *	855.00 *	01/04/21	C/L
Display Advertisement half A4 page	876.00 *	876.00 *	01/04/21	C/L
Display and Directory entry half A4 page	1,040.00 *	1,040.00 *	01/04/21	C/L
Display Advertisement full A4 page	1,072.00 *	1,072.00 *	01/04/21	C/L
Display and Directory entry full A4 page	1,231.00 *	1,231.00 *	01/04/21	C/L
Display Advertisement full inside back A4 page	1,316.00 *	1,316.00 *	01/04/21	C/L
Display and Directory entry full inside back A4 page	1,475.00 *	1,475.00 *	01/04/21	C/L
Copy design simple half page	54.00 *	54.00 *	01/04/21	C/L
Copy design complex full page	80.00 *	80.00 *	01/04/21	C/L
All fees discounted by 10% for repeat customers				

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Arboria Plaques				
Arboria Plaque with text only	190.00 *	190.00 *	01/04/21	C/L
Arboria Plaque with text and engraved motif	221.00 *	221.00 *	01/04/21	C/L
Arboria Plaque with text; engraved and painted motif	252.00 *	252.00 *	01/04/21	C/L
Arboria Plaque with text and ceramic photo	304.00 *	304.00 *	01/04/21	C/L
Arboria Plaque Rights or Renewal for 10 years	255.00	255.00	01/04/21	C/L

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Neighbourhoods Public Realm

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Borough Roads:				
Note: Unlicensed Skips/Materials will be on the spot fined & removed	658.00	677.00	01/04/22	I/N/P
(i) Each Skip / Builders materials on public highway				
Up to first 14 days	80.00	82.00	01/04/22	I/N/P
Each additional period of up to 7 days	70.00	72.00	01/04/22	I/N/P
(ii) Structures / Hoardings / Scaffolds				
Bond				
£149.50 per linear metre - Minimum 6 Metres	871.00	897.00	01/04/22	I/N/P
Licence				
Minimum charge length 6 mtrs & combined inspection	698.00	718.00	01/04/22	I/N/P
(iii) Vehicle Crossovers (per square metre)	233.00	240.00	01/04/22	I/N/P
Non refundable charge for assessing applications	204.00	210.00	01/04/22	I/N/P
Waste disposal surcharge	26.00	27.00	01/04/22	I/N/P
(iv) Road Closures (per road)	3,047.00	3,138.00	01/04/22	I/N/P
(v) Clearance of Blocked Drains				
(VAT will be added unless working under Statutory power)	155.00	159.00	01/04/22	I/N/P

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(vi) Crane license (charges based on TMA 2004 permitted charges)				
Minimum	334.00	344.00	01/04/22	I/N/P
Maximum	605.00	623.00	01/04/22	I/N/P
(vii) Section 50 Licence (private individual to place/maintain apparatus in highway)				
Major works permit	1,385.00	1,426.00	01/04/22	I/N/P
Standard works permit	1,179.00	1,214.00	01/04/22	I/N/P
Minor works permit	1,025.00	1,055.00	01/04/22	I/N/P
(viii) Building materials licenses				
Up to first 14 days	93.00	95.00	01/04/22	I/N/P
Each additional period of up to 7 days (renewal)	81.00	83.00	01/04/22	I/N/P
(ix) Compound / welfare unit				
Up to first 14 days	250.00	257.00	01/04/22	I/N/P
Each additional period up to 7 days (renewal)	67.00	69.00	01/04/22	I/N/P
(x) Over sail license				
Base fee	385.00	396.00	01/04/22	I/N/P
Fee per month	86.00	88.00	01/04/22	I/N/P

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Refuse Collection:				
(i) Bulky Household Refuse				
1 to 3 items	44.50	45.50	01/04/22	I/N/P
Each additional item	11.50	11.50	01/04/21	I/N/P
(ii) Compostable garden refuse sacks (Year's supply of 5 rolls of 10 sacks per roll)				
Standard	55.00	60.00	01/04/22	S/L
Top up roll (10 sacks)	11.00	11.00	01/04/20	L
Top up roll delivery	5.00	5.00	01/04/20	L
(iii) Green Waste Collection Service (per annum) (Wheeled bin hire included)				
Full year	55.00	60.00	01/04/22	S/L
Late payment charge	5.00	5.00	01/04/20	L
Late payment charge after bin collection	11.50	11.50	01/04/21	I/N/P
Replacement bin charge	30.00	30.00	01/04/21	I/N/P

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(iv) Trade Refuse Collection Service				
From 1st April 2015 this service has been independently operated by Serco. These charges will only apply if a business within the borough exercises its legal right to require the Council to undertake the collection.				
Trade refuse sacks (pack of 26)	167.00	172.00	01/04/22	I/N/P
Trade refuse sacks (pack of 26) for Charity shops	131.00	135.00	01/04/22	I/N/P
Cardboard Collection	6.50	6.50	01/04/21	I/N/P
Container emptying and disposal:				
1100 / Palladin / 660 litre bin -1st bin per visit	36.00	37.00	01/04/22	I/N/P
2nd & subsequent bins	35.00	36.00	01/04/22	I/N/P
360 litre wheeled bin	30.00	31.00	01/04/22	I/N/P
Charity shops	30.00	31.00	01/04/22	I/N/P
LBH Schools	30.00	31.00	01/04/22	I/N/P
2nd collection from residential blocks per bin	10.50	10.50	01/04/21	I/N/P

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(iv) Trade Refuse Collection Service (continued)				
Container hire (per annum):				
Eurobins:				
1100 litres	248.00	255.00	01/04/22	I/N/P
660 litres	184.00	189.50	01/04/22	I/N/P
Chamberlains:				
940 litres	184.00	189.50	01/04/22	I/N/P
Palladin:				
940 litres	184.00	189.50	01/04/22	I/N/P
Container Sale				
360 litres recycling	87.50	90.00	01/04/22	I/N/P
(v) Clinical Waste				
Contracted collection service	14.50	14.50	01/04/21	I/N/P
Ad hoc collections	-	20.00	01/04/22	NEW/P
(vi) Special clearances of rubbish:				
Up to 30 minutes on site	115.50	118.50	01/04/22	I/N/P
Up to 1 hour on site	231.00	237.50	01/04/22	I/N/P
Each 15 minute thereafter	59.00	60.50	01/04/22	I/N/P

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FOOTBALL AT PARKS WITH CRICKET (28 WEEKS)				
Pavilion with washing facilities				
Adult				
Each Saturday or Sunday during Season**	1,831.34	1,886.00	01/04/22	I/N/P
Each alternate Saturday or Sunday during Season**	915.67	943.00	01/04/22	I/N/P
No Pavilion Facilities				
Junior (under 18)				
Each Saturday or Sunday during Season**	530.45	546.50	01/04/22	I/N/P
Each alternate Saturday or Sunday during Season**	302.82	312.00	01/04/22	I/N/P
**Bookings of less than 10, will attract a VAT charge.				

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FOOTBALL AT PARKS WITH CRICKET (32 WEEKS)				
Pavilion with washing facilities				
Adult				
Each Saturday or Sunday during Season**	2,107.38	2,170.50	01/04/22	I/N/P
Each alternate Saturday or Sunday during Season**	1,054.72	1,086.50	01/04/22	I/N/P
Junior (under 18) 7v7 & 9v9				
Each Saturday or Sunday during Season**	692.16	713.00	01/04/22	I/N/P
Each alternate Saturday or Sunday during Season**	346.08	356.50	01/04/22	I/N/P
Junior (under 18) 11v11				
Each Saturday or Sunday during Season**	628.30	647.00	01/04/22	I/N/P
Each alternate Saturday or Sunday during Season**	314.15	323.50	01/04/22	I/N/P

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FOOTBALL AT WESTLANDS FIELD				
Pavilion with washing facilities				
Adult				
Each Saturday or Sunday during Season**	2,472.00	2,546.00	01/04/22	I/N/P
Each alternate Saturday or Sunday during Season**	1,236.00	1,273.00	01/04/22	I/N/P
MINI SOCCER				
1 Hour Slots (during season)				
Each Saturday or Sunday**	401.70	414.00	01/04/22	I/N/P
Alternate Saturday or Sunday**	200.85	207.00	01/04/22	I/N/P
CRICKET				
No Pavilion Facilities				
Adults Each Saturday or Sunday during Season**	1,668.60	1,719.00	01/04/22	I/N/P
Pitches with Pavilions				
Adults Each Saturday or Sunday during Season**	2,996.27	3,086.00	01/04/22	I/N/P

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BOOT CAMPS, PERSONAL TRAINING, SPORTS & FITNESS GROUPS (annual licence)				
1-5 clients 1- 3 sessions per week	610.79	Withdrawn	01/04/22	NEW/P
1-5 clients 4 - 7 sessions per week	1,683.02	Withdrawn	01/04/22	
6-20 clients 1 - 3 sessions per week	1,136.09	Withdrawn	01/04/22	
6-20 clients 4 - 7 sessions per week	3,125.02	Withdrawn	01/04/22	
Up to 20 clients (details to be agreed with service)	-	500.00	01/04/22	
ALLOTMENTS				
Land charge per acre	213.21	220.00	01/04/22	I/N/P
Plot Rent (This fee is set by the Allotment Society and therefore is not published in the Councils fees and charges)				
WEDDING PHOTOGRAPHY				
Exclusive use of area of a park for wedding photography (except Langtons Gardens)	58.71	60.50	01/04/22	I/N/P
FUNFAIRS & CIRCUSES				
Ground rent per day of operation (up to 7 rides, adult & juvenile / 500 seating capacity)	566.50	583.50	01/04/22	I/N/P
Ground rent per day of operation (more than 7 rides, adult & juvenile / 500 seating capacity)	1,148.45	1,183.00	01/04/22	I/N/P
Returnable deposit per visit	Negotiated according to size of event			

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Neighbourhoods Public Realm

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
FUNFAIRS & CIRCUSES (continued)				
Additional ground rent for extra non-operational days spent on site	393.46	Withdrawn	01/04/22	
Up to 7 rides, adult & juvenile / 500 seating capacity	-	175.00	01/04/22	NEW/P
More than 7 rides, adult & juvenile / 500 seating capacity	-	354.00	01/04/22	NEW/P
COMMUNITY/CHARITY EVENTS				
London Borough of Havering charities - a 20% discount can be applied (only if the charity is raising funds/providing entertainment/information which directly benefits the residents of Havering). The charity must be located in Havering and benefit all the community. Private/Religious Schools are exempt from this discount.				
The London Borough of Havering objective for charging large commercial events is to cover the cost of impact on residents and services				
Small event (free entry/non-profit) max capacity - 300	-	150.00	01/04/22	NEW/L
Community/charity fundraising event (income generating)				
max capacity - 1000	-	500.00	01/04/22	NEW/L
max capacity - 2000	-	1,000.00	01/04/22	NEW/L
max capacity - 6000	-	3,000.00	01/04/22	NEW/L
max capacity - 8000	-	4,000.00	01/04/22	NEW/L
Non-operational day	-	150.00	01/04/22	NEW/L

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Neighbourhoods Public Realm

(B) Charges determined by Committee

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COMMERCIAL EVENTS The fees will be negotiated on application, taking into account size, impact on the site and site operators, impact on the borough and surrounding environs. Minimum charge at least double the rate charged for charities/community hires		By Negotiation		
INFLATABLE FUNDAYS (per item)				
Busier sites (based on footfall)	-	25.00	01/04/22	NEW/L
Quieter sites (based on footfall)	-	10.00	01/04/22	NEW/L
Memorial Tree				
Supply and planting of tree	-	350.00	01/04/22	NEW/L
Plaque	-	100.00	01/04/22	NEW/L
Memorial Bench				
Supply and installation of bench	-	1,200.00	01/04/22	NEW/L
Plaque	-	100.00	01/04/22	NEW/L
PARKS (all events and activities are subject to appropriate licence fees at a separate charge)				
Minimum charge for the hire of park & open space (private/commercial)	97.00	Withdrawn	01/04/22	
MISCELLANEOUS CHARGES				
Mobile catering unit (per month)	273.98	282.00	01/04/22	I/N/P
Raphael Park Meeting Room (charge per hour)	22.66	23.50	01/04/22	I/N/P
Westlands Pavilion hire (charge per hour)	22.66	Withdrawn	01/04/22	
Tennis courts (fee per court per day for Coach/Club)	20.00	20.50	01/04/22	I/N/P

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(B) Charges determined by Committee

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Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
CHARGES FOR NON SCHEDULED WORKS				
Week day rates				
18 tonne grab lorry and driver per hour	173.00 *	178.00 *	01/04/22	I/N/P
2 staff & a van (includes tools & machinery) per hour	83.50 *	86.00 *	01/04/22	I/N/P
1 staff & a van (includes tools & machinery) per hour	48.50 *	49.50 *	01/04/22	I/N/P
Tractor & implement, or trailer with operator per hour	54.00 *	55.50 *	01/04/22	I/N/P
Ride on mower & operator per hour	48.50 *	49.50 *	01/04/22	I/N/P
Member of staff per hour (standard hours)	35.00 *	36.00 *	01/04/22	I/N/P
Charge hand per hour (standard hours)	44.50 *	45.50 *	01/04/22	I/N/P
Supply & plant memorial tree (up to 2metre football Inc. stakes & ties)	333.00 *	Withdrawn *	01/04/22	I/N/P
Initial mark - rugby pitch per pitch per occasion	137.00 *	Withdrawn *	01/04/22	I/N/P
Re-mark - rugby pitch per pitch per occasion	48.50 *	Withdrawn *	01/04/22	I/N/P
Initial mark – football pitch per pitch per occasion	125.00 *	Withdrawn *	01/04/22	I/N/P
Re-mark football pitch per pitch per occasion	42.50 *	Withdrawn *	01/04/22	I/N/P
Initial mark six lane 400 metre running track per occasion	542.00 *	Withdrawn *	01/04/22	I/N/P
Re-mark six lane 400 metre running track per occasion	125.00 *	Withdrawn *	01/04/22	I/N/P
Initial mark hockey pitch per occasion	83.50 *	Withdrawn *	01/04/22	I/N/P
Re-mark hockey pitch per occasion	29.00 *	Withdrawn *	01/04/22	I/N/P
Remove or install goal post socket each (excludes socket)	83.50 *	Withdrawn *	01/04/22	I/N/P

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Neighbourhoods Public Realm

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Week day rates (continued)				
Preparation of new or renovation of shrub beds per m2	58.00 *	Withdrawn *	01/04/22	
Shrub bed planting (five 3 litre container grown shrubs) per m2	50.50 *	Withdrawn *	01/04/22	
Shrub bed mulching (using composted whole tree mulch) per m2	4.00 *	4.00 *	01/04/20	P
Hedge cutting per linear metre	9.50 *	Withdrawn *	01/04/22	
Prepare ground, supply & lay turf per m2	9.50 *	Withdrawn *	01/04/22	
Prepare ground, supply and sow grass seed per m2	6.00 *	Withdrawn *	01/04/22	
Saturday rates				
1 staff & a van (includes tools & machinery) per hour	66.00 *	67.50 *	01/04/22	I/N/P
2 staff & a van (includes tools & machinery) per hour	118.50 *	122.00 *	01/04/22	I/N/P
Member of staff per hour (standard hours)	53.50 *	55.00 *	01/04/22	I/N/P
Charge hand per hour (standard hours)	65.00 *	66.50 *	01/04/22	I/N/P

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Neighbourhoods Public Realm

(A) Statutory and Nationally Agreed Charges -

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
TRAFFIC & PARKING CONTROL:				
Parking Facilities				
Penalty Charge Notices				
(Levels set by London Councils and agreed by the Mayor of London and endorsed by the Secretary of State)				
Less Serious Contravention Band A	80.00	80.00	01/04/11	P
Less Serious Contravention Band A if paid within 14 days	40.00	40.00	01/04/11	P
Serious Contravention Band A	130.00	130.00	15/04/11	P
Serious Contravention Band A paid within 14 days	65.00	65.00	15/04/11	P
Less Serious Band B	60.00	60.00	01/04/11	P
Less Serious paid within 14 days	30.00	30.00	01/04/11	P
Serious Band B	110.00	110.00	15/04/11	P
Serious Band B if paid within 14 days	55.00	55.00	15/04/11	P
Vehicle Clamping and Removal				
Vehicle Immobilisation release fee	70.00	70.00	01/04/11	P
Vehicle Pound release fee (if clamped)	200.00	200.00	01/04/11	P
Disposal Fee	70.00	70.00	01/04/11	P
Vehicle Pound storage fee (per day)	40.00	40.00	01/04/11	P

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Neighbourhoods Public Realm

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
TRAFFIC & PARKING CONTROL:				
PARKING FACILITIES				
Romford Area Car Parks - Mixed Tariff				
Monday to Saturday (Period Hours)				
0 - 1	1.50 *	1.50 *	01/04/21	C/L
1 - 2	2.50 *	2.50 *	01/04/21	C/L
2 - 3	3.50 *	3.50 *	01/04/21	C/L
3 - 4	4.50 *	4.50 *	01/04/21	C/L
4 - 5	5.50 *	5.50 *	01/04/21	C/L
5 - 6	6.50 *	6.50 *	01/04/21	C/L
6 - 7	10.50 *	10.50 *	01/04/21	C/L
7 - 8	11.50 *	11.50 *	01/04/21	C/L
over 8	12.50 *	12.50 *	01/04/21	C/L
Lost Ticket	12.50 *	12.50 *	01/04/21	C/L
Solo Motorcycle	No Charge *	No Charge *	01/04/21	C/L
Overnight (Period Hours)	1.50 *	1.50 *	01/04/21	C/L

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(B) Charges determined by Committee

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Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Market Place (Non-market days)				
0 - 1	1.50 *	1.50 *	01/04/21	C/L
1 - 2	2.50 *	2.50 *	01/04/21	C/L
Overnight (Non-market days & Period Hours)	1.50 *	1.50 *	01/04/21	C/L
<div> <p><i>Reminder and extention texts from the supplier are charges directly to the customer. These are optional charges and not charged by the Council</i></p> <p><i>A 20% discount is applied to car parking charges in car parks for all customers</i></p> </div>				

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Neighbourhoods Public Realm

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Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Hornchurch & Upminster Area Car Parks				
Monday to Saturday (Period Hours)				
0 - 1	1.50 *	1.50 *	01/04/21	C/L
1 - 2	2.50 *	2.50 *	01/04/21	C/L
2 - 3	3.50 *	3.50 *	01/04/21	C/L
3 - 4	4.50 *	4.50 *	01/04/21	C/L
4 - 5	5.50 *	5.50 *	01/04/21	C/L
5 - 6	6.50 *	6.50 *	01/04/21	C/L
6 - 7	10.50 *	10.50 *	01/04/21	C/L
7 - 8	11.50 *	11.50 *	01/04/21	C/L
8 - 12	12.50 *	12.50 *	01/04/21	C/L
Solo Motorcycles	No Charge *	No Charge *	01/04/21	C/L
Overnight (Period Hours)	1.50 *	1.50 *	01/04/21	C/L

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Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Collier Row, Cranham, Elm Park, Gidea Park & Rainham Area Car Parks				
Monday to Saturday (Period Hours)				
0 - 30 mins	No Charge *	No Charge *	01/04/21	C/L
30 min - 1	1.50 *	1.50 *	01/04/21	C/L
1 - 2	2.50 *	2.50 *	01/04/21	C/L
2 - 3	3.50 *	3.50 *	01/04/21	C/L
3 - 4	4.50 *	4.50 *	01/04/21	C/L
4 - 5	5.50 *	5.50 *	01/04/21	C/L
5 - 6	6.50 *	6.50 *	01/04/21	C/L
6 - 7	10.50 *	10.50 *	01/04/21	C/L
7 - 8	11.50 *	11.50 *	01/04/21	C/L
8 - 12	12.50 *	12.50 *	01/04/21	C/L
Solo Motorcycles	No Charge *	No Charge *	01/04/21	C/L
Sunday				
0 - 30 mins	No Charge *	No Charge *	01/04/19	C/L
Overnight (Period Hours)	1.50 *	1.50 *	01/04/19	C/L

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Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Season Tickets				
Romford Central Area				
All car parks:				
Per quarter	210.00 *	210.00 *	01/04/21	I/N/P
Per month	75.00 *	75.00 *	01/04/21	I/N/P
Outside Romford Central Area				
5 Day season – Balgores Square:				
per quarter	210.00 *	210.00 *	01/04/21	I/N/P
per month	75.00 *	75.00 *	01/04/21	I/N/P
All other car parks:				
per quarter	170.00 *	170.00 *	01/04/21	I/N/P
per month	65.00 *	65.00 *	01/04/21	I/N/P

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Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
On Street Pay and Display				
Upminster Road South Monday to Saturday (Maximum Stay 1 hour)				
0 - 30 mins	No Charge	No Charge	06/04/15	L
30 min - 1 hour	No Charge	No Charge	01/04/21	L
Sunday				
0 - 30 mins	No Charge	No Charge	01/04/19	C/L
Overnight (Period Hours)	No Charge	No Charge	01/04/19	C/L
 Romford, Hornchurch & Upminster Town Centres. Monday to Saturday (Maximum Stay 3 hours)				
0 - 1	No Charge	No Charge	01/04/21	C/L
1 - 2	2.50	2.50	01/04/21	C/L
2 - 3	3.50	3.50	01/04/21	C/L
Overnight (Period Hours)	No Charge	No Charge	01/04/19	C/L

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On Street Pay and Display (continued)				
Ardleigh Green, Collier Row, Cranham, Elm Park, Gidea Park, Harold Hill, Harold Wood & Rainham Monday to Saturday (Maximum Stay 3 hours)				
0 - 30 mins	No Charge	No Charge	01/04/19	C/L
30 min -1 hour	No Charge	No Charge	01/04/21	C/L
1 - 2 hours	2.50	2.50	01/04/21	C/L
2 - 3 hours	3.50	3.50	01/04/21	C/L
Sunday				
0 - 30 mins	No Charge	No Charge	01/04/19	C/L
Overnight (Period Hours)	No Charge	No Charge	01/04/19	C/L

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Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Controlled Parking Zones				
Resident's parking permit (per annum)				
1st Permit per household	35.00	35.00	01/04/21	L
2nd Permit per household	60.00	60.00	01/04/21	L
3rd Permit per household	85.00	85.00	01/04/21	L
Resident's visitor permits (book of 10)	13.00	13.00	01/04/21	L
Resident's All Day visitor permits (book of 10)	39.00	39.00	01/04/21	L
Resident's Hourly visitor permits (book of 10)	10.00	10.00	01/04/21	L
Business parking permits (per annum)	200.00	200.00	01/04/21	L
Commuter Bays (per annum)	500.00	500.00	01/04/21	L
Domestic Carer Permit (per annum)	40.00	40.00	01/04/21	L
Amendment to existing permit	25.50	25.50	01/04/21	L
Cancellation of permit	15.00	15.00	01/04/21	L
Other Miscellaneous Charges				
Waiver	20.00	20.00	01/04/21	L
Health and Homecare Permit (per annum)	60.00	60.00	01/04/21	L
Amendment to existing permit	22.50	22.50	01/04/21	L
Cancellation of permit	15.00	15.00	01/04/21	L
License Holder Car Parks (per annum)	200.00 *	200.00 *	01/04/21	D/L

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Neighbourhoods Public Realm

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Disabled Blue Badge (per 3 years)	10.00	10.00	01/01/12	L
Car Parking in Parks and Open Spaces Effective 01/04/2015 Maximum Stay 5 hours Mon - Saturday 8.00am to 6.30pm.				
0 - 1	1.50	1.50	01/04/21	C/L
1 - 2	2.50	2.50	01/04/21	C/L
2 - 3	3.50	3.50	01/04/21	C/L
3 - 4	4.50	4.50	01/04/21	C/L
4 - 5	5.50	5.50	01/04/21	C/L
Blue Badge holders (for up to 5 hours)	No Charge	No Charge	01/04/21	C/L
VEHICLE PARKING - WITHIN PARKS AND OPEN SPACES ONLY				
Release of vehicles that have been locked in a car park	80.00	80.00	01/04/21	L
Fee for vehicle left in car park overnight	107.00	107.00	01/04/21	L

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Neighbourhoods Public Realm

(B) Charges determined by Committee

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Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Events Charging For Traffic Management and Parking				
0 - 50 attendees	107.00 *	110.00 *	01/04/22	I/N/P
51 - 100 attendees	213.00 *	219.00 *	01/04/22	I/N/P
101 - 1000 attendees	531.00 *	546.00 *	01/04/22	I/N/P
1001+ attendees	1,061.00 *	1,092.00 *	01/04/22	I/N/P
plus hourly rate of £72 per hour	70.00 *	72.00 *	01/04/22	I/N/P
NRSW (Mayrise) fees and charges apply				
Road closure per road	3,047.00 *	3,138.00 *	01/04/22	I/N/P
 (i) Parking Bay suspensions				
Price per parking space per day (1 - 7 days)	50.00	51.00	01/04/22	I/N/P
Price per parking space per day (8 - 14 days)	100.00	103.00	01/04/22	I/N/P
Price per parking space per day (15 days +)	150.00	154.00	01/04/22	I/N/P

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Neighbourhoods Civil Protection

(A) Statutory and Nationally Agreed Charges -

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
ENVIRONMENTAL HEALTH:				
Defra				
Stray Dog Service - Environmental Protection (Stray Dogs) Regulation 1992				
Impounding fee per dog	25.00	25.00	01/04/92	P
Gambling Act 2005				
Bingo club - Gambling Act 2005 Dept. of Culture and Media and Sport				
Copy licence	25.00	25.00	01/10/06	P
Notification of change	50.00	50.00	01/10/06	P
Betting shop - Dept. of Culture and Media and Sport				
Copy licence	25.00	25.00	01/10/06	P
Notification of change	50.00	50.00	01/10/06	P
Betting premises tracks - Dept. of Culture and Media and Sport				
Copy licence	25.00	25.00	01/10/06	P
Notification of change	50.00	50.00	01/10/06	P

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Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Family entertainment centres - Dept. of Culture and Media and Sport				
Application to vary	1,000.00	1,000.00	01/10/06	P
Copy licence	25.00	25.00	01/10/06	P
Notification of change	50.00	50.00	01/10/06	P
Adult gaming centres - Dept. of Culture and Media and Sport				
Application to vary	1,000.00	1,000.00	01/10/06	P
Copy licence	25.00	25.00	01/10/06	P
Notification of change	50.00	50.00	01/10/06	P
Lottery - Dept. of Culture and Media and Sport				
New registration	40.00	40.00	01/10/06	P
Annual re registration	20.00	20.00	01/10/06	P
Permit fees - Dept. of Culture and Media and Sport				
Notification of right of licensed premises to have 2 gaming machines	50.00	50.00	01/10/06	P
Family entertainment centre - Dept. of Culture and Media and Sport				
New application	300.00	300.00	01/10/06	P
Change of name	25.00	25.00	01/10/06	P
Copy of permit	15.00	15.00	01/10/06	P

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Neighbourhoods Civil Protection

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Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Prize Gaming permit (S 16) Dept. of Culture and Media and Sport				
New application	300.00	300.00	31/03/05	P
Change of name	25.00	25.00	31/03/05	P
Copy of permit	15.00	15.00	31/03/05	P
Licensed premises gaming machine permit - Dept. of Culture Media and Sport				
New application (new operator)	150.00	150.00	31/03/05	P
New application (existing operator)	100.00	100.00	31/03/05	P
Vary a permit	100.00	100.00	31/03/05	P
Transfer application	25.00	25.00	31/03/05	P
Annual fee (1st fee payable within 30 days of issue)	50.00	50.00	31/03/05	P
Change of name	25.00	25.00	31/03/05	P
Copy of permit	15.00	15.00	31/03/05	P

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Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Club gaming machine permit - Dept. of Culture and Media and Sport				
New application	200.00	200.00	31/03/05	P
Renewal	100.00	100.00	31/03/05	P
New application (existing operator)	100.00	100.00	31/03/05	P
Vary a permit	100.00	100.00	31/03/05	P
Copy of permit	15.00	15.00	31/03/05	P
Annual fee (1st fee payable within 30 days of issue)	50.00	50.00	31/03/05	P
Environment Protection Act (Defra)				
Application Fee				
Standard Process	1,650.00	1,650.00	01/04/18	P
Additional fee for operating without a permit	1,188.00	1,188.00	01/04/18	P
Reduced fee activities (except VRs)	155.00	155.00	01/04/19	P
Vehicle refinisher	362.00	362.00	01/04/18	P
Service station PVR I & II combined	257.00	257.00	01/04/18	P
Reduced fee activities: Additional fee for operating without a permit.	71.00	71.00	01/04/19	P

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Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Environment Protection Act (Defra) (continued)				
Mobile screening and crushing plant	1,650.00	1,650.00	01/04/18	P
For the third to seventh applications	985.00	985.00	01/04/18	P
For the eight and subsequent applications	498.00	498.00	01/04/18	P
Note: Where an application for any of the above is for a combined Part B and waste application, add an extra £310 to the above amounts			01/04/18	P
Annual subsistence charge				
Standard process Low (+£103)	772.00	772.00	01/04/18	P
Standard process Medium (+£156)	1,161.00	1,161.00	01/04/18	P
Standard process High (+£207)	1,747.00	1,747.00	01/04/18	P
(+) to be added when the above standard process is for combined part B and waste site				
Service stations PVR I/dry cleaner/ waste oil burner <0.4MW				
Low	79.00	79.00	01/04/18	P
Medium	158.00	158.00	01/04/18	P
High	237.00	237.00	01/04/18	P

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Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Environment Protection Act (Defra) (continued)				
Vehicle refinisher				
Low	228.00	228.00	01/04/18	P
Medium	365.00	365.00	01/04/18	P
High	548.00	548.00	01/04/18	P
Service station PVRI and II combined				
Low	113.00	113.00	01/04/18	P
Medium	226.00	226.00	01/04/18	P
High	341.00	341.00	01/04/18	P
Odourising of natural gas				
Low	79.00	79.00	01/04/19	P
Medium	158.00	158.00	01/04/19	P
High	237.00	237.00	01/04/19	P
Mobile screening and crushing plant				
For the first and second plants				
Low	626.00	626.00	01/04/19	P
Medium	1,034.00	1,034.00	01/04/18	P
High	1,551.00	1,551.00	01/04/19	P

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Environment Protection Act (Defra) (continued)				
For the third to seventh applications				
Low	385.00	385.00	01/04/18	P
Medium	617.00	617.00	01/04/18	P
High	924.00	924.00	01/04/18	P
For the eighth and subsequent applications				
Low	198.00	198.00	01/04/18	P
Medium	316.00	316.00	01/04/19	P
High	473.00	473.00	01/04/18	P
Transfer and Surrender of a permit				
Standard process transfer	169.00	169.00	01/04/18	P
Standard process partial transfer	497.00	497.00	01/04/18	P
New operator at low risk reduced fee activity	78.00	78.00	01/04/18	P
Surrender: all Part B activities	No Charge	No Charge	01/05/12	P
Transfer : Service Stations and Waste Oil burners <0.4MW	No Charge	No Charge	01/05/12	P
Reduced fee activities: Transfer	No Charge	No Charge	01/05/12	P
Reduced fee activities: partial transfer	47.00	47.00	01/04/18	P

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Transfer and Surrender of a permit (continued)				
Temporary				
First transfer	53.00	53.00	01/04/19	P
Transfer for mobiles				
Repeat transfer	11.00	11.00	01/04/19	P
Repeat following enforcement or warning	53.00	53.00	01/04/19	P
Substantial changes to s10 and s11				
One off annual payment				
Standard process	1,050.00	1,050.00	01/04/18	P
Standard process where the substantial change results in a new PPC activity	1,650.00	1,650.00	01/04/18	P
Reduced fee activities	102.00	102.00	01/04/18	P
Note: Reduced fee activities are; Service Stations, Vehicle Refinishers, Dry Cleaners and Small Waste Oil burners under 0.4MW				

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Environmental Protection Act (DEFRA): LAPPC mobile plant charges				
Number of Permits				
1 Low	646.00	646.00	01/04/19	P
1 Medium	1,034.00	1,034.00	01/04/19	P
1 High	1,506.00	1,506.00	01/04/19	P
2 Low	646.00	646.00	01/04/19	P
2 Medium	1,034.00	1,034.00	01/04/19	P
2 High	1,506.00	1,506.00	01/04/19	P
3 Low	385.00	385.00	01/04/19	P
3 Medium	617.00	617.00	01/04/19	P
3 High	924.00	924.00	01/04/19	P
4 Low	385.00	385.00	01/04/19	P
4 Medium	617.00	617.00	01/04/19	P
4 High	924.00	924.00	01/04/19	P
5 Low	385.00	385.00	01/04/19	P
5 Medium	617.00	617.00	01/04/19	P
5 High	924.00	924.00	01/04/19	P
6 Low	385.00	385.00	01/04/19	P
6 Medium	617.00	617.00	01/04/19	P
6 High	924.00	924.00	01/04/19	P

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Environmental Protection Act (DEFRA): LAPPC mobile plant charges (continued)				
7 Low	385.00	385.00	01/04/19	P
7 Medium	617.00	617.00	01/04/19	P
7 High	924.00	924.00	01/04/19	P
8 and over Low	198.00	198.00	01/04/19	P
8 and over Medium	316.00	316.00	01/04/19	P
8 and over High	473.00	473.00	01/04/19	P
Note: Subsistence charges can be paid in four equal quarterly instalments paid on 1st april, 1st July, 1st October and 1st January. Where paid quarterly the total amount payable to the local authority will be increased by £36.				

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Licensing Act 2003 fees set by Home Office				
Application for the grant or renewal of a personal licence	37.00	37.00	01/11/05	P
Temporary event notice	21.00	21.00	01/11/05	P
Theft, loss, etc. of premises licence or summary	21.00	21.00	01/11/05	P
Application for a provisional statement where premises being built etc.	10.50	10.50	01/11/05	P
Notification of change of name or address	10.50	10.50	01/11/05	P
Application to vary licence to specify individual as premises supervisor	23.00	23.00	01/11/05	P
Application for transfer of premises licence	23.00	23.00	01/11/05	P
Interim authority notice following death etc. of licence holder	10.50	10.50	01/11/05	P
Theft, loss etc. of certificate or summary	23.00	23.00	01/11/05	P
Notification of change of name or alteration of rules of club	23.00	23.00	01/11/05	P
Change of relevant registered address of club	23.00	23.00	01/11/05	P
Theft, loss etc. of temporary event notice	10.50	10.50	01/11/05	P
Theft, loss etc. of personal licence	10.50	10.50	01/11/05	P
Duty to notify change of name or address	10.50	10.50	01/11/05	P
Right of freeholder etc. to be notified of licensing matters	10.50	10.50	01/11/05	P

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Main Fee Levels				
Based on non domestic rateable value:				
Band A £0 - £4,300				
Band B £4,301 - £33,000				
Band C £33,001 - £87,000				
Band D £87,001 - £125,000				
Band E £125,001 and over				
Premises Licences				
New Applications and variation				
Band A	100.00	100.00	01/11/05	P
Band B	190.00	190.00	01/11/05	P
Band C	315.00	315.00	01/11/05	P
Band D	450.00	450.00	01/11/05	P
Band E	635.00	635.00	01/11/05	P
Multiplier applied to premises used exclusively or primarily for the supply of alcohol for consumption on the premises (bands D & E only)				
Band D x 2	900.00	900.00	01/11/05	P
Band E x 3	1,905.00	1,905.00	01/11/05	P

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Premises Licences (continued)				
Annual maintenance fee to keep premises licence current.				
Band A	70.00	70.00	01/11/05	P
Band B	180.00	180.00	01/11/05	P
Band C	295.00	295.00	01/11/05	P
Band D	320.00	320.00	01/11/05	P
Band E	350.00	350.00	01/11/05	P
Annual charge multiplier applied to premises used exclusively or primarily for the supply of alcohol for consumption on the premises (bands D & E only)				
Band D x 2	640.00	640.00	01/11/05	P
Band E x 3	1,050.00	1,050.00	01/11/05	P
Additional Fees				
There are additional fees for premises licence applications, and the annual fee for exceptionally large scale events (5000+), unless certain conditions apply. Please read Regulation 4(4) and 4(5) of the licensing Act (Fees) Regulations 2005.				

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Additional Premises licence fee				
Numbers in attendance at any one time				
5,000 - 9,999	1,000.00	1,000.00	01/11/05	P
10,000 - 14,999	2,000.00	2,000.00	01/11/05	P
15,000 - 19,999	4,000.00	4,000.00	01/11/05	P
20,000 - 29,999	8,000.00	8,000.00	01/11/05	P
30,000 - 39,999	16,000.00	16,000.00	01/11/05	P
40,000 - 49,999	24,000.00	24,000.00	01/11/05	P
50,000 - 59,999	32,000.00	32,000.00	01/11/05	P
60,000 - 69,999	40,000.00	40,000.00	01/11/05	P
70,000 - 79,999	48,000.00	48,000.00	01/11/05	P
80,000 - 89,999	56,000.00	56,000.00	01/11/05	P
90,000 and over	64,000.00	64,000.00	01/11/05	P

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Additional annual maintenance fee payable (if applicable)				
Numbers in attendance at any one time				
5,000 - 9,999	500.00	500.00	01/11/05	N/P
10,000 - 14,999	1,000.00	1,000.00	01/11/05	N/P
15,000 - 19,999	2,000.00	2,000.00	01/11/05	N/P
20,000 - 29,999	4,000.00	4,000.00	01/11/05	N/P
30,000 - 39,999	8,000.00	8,000.00	01/11/05	N/P
40,000 - 49,999	12,000.00	12,000.00	01/11/05	N/P
50,000 - 59,999	16,000.00	16,000.00	01/11/05	N/P
60,000 - 69,999	20,000.00	20,000.00	01/11/05	N/P
70,000 - 79,999	24,000.00	24,000.00	01/11/05	N/P
80,000 - 89,999	28,000.00	28,000.00	01/11/05	N/P
90,000 and over	32,000.00	32,000.00	01/11/05	N/P

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Club premises certificates				
New application variation				
Band A	100.00	100.00	01/11/05	P
Band B	190.00	190.00	01/11/05	P
Band C	315.00	315.00	01/11/05	P
Band D	450.00	450.00	01/11/05	P
Band E	635.00	635.00	01/11/05	P
Annual maintenance fee				
Band A	70.00	70.00	01/11/05	P
Band B	180.00	180.00	01/11/05	P
Band C	295.00	295.00	01/11/05	P
Band D	320.00	320.00	01/11/05	P
Band E	350.00	350.00	01/11/05	P

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(A) Statutory and Nationally Agreed Charges -

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Explosives Regulations 2014 (set by HSE)				
Registration (Unlimited) initial application	500	500	01/04/17	P
Fireworks Explosives Regulations Health & Safety and Nuclear (Fees) Regulations 2016 Licence to store explosives where, by virtue of regulation 27 of, and Schedule 5 to, the 2014 Regulations, no minimum separation distance or a 0 metres separation distance is prescribed: (Storage of up to 250kg NEQ)				
New				
New application 1 year	109.00	111.00	01/04/22	P
New application 2 years	141.00	144.00	01/04/22	P
New application 3 years	173.00	177.00	01/04/22	P
New application 4 years	206.00	211.00	01/04/22	P
New application 5 years	238.00	243.00	01/04/22	P
Renewals				P
Renewal 1 year	54.00	55.00	01/04/22	P
Renewal 2 years	86.00	88.00	01/04/22	P
Renewal 3 years	120.00	123.00	01/04/22	P
Renewal 4 years	152.00	155.00	01/04/22	P
Renewal 5 years	185.00	189.00	01/04/22	P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

N - A nominal adjustment e.g. due to rounding of charge

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods Civil Protection

(A) Statutory and Nationally Agreed Charges -

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Explosives Regulations 2014 (set by HSE) continued				
Licence to store explosives where, by virtue of regulation 27 of, and Schedule 5 to, the 2014 Regulations, a minimum separation distance of greater than 0 metres is required: (Storage between 250kg and 2,000kg NEQ)				
New				
New application 1 year	185.00	189.00	01/04/22	P
New application 2 years	243.00	248.00	01/04/22	P
New application 3 years	304.00	311.00	01/04/22	P
New application 4 years	374.00	382.00	01/04/22	P
New application 5 years	423.00	432.00	01/04/22	P
Renewals				
Renewal 1 year	86.00	88.00	01/04/22	P
Renewal 2 years	147.00	150.00	01/04/22	P
Renewal 3 years	206.00	211.00	01/04/22	P
Renewal 4 years	266.00	272.00	01/04/22	P
Renewal 5 years	326.00	333.00	01/04/22	P
Varying a licence (For any other variation-the reasonable cost to the licensing authority of having the work carried out)				
Varying the name of licensee or address of site	36.00	37.00	01/04/22	P
Transfer of licence	36.00	37.00	01/04/22	P
Replacement of licence if lost	36.00	37.00	01/04/22	P

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Neighbourhoods Civil Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
ENVIRONMENTAL HEALTH:				
Keeping of dangerous wild animals (Dangerous Wild Animals Act 1976)				
New application Part A	361.00	372.00	01/04/22	I/N/P
New application Part B	109.00	112.00	01/04/22	I/N/P
Note: total fee for new application £484				
Renewal Part A	361.00	372.00	01/04/22	I/N/P
Renewal Part B	109.00	112.00	01/04/22	I/N/P
Note: total fee for renewal £484				
Replacement or Copy of Keeping of dangerous wild animals Application/Renewal	47.00	48.00	01/04/22	D/L/N

Basis of Increase:

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Neighbourhoods Civil Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
ENVIRONMENTAL HEALTH:				
Animal Welfare Licences (The Animal welfare (Licensing of Activities Involving Animals) England) Regulations 2018				
Providing and arranging boarding for cat/dog kennels, home boarding for dogs	371.00	382.00	01/04/22	L/N
New Application Part B (Issue Fee)	185.00	191.00	01/04/22	L/N
Note: total fee for new application £573				
Renewal Part A (Application Fee)	340.00	350.00	01/04/22	L/N
Renewal Part B (Issue Fee)	124.00	128.00	01/04/22	L/N
Note: total fee for renewal application £478				
Dog Daycare				
Dog Daycare Part A (Application Fee)	371.00	382.00	01/04/22	L/N
Dog Daycare Part 3 (Issue Fee)	185.00	191.00	01/04/22	L/N
Note: total fee for new application £573				
Renewal Part A (Application Fee)	340.00	350.00	01/04/22	L/N
Renewal Part B (Issue Fee)	124.00	128.00	01/04/22	L/N
Note: total fee for renewal application £478				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

N - A nominal adjustment e.g. due to rounding of charge

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

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Neighbourhoods Civil Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Animal Welfare Licences (continued)				
Dog Breeding				
Dog Breeding Part A (Application Fee) (plus vet visit fee)	402.00	414.00	01/04/22	L/N
Dog Breeding Part B (Issue Fee)	185.00	191.00	01/04/22	L/N
Note: total fee for new application £605				
Renewal Part A (Application Fee)(plus vet fee visit fee)	371.00	382.00	01/04/22	L/N
Renewal Part B (Issue Fee)	124.00	128.00	01/04/22	L/N
Note: total fee for renewal application £510				
Pet Shop Operation				
Pet Shop Operation Part A (Application Fee)	371.00	382.00	01/04/22	L/N
Pet Shop Operation Part B (Issue Fee)	185.00	191.00	01/04/22	L/N
Note: total fee for Pet Shop Operation £573				
Renewal Part A (Application Fee)	340.00	350.00	01/04/22	L/N
Renewal Part B (Issue Fee)	124.00	128.00	01/04/22	L/N
Note: total fee for renewal application £478				

Basis of Increase:

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G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

N - A nominal adjustment e.g. due to rounding of charge

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

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Neighbourhoods Civil Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Animal Welfare Licences (continued)				
Hiring of Horses				
Hiring of Horses (riding and/or instruction) Part A (Application Fee) (plus vet visit fee)	402.00	414.00	01/04/22	L/N
Hiring of Horses (riding and/or instruction) Part B (Issue Fee)	185.00	191.00	01/04/22	L/N
Note: total fee for Hiring of Horses £605				
Renewal Part A (Application Fee)(plus vet fee visit fee)	371.00	382.00	01/04/22	L/N
Renewal Part B (Issue Fee)	124.00	128.00	01/04/22	L/N
Note: total fee for renewal application £510				
Keeping or Training of Animals for Exhibitions				
Keeping or training of animals for exhibition Part A (Application Fee)	371.00	382.00	01/04/22	L/N
Keeping or training of animals for exhibition Part B (Issue Fee)	185.00	191.00	01/04/22	L/N
Note: total fee for Keeping or training of animals for exhibition £573				
Renewal Part A (Application Fee)	340.00	350.00	01/04/22	L/N
Renewal Part B (Issue Fee)	124.00	128.00	01/04/22	L/N
Note: total fee for renewal application £478				
Variation of Licence	309.00	318.00	01/04/22	L/N
Re-rating of Premises	278.00	286.00	01/04/22	L/N
Amendment Fee/Replacement Licence for a lost or defaced Licence	47.00	48.00	01/04/22	L/N
Transfer Fee	185.00	191.00	01/04/22	L/N

Basis of Increase:

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S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

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Neighbourhoods Civil Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Special treatment establishments (London Local Authority Act 1991)				
High risk single treatment New Part A	557.00	574.00	01/04/22	I/N/P
High risk single treatment New Part B	165.00	170.00	01/04/22	I/N/P
Note: total fee for new application £744				
High risk Multiple treatment New Part A	688.00	709.00	01/04/22	I/N/P
High risk Multiple treatment New Part B	165.00	170.00	01/04/22	I/N/P
Note: total fee for new application £879				
High risk renewal single treatment Part A	165.00	170.00	01/04/22	I/N/P
High risk renewal single treatment Part B	165.00	170.00	01/04/22	I/N/P
Note: total fee for renewal £340				
High risk Renewal multiple treatment Part A	229.00	236.00	01/04/22	I/N/P
High risk Renewal multiple treatment Part B	165.00	170.00	01/04/22	I/N/P
Note: total fee for renewal £406				
Variation (additional treatment High risk)	328.00	338.00	01/04/22	I/P

Basis of Increase:

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G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

N - A nominal adjustment e.g. due to rounding of charge

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods Civil Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Special treatment establishments (Cont)				
<p>**surcharge to be paid for renewal applications that are received within 30 days from the date the licence lapsed. Any renewal applications received after that period will not be accepted and a new application and associated fee will be required.</p>				
low risk single treatment New Part A	361.00	372.00	01/04/22	I/N/P
low risk single treatment New Part B	165.00	170.00	01/04/22	I/N/P
Note: total fee for new application £542				
low risk multiple treatment New Part A	492.00	507.00	01/04/22	I/N/P
low risk multiple treatment New Part B	165.00	170.00	01/04/22	I/N/P
Note: total fee for new application £677				

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- G - An increase below inflation in line with a corporate growth plan
- I - Based on relevant inflationary change
- N - A nominal adjustment e.g. due to rounding of charge
- S - An increase above inflation in line with a corporate saving plan
- D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

- P - The Corporate Charging Policy
- L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods Civil Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Special treatment establishments (Cont)				
Low risk renewal single treatment Part A	109.00	112.00	01/04/22	I/N/P
Low risk renewal single treatment Part B	165.00	170.00	01/04/22	I/N/P
Note: total fee for renewal £282				
Low risk renewal multiple treatment Part A	165.00	170.00	01/04/22	I/N/P
Low risk renewal multiple treatment Part B	165.00	170.00	01/04/22	I/N/P
Note: total fee for renewal £340				
Variation (additional treatment low risk)~	165.00	170.00	01/04/22	I/N/P
Change of details/transfer	109.00	112.00	01/04/22	I/N/P
Late renewal surcharge	43.00	44.00	01/04/22	I/N/P
Change of Therapist	31.00	32.00	01/04/22	I/N/P
Duplicate Special treatment establishments licence	47.00	48.00	01/04/22	D/L/N
~ if the additional treatment is high risk the higher fee must be paid.				

Basis of Increase:

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G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

N - A nominal adjustment e.g. due to rounding of charge

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

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L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods Civil Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Zoo Licensing (Zoo Licensing Act 1981)				
New Application Part A (Part B no charge) (plus vet visit fee)	688.00	709.00	01/04/22	I/N/P
Renewal (no change) Part A fee plus vet inspection fee	492.00	507.00	01/04/22	I/N/P
Alteration Part A plus vet inspection fee	602.00	620.00	01/04/22	I/N/P
Sex Establishment Licensing (Local Govt. Miscellaneous Provisions Act 1982)				
New application Part A (Part B no charge)	2,229.00	2,296.00	01/04/22	I/N/P
Renewal Part A fee	328.00	338.00	01/04/22	I/N/P
Renewal Part B fee	109.00	112.00	01/04/22	I/N/P
Note: total fee for renewal £450				
Hypnotism consent (Hypnotism Act 1952)				
New application Part A	328.00	338.00	01/04/22	I/N/P

Basis of Increase:

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- I - Based on relevant inflationary change
- N - A nominal adjustment e.g. due to rounding of charge
- S - An increase above inflation in line with a corporate saving plan
- D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

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Neighbourhoods Civil Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Street Trading Licences (London Local Authorities Act 1990)				
Subject to review and a separate consultation for proposed street trading protocol				
Trading between 05:00 - 20:00				
Seven days per week	2,297.00	2,366.00	01/04/22	I/N/P
Six days per week	1,969.00	2,028.00	01/04/22	I/N/P
Five days per week	1,646.00	1,695.00	01/04/22	I/N/P
Four days per week	1,313.00	1,352.00	01/04/22	I/N/P
Three days per week	988.00	1,018.00	01/04/22	I/N/P
Two days per week	657.00	677.00	01/04/22	I/N/P
One day per week	330.00	340.00	01/04/22	I/N/P
Trading between 20:00 - 02:00				
Seven days per week	2,843.00	2,928.00	01/04/22	I/N/P
Six days per week	2,438.00	2,511.00	01/04/22	I/N/P
Five days per week	2,031.00	2,092.00	01/04/22	I/N/P
Four days per week	1,626.00	1,675.00	01/04/22	I/N/P
Three days per week	1,217.00	1,254.00	01/04/22	I/N/P
Two days per week	806.00	830.00	01/04/22	I/N/P
One day per week	404.00	416.00	01/04/22	I/N/P
These can be paid annually in advance				

Basis of Increase:

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Neighbourhoods Civil Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Temporary Street Trading Licences (up to 6 months)				
Trading between 05:00 and 20:00				
Seven days per week	1,151.00	1,186.00	01/04/22	I/N/P
Six days per week	987.00	1,017.00	01/04/22	I/N/P
Five days per week	809.00	833.00	01/04/22	I/N/P
Four days per week	657.00	677.00	01/04/22	I/N/P
Three days per week	494.00	509.00	01/04/22	I/N/P
Two days per week	329.00	339.00	01/04/22	I/N/P
One day per week	167.00	172.00	01/04/22	I/N/P
Temporary Street Trading Licences (up to 6 months) (continued)				
Trading between 20:00 and 02:00				
Seven days per week	1,422.00	1,465.00	01/04/22	I/N/P
Six days per week	1,223.00	1,260.00	01/04/22	I/N/P
Five days per week	1,018.00	1,049.00	01/04/22	I/N/P
Four days per week	813.00	837.00	01/04/22	I/N/P
Three days per week	610.00	628.00	01/04/22	I/N/P
Two days per week	408.00	420.00	01/04/22	I/N/P
One day per week	212.00	218.00	01/04/22	I/N/P

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I - Based on relevant inflationary change

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S - An increase above inflation in line with a corporate saving plan

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Neighbourhoods Civil Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Daily Temporary Licence for special events	47.00	48.00	01/04/22	I/N/P
Duplicate Licence	50.00	52.00	01/04/22	I/N/P
Variations to existing Licences	108.15	111.00	01/04/22	I/N/P
Pavement Licence (Business and Planning Act 2020) Until 30th September 2022	100.00	100.00	01/04/21	L
Stray Dog Service				
Administration Fee	11.00	11.00	01/04/20	L
<i>The below Stray Dog Service fees are charged by the supplier directly to the customer.</i>				
Weekdays 08:00 - 16:59	50.00	50.00	01/04/20	L
Weekdays 17:00 - 23:59	65.00	65.00	01/04/20	L
Weekends	70.00	70.00	01/04/20	L
Bank Holidays	70.00	70.00	01/04/20	L
Kennelling boarding charge per day per dog/part day	14.00	14.00	01/04/20	L

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G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

N - A nominal adjustment e.g. due to rounding of charge

S - An increase above inflation in line with a corporate saving plan

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(B) Charges determined by Committee

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Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Land Quality Reports				
Written report that takes less than 2 hours to complete:				
a) 5 working day response (where available and on request)	575.00 *	592.00 *	01/04/22	I/N/P
b) 20 working day response	317.00 *	327.00 *	01/04/22	I/N/P
For every hour over 2 hours	94.00 *	97.00 *	01/04/22	I/N/P
To respond to specific questions on land quality hourly rate	94.00 *	97.00 *	01/04/22	I/N/P
5 – Year Licence				
Mandatory HMO Licensing (Housing Act 2004)				
Additional HMO Licence has a fixed fee of £900 and its usually valid for 5 years				
Part A	550.00	550.00	01/04/20	L
Part B	350.00	350.00	01/04/20	L
Note: If landlord is accredited by a recognised body there is a discount of £35 off the Part B fee				

Basis of Increase:

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- I - Based on relevant inflationary change
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- S - An increase above inflation in line with a corporate saving plan
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Neighbourhoods Civil Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
5 – Year Licence				
Mandatory HMO Licensing (Housing Act 2004)				
New licences:				
Up to 5 lettings	1,149.00	1,183.00	01/04/22	I/N/P
6 - 9 lettings	1,323.00	1,363.00	01/04/22	I/N/P
10 - 14 lettings	1,517.00	1,563.00	01/04/22	I/N/P
15 - 19 lettings	1,679.00	1,729.00	01/04/22	I/N/P
20 lettings and above	1,842.00	1,897.00	01/04/22	I/N/P
Additional fee for processing paper applications (discretionary)	100.00	103.00	01/04/22	L
Caravan site licence (Caravan Sites and Control of Development Act 1960)	413.00	425.00	01/04/22	I/N/P
Selective Licensing for Privately Rented Homes				
New licence Application (Part A application fee)	450.00	450.00	01/04/20	L
New licence Application (Part B enforcement fee)	450.00	450.00	01/04/20	L
Additional fee for processing paper applications (discretionary)	100.00	103.00	01/04/22	L

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I - Based on relevant inflationary change

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S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

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Neighbourhoods Civil Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Miscellaneous housing-related fees				
Fee for each type of statutory Notice served under Housing Act 2004 with the ability to add the cost of any report required from external experts such as Gas, Electricity or Structural Surveyors	525.00	541.00	01/04/22	I/L
Gambling Act 2005 Bingo Club premises Fees set by LA (subject to maxima set by Govt.)				
New premises application	3,500.00	3,500.00	01/04/20	I/N/P
Annual fee	737.00	759.00	01/04/22	I/N/P
Application to vary	1,226.00	1,262.00	01/04/22	I/N/P
Application to transfer	620.00	639.00	01/04/22	I/N/P
Application for reinstatement	960.00	989.00	01/04/22	I/N/P
Application for a provisional statement	1,281.00	1,319.00	01/04/22	I/N/P
License application (provisional statement holders)	960.00	989.00	01/04/22	I/N/P

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- P - The Corporate Charging Policy
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Neighbourhoods Civil Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Betting shop				
New premises application	1,258.00	1,296.00	01/04/22	I/N/P
Annual fee	600.00	600.00	01/04/20	P
Application to vary	941.00	969.00	01/04/22	I/N/P
Application to transfer	620.00	639.00	01/04/22	I/N/P
Application for reinstatement	961.00	990.00	01/04/22	I/N/P
Application for a provisional statement	1,282.00	1,320.00	01/04/22	I/N/P
License application (provisional statement holders)	961.00	990.00	01/04/22	I/N/P
Betting premises tracks				
New premises application	2,500.00	2,500.00	01/04/20	I/N/P
Annual fee	970.00	999.00	01/04/22	I/N/P
Application to vary	1,238.00	1,250.00	01/04/22	I/N/P
Application to transfer	620.00	639.00	01/04/22	I/N/P
Application for reinstatement	929.00	950.00	01/04/22	I/N/P
Application for a provisional statement	2,500.00	2,500.00	01/04/20	I/N/P
License application (provisional statement holders)	929.00	950.00	01/04/22	I/N/P

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Neighbourhoods Civil Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Family Entertainment centres				
New premises application	1,684.00	1,735.00	01/04/22	I/N/P
Annual fee	739.00	750.00	01/04/22	I/N/P
Application to vary	1,000.00	1,000.00	01/04/20	I/P
Application to transfer	620.00	639.00	01/04/22	I/N/P
Application for reinstatement	929.00	950.00	01/04/22	I/N/P
Application for a provisional statement	1,721.00	1,773.00	01/04/22	I/N/P
License application (provisional statement holders)	950.00	950.00	01/04/21	I/N/P
Adult gaming centres				
New premises application	1,708.00	1,759.00	01/04/22	I/N/P
Annual fee	739.00	761.00	01/04/22	I/N/P
Application to vary	1,000.00	1,000.00	01/04/20	I/N/P
Application to transfer	620.00	639.00	01/04/22	I/N/P
Application for reinstatement	929.00	957.00	01/04/22	I/N/P
Application for a provisional statement	1,705.00	1,756.00	01/04/22	I/N/P
License application (provisional statement holders)	929.00	957.00	01/04/22	I/N/P

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Neighbourhoods Civil Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Scrap Metal Dealers Act 2013				
Application for a new scrap metal site licence	935.00	963.00	01/04/22	I/N/P
Application for a new scrap metal collectors licence	302.00	311.00	01/04/22	I/N/P
Application for a variation of an existing site licence to a collectors licence	151.00	156.00	01/04/22	I/N/P
Application for a variation of an existing collectors licence to a site licence	789.00	813.00	01/04/22	I/N/P
Application for a variation of an existing licence not listed above	209.00	215.00	01/04/22	I/N/P
Renewal application for a site licence under Scrap Metal Dealers Act 2013	935.00	963.00	01/04/22	I/N/P
Renewal application for a collectors licence under Scrap Metal Dealers Act 2013	282.00	290.00	01/04/22	I/N/P
Lost licence replacement	28.00	29.00	01/04/22	I/N/P
Marriage Act 1949				
Wedding Registration				
New application Part A fee	737.00	759.00	01/04/22	I/N/P
New Application Part B fee	197.00	203.00	01/04/22	I/N/P
Note: Total fee parts A and B £962				
Renewal of Premises Licensing				
Renewal Part A fee	213.00	219.00	01/04/22	I/N/P
Renewal Part B fee	197.00	203.00	01/04/22	I/N/P
Note: Total fee parts A and B £422				

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Neighbourhoods Civil Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Primary Authority				
Annual Fee, pays for 20 hours work (Enterprise and Regulatory Reform Act)	1,350.00	1,391.00	01/04/22	I/N/P
Hourly rate, agreed in advance for work beyond 20 hours.	68.00	70.00	01/04/22	I/N/P
Food				
Health Export Certificates (these are issued on request to food businesses who wish to export foodstuff outside the EU. They are provided to assist local exporters in meeting the food safety requirements. Only the local authority can provide them).	58.00	60.00	01/04/22	I/N/P
Food Hygiene Rating Requested rerating inspection, New charge for 2017. Can only be supplied by the local authority by the Enterprise Act. No Vat applicable	220.00	227.00	01/04/22	I/N/P

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Neighbourhoods Civil Protection

(A) Statutory and Nationally Agreed Charges -

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
ENVIRONMENTAL ENFORCEMENT				
Environmental offences				
Fixed penalty notices				
Levels are set by legislation and London Councils Transport and Environment Committee Guidelines.				
Fly Tipping	400.00	400.00	01/04/20	P
Householder Duty of Care	-	400.00	01/04/22	NEW/P
Fail to produce Waste Transfer Notes	300.00	300.00	01/04/20	P
Litter	150.00	150.00	01/04/20	P
Fail to comply requirement or condition in Abatement Notice	110.00	110.00	01/04/20	P
Fail to comply Community Protection Notice	100.00	100.00	01/04/20	P
Fail to comply Public Space Protection Order	100.00	100.00	01/04/20	P
Fail to produce authority to carry waste	300.00	300.00	01/04/20	P
Fail to comply with receptables notice (Commercial)	110.00	110.00	01/04/20	P
Unlicensed Street Trading	150.00	150.00	01/04/20	P
Fail to comply conditions Street Trading License / temp License	100.00	100.00	01/04/20	P
Fail to produce a Street Trading Licence / Temp Licence on demand	100.00	100.00	01/04/20	P
Making a false statement to obtain a Street Trading Licence	125.00	125.00	01/04/20	P
Resisting or obstructing an authorised officer	250.00	250.00	01/04/20	P
Nuisance Vehicles exposed for sale Unlicensed Trade	150.00	150.00	01/04/20	P

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Neighbourhoods Civil Protection

(A) Statutory and Nationally Agreed Charges -

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Fixed penalty notices (Continue)				
Abandoned Vehicles	200.00	200.00	01/04/20	P
Fail to comply dog control / CPN	80.00	Withdrawn	01/04/22	
Unauthorised distribution of printed matter	75.00	75.00	01/04/20	P
Fly Posting	150.00	150.00	01/04/20	P
Display advertisement in contravention of regs	75.00	75.00	01/04/20	P
Graffiti	150.00	150.00	01/04/20	P
Marks / picture/ sign on highway or highway furniture	100.00	100.00	01/04/20	P
Wilful obstruction	100.00	100.00	01/04/20	P
Erect building / fence / hedge on highway	100.00	100.00	01/04/20	P
Deposit skip on highway without authority	100.00	100.00	01/04/20	P
Deposit skip on highway failure to light or sign	100.00	100.00	01/04/20	P
Deposit skip on highway failure to display name and address	100.00	100.00	01/04/20	P
Deposit skip on highway fail to remove	100.00	100.00	01/04/20	P
Deposit skip on highway fail to comply conditions / permit	100.00	100.00	01/04/20	P
Deposit skip on highway fail to remove / reposition	100.00	100.00	01/04/20	P
Deposit material on made up carriageway	100.00	100.00	01/04/20	P
Deposit material within 15 feet of centre carriageway	100.00	100.00	01/04/20	P
Deposit material on highway to interruption of user	100.00	100.00	01/04/20	P
Pitching booths / stalls / stands / camp on highway	100.00	100.00	01/04/20	P

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Neighbourhoods Civil Protection

(A) Statutory and Nationally Agreed Charges -

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Fixed penalty notices (Continue)				
Fail to prevent soil / mud / refuse escape to sewer / road	100.00	100.00	01/04/20	P
Fail to remove projection	100.00	100.00	01/04/20	P
Fail to prevent door etc, opening onto street	100.00	100.00	01/04/20	P
Deposit things on highway which cause injury or danger	100.00	100.00	01/04/20	P
Erect scaffold or structure on highway w/o licence ftc condition	100.00	100.00	01/04/20	P

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Neighbourhoods Civil Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
TRADING STANDARDS:				
Trading Standards NE London Metrology Partnership Income Income is credited to the joint trading account				
Section 11 (4) of the Weights and Measures Act 1985				
Measuring Instruments:				
(a) Linear (with or without divisions/sub divisions)				
First Tape	13.00 *	13.00 *	01/04/20	I/N/P
(b) Capacity (without divisions, not exceeding 1 litre) - each measure				
	11.00 *	11.00 *	01/04/20	I/N/P
(c) Cubic ballast				
Other than brim (each measure)	232.00 *	239.00 *	01/04/22	I/N/P
Brim/bucket type (each measure)	102.00 *	105.00 *	01/04/22	I/N/P
1. Liquid capacity measures for making and checking average quantity purchases each measure	36.00 *	37.00 *	01/04/22	I/N/P

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Neighbourhoods Civil Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Measuring Instruments (continued):				
2. Templates (per scale)				
First item	64.00 *	66.00 *	01/04/22	I/N/P
Second and subsequent items	26.00 *	27.00 *	01/04/22	I/N/P
(d) Liquid fuel, Lubricants etc. (each instrument)				
1. Container type (not sub-divided)	118.00 *	122.00 *	01/04/22	I/N/P
2. Other types (multi-outlets)				
1 meter tested	153.00 *	158.00 *	01/04/22	I/N/P
Each additional meter tested	95.00 *	98.00 *	01/04/22	I/N/P
3. Test of peripheral equipment on separate visit	118.00 *	122.00 *	01/04/22	I/N/P
4. Test of credit card acceptor	118.00 *	122.00 *	01/04/22	I/N/P
5. MID verification				
1 meter tested	193.00 *	199.00 *	01/04/22	I/N/P
Each additional meter	118.00 *	122.00 *	01/04/22	I/N/P

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Neighbourhoods Civil Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Measuring Instruments (continued):				
(e) Intoxicating liquor (each instrument)				
Not exceeding 150ml (individual submissions)	24.00 *	25.00 *	01/04/22	I/N/P
Other	28.00 *	29.00 *	01/04/22	I/N/P
(f) Each weight (stamping)				
1. Weights exceeding 5kg or not exceeding 500mg, 2cm	12.00 *	12.00 *	01/04/20	I/N/P
2. Other weights	9.00 *	9.00 *	01/04/20	I/N/P
3. Other weights (more than one submitted)	8.00 *	8.00 *	01/04/20	I/N/P
4. Adjusting weights (per hour)	119.00 *	123.00 *	01/04/22	I/N/P
(g) Verification - Weighing Machines / Weighing Equipment				
1. Calibrated to weigh only metric:				
Not exceeding 15kg	39.00 *	40.00 *	01/04/22	I/N/P
Exceeding 15kg to 100kg	57.00 *	59.00 *	01/04/22	I/N/P
Exceeding 100kg to 250kg	94.00 *	97.00 *	01/04/22	I/N/P
Exceeding 250kg to 1 tonne	135.00 *	139.00 *	01/04/22	I/N/P
Exceeding 1 tonne to 10 tonne	216.00 *	222.00 *	01/04/22	I/N/P
Exceeding 10 tonnes to 30 tonnes	453.00 *	467.00 *	01/04/22	I/N/P
Exceeding 30 tonnes to 60 tonnes	676.00 *	696.00 *	01/04/22	I/N/P

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Neighbourhoods Civil Protection

(B) Charges determined by Committee

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Measuring Instruments (continued):				
2. When testing instruments incorporate peripherals such as remote display or printing facilities, and where completion of the test requires a second person or a second series of tests by the same person, an additional fee may be charged at the standard hourly rate:	121.00 *	125.00 *	01/04/22	I/N/P
3. Medical weighing scales				
Not exceeding 15kg	39.00 *	40.00 *	01/04/22	I/N/P
Exceeding 15kg to 100kg	57.00 *	59.00 *	01/04/22	I/N/P
Exceeding 100kg to 250kg	94.00 *	97.00 *	01/04/22	I/N/P
Exceeding 250kg to 1 tonne	135.00 *	139.00 *	01/04/22	I/N/P
Certificate of errors				
For supplying a certificate containing results of errors found on testing (certificate supplied upon request of the submitter, fee applies when no other fee is payable)	54.00 *	56.00 *	01/04/22	I/N/P
Measuring Instrument Directive				
Measuring Instruments for liquid fuel and lubricants (initial verification not re-verification) (surcharge over fee listed above)	10% Surcharge *	10% Surcharge *	01/04/20	L

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Neighbourhoods Civil Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Measuring Instruments (continued):				
Other Weighing or Measuring Equipment				
Brake tester/spring balance type	64.00 *	66.00 *	01/04/22	I/N/P
For equipment other than the categories specifically described above, or equipment submitted for testing by means of statistical sampling techniques, or in pursuance of a Community obligation other than EEC. Initial or partial verification per man hour spent at place of submission of equipment etc. (pro rata for one quarter hour periods)	121.00 *	125.00 *	01/04/22	I/N/P
Standards Services provided to Other Local Authorities				
Testing and Associated Services (per hour)	101.00	104.00	01/04/22	I/N/P
Collection Delivery charge (price shown is per mile) return trip + congestion charge where applicable	1.00	1.00	01/04/20	I/N/P
Inspections during standard office hours, including travelling time	101.00	104.00	01/04/22	I/N/P
Block Booked and Pre-paid Inspections totalling more than £5,000 (per hour)	69.00	71.00	01/04/22	I/N/P

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Neighbourhoods Civil Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Section 76 of the 1985 Act				
For other services or facilities provided, or for authorisation, certificates or other documents issued in pursuance of a community obligation				
Per man hour spent at place of providing the service, facility etc. (pro rata of one quarter hour periods)	101.00	104.00	01/04/22	I/N/P
UKAS Laboratory				
Charge for calibration to M1 level 25kg - 1mg (Incl. cert where total order over £100)				
One weight submitted	23.00 *	Withdrawn *	01/04/22	I/N/P
Certificate where total order is less than 100	35.00 *	Withdrawn *	01/04/22	I/N/P
Charge for calibration to F2 level 20kg - 1mg (Incl. cert where total order over £100)				
One weight submitted	54.00 *	Withdrawn *	01/04/22	I/N/P
Certificate where total order is less than £100 (Where multiple weights are submitted of the same nomination a 10% reduction may apply)	35.00 *	Withdrawn *	01/04/22	I/N/P

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Neighbourhoods Civil Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
GLC (General Powers) Act 1985				
Competitive Bidding - Licence Registration fee	388.00	400.00	01/04/22	I/N/P
Financial Investigation by Accredited Financial Investigator (LA)				
Where no individual agreement exists, per hour spent by AFI	74.00	76.00	01/04/22	I/N/P
'PASS' Alcohol awareness retailer training fee (per delegate - Inc. VAT)	72.00 *	74.00 *	01/04/22	I/N/P

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D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

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Neighbourhoods Planning

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Planning Performance Agreements				
Strategic Applications Early Principles/Introductory Meeting	1,060.00	1,090.00	01/04/22	I/P
S106 Monitoring Fees				
Key non-financial obligations (per obligation)	-	1,000.00	01/04/22	NEW/P
Fixed Financial Obligations				
5% of the value of the total contributions				
minimum fee	-	1,000.00	01/04/22	NEW/P
maximum fee	-	40,000.00	01/04/22	NEW/P
Financial Obligations with future calculation				
Per Obligation	-	1,000.00	01/04/22	NEW/P
Additional 5% of value of total contribution with a:				
minimum fee	-	1,000.00	01/04/22	NEW/P
maximum fee	-	40,000.00	01/04/22	NEW/P
Other S106 Fees				
Confirmation as to whether S106 obligations have been discharged	-	150.00	01/04/22	NEW/P
Fee for Request to vary S106 obligations less than 5 years old (does not include monitoring fee if S106 DoV approved)	-	500.00	01/04/22	NEW/P

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S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods Planning

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
PLANNING AND BUILDING CONTROL:				
Photocopying per A4 and A3 sheet (minimum charge £1)	0.31 *	0.32 *	01/04/22	I/P
Photocopying of plans (per sheet)	22.00 *	23.00 *	01/04/22	I/P
Other Planning requests - per hour (minimum 1/2 hour)	81.00	83.00	01/04/22	I/N/P
Other Building Control requests - per hour	81.00	83.00	01/04/22	I/N/P
[The Building (Local Authority Charges) Regulations 2010] Committee reports (available from website for free)				
Section 106 Monitoring - A percentage of the total tariff payment required under the Council's Planning Obligations Supplementary Planning Document. For further details please contact the Planning service.		Withdrawn	01/04/22	
Demolition Notices (Per Site) (larger sites will be assessed separately, customers are invited to contact Building control for a bespoke price)	256.00	264.00	01/04/22	I/P
Building Control - Dangerous Structure charge				
8am - 5pm - per hour	85.00	88.00	01/04/22	I/N/P
5pm - 8am - per hour	85.00	88.00	01/04/22	I/N/P
(Travelling costs will also be charged as appropriate as well as Dangerous Structures Consortium Contractors Costs)				

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Neighbourhoods Planning

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Pre-Application advice				
Pre-Application advice				
Householder/Small Business - Face to Face	59.00 *	61.00 *	01/04/22	I/P
Householder/Small Business - Written Response	94.00 *	97.00 *	01/04/22	I/P
Change of Business Premises up to 99 sq.m	174.00 *	179.00 *	01/04/22	I/N/P
Pre-Application advice - Residential units/Commercial or Industrial Floor space				
1 residential unit	174.00 *	179.00 *	01/04/22	I/N/P
1 residential unit - Follow up advice	35.00 *	36.00 *	01/04/22	I/P
2-3 residential/100-499sq m floor space	348.00 *	358.00 *	01/04/22	I/P
2-3 residential/100-499sq m floor space - Follow up advice	69.50 *	71.50 *	01/04/22	I/P
4-9 residential/500-999 sq. m floor space	928.00 *	956.00 *	01/04/22	I/P
4-9 residential/500-999 sq. m floor space - Follow up advice	230.00 *	237.00 *	01/04/22	I/P
10-24 residential/1000-1999 sq.m floor spc/telecoms	1,740.00 *	1,792.00 *	01/04/22	I/P
10-24 residential/1000-1999 sq.m floor spc/telecoms - Follow up advice	345.00 *	355.00 *	01/04/22	I/P

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Neighbourhoods Planning

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Planning Performance Agreements (PPA)				
Initiation Fee	5,300.00	5,500.00	01/04/22	I/P
Residential 25-49 Dwellings, Non-residential Up to 3000 sq m	21,200.00	21,850.00	01/04/22	I/P
Residential 50-100 dwellings, Non-residential Up to 3001 - 5000 sq m, Mineral extraction up to 10 hectares	31,800.00	32,800.00	01/04/22	I/P
Residential 101-150 dwellings, Non-residential 5001-10000 sq m, Mineral extraction 10.1- 20 hectares	42,400.00	43,700.00	01/04/22	I/P
Residential 151-300 dwellings, Non-residential Up to 20,000 sq m, Mineral extraction 20.1 – 30 hectares	53,000.00	54,600.00	01/04/22	I/P
Residential 301-600 dwellings, Mineral extraction more than 30 hectares	74,300.00	76,500.00	01/04/22	I/P
Residential 601-900 dwellings	95,500.00	98,400.00	01/04/22	I/P
Residential 901+ dwellings	106,000.00	109,000.00	01/04/22	I/P
Research, retrieval and copy of one document for domestic properties	45.00	46.35	01/04/22	I/P
Research, retrieval and copy of one document for non-domestic properties	68.00	70.00	01/04/22	I/P
For each additional document	21.75	22.40	01/04/22	I/P
Planning Condition History Search (30 minutes)	40.75	42.00	01/04/22	I/P
Additional research time (per 15 minutes)	20.25	21.00	01/04/22	I/P

Basis of Increase:

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Neighbourhoods Planning

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Supply of letter detailing inspections (where no completion certificate exists) per hour	127.00	131.00	01/04/22	I/P
Request for written confirmation that Enforcement Notice complied with or of no effect	157.50	162.00	01/04/22	I/P
Request to withdraw Enforcement Notice where no longer of effect	900.00	927.00	01/04/22	I/P
High Hedge Complaint	546.50	950.00	01/04/22	I/P

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- S - An increase above inflation in line with a corporate saving plan
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Table 1:**Charges for New Dwellings <150m²****New Houses and Blocks of Flats on the same site constructed at the sametime**

Number of Dwellings	Total
1	£1,105.00
2	£1,474.00
3	£1,720.00
4	£2,088.00
5	£2,334.00
6	£2,701.00
More than 6 - Please contact Building Control for individually assessed charges	

Table 2:**Charges for: Extensions, Garage Conversions and Loft Conversions****Separate Extensions constructed at the sametime may be aggregated together**

Type of work	Total
1. Detached non-habitable building having a floor area not exceeding 40m ² in total	£573.00
2. Garage Conversions where the total floor area does not exceed 30m ² , including means of access and work in connection with that extension.	£573.00
3. Any extension or Loft Conversion where the total floor area of which does not exceed 30m ² , including means of access and work in connection with that extension.	£732.00
4. Any extension or Loft Conversion where the total floor area of which exceeds 30m ² but does not exceed 60m ² , including means of access and work in connection with that extension.	£1,008.00
5. Any extension or Loft Conversion where the total floor area of which exceeds 60m ² but does not exceed 100m ² , including means of access and work in connection with that extension.	£1,198.00
6. Extension etc >100m ² - Please refer to Table 3 otherwise contact Building Control for Individually assessed charges	

Table 3:**Charges for other work****For all other work not covered in Tables 1 or 2**

Estimated Cost of Work	Total
£0-2,000	£264.00
£2,000-5,000	£394.00
£5,000-10,000	£573.00
£10,000-20,000	£749.00
£20,000-30,000	£911.00
£30,000-40,000	£1,045.00
£40,000-50,000	£1,178.00
£50,000-60,000	£1,277.00
£60,000-70,000	£1,376.00
£70,000-80,000	£1,474.00
£80,000-90,000	£1,586.00
£90,000-100,000	£1,695.00
£100,000-120,000	£1,812.00
£120,000-140,000	£1,959.00
£140,000-170,000	£2,076.00
£170,000-200,000	£2,315.00
Over £200,000 - Please contact Building Control for individually assessed charges.	

The Building Regulation charges are the same for corresponding building work for a: Full Plans Application; Building Notice; Regularisation Application; and, Reversion Application (refer to note 7 for Partnership Applications). All charges are shown with VAT at 20%. Only a charge for a Regularisation Certificate and a Reversion Certificate are exempt VAT however it is subject to a 20% uplift therefore the total fee is equivalent to all other Building Control Charges for corresponding building work.

Explanatory Notes

1. Before you build, extend or convert, you or your Agent must advise your Local Authority either by submitting Full Plans or a Building Notice. The Charge payable depends on the type of work, the number of dwellings in a building and/or the total floor area. The following tables (which are an integral part of this Schedule) may be used in conjunction with the current Charge Scheme to calculate the Charges. If you have any difficulties calculating the Charges please consult building control.

2. **Table 1:** Charges for new dwellings e.g. certain houses and flats - applicable where the total internal floor area of each dwelling, does not exceed 150m² and the building has no more than three storeys. Excluding dwellings with a basement level for basements and any other case, Table 3 applies.

3. **Table 2:** Loft conversion – For the purpose of calculating charges a reference to an extension includes a room or rooms in the roof space (including access) of an existing building not exceeding three storeys in height. Where work comprises more than one extension which is to be constructed at the same time (including rooms in roofs and associated access in buildings of three storeys or less) the total internal floor areas of all storeys of all the extensions shown on the application may be added together to determine the relevant Charge. If the extension(s) exceed 100m² or three storeys in height then Table 3 applies. All work contained within the footprint of an extensions or loft conversion is included in the fee but does not include work outside the footprint of the extension or loft conversion. For additional internal or external alterations Table 3 should be used. For multiple work that is to be carried out at the same time and falls into Table 3 as well as Table 2 the Table 3 fee may be discounted by 25%.

4. **Table 3:** Applicable to all other building work not covered by Tables 1 or 2. Total estimated cost means an estimate accepted by the local authority of a reasonable cost that would be charged by a person in business to carry out the work shown or described in the application, excluding VAT, and any professional fees paid to an architect, engineer or surveyor etc, and also exc

5. **Disabled Persons:** Building works to provide access and/or facilities for disabled people to existing dwellings and buildings to which the public have access may be exempt from Charges.

6. **Supplementary Charges:** The Building (Local Authority Charges) Regulations 2010 allow a local authority to make supplementary charges if additional costs arise as a result of confirming compliance with the Building Regulations. Such supplementary charges may be considered if costs result from: consultant costs; inaccurate/incomplete plans; revised schemes; work not being ready for inspection or additional site inspection; and, non compliant work etc.

7. **Refunds** will be calculated in accordance with the Charge Regulations and any costs incurred will be deducted. Breakdown of costs can be provided upon request.

8. **Partnership Applications:** Proposed building work outside the boundaries of the London Borough of Havering will be subject to a plan fee equating to 25% of the full plans application charge. Partnership Applications for building work checked by a Partnering Authority will be subject to an inspection fee equating to 75% of the full plans application charge.

9. **Break Down of Costs:** can be provided upon request. 10.

Making a Payment: Payment can be made by credit/debit card by telephoning 01708 432700.

Building Control may be contacted by telephone: 01708 432700 or by e-mail at: buildingcontrol@havering.gov.uk

Further information is available on our website at: www.havering.gov.uk/buildingcontrol

Neighbourhoods Planning

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
LOCAL LAND CHARGES:				
Certain fees are laid down in regulations made under the Local Land Charges Act 1975.				
Fees for Official Local Land Charge Certificates				
Registration of a charge in Part II of the registers	97.00	100.00	01/04/22	I/P
Official search (including issue of official certificate of search)				
a) in only part of the register (one parcel)	10.00	10.30	01/04/22	I/P
b) in only part of register (each additional parcel thereafter),	3.00	3.20	01/04/22	I/N/P
c) in the whole of the register - post or fax (one parcel)	24.00	24.70	01/04/22	I/P
d) in the whole of the register - post or fax (each additional parcel thereafter)	6.00	6.40	01/04/22	I/N/P
e) in the whole of the register - where the requisition is made by electronic means in accordance with rule 16 (one parcel)	24.00	24.70	01/04/22	I/P
f) in the whole of the register - where the requisition is made by electronic means in accordance with rule 16 (each additional parcel thereafter)	6.00	6.40	01/04/22	I/N/P
Office copy of any entry in the register (not including a copy or extract of any plan or document filed pursuant to these rules)	2.00	2.10	01/04/22	I/N/P

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D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

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Neighbourhoods Planning

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Office copy of any plan or other document filed pursuant to these rules:				
Extract of register in place of personal search				
First Page	3.00	3.20	01/04/22	I/N/P
Subsequent pages	1.00	1.00	01/04/21	I/P
CON29(R) Enquiries				
One parcel of land	115.00	118.00	01/04/22	I/P
Several parcels of land				
Each additional (fees that exceed 100 to be fixed by arrangement)	49.00	50.50	01/04/22	I/P
Part 2 Enquiries				
Each printed enquiry	24.00	24.70	01/04/22	I/P
With exception to Question 4	37.00	38.00	01/04/22	I/P
With exception of surrounding area enquiries	41.00	42.00	01/04/22	I/N/P

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Neighbourhoods Planning

(B) Charges determined by Committee

*VAT inclusive

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Copying Charges - Legal Documents				
Certified Copy of Land Search - Paper Copy	17.00	17.50	01/04/22	I/P
First Page	3.00	3.20	01/04/22	I/N/P
Subsequent pages	0.50	0.60	01/04/22	I/N/P
Certified copy of extract of Highways Register (letter and extract)	34.00	35.00	01/04/22	I/P
Certified copy of extract of Highways Register (extract only and collection only)	17.00	17.50	01/04/22	I/P
New Residential Addresses - (building names included) in an existing road				
1 dwelling	68.00	75.00	01/04/22	I/P
2 - 5 dwellings	90.00	93.00	01/04/22	I/P
6 - 25 dwellings	107.00	110.00	01/04/22	I/P
26 - 45 dwellings	219.00	226.00	01/04/22	I/P
46 - 100 dwellings	468.00	482.00	01/04/22	I/P
100+ plots (plus an extra fee of £95 for each additional 10 dwellings (or part thereof))	788.00	812.00	01/04/22	I/P
	107.00	110.00	01/04/22	I/P

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*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
New Residential Addresses (building names included) plus single road name				
1 - 5 dwellings	152.00	157.00	01/04/22	I/P
6 - 25 dwellings	175.00	180.00	01/04/22	I/P
26 - 45 dwellings	281.00	289.00	01/04/22	I/P
46 - 100 dwellings	529.42	545.00	01/04/22	I/P
100+ plots (plus an extra fee of £155 for each additional 10 dwellings (or part thereof)	850.00	876.00	01/04/22	I/P
	175.00	180.00	01/04/22	I/P
For each additional road name	73.00	75.00	01/04/22	I/P
New Commercial/Industrial Addresses (building name included) in an existing road				
1 unit	68.00	75.00	01/04/22	I/N/P
2 - 5 units	90.00	93.00	01/04/22	I/P
6 - 10 units	107.00	110.00	01/04/22	I/P
11 units plus	151.00	156.00	01/04/22	I/P

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Neighbourhoods Planning

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
New Commercial/Industrial Addresses (building name included) plus a single road name				
1 unit	90.00	93.00	01/04/22	I/P
2 - 5 units	107.00	110.00	01/04/22	I/P
6 - 10 units	129.00	133.00	01/04/22	I/P
11 units plus	175.00	180.00	01/04/22	I/P
For each additional road name	73.00	75.00	01/04/22	I/P
New street name without any new dwellings or units	73.00	75.00	01/04/22	I/P
Naming of land parcel	73.00	75.00	01/04/22	I/P
Renaming of existing road or building (residential, commercial or industrial)	73.00	75.00	01/04/22	I/P
(plus an extra fee of £21.50 for each additional dwelling or building affected)	23.00	24.00	01/04/22	I/N/P
Research time: flat fee for 2 hour research into possible building/street names	140.00	144.00	01/04/22	D
Non-refundable in the event that the suggested name(s) are not selected. One set of research to be undertaken on each application site only.				

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Neighbourhoods Registrars (A) - Statutory

(A) Statutory and Nationally Agreed Charges -

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Registrar of Births, Deaths and Marriages and Civil Partnerships:				
Places of Worship Registration Act 1855 Section 5 Certification of place of meeting for religious worship	29.00	29.00	01/09/14	P
Marriage Act 1949:				
Section 27 (6) Entering a notice of marriage in a marriage notice book				
(A) Where both parties to the proposed marriage are exempt persons within the meaning of section 49 Immigration act 2014	35.00	35.00	01/04/12	P
(B) In any other cases from 2nd March 2014	47.00	47.00	02/03/15	P
Section 41 (6) Registration of building for solemnization of marriages	123.00	123.00	01/09/14	P
Section 51 Fee of registrar for attending marriage/civil partnership:				
(i) At a register office	46.00	46.00	01/04/12	P
(ii) At a registered building or at a place where the house hold or detained person usually resides	86.00	86.00	01/09/14	P
(iii) Fee of Superintendent Registrar for attending marriage/civil partnership at the place where:				
a) Housebound or	84.00	84.00	01/09/14	P
b) Detained person usually resides	94.00	94.00	01/09/14	P

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Neighbourhoods Registrars (A) - Statutory

(A) Statutory and Nationally Agreed Charges -

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Immigration Act 2016 :				
Consideration by a Superintendent Registrar of a divorce/civil partnership dissolution obtained outside of the British Isles (from 01/11/17)	50.00	50.00	01/04/18	P
Consideration by the Registrar General of a divorce/civil partnership dissolution obtained outside of the British Isles (from 01/11/17)	75.00	75.00	01/04/18	P
Consideration of a reduction in the 28 day notice to marry or form a civil partnership (from 01/11/17)	60.00	60.00	01/04/18	P
Marriage Act 1949 (continued):				
Section 64(1)				
Certified copy of entry issued under the subsection:				
(i) When application is made at the time of registering	11.00	11.00	16/02/19	P
(ii) After the time of registration	11.00	11.00	16/02/19	P
Certified copy of entry for Civil Partnerships:				
(i) At the time of registration	11.00	11.00	16/02/19	P
(ii) After the time of registration	11.00	11.00	16/02/19	P

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Neighbourhoods Registrars (A) - Statutory

(A) Statutory and Nationally Agreed Charges -

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Marriage Act 1949 (continued):				
Section 64(2) General search of indexes of register of books kept by superintendent registrars	18.00	18.00	01/04/04	P
Certified copy of entry issued under that sub-section	11.00	11.00	16/02/19	P
Section 65(2) Certified copy of entry ,following search of indexes kept at General Register Office	11.00	11.00	16/02/19	P
Births, Deaths Registration Act 1953:				
At the time of registration	11.00	11.00	16/02/19	P
After the time of registration	11.00	11.00	16/02/19	P
Section 30(2) certified copy of entry following search of indexes kept at General Register Office	11.00	11.00	16/02/19	P

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P - The Corporate Charging Policy

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Neighbourhoods Registrars (A) - Statutory

(A) Statutory and Nationally Agreed Charges -

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Immigration Act 2016 :				
Fees for corrections to Initial Registration				
Forename added within 12 months of birth registration	40.00	40.00	01/11/17	P
Consideration by Registrar/Superintendent Registrar of a correction application (from 01/11/17)	75.00	75.00	01/11/17	P
Consideration by Registrar General of a correction application	90.00	90.00	01/11/17	P
Priority Certificate Fee 24 hr service	35.00	35.00	16/02/19	P
Fees for conversion of a Civil Partnership into Marriage				
Conversion of a civil partnership into marriage At the Register Office	45.00	45.00	01/11/17	P
Two stage procedure on other premises				
Completing the declaration	27.00	27.00	01/11/17	P
Signing the declaration in a religious building registered for the marriage of same sex couples	91.00	91.00	01/11/17	P

Basis of Increase:

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I - Based on relevant inflationary change

N - A nominal adjustment e.g. due to rounding of charge

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods Registrars (B) - Non Statutory

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Registrar of births, deaths, marriages and civil partnerships:				
Off site attendance to officiate at an approved premise wedding/civil partnership:				
Monday to Friday	655.00	655.00	01/04/21	C/L
Saturday	772.00	772.00	01/04/21	C/L
Sunday/ Bank Holiday	788.00	788.00	01/04/21	C/L
On site attendance to officiate at a CEREMONY held in Langtons Hall & Orangery - HIGH SEASON				
Monday to Thursday	625.00	650.00	01/04/22	I/N/L
Friday (Inc. red carpet)	760.00	780.00	01/04/22	I/N/L
Saturday (Inc. red carpet)	1,040.00	900.00	01/04/22	C/L
Sunday/ Bank Holiday (Inc. red carpet)	1,090.00	1,100.00	01/04/22	I/N/L
On site attendance to officiate at a CEREMONY held in Langtons Hall - LOW SEASON				
Monday to Thursday	545.00	550.00	01/04/22	I/N/L
Friday	660.00	680.00	01/04/22	I/N/L
Saturday	905.00	800.00	01/04/22	C/L
Sunday/ Bank Holiday	915.00	900.00	01/04/22	C/L

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Neighbourhoods Registrars (B) - Non Statutory

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
On site attendance to officiate at a CEREMONY held at Langtons House - HIGH SEASON				
Monday to Thursday	375.00	400.00	01/04/22	I/N/L
Friday	610.00	600.00	01/04/22	C/L
Saturday	750.00	750.00	01/04/20	C/L
Sunday	920.00	920.00	01/04/20	C/L
On site attendance to officiate at a CEREMONY held at Langtons House - LOW SEASON				
Monday to Thursday	300.00	330.00	01/04/22	I/N/L
Friday	485.00	500.00	01/04/22	I/N/L
Saturday	600.00	625.00	01/04/22	C/L
Sunday	735.00	770.00	01/04/22	I/N/L
(An additional amount is charged if any ceremony falls on the following three days: Valentine's Day, Christmas Eve or New Year's Eve)	120.00	120.00	01/04/20	C/L

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Neighbourhoods Registrars (B) - Non Statutory

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Individual Citizenship Ceremony	195.00	195.00	01/04/21	C/L
Wedding Rehearsal fee (per half hour)	60.00	60.00	01/04/21	C/L
Wedding Packages				
Friday Silver Package (exc.linen) - LOW SEASON	1,750.00	1,750.00	01/04/20	C/L
Friday Silver Package (exc.linen) - HIGH SEASON	2,250.00	2,250.00	01/04/20	C/L
Sunday Gold Package (inc. linen) - LOW SEASON	2,500.00	2,500.00	01/04/20	C/L
Sunday Gold Package (inc.linen) - HIGH SEASON	3,250.00	3,250.00	01/04/20	C/L
Non Refundable deposit payable for packages	500.00	500.00	01/04/20	C/L
Surcharge Evening Wedding (after 5pm) ALL YEAR	210.00	220.00	01/04/22	I/N/L
Surcharge Evening Candlelight Wedding (5pm) 1 Nov - 28 Feb	210.00	250.00	01/04/22	I/N/L

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Basis for setting charge increase above complies with either:

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Neighbourhoods Registrars (B) - Non Statutory

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Payment in advance of a non-refundable booking fee for Register Office Weddings only (in line with statutory fee for Register Office wedding)	57.00	57.00	01/04/20	C/L
Change of ceremony appointment fee	57.00	60.00	01/04/22	I/N/L
Premium Appointment Service (additional casual registrars used to cover up to one hour)	57.00	60.00	01/04/22	I/N/L
Non-Refundable booking fee for Notice of Marriage (applies to non-attendees only -in line with statutory fee for notice of marriage)	35.00	35.00	01/04/20	C/L
Langtons Hall Hire (Hourly)				
Monday - Friday 9.00-17.00	45.00	45.00	01/04/20	C/L
Monday - Thursday 17.00-24.00	60.00	60.00	01/04/20	C/L
Friday Evening, Saturday and Sunday	95.00	95.00	01/04/20	C/L
Damage deposit for Langton's Hall function bookings	250.00	250.00	01/04/20	C/L
Change of Name Fee (includes one certificate)	-	60.00	01/04/22	NEW/L
Additional copies purchased on same day of appointment	-	11.00	01/04/22	NEW/L

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Neighbourhoods Registrars (B) - Non Statutory

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Langtons Room Hire (Hourly Minimum 2 hours)				
Room Hire Monday - Sunday 09.00 - 21.00	42.00	42.00	01/04/20	C/L
Charity Room Hire Monday - Thursday 09.00 - 21.00 (A discount of 40% applies for Charity/Community groups by application)	16.80	16.80	01/04/20	C/L
Sponsorship for Langtons Ceremony Brochure				
Whole A5 page - Portrait	770.00 *	650.00 *	01/04/22	C/L
Half A5 Page - Landscape	432.00 *	400.00 *	01/04/22	C/L
Quarter A5 Page - Portrait	267.00 *	267.00 *	01/04/20	C/L
Back Cover - Whole A5 Page - Portrait	1,200.00 *	1,200.00 *	01/04/20	C/L
Inside Front and Back Cover - Whole A5 Page - Portrait	1,134.00 *	1,134.00 *	01/04/20	C/L
Postage Costs:				
Copy certificates by 1st class recorded delivery	5.00	5.00	01/04/20	C/L
Special guaranteed next day delivery	-	8.00	01/04/22	NEW/L

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**oneSource
Asset Management**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Licenced Trader Market Charges				
Monthly Charges (Includes Weds, Fri & Sat Markets)				
Market - All Locations				
Ground space/6ft frontage	171.00	171.00	01/04/15	L
Electricity Charge per Ground Space/6ft frontage <i>(Electricity Charges will be applied to all licences other than to</i>	11.70	11.70	01/04/15	L
<i>Extra Land (Daily Charge)</i>	5.35	5.35	01/04/15	L
Other one-off charges				
Nomination of Licence	255.00	255.00	01/04/15	L
Nomination of Licence to member of Family	185.00	185.00	01/04/15	L
Other alterations to Licences	42.50	42.50	01/04/15	L
Casual Trader Market Charges				
Daily Charges				
Saturday Market – Ground Space/6ft frontage including electricity	27.00	27.00	01/04/15	L
Wed or Friday Market – Ground Space/6ft frontage including electricity	19.00	19.00	01/04/15	L
Extra Land (Daily Charge)	5.35	5.35	01/04/15	L

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**oneSource
Asset Management**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Extra Market Days – At Christmas/Sundays/Banks Holidays				
Daily Charges				
Market - All Locations				
Licenced Traders - Ground space/6ft frontage including electricity (Must have held a Licence for at least 2 mths to qualify for this rate)	18.00	18.00	01/04/15	L
Casual Traders - Ground space/6ft frontage including electricity	24.00	24.00	01/04/15	L
Extra Land (Daily Charge)	5.35	5.35	01/04/15	L

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- S - An increase above inflation in line with a corporate saving plan
- D - Increase recommended by Head of Service

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oneSource
Exchequer and Transactional Services

(A) Statutory and Nationally Agreed Charges -

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Legal Fees				
Recovery of Rates/Community Charge/Council tax				
Summons Council Tax (inc £3 paid to the court)	105.00	105.00	01/04/11	P
Liability Order	10.00	10.00	01/04/10	P
Summons NNDR (inc £3 paid to the court)	180.00	180.00	01/04/11	P
Liability Order NNDR	47.00	47.00	01/04/11	P
Means Enquiry Summonses Council Tax (£245.00 paid to the court)	305.00	305.00	22/04/14	P
Arrest Warrants with Bail Council Tax (inc. £75 paid to the court)	145.00	145.00	22/04/14	P
Arrest Warrants without Bail Council Tax (inc. £75 paid to the court)	130.00	130.00	22/04/14	P

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oneSource
Legal & Governance

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Legal & Democratic Services				
Licences to Assign (Seal)	876.00	902.00	01/04/22	D/L
Licence to Alter	876.00	902.00	01/04/22	D/L
Sale of Council Houses - Mortgage Fees	162.00	167.00	01/04/22	D/L
Mortgage Redemption Fees:				
Early redemption	147.00	151.00	01/04/22	D/L
Complete term	77.00	79.00	01/04/22	D/L
Deeds of release for pre-emption discount repayment	172.00	177.00	01/04/22	D/L
Release from Mortgage Covenant	114.00	117.00	01/04/22	D/L
Second Charge Questionnaire	116.00	119.00	01/04/22	D/L
Enquiries re: Discount repayment from Commercial sources	83.00	85.00	01/04/22	D/L
Administration fee re:enquiries from commercial sources on 2nd charges	62.00	64.00	01/04/22	D/L

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oneSource
Legal & Governance

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Reserve/Access Licences: Single payment Annual payment	66.00 21.00	68.00 22.00	01/04/22 01/04/22	D/L P
Lease of shops/offices: Town centre Other	1,700.00 1,133.00	1,751.00 1,167.00	01/04/22 01/04/22	D/L D/L
Complex Commercial Leases (fees dependent on complexity, urgency and time)				
Sale of surplus land/property N.B. All other conveyancing costs where Council can charge when terms so provide are by agreement in terms of solicitors Remuneration Order 1972.				

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- S - An increase above inflation in line with a corporate saving plan
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oneSource
Legal & Governance

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Planning Agreements (Section 106 Town & Country Planning act 1990)	£163-£268 ph	£168 - £276 ph	01/04/22	D/L
Unilateral Undertaking	£163-£268 ph	£168 - £276 ph	01/04/22	D/L
Legal Charges				
S38 Highways Act 1980 Supervision	£163-£268 ph	£168 - £276 ph	01/04/22	D/L
Section 278 Highways Act 1980	£163-£268 ph	£168 - £276 ph	01/04/22	D/L
Highway Agreements (Minimum Fee)	567.00	584.00	01/04/22	D/L

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oneSource
Legal & Governance

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Use of Council Chamber and Committee Rooms – Town Hall				
Council Chamber				
Monday to Friday - per whole day	390.00	402.00	01/04/22	I/N/P
Monday to Friday - per half day	196.00	202.00	01/04/22	I/N/P
Weekends - per whole day	540.00	556.00	01/04/22	I/N/P
Weekends - per half day	272.00	280.00	01/04/22	I/N/P
Evenings - after 6pm (Fridays and weekends only)	236.00	243.00	01/04/22	I/N/P
Committee Room 3				
Monday to Friday - per whole day	243.00	250.00	01/04/22	I/N/P
Monday to Friday - per half day	121.00	125.00	01/04/22	I/N/P
Monday to Friday - per 2 hour session	93.00	96.00	01/04/22	I/N/P
Evening - after 6pm (Fridays and weekends only)	121.00	125.00	01/04/22	I/N/P
Other Committee Rooms - per hour (daytime & evening)				
Room 1	37.00	38.00	01/04/22	I/N/P
Room 2	37.00	38.00	01/04/22	I/N/P
Room 4	37.00	38.00	01/04/22	I/N/P
Lettings to Charities and Voluntary Organisations				
Lettings to charities and voluntary organisations will usually attract a 50%				

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oneSource
Legal & Governance

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Land and Property Services Various charges for services to private sector				
Democratic Services Copies of the Constitution	33.00	34.00	01/04/22	I/N/P
All Departments Local Government (Access to Information) Act 1985 Inspection of papers in background paper list				
Copying				
Supply of photocopies of background papers				
First page	2.00	2.06	01/04/22	I/N/P
Cost per additional page	0.20	0.21	01/04/22	I/N/P

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oneSource
Legal & Governance

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Admission appeals				
Per appeal withdrawn before processing	No Charge	No Charge	01/04/14	I/N/P
Per processed appeal withdrawn less than three weeks before hearing	170.00	175.00	01/04/22	I/N/P
Per appeal withdrawn once papers for hearing have been distributed	206.00	212.00	01/04/22	I/N/P
Per appeal heard	274.00	282.00	01/04/22	I/N/P
Per appeal referred to the Secretary of State alleging maladministration	Charge to be agreed on per appeal basis	Charge to be agreed on per appeal basis	01/04/20	I/N/P
Per appeal subject to judicial review proceedings			01/04/20	I/N/P
Fixed Term Contract (min 2 yrs) per appeal	216.00	222.00	01/04/22	I/N/P
Exclusion reviews				
Per review withdrawn before processing	No Charge	No Charge		
Per processed review withdrawn less than three weeks before hearing	166.00	171.00	01/04/22	I/N/P
Per review withdrawn once papers for hearing have been distributed	197.00	203.00	01/04/22	I/N/P

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oneSource
Legal & Governance

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Education Appeals:				
Per review heard				
For first hour of hearing and up to four hours of the clerk's time after the	323.00	333.00	01/04/22	I/N/P
For each subsequent hour or part of an hour of hearing; plus	73.00	75.00	01/04/22	I/N/P
For each subsequent hour or part of an hour of clerk's time	50.00	52.00	01/04/22	I/N/P
Per review referred to the Secretary of State alleging maladministration	Charge to be	Charge to be	01/04/20	I/N/P
Per review subject to judicial review proceedings	agreed on per appeal basis	agreed on per appeal basis	01/04/20	I/N/P
Applications to correct the Registers of Common Land and Town and				
Declaration of entitlement to exercise a right of common	40.00	40.00	01/04/20	I/N/P
Creation of a right of common resulting in the registration of new common	No Charge	No Charge		
Creation of a right of common over existing common land	155.00	155.00	01/04/20	I/N/P
Variation of a right of a common	155.00	155.00	01/04/20	I/N/P
Apportionment of a right of common	155.00	155.00	01/04/20	I/N/P
Attachment of a right of common	No Charge	No Charge		
Re-allocation of attached rights	155.00	155.00	01/04/20	I/N/P
Transfer of a right in gross	64.00	64.00	01/04/20	I/N/P

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oneSource
Legal & Governance

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Surrender or extinguishment of a right of common	100.00	103.00	01/04/22	P
Statutory disposition pursuant to section 14 of the 2006 Act (including the exchange of land for land subject to a statutory disposition)	230.00	236.00	01/04/22	D/L
Registration of a new town or village green other than by owner	No Charge	No Charge	15/12/14	
Registration of a new town or village green by the owner	No Charge	No Charge	15/12/14	

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Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

oneSource
Legal & Governance

(A) Statutory and Nationally Agreed Charges -

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Electoral Registration				
Sale of Electoral Registers				
Data format	20.00	20.00	01/02/01	P
Additional charge per 1000 entries	1.50	1.50	01/02/01	P
Paper format	10.00	10.00	01/02/01	P
Additional charge per 1000 entries	5.00	5.00	01/02/01	P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

N - A nominal adjustment e.g. due to rounding of charge

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

oneSource
Legal & Governance

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Electoral Registration				
Registration Certificate	0.00	0.00	01/04/19	P
Charge for each additional year checked	0.00	0.00	01/04/18	P
Ward Map	4.20	4.20	01/04/20	P
Photocopying:				
First page	2.40	2.40	01/04/20	P
Cost per additional page	0.36	0.36	01/04/20	P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

N - A nominal adjustment e.g. due to rounding of charge

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Childrens Childrens Services

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
MY PLACE: (All charges are for 1hr unless stated otherwise)				
Off Peak (Mon - Fri 9am - 6pm)				
Performance Hall	24.50	25.25	01/04/22	I/N/P
Performance Hall with sound and lighting:	31.50	32.45	01/04/22	I/N/P
Performance Hall with staging			01/04/22	
4 hrs (if stage erected by myplace staff)	149.25	153.75	01/04/22	I/N/P
Music Studio			01/04/22	
1 hr	12.00	12.50	01/04/22	I/N/P
Technician	25.25	26.00	01/04/22	I/N/P
Games Room	19.00	19.50	01/04/22	I/N/P
Art Room	10.75	11.00	01/04/22	I/N/P
Health Room	9.00	9.25	01/04/22	I/N/P
IAG Room	8.50	8.75	01/04/22	I/N/P
Counselling Room	8.50	8.75	01/04/22	I/N/P
Large Meeting Room	16.00	16.50	01/04/22	I/N/P
N.B The above room hire charges are maximum charges that are to be applied. Managers will have the discretion to negotiate lower charges per hour/session if a hirer pays in advance and commits to a long term hire, with such discounts to be agreed by the Head of Service.				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

N - A nominal adjustment e.g. due to rounding of charge

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Childrens Childrens Services

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Off Peak (Mon - Fri 9am - 6pm)				
Small Meeting Room	11.00	11.50	01/04/22	I/N/P
Bike Workshop	14.50	15.00	01/04/22	I/N/P
IT Hub - reservation fee per computer	No Charge	No charge		
Peak (Mon - Fri after 6pm)				
Performance Hall	29.50	30.50	01/04/22	I/N/P
Performance Hall with sound and lighting:	43.50	45.00	01/04/22	I/N/P
Performance Hall with staging				
4 hrs (if stage erected by myplace staff)	209.00	215.00	01/04/22	I/N/P
Music Studio				
1 hr	15.50	16.00	01/04/22	I/N/P
Technician	25.25	26.00	01/04/22	I/N/P
Games Room	26.00	27.00	01/04/22	I/N/P
Art Room	14.50	15.00	01/04/22	I/N/P
Health Room	12.00	12.50	01/04/22	I/N/P
IAG Room	11.50	12.00	01/04/22	I/N/P
N.B The above room hire charges are maximum charges that are to be applied. Managers will have the discretion to negotiate lower charges per hour/session if a hirer pays in advance and commits to a long term hire, with such discounts to be agreed by the Head of Service.				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

N - A nominal adjustment e.g. due to rounding of charge

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Childrens Childrens Services

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Peak (Mon - Fri after 6pm)				
Counselling Room	11.50	11.85	01/04/22	I/N/P
Large Meeting Room	19.50	20.00	01/04/22	I/N/P
Small Meeting Room	14.00	14.50	01/04/22	I/N/P
Bike Workshop	18.00	18.50	01/04/22	I/N/P
IT Hub - reservation fee per computer	No Charge	No charge		
N.B The above room hire charges are maximum charges that are to be applied. Managers will have the discretion to negotiate lower charges per hour/session if a hirer pays in advance and commits to a long term hire, with such discounts to be agreed by the Head of Service.				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

N - A nominal adjustment e.g. due to rounding of charge

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Childrens Childrens Services

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Saturday and Sunday				
Performance Hall	79.00	81.50	01/04/22	I/N/P
Performance Hall with sound and lighting:	103.00	106.00	01/04/22	I/N/P
Performance Hall with staging 4 hrs (if stage erected by myplace staff)	463.50	477.50	01/04/22	I/N/P
Music Studio				
1 hr	51.50	53.00	01/04/22	I/N/P
Technician	31.00	32.00	01/04/22	I/N/P
Games Room	78.00	80.00	01/04/22	I/N/P
Art Room	57.25	59.00	01/04/22	I/N/P
Health Room	53.50	55.00	01/04/22	I/N/P
IAG Room	52.00	53.50	01/04/22	I/N/P
Counselling Room	53.50	55.00	01/04/22	I/N/P
Large Meeting Room	66.00	68.00	01/04/22	I/N/P
Small Meeting Room	55.50	57.00	01/04/22	I/N/P
Bike Workshop	63.00	65.00	01/04/22	I/N/P
IT Hub - reservation fee per computer	No Charge	No charge		
N.B The above room hire charges are maximum charges that are to be applied. Managers will have the discretion to negotiate lower charges per hour/session if a hirer pays in advance and commits to a long term hire, with such discounts to be agreed by the Head of Service.				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

N - A nominal adjustment e.g. due to rounding of charge

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Childrens Childrens Services

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Weekly Charges Storage Charge for Hirers (per week)	5.50	5.70	01/04/22	I/N/P
<p>N.B The above room hire charges are maximum charges that are to be applied. Managers will have the discretion to negotiate lower charges per hour/session if a hirer pays in advance and commits to a long term hire, with such discounts to be agreed by the Head of Service.</p>				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

N - A nominal adjustment e.g. due to rounding of charge

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Childrens Learning & Achievement

(A) Statutory and Nationally Agreed Charges -

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
1 Non Attendance and Holiday Fines 1a Penalty Notices Penalty Notice paid within 21 days Penalty Notice paid after 21 days Charges are per child, per parent Fines must be paid within 28 days to avoid prosecution	 60.00 120.00 	 60.00 120.00 	 01/09/12 01/09/12 	 P P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

N - A nominal adjustment e.g. due to rounding of charge

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Childrens Learning & Achievement

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2021/22 (from April 2021) £	Charges 2022/23 (from April 2022) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
1 Schools Meals				
1a Primary School Meal	2.30	2.37	01/04/22	I/P
1b Secondary School Meal	2.55	2.63	01/04/22	I/P
1c Special Infant	2.30	2.37	01/04/22	I/P
Special Junior	2.30	2.37	01/04/22	I/P
Adult	3.40	3.50	01/04/22	I/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

N - A nominal adjustment e.g. due to rounding of charge

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

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Appendix B – Corporate Finance Risk Register

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Ref	Title	Description	Value	Likelihood	Impact
COVID 1	Financial Pressures caused by the pandemic	The continued Pressures through both demand and rising unit costs to support our most vulnerable clients following the pandemic is not fully supported by Government Funding	Unclear	4	3
COVID 2	Lower Collection rates	The pandemic caused hardship across the borough. This is directly affecting the ability of households to pay Council Tax and the ability of businesses to pay rates – the impact of this is being monitored closely but is a risk over the MTFS	Unclear	4	3
COVID 3	Hidden extra demand	The pandemic has resulted in changing circumstances for everyone especially during lockdown periods. There is a significant risk particularly in Children's that the difficulties caused by the effects of COVID will result in additional demand for Council services	Unclear	4	3
COVID 4	Delayed Savings and efficiencies	The Pandemic continues to cause a delay to many of the 2021/22 savings proposals. The Council has taken this into account in setting the 2022/23 budget but recognises the continued risk of non-delivery. There is a risk that if the effects of the pandemic continues well into 2022 and beyond that again proposals will be delayed	£17m Savings Proposals	2	2
COVID 5	Recruitment of Staff	For the Council to run efficiently there is a need to recruit high calibre staff to replace those who leave either through retirement or to move to other jobs. The pandemic is preventing population mobility both from elsewhere in the country and from abroad. This could impact on the need to recruit qualified staff to key positions such as social care and result in expensive temporary cover being needed	Unclear	2	2

C1	Future finance settlements	The 2021 Spending Review has determined control totals for the next three years but the finance settlement has only confirmed authority allocations for 2022/23. Future settlements may well include the impact of levelling up and fair funding together with other potential changes such as business rate reform	Unclear	2	2
C2	Rising Inflation and Unit Costs	The Government figures indicate rising inflation over the next 18 months. This will present potential staffing and running cost pressures if the current MTFS provisions for inflation prove insufficient	Unclear	3	2
C3	Impact of Leaving the EU	The potential implications of leaving the EU are wide ranging on local authorities including interest rates, the value of the pound and the costs of products, services and staffing.	Unclear	4	1
C4	Loss/reduction in Business Rates	In recent years as a result of austerity and the general reduced footfall from the high streets, a number of local businesses have failed. Business rates are in part locally retained meaning that significant downturn in yield will have a direct impact. This risk has increased as a direct result of the pandemic. This will be a national issue and it is hoped that the Government will fully recognise this in future settlements.	Potentially significant	3	2
C5	Affordability of Capital Programme	The Capital programme is based on a robust funding strategy. Significant overspends or enhancements to projects will result in a revenue pressure through increased contributions <u>interest charge</u> on higher borrowing and <u>increased debt principal repayment (Minimum Revenue Provision or MRP)</u> costs	Unlikely to be significant	1	1
C6	New Legislation	The Government could at any time introduce new legislation or transfer new burdens to local government. History has shown that frequently new legislation is not accompanied by	Unlikely to be significant	2	1

		enough associated funding			
C7	The impact of delays, changes, and market fluctuations to the Regeneration Programme	The regeneration models contained in the business cases make assumptions regarding inflation, interest rates and the property market. Changes to these factors could affect the expected yields. There is also a significant cost associated with delays to the programme either caused by changes to proposals or any other reason	Could be significant	2	3
C8	Interest Rate change	An increase in interest rates will have a direct impact on the Council's treasury strategy. Potential increases in borrowing will directly impact on the Council's MTF SP and affordability decisions on major future Capital Plans	£1m per 1%	2	1
C9	New proposed Legislation on MRP	The Government is considering changes in the ways <u>that the debt principal repayment (Minimum Revenue Provision or MRP)</u> is calculated for joint ventures which could potentially increase the level of MRP payable by the authority	Unclear	2	2
C10	Higher than expected population growth/ demographics	The Council's plans recognise the effect of population growth and the demographic pressures that brings particularly to Social Care. If either the population increased at a higher rate or factors such as poverty and deprivation resulted in increased demand above current planned amounts then this would have a direct impact on the MTFS	Unclear	1	2
C11	IBCF and other Grants	The 2022 settlement largely continued previous grant funding. The position for 2023/24 onwards is far less clear and whilst this is taken into account in the MTFS a loss of smaller grants will impact on planning.	Unlikely to be significant	2	1
C12	Pension Fund Performance/Actuarial Review	A downturn in the performance of the pension fund could result in increased contributions being required at the next triennial review. This will have a direct impact on the MTFS assumptions	Unlikely to be significant	1	2
C13	Budget Failure/ Overspends	The MTFS allows for any recognised ongoing budget pressures. Unbudgeted overspends will depleted general	Potentially	3	2

		and earmarked reserves. This could lead to future year budget pressures either through planned contributions to reserves or through continued overspends. There is a significant risk that the <u>2021/22</u> budget will overspend and officers are working hard to control spend in order to minimise this risk.	significant in <u>20201/242</u> but a lower risk thereafter		
C14	Income assumptions from Health	The Adults budget contains assumptions regarding <u>the impact of the local hospital trust's Hospital Discharge Policy (HDP) funding</u> and <u>subsequent</u> contributions from the <u>local Health services GCG</u> towards future pressures. If the pressures	Potentially significant	2	3
C15	IT System Failure	Significant IT failure could result in loss of service provision, potential loss of data and additional repair or replacement costs	Unclear	1	3
C16	Future Waste disposal arrangements	Preparations are well underway for the next steps following the end of the current 25 year contract. There is a risk however that the cost of the levy may increase in the short term as preparation for 2027 accelerates	Unlikely to be significant	1	2
C17	Adverse Weather/Cold winter	A cold or wet winter can result in increased environmental costs through gritting or possibly flood alleviation. Freezing weather also can break up road surfaces resulting in emergency repairs	Unclear	2	1
C18	Fraud	The Council has measures in place to minimise the risk of fraud. If a major financial fraud were discovered this could have a reputational risk and result in additional costs both to improve systems and to mitigate any uninsured losses.	Unclear	1	2
C19	JV Failure	The JV's all have business cases with returns on investments at various points to the Council. Failure of a JV could be for a number of reasons but will result in both additional costs and loss of income to the Council	Significant - several £m	1	3
C20	Collection Rates	Council Tax is set on assumed collection rates. Failure to achieve those rates will have an impact on the collection	Unlikely to be	1	1

		fund and the level of bad debt provision required. Both of these items will impact on future planning	significant		
C21	Public Health Joint Funding	The Public Health Grant has reduced over the last two years and is quite likely to continue to be squeezed. This could potentially impact on the future funding of Council Services	Unclear	1	1
C22	Green Waste Charging	The Council currently charge for green waste collection. The Government is currently considering new legislation which would prevent Councils from charging for this service. This would impact on the Council's income budget if implemented	£800K	2	2

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Equality & Health Impact Assessment (EqHIA)

Document control

Title of activity:	Council Tax Support Scheme 2022
Lead officer:	Chris Henry, Head of Council Tax & Benefits, Exchequer & Transactional Services, oneSource
Approved by:	Sarah Bryant, Director of Exchequer & Transactional Services
Date completed:	2022
Scheduled date for review:	October 2022

Did you seek advice from the Corporate Policy & Diversity team?	Yes
Did you seek advice from the Public Health team?	No
Does the EqHIA contain any confidential or exempt information that would prevent you publishing it on the Council's website?	No

1. Equality & Health Impact Assessment Checklist

Please complete the following checklist to determine whether or not you will need to complete an EqHIA and ensure you keep this section for your audit trail. If you have any questions, please contact EqHIA@havering.gov.uk for advice from either the Corporate Diversity or Public Health teams. Please refer to the Guidance in Appendix 1 on how to complete this form.

About your activity

1	Title of activity	Council Tax Support Scheme 2022		
2	Type of activity	This is a scheme which provides assistance to people on low incomes to help them pay their Council Tax.		
3	Scope of activity	<p>The Council Tax Support (CTS) Scheme helps many working age people on low incomes pay their Council Tax bills.</p> <p>While Government funding is insignificant, the Council is committed to maintaining the current 2021 CTS scheme in 2022.</p> <p>The proposed scheme will continue to protect pensioners by law who will get the same level of council tax support as they do now which be up to 100%.</p> <p>Disabled working age applicants can have up to 80% off their Council Tax Bill. Working age applicants can have up to 75% off their Council Tax bill.</p> <p>It is proposed the CTS 2022/23 Scheme remains unchanged for working age and pension age claimants in 2022/23.</p>		
4a	Are you changing, introducing a new, or removing a service, policy, strategy or function?	No	If the answer to <u>any</u> of these questions is 'YES', please continue to question 5.	If the answer to <u>all</u> of the questions (4a, 4b & 4c) is 'NO', please go to question 6.
4b	Does this activity have the potential to impact (either positively or negatively) upon people (9 protected characteristics)?	Yes		
4c	Does the activity have the potential to impact (either positively or negatively) upon any factors which determine	No		

	people's health and wellbeing?			
5	If you answered YES:	Please complete the EqHIA in Section 2 of this document. Please see Appendix 1 for Guidance.		

Completed by:	Chris Henry, Head of Council Tax & Benefits
Date:	October 2022

2. The EqHIA – How will the strategy, policy, plan, procedure and/or service impact on people?

Background/context:
<p>The Council has a statutory obligation to provide a local Council Tax Support Scheme under the Local Government Act 2012.</p> <p>The Council proposes to maintain the Council Tax Support (CTS) Scheme in place since April 2021/22 for 2022/23. The scheme provides assistance to people on low incomes to help them pay their Council Tax.</p>

Who will be affected by the activity?
<p>The 2022 scheme will continue to protect pensioners who will get the same level of Council Tax Support as they do now. This can provide up to 100% off their Council Tax bill.</p> <p>Disabled working age applicants can have up to 80% off their Council Tax Bill. Working age applicants can have up to 75% off their Council Tax bill.</p> <p>At 31 August 2021, 9498 working-age claimants and 5287 pensionable age claimants were in receipt of Council Tax Support.</p> <p>Support remains in place through the Council Tax Discretionary policy for those who suffer hardship. Support workers and advisors continue to direct customers where appropriate to the online application which is available on the Havering website.</p> <p>In terms of the number of Council Tax Support Claimants and their household and personal status, the overall total, compared to last year, has increased from 14,472 to 14,785 (Aug 2021).</p>

<u>Council Tax Support Case Group Descriptions</u>	<u>Count</u>
Elderly - Non-Passported - Carer	120
Elderly - Non-Passported - Child Under 5	0
Elderly - Non-Passported - Enhanced Disability	0
Elderly - Non-Passported - Family Premium	1
Elderly - Non-Passported - Family Premium - 1 Child	3
Elderly - Non-Passported - Family Premium - 2 Child	1
Elderly - Non-Passported - Family Premium - 3 Child	0
Elderly - Non-Passported - Non Dependant	296
Elderly - Non-Passported - Other	1465
Elderly - Non-Passported - Severe Disability	407
	10
Elderly - Non-Passported - War Pensioners	
Elderly - Non-Passported - Working	63
Elderly - Passported - Carer	146
Elderly - Passported - Child Under 5	0
Elderly - Passported - Enhanced Disability	0
Elderly - Passported - Family Premium	7
Elderly - Passported - Family Premium - 1 Child	5
Elderly - Passported - Family Premium - 2 Child	2
Elderly - Passported - Family Premium - 3 Child	0
Elderly - Passported - Family Premium - 4 Child	0
Elderly - Passported - Non Dependant	379
Elderly - Passported – Other	1542
Elderly - Passported - Severe Disability	825
Elderly - Passported – Working	15
TOTAL (Elderly) =5287 (36%)	
Working Age - Non-Passported - Carer	467
Working Age-Non-Passported – Care Leavers	72
Working Age - Non-Passported - Child Under 5	324
Working Age - Non-Passported - Disability	320
Working Age - Non-Passported - Disabled Child	
Premium	72
Working Age - Non-Passported - Enhanced Disability	296
Working Age - Non-Passported - Family Premium	197
Working Age - Non-Passported - Family Premium - 1 Child	905
Working Age - Non-Passported - Family Premium - 2 Child	615
Working Age - Non-Passported - Family Premium - 3 Child	214
Working Age - Non-Passported - Family Premium - 4 Child	38
Working Age - Non-Passported - Family Premium - 5 and above	6

Working Age - Non-Passported - Lone Parent Child Under 5	873
Working Age - Non-Passported - Non Dependant	215
Working Age - Non-Passported - Other	850
Working Age - Non-Passported - Severe Disability	512
Working Age - Non-Passported - War Pensioners	4
Working Age - Non-Passported - Working	423
Working Age - Passported - Carer	313
Working Age- Passported- Care Leavers	4
Working Age - Passported - Child Under 5	5
Working Age - Passported - Disability	72
Working Age - Passported - Disabled Child Premium	14
Working Age - Passported - Enhanced Disability	894
Working Age - Passported - Family Premium	22
Working Age - Passported - Family Premium - 1 Child	115
Working Age - Passported - Family Premium - 2 Child	42
Working Age - Passported - Family Premium - 3 Child	13
Working Age - Passported - Family Premium - 4 Child	3
Working Age - Passported - Family Premium - 5 and Above	1
Working Age - Passported - Lone Parent Child Under 5	171
Working Age - Passported - Non Dependant	108
Working Age - Passported - Other	286
Working Age - Passported - Severe Disability	1025
Working Age - Passported - Working	7
TOTAL (Working Age) = 9498 (64%)	
Grand Total Working Age & Elderly)	14785

**Expand box as required*

Protected Characteristic - Age: Consider the full range of age groups		
Please tick (✓) the relevant box:		Overall impact: There are no changes proposed to the CTS 2022 Scheme. The impact of this scheme, as compared to the current scheme will remain the same as in the Equality Impact Analysis prepared in Dec 2019. Legislation means that the 2022/23 scheme will continue to protect pensioners by law. Consequently the pension age scheme and the working age scheme have become more disparate overtime. Within the scope of the 2022 scheme, there continues to be a Council Tax Discretionary policy to enable the Council to consider cases of
Positive		
Neutral	✓	
Negative		

	<p>hardship which will help mitigate any negative impacts</p> <p>At present approximately 64% of Council Tax Support claimants are working age and 36% are pension age. For comparison, the working age population (18-64 years) in Havering is 76% and the pension age population is 24%.</p> <p>A full range of online services are available including a Text relay service: 18001 01708 434343. Customers can contact the council in person at the Public Advice & Service Centre or by telephone to the dedicated Call Centre. Customer Services staff are able to give advice and assist. Outside organisations such as Peabody, CAB and Age UK are widely promoted to provide assistance to the elderly population.</p> <p style="text-align: right;"><i>*Expand box as required</i></p>
<p>Evidence: Havering Customer Services Peabody CAB Age UK</p> <p style="text-align: right;"><i>*Expand box as required</i></p>	
<p>Sources used:</p> <p>NEED SOURCES Council Tax Support caseload data</p> <p style="text-align: right;"><i>*Expand box as required</i></p>	

Protected Characteristic - Disability: Consider the full range of disabilities; including physical mental, sensory and progressive conditions		
Please tick (✓) the relevant box:		Overall impact:
Positive		There are no changes proposed to the CTS 2022 Scheme.
Neutral	✓	The impact of this scheme, as compared to the scheme available in 2021/22, will remain the same as in the Equality Impact Analysis prepared in Dec 2019. https://www.havering.gov.uk/ctaxeia2020
Negative		<p>Within the scope of the 2022 scheme, there continues to be a Council Tax Discretionary policy to enable the Council to consider cases of hardship which will help mitigate any negative impacts.</p> <p>The Recovery Policy also sensitively considers vulnerable persons under whom disabled CTS applicants are categorized, in the collection of Council Tax.</p> <p>In terms of Council Tax Support, disabled claimants are defined as people who have a disability income that entitles them to one of the</p>

	<p>following premiums: disability, severe disability, enhanced disability, disabled child and/or carer when calculating their benefit.</p> <p>Approximately 27% of working age Council Tax Support claimants meet the above definition compared with 21% of the working age population of Havering.</p> <p>Disabled people are historically disadvantaged and face greater barriers when accessing (information about) services and therefore disabled households are considered to be more vulnerable than other households. Disabled people who are unable to work receive higher levels of state benefits and while based on the proposals they will be subject to the 20% liability reduction, disabled working age claimants are likely to have a higher income than other unemployed, working age claimants whose council tax support will also be reduced.</p> <p>A full range of online services are available and a Text relay service exists: 18001 01708 434343. Customers can contact the council in person at the Public Advice and Service Centre or by telephone to the dedicated service Call Centre. Details of AccessAble are available on the council's website. Customer Services staff are able to advise and assist, as can Havering's Community Learning Disability Team (CLDT) which assists adults with a learning disability and their carers. The Language Shop also exists providing the following services:</p> <p>Proofing and editing of translated documents; Reproduction of print material in large print; Reproduction of print material in Braille; Audio and transcription services; Subtitling; Reproduction of information in "Easy Read" (simplifying information using pictures and plain English); Certification and authenticity checks of documents Other outside organisations such as Peabody, CAB and Age UK are widely promoted to provide assistance customers with disabilities</p> <p style="text-align: right;"><i>*Expand box as required</i></p>
<p>Evidence: Havering Customer Services Peabody CAB Age UK The Corporate Translation & Interpreting Policy The Language Shop</p>	<p style="text-align: right;"><i>*Expand box as required</i></p>

Sources used: Council Tax Support caseload data <div style="text-align: right;"><i>*Expand box as required</i></div>

Protected Characteristic - Sex/gender: Consider both men and women	
Please tick (✓) the relevant box:	Overall impact: <div> <div style="display: flex; justify-content: space-between;"> <div style="width: 15%;"> Positive </div> <div style="width: 10%; text-align: center;"> <input type="checkbox"/> </div> <div style="width: 75%;">There are no changes proposed to the CTS 2022 Scheme.</div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 15%;"> Neutral </div> <div style="width: 10%; text-align: center;"> <input checked="" type="checkbox"/> </div> <div style="width: 75%;"> The impact of this scheme, as compared to the scheme available in 2021/22, will remain the same as in the Equality Impact Analysis prepared in Dec 2019. https://www.haverling.gov.uk/ctaxeia2020 </div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 15%;"> Negative </div> <div style="width: 10%; text-align: center;"> <input type="checkbox"/> </div> <div style="width: 75%;"> Within the scope of the 2022 scheme, there continues to be a Council Tax Discretionary policy to enable the Council to consider cases of hardship which will help mitigate any negative impacts </div> </div> </div>
<i>*Expand box as required</i>	
Evidence: <div style="text-align: right;"><i>*Expand box as required</i></div>	
Sources used: <div style="text-align: right;"><i>*Expand box as required</i></div>	

Protected Characteristic - Ethnicity/race: Consider the impact on different ethnic groups and nationalities	
Please tick (✓) the relevant box:	Overall impact: <div> <div style="display: flex; justify-content: space-between;"> <div style="width: 15%;"> Positive </div> <div style="width: 10%; text-align: center;"> <input type="checkbox"/> </div> <div style="width: 75%;">There are no changes proposed to the CTS 2022 Scheme.</div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 15%;"> Neutral </div> <div style="width: 10%; text-align: center;"> <input checked="" type="checkbox"/> </div> <div style="width: 75%;"> The impact of this scheme, as compared to the scheme available in 2021/22, will remain the same as in the Equality Impact Analysis prepared in Dec 2019. https://www.haverling.gov.uk/ctaxeia2020 </div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 15%;"> Negative </div> <div style="width: 10%; text-align: center;"> <input type="checkbox"/> </div> <div style="width: 75%;"> Providing comprehensive translation and interpretation services is becoming increasingly important in light of the significant demographic </div> </div> </div>

	<p>changes occurring across the Borough. Havering's non-English speaking population has grown steadily. It is estimated that the percentage of adults is greater than 10% (last Census only recording if English as main language in a household) Interpretation, translation or alternative formats can be obtained from The Language Shop which includes:</p> <p>Face to face interpreting (Spoken Language Interpreting, this can be simultaneous or consecutive); Telephone interpreting (connecting to a spoken language interpreter over the telephone); Multilingual telephone information service; Translation (to have written documents translated from the source language to the target language):</p> <p style="text-align: right;"><i>Expand box as required</i></p>
<p>Evidence: The Corporate Translation and Interpreting Policy The Language Shop</p> <p style="text-align: right;"><i>*Expand box as required</i></p>	
<p>Sources used:</p> <p>Demographic, Diversity and Socio-economic Profile of Havering's Population March 2017 Havering Data Intelligence Hub</p> <p style="text-align: right;"><i>*Expand box as required</i></p>	

Protected Characteristic - Religion/faith: Consider people from different religions or beliefs including those with no religion or belief	
Please tick (✓) the relevant box:	<p>Overall impact:</p> <p>There are no changes proposed to the CTS 2022 Scheme.</p> <p>The impact of this scheme, as compared to the scheme available in 2021/22, will remain the same as in the Equality Impact Analysis prepared in Dec 2019. https://www.havering.gov.uk/ctaxeia2020</p> <p>Providing comprehensive translation and interpretation services is becoming increasingly important in light of the significant demographic changes occurring across the Borough. Havering's non-English speaking population has grown steadily. It is estimated that the percentage of adults is greater than 10% (last Census only recording if English as main language in a household) Interpretation, translation or alternative formats can be obtained from The Language Shop which includes:</p>
Positive	
Neutral	
Negative	

		<p>Face to face interpreting (Spoken Language Interpreting, this can be simultaneous or consecutive);</p> <p>Telephone interpreting (connecting to a spoken language interpreter over the telephone);</p> <p>Multilingual telephone information service;</p> <p>Translation (to have written documents translated from the source language to the target language)</p> <p>Reproduction of information in “Easy Read” (simplifying information using pictures and plain English);</p>
<i>*Expand box as required</i>		

Evidence:

Faith diversity in the borough.
The Corporate Translation and Interpreting Policy
The Language Shop

Expand box as required

Sources used:

ONS Sources

**Expand box as required*

Protected Characteristic - Sexual orientation: Consider people who are heterosexual, lesbian, gay or bisexual

Please tick (✓) the relevant box:

Positive

Overall impact:

There are no changes proposed to the CTS 2022 Scheme.

Neutral

The impact of this scheme, as compared to the scheme available in 2021/22, will remain the same as in the Equality Impact Analysis prepared in Dec 2019. <https://www.haverling.gov.uk/ctaxeia2020>

Negative

Evidence:

**Expand box as required*

Sources used:	
----------------------	--

*Expand box as required

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

Please tick (✓) the relevant box:		Overall impact:
Positive		There are no changes proposed to the CTS 2022 Scheme. The impact of this scheme, as compared to the scheme available in 2021/22, will remain the same as in the Equality Impact Analysis prepared in Dec 2019. https://www.havering.gov.uk/ctaxeia2020 There is no information available to make an assessment on the impact of the proposals on this protected characteristic Name changes actioned through uk deed poll office
Neutral		
Negative		

*Expand box as required

Evidence: ONS	
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*Expand box as required

Sources used:	
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*Expand box as required

Protected Characteristic - Marriage/civil partnership: Consider people in a marriage or civil partnership

Please tick (✓) the relevant box:		Overall impact:
Positive		There are no changes proposed to the CTS 2022 Scheme. The impact of this scheme, as compared to the scheme available in 2021/22, will remain the same as in the Equality Impact Analysis prepared in Dec 2019. https://www.havering.gov.uk/ctaxeia2020 Same sex couples and civil partnerships are recognised within the scheme however there is insufficient information available to make an assessment on the impact of the proposals on this protected
Neutral		
Negative		

<p>Sources used:</p> <p>ONS</p>
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**Expand box as required*

<p>Socio-economic status: Consider those who are from low income or financially excluded backgrounds</p>	
<p>Please tick (✓) the relevant box:</p>	
<p>Positive</p>	<p>Overall impact:</p> <p>There are no changes proposed to the CTS 2022 Scheme.</p>
<p>Neutral</p>	<p>The impact of this scheme, as compared to the scheme available in 2021/22, will remain the same as in the Equality Impact Analysis prepared in Dec 2019. https://www.havering.gov.uk/ctaxeia2020</p>
<p>Negative</p>	<p>Council Tax Support is a means tested scheme available to households on low incomes. Therefore all recipients would be considered to be at a socio-economic disadvantage, particularly lone parents (most likely to be women), part-time workers (most likely to be women), working-age couples on low income, large households (more likely to be from BME backgrounds) and carers (most likely to be women).</p> <p>Support is in place through the Council Tax Discretionary policy for those who suffer hardship as a result of these proposals in order to mitigate any negative impacts.</p> <p>Pension age Council Tax Support claimants will not be affected and will continue to receive similar levels of support with their council tax bills as they do at present.</p>
<p><i>*Expand box as required</i></p>	
<p>Evidence:</p> <p>ONS</p> <p>Please refer to breakdowns of Council Tax Support claimants available above</p>	
<p><i>*Expand box as required</i></p>	
<p>Sources used:</p> <p>Council Tax Support caseload data</p> <p>Demographic, Diversity and Socio-economic Profile of Havering's Population March 2017</p> <p>Havering Data Intelligence Hub</p> <p>Office of National Statistics (ONS)</p>	
<p><i>*Expand box as required</i></p>	

<p>Health & Wellbeing Impact: Consider both short and long-term impacts of the activity on a person's physical and mental health, particularly for disadvantaged, vulnerable or at-risk</p>
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groups. Can health and wellbeing be positively promoted through this activity? Please use the Health and Wellbeing Impact Tool in Appendix 2 to help you answer this question.

Please tick (✓) all the relevant boxes that apply:

Overall impact:

There are no changes proposed to the CTS 2022 Scheme.

Positive

The impact of this scheme, as compared to the scheme available in 2021/22, will remain the same as in the Equality Impact Analysis prepared in Dec 2019. <https://www.haverling.gov.uk/ctaxeia2020>

Neutral

Negative

Do we think that this positively contributes to financial wellbeing and alleviates stress and poor mental health?

Entitlement to Council Tax Support assists low income households to pay their council tax bill which in turn contributes to financial wellbeing and alleviates stress and poor mental health

Do you consider that a more in-depth HIA is required as a result of this brief assessment? Please tick (✓) the relevant box

Yes ☐ No ☒

Evidence:

**Expand box as required*

**Expand box as required*

Sources used:

**Expand box as required*

**Expand box as required*

3. Outcome of the Assessment

The EqHIA assessment is intended to be used as an improvement tool to make sure the activity maximises the positive impacts and eliminates or minimises the negative impacts. The possible outcomes of the assessment are listed below and what the next steps to take are:

Please tick (✓) what the overall outcome of your assessment was:

✓	1. The EqHIA identified <u>no significant concerns</u> OR the identified <u>negative concerns</u> have already been <u>addressed</u>	➔	Proceed with implementation of your activity
	2. The EqHIA identified some <u>negative impact</u> which still needs <u>to be addressed</u>	➔	COMPLETE SECTION 4: Complete action plan and finalise the EqHIA
	3. The EqHIA identified some <u>major concerns</u> and showed that it is <u>impossible to diminish negative impacts</u> from the activity to an acceptable or even lawful level	➔	Stop and remove the activity or revise the activity thoroughly . Complete an EqHIA on the revised proposal.

4. Action Plan

Protected characteristic / health & wellbeing impact	Identified Negative impact	Recommended actions to mitigate Negative impact* or further promote Positive impact	Outcomes and monitoring**	Timescale	Lead officer
All	✓	<p>Monitor implication of change in Council Tax Support.</p> <p>Opportunities with the Ctax Support Scheme</p>	<p>We will monitor the impact of the continuing scheme and take-up of hardship funds as part of our performance and quality checking systems. The performance data collated, including satisfaction surveys and community profile monitoring will form part of regular reporting arrangements to senior management and members.</p> <p>Citizens' Advice Bureau commissioned to assist provides debt counselling and advice.</p>	December 2022	Debbie Wheatley

		<p>to challenge amount of benefit through internal/external review procedures to maximize support.</p> <p>Availability of the Emergency Assistance Scheme in LB Havering delivered with DABD</p>	Applications monitored & awards recorded by Disablement Association of Barking & Dagenham (DABD)	December 2022	Debbie Wheatley
All	✓	The Council Tax Discretionary Policy	<p>The policy is available on the Internet for any claimant struggling to pay their Council Tax.</p> <p>32 applications were received & awarded in 2020/21. The majority</p>	December 2022	Chris Henry

			<p>being from Havering care leavers.</p> <p>The Discretionary Policy is promoted by several internal departments and external organizations who engage with vulnerable residents.</p>		
Disability	✓	<p>International Day of the Disabled Person</p> <p>Ctax Recovery Policy. Individual circumstances taken into account.</p>	<p>This is a practical event planned for International Day of the Disabled Person to engage with and advance the rights and wellbeing of persons with disabilities.</p> <p>The agenda will include public Speakers, open forum discussions and opportunities to develop and contribute local policy.</p>	<p>3 December 2022</p> <p>December 2022</p>	<p>Chris Henry</p>

Age	✓	Referral to Havering Works to assist careers advice & getting back into employment	Positive outcomes recorded by Havering Works	September 2022	Debbie Wheatley
Socio-Economic	✓	Referral to external bodies for income maximization and debt advice eg CAB, Peabody, The Money Advice Service, Stepchange etc		December 2022	Council Tax & Benefit Services, Housing

Add further rows as necessary

* You should include details of any future consultations and any actions to be undertaken to mitigate negative impacts

** Monitoring: You should state how the impact (positive or negative) will be monitored; what outcome measures will be used; the known (or likely) data source for outcome measurements; how regularly it will be monitored; and who will be monitoring it (if this is different from the lead officer).

5. Review

In this section you should identify how frequently the EqHIA will be reviewed; the date for next review; and who will be reviewing it.

Review:

The EIA will be reviewed on an annual basis.

Scheduled date of review: September 2022

Lead Officer conducting the review: Chris Henry

Please submit the completed form via e-mail to EqHIA@haverling.gov.uk thank you.

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London Borough of Havering Summary: Council Tax Support Scheme 2022/23

Introduction

Council Tax Benefit was abolished from 1 April 2013. In its place each local authority was required by Section 9 of the Local Government Finance Act 2012 (the Act) to produce its own scheme to reduce the liability of working age applicants whom it considers to be in financial need.

This document summarises the proposed Council Tax Support Scheme (2022/23 scheme) from 1 April 2022 which the Council has produced in accordance with of Schedule 4 of the Act.

The Council adopted its own local scheme from April 2013 which has due regard to the Department for Communities and Local Government's policy intentions and unequivocally protects pensioners.

Havering's Local Council Tax Support scheme has been interpreted and applied in accordance with the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 which set out what must be included in the scheme.

Summary of Council Tax Support Scheme from April 2022

The 2022/23 scheme will adopt the existing Council Tax Support scheme in place at 31 March 2022 including the following amendments in place since 1 April 2019:

1. The maximum Council Tax Support is 75% of the Council Tax due for working age claimants who are not considered disabled. This means that every working age household that is not considered disabled will continue to pay a minimum charge of 25% towards their council tax bill.
2. The maximum Council Tax Support is 80% of the council tax due for working age claimants who are considered disabled. This means that every working age household that is considered disabled continues to pay a minimum charge of 20% towards their Council Tax Bill

Disabled claimants for the purposes of the scheme are defined as people who have a disability income that entitles them to one of the following premiums: disability, severe disability, enhanced disability, disabled child and/or carer when calculating their benefit.

Havering's Local Council Tax Support Scheme

In this document 'the current scheme' means Havering's existing Council Tax Support scheme which was adopted in January 2013 and then amended with effect from April 2014, 2015 and again with effect from April 2019.

Unless expressly stated otherwise, the provisions outlined below relate solely to working age applicants under the current scheme.

This document summarises the Council's proposed Scheme for eligible working age Council Tax payers to receive council tax support.

The scheme applicable to pensioners is defined in The Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012, Part 3, and Schedules 1 to 6, which is adopted within this scheme.

The procedure for the application and calculation of the 2022/23 scheme is summarised below and is made in accordance with Schedules 7 and 8 of the Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012.

The principles embodying the Local Council Tax Support Scheme include:

- Local authorities will be expected to manage significant reductions in subsidised expenditure.
- Regulations have been set to protect claimants of state pension credit age.
- Local authorities will consult on changes to their schemes with precepting authorities and the public.
- The Council will adopt the final scheme before 31 March 2022 or the default scheme will apply.
- Local authorities should aim to protect vulnerable groups.
- In developing schemes, local authorities should consider incentivising claimants into work.

The Local Council Tax Support Scheme includes the following:

- Introduction and definitions
- Prescribed of persons
- Provisions relating to entitlement under the scheme
- Applicable amounts
- Maximum Council Tax Reduction
- Amount of reduction under the scheme
- Assessment of Income and Capital under the scheme
- Students
- Applications
- Extended reductions
- Period of entitlement and changes of circumstances
- Schedules

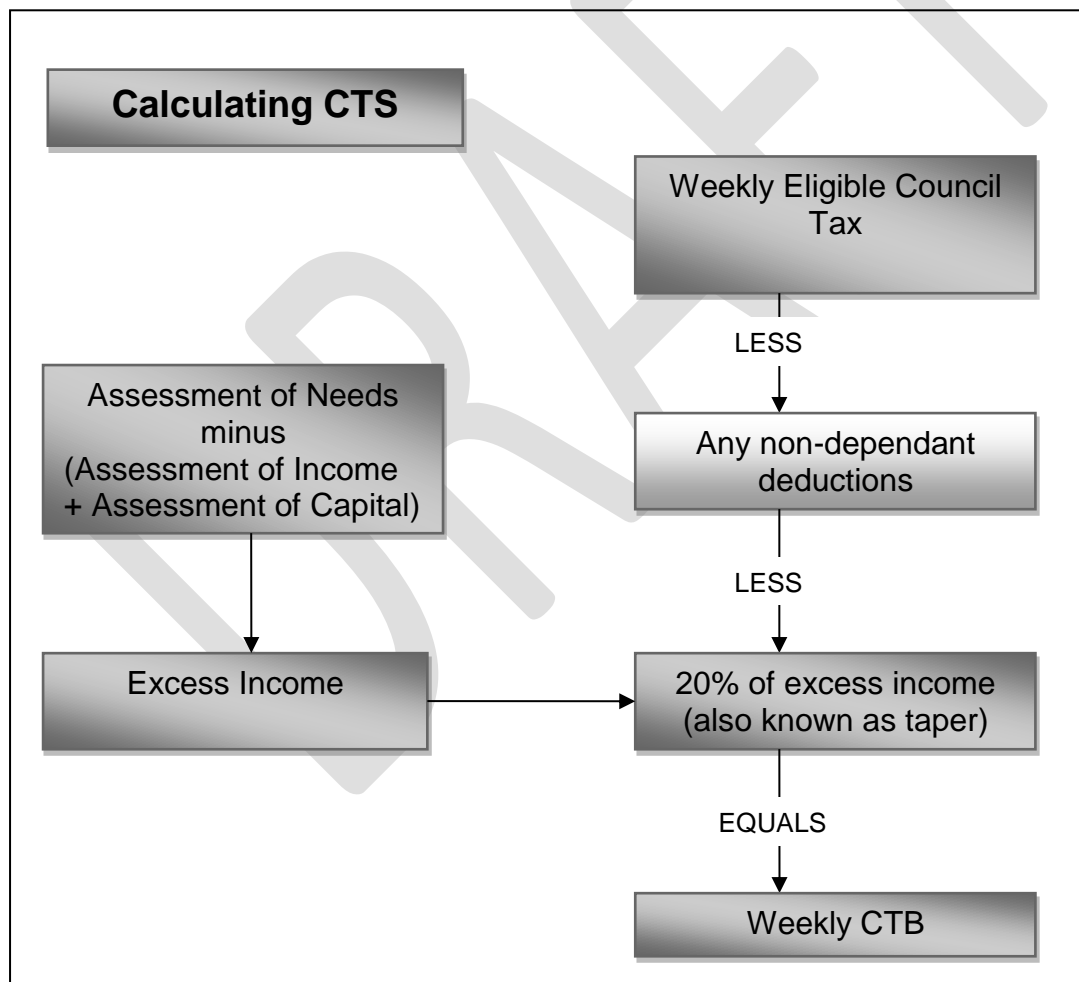
The Council Tax Support Calculation

The starting point for all calculations of Council Tax Support is the claimant's 'maximum benefit'. This is the claimant's weekly eligible Council Tax less any non-dependant deductions that apply.

Income and capital are compared to the claimant's applicable amount. Any income over the applicable amount is known as the Excess Income.

The claimant qualifies for maximum support less 20% of any excess income figure. The 20% reduction to the maximum benefit is known as a taper.

Claimants in receipt of Job Seeker's Allowance, Income Support or Universal Credit have already been assessed by the Department for Work and Pensions (DWP) as having income lower than their applicable amount and so will receive maximum council tax support less any non-dependant deductions.



Non-dependant deductions

A non-dependant deduction is an amount of council tax that is due from the CTS claimant because there is another adult (non-dependant), who is not the claimant's partner, living in the household who receives an income. This reduces the amount of

CTS a claimant will receive which is described in paragraph 30A of the 2022 scheme as follows:

- (1) Subject to the following provisions of this regulation, the non-dependant deductions in respect of a day referred to in regulation 29A (maximum council tax benefit) shall be—
 - (a) in respect of a non-dependant aged 18 or over in remunerative work, $\text{£}20.00 \times \frac{1}{7}$;
 - (b) in respect of a non-dependant aged 18 or over to whom sub-paragraph (a) does not apply, $\text{£}6.00 \times \frac{1}{7}$.
- (2) In the case of a non-dependant aged 18 or over to whom paragraph (1)(a) applies, where it is shown to the appropriate authority that his normal gross weekly income is—
 - (a) Less than $\text{£}217.00$, the deduction to be made under this regulation shall be that specified in paragraph (1) (b);
 - (b) Not less than $\text{£}217.00$ but less than $\text{£}377.00$, the deduction to be made under this regulation shall be $\text{£}9.00$;
 - (c) Not less than $\text{£}377.00$ but less than $\text{£}469.00$, the deduction to be made under this regulation shall be $\text{£}15.00$.

From April 2014 onwards, the eligible weekly council tax used to calculate council tax support shall be no higher than the weekly Council Tax Band D value for a property in Havering.

Paragraph 29A (1) of the CTS scheme 2022/23 provides that:

- (1) Subject to paragraphs (2) to (5), the amount of a person's maximum council tax benefit in respect of a day for which he is liable to pay council tax, shall be 85 per cent of the amount A/B where—
 - (a) A is the amount set by the appropriate authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; and
 - (b) B is the number of days in that financial year, less any deductions in respect of non-dependants which fall to be made under regulation 58 (non-dependant deductions).
- (2) In calculating a person's maximum council tax benefit any reduction in the amount that person is liable to pay in respect of council tax, which is made in consequence of any enactment in, or made under, the 1992 Act, shall be taken into account.
- (3) The level of any Council Tax Support awarded shall be restricted to the level of band D
- (4) Subject to paragraph (5), where a claimant is jointly and severally liable for council tax in respect of a dwelling in which he is resident with one or more other persons but excepting any person so residing with the claimant who is a student to whom regulation 45(2) (students who are excluded from entitlement to council tax benefit) applies, in determining the maximum council tax benefit in his case in

accordance with paragraph (1), the amount A shall be divided by the number of persons who are jointly and severally liable for that tax.

- (5) Where a claimant is jointly and severally liable for council tax in respect of a dwelling with only his partner, paragraph (4) shall not apply in his case.

From April 2019 onwards, Maximum Council Tax Support for working age claimants is 25% (previously 15%). The exception is working age claimants classified as disabled for the purposes of the CTS scheme where maximum council tax support is reduced by 20% (previously 15%).

This means that working age households (not disabled) continue to pay a minimum charge of 25% of their Council Tax Bill and working age disabled households continue to pay a minimum charge of 20% of their Council Tax bill.

Paragraph 29A of the CTS scheme 2022/23 provides that:

(1) Subject to sub-paragraphs (2) to (5), for persons in classes D to E in this scheme a person's maximum council tax reduction amount in respect of a day is 75 per cent for working age (not disabled) & 80% for working age (disabled) of the amount A/B where—

(a) A is the amount set by the authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; and

(b) B is the number of days in that financial year, less any deductions in respect of non-dependants which fall to be made under paragraph 30A (non-dependant deductions: persons who are not pensioners) and any award restricted to the level of Band D

From April 2015 onwards, the amount of savings and investments people are allowed to have and still be entitled to claim CTS was reduced from £16,000 to £6,000.

The CTS scheme 2013/14 and 2014/15 did not accept claims from applicants who have savings and investments of more than £16,000. These individual were not entitled to any CTS.

From April 2015, applicants who have more than £6,000 in savings or investments are not eligible to claim and therefore have no entitlement to CTS.

Paragraph 23 of the CTS scheme 2022/23 states that:

(1) The class of person described in this paragraph consists of -

(a) Persons in class A and B whose capital exceeds £16,000

(b) Persons in class D and E whose capital exceeds £6,000.

From April 2015 onwards, Second Adult Rebate was abolished.

Second Adult Rebate supported working age council tax payers whose income was too high in their own right for Council Tax Support but who had other adults living in the household whose income was low.

Applications for Council Tax Support

This part applies to both pension-age and working-age applicants

The following procedure has been set in accordance with the Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012, referred to as 'the Regulations' below.

Entitlement to CTS is dependent on an application being made in the following way:

An application may be made:

- (a) In writing
- (b) By means of an electronic communication or
- (c) By telephone following publication by the Council of a number for this purpose.

The form provided by the Council for this purpose must be properly completed, and the Council may require the applicant to complete the form in the proper manner, and may further require that further information and evidence is provided by the applicant.

An application will be made defective if the applicant does not provide all of the information the Council requires.

Applications made by telephone will only be accepted if the applicant provides a written statement of their circumstances in the format required by the Council.

The Council will allow a certain length of time for applicants to correct any defects in their application.

The Regulations provide for which classes of people are eligible to make application for Council Tax Support.

Evidence and information

Any person who makes an application or any person to whom a reduction under the CTS scheme 2022/23 has been awarded shall furnish such certificates, documents, information and evidence in connection with the application or award, or question arising out of it as may reasonably be required by the Council in order to determine the person's entitlement. Where the Council requests information it shall inform the applicant or person of their duty to notify the Council of any change of circumstances and shall indicate the kind of changes of circumstances which are to be notified.

Matters related to the electronic communication of information, proof of delivery and content of information will be determined in accordance with Part 4 of Schedule 7 of the Regulations.

Where the person is a pensioner paragraph 7(4) (5) (6) and (7) of Schedule 8 of the Regulations apply which specify matters relevant to evidence and information related to pensioners.

Amendment and withdrawal of applications

Any person who has made an application may amend it at any time before a decision had been made by serving a notice in writing to the Council in accordance with paragraph 8 of Schedule 8 of the Regulations.

Decisions by the Council

The Council will make a decision in respect of any application for a reduction under this scheme in accordance with the criteria set out within the CTS scheme 2022 rules.

The decision will be made within 14 days or as soon as reasonably practicable of the Council receiving at its designated office the properly completed application or the information requested to complete it or the evidence required. The date upon which the Council is deemed to have received the properly completed application shall be determined in accordance with paragraphs 6 of Schedule 1, paragraph 7 and Part 1 of Schedule 7 of the Regulations being satisfied, or as soon as reasonably practicable thereafter.

The Council will notify the applicant or any person affected by its decision under the scheme in writing forthwith, or as soon as reasonably practicable.

Any person affected to whom the Council sends or delivers a notification of a decision to may, within one month of the notification of the decision, request in writing from the Council a statement setting out the reasons for its decision on any matter set out in the notice.

Following receipt of a request for a written statement the Council will provide this within 14 days or as soon as reasonably practicable thereafter.

Where an award or payment of reduction is made the time and manner of granting the reduction under the scheme will be in accordance with Part 5 of Schedule 8 of the Regulations.

Change of circumstances

For persons who are not pensioners the date on which changes of circumstances are to take effect will be determined in accordance with paragraph 4 of Part 2 of Schedule 8 of the Regulations.

Procedure for making an appeal

Any applicant who is not in agreement with the decision of the Council taken under this scheme may service a notice in writing on the Council setting out their reasons and grounds upon which they believe the Council has made the wrong decision.

Following receipt of an appeal in writing the Council will:

- (1) Consider the appeal
- (2) Notify the applicant in writing of the following:
 - (i) Any decision not to uphold the appeal and the reasons for that; or
 - (ii) That steps are being taken to proceed with the appeal and set out what steps.

Where an applicant remains dissatisfied following receipt of any written notice sent by the Council in response to their appeal, they may within two months of the service of that notice, appeal to the valuation tribunal.

Applications for further discretionary reductions

Under Section 13A(1)(c) of the Local Government Finance Act 1992 and The Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012, the Authority will consider applications for a further reduction in Council Tax.

There will be financial implications in that the cost of any reduction will be a direct cost to the Council. The cost of any discretionary reduction will, therefore, have to be met by the rest of the council taxpayers.

Applications must be made in writing or by prescribed electronic communications.

The Council will, in making decisions for further discretionary reductions, have due regard to its duties under The Child Poverty Act 2010, The Housing Act 1996, and The Equality Act 2010.

The Council will review all relevant matters when deciding whether to award a reduction including, but not limited to:

- The circumstances of any other person with whom the applicant is jointly and severally liable for Council Tax.
- The overall financial situation of the applicant and the applicant's family.
- The effect the council believes making an award will have on the applicant and any members of the applicant's family.
- Protecting the public purse and maintaining financial budgets.

A person who applies for a discretionary reduction may request that the Council review its decision. Any such request must be made in writing and be received within one month of the date the notification of the decision.

If practicable, another more senior officer, will reconsider the decision in light of all available evidence and, if appropriate amend it. Any change may lead to either a reduction or an increase in any award.

A further right of review will be available against the decision as reviewed which will be considered by a manager but only against the legality of the decision and not the actual outcome.

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03/02/2022

LONDON BOROUGH OF HAVERING - PROVISIONAL COUNCIL TAX STATEMENT - 2022/23 BUDGET

2021/22			2022/23	
£			£	
170,203,101		HAVERING'S EXPENDITURE	174,946,477	
1,000,000		Committee expenditure	1,000,000	Final
		General Contingency		
171,203,101		HAVERING'S OWN EXPENDITURE	175,946,477	
		LEVIES		
11,524,000	Final	East London Waste Authority	18,015,000	Final
195,131	Final	Environmental Agency (Thames)	195,728	Provisional
22,609	Final	Environmental Agency (Anglian Eastern)	22,806	Provisional
212,413	Final	Lee Valley Regional Park	212,413	Estimate
301,345	Final	London Pension Fund	301,345	Estimate
12,255,498		SUB TOTAL - LEVIES	18,747,292	
(14,902,118)	Final	Unringfenced Grants	(21,783,639)	Provisional
168,556,481		SUB TOTAL - TOTAL EXPENDITURE	172,910,130	
		EXTERNAL FINANCE		
(9,944,857)	Final	Business Rate Baseline (Top-Up)/Tariff	(9,944,858)	Provisional
(1,405,808)	Final	Revenue Support Grant	(1,453,826)	Provisional
(23,952,890)	Final	Retained Business Rates	(20,862,317)	Final
(35,303,555)		SUB TOTAL - EXTERNAL FINANCE	(32,261,001)	
815,089		Final Council Tax (Surplus) / Deficit	(737,919)	Final
912,008		Final Business Rates (Surplus) / Deficit	912,008	Final
134,980,023		HAVERING'S PRECEPT ON THE COLLECTION FUND	140,823,218	

THE COLLECTION FUND

2021/22		Expenditure	2022/23	
£	£ p		£	£ p
119,500,436	1,354.22	Precepts:	123,774,757	1,384.66
15,479,587	175.42	London Borough of Havering	17,048,461	190.72
		Adults Social Care		
134,980,023	1,529.64	London Borough of Havering Total	140,823,218	1,575.38
32,090,449	363.66	Greater London Authority (based on Mayor's Budget) from NNDR1	35,361,790	395.59
23,952,890	271.44	London Borough of Havering Retained Business Rates	20,862,317	233.39
29,541,897	334.78	Greater London Authority - Retained Business Rates	25,730,191	287.84
262,023	2.97	Cost of NNDR collection	261,203	2.92
220,827,282	2,502.49	Total Expenditure	223,038,719	2,495.12
		Total Income		
(53,756,810)	(609.19)	National Non-Domestic Rate		
		NNDR receivable	(46,853,711)	(524.15)
167,070,472	1,893.30	COUNCIL TAX per Band D property	176,185,008	1,970.97
		Council Tax percentage increase		4.10 %

COUNCIL TAXES PER PROPERTY BAND

2021/2022 Council Tax base	88,243	2021/22		2022/23		Increase
		£ p		£ p	Valuation as at 1/4/91	£ p
2022/2023 Council Tax base	89,390	1,262.20	Band A	1,313.98	under £40,000	51.78
		1,472.57	Band B	1,532.98	£40,001 - £52,000	60.41
		1,682.93	Band C	1,751.98	£52,001 - £68,000	69.05
		1,893.30	Band D	1,970.97	£68,001 - £88,000	77.67
		2,314.03	Band E	2,408.96	£88,001 - £120,000	94.93
		2,734.77	Band F	2,846.96	£120,001 - £160,000	112.19
		3,155.50	Band G	3,284.95	£160,001 - £320,000	129.45
		3,786.60	Band H	3,941.94	over £320,000	155.34

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CABINET 16 February 2022	
Subject Heading:	5 Year Capital Programme and Strategy – 2022/23 to 2026/27
Cabinet Member:	Councillor Damian White, Leader
SLT Leads:	Jane West (Chief Financial Officer)
Report Author and contact details:	Mark White Capital Finance Manager 01708 433624 mark.white@onesource.co.uk
Policy context:	<p>This report presents the Council's 5 year Capital Strategy and associated Capital Programme for agreement by Cabinet and recommendation on to Council for consideration and approval.</p>
Financial summary:	<p>The Council is required to approve the Capital Strategy as per the Prudential Code for Capital Finance in Local Authorities and the Treasury Management in the Public Services Code of Practice. The Council is required to set a balanced budget and the capital strategy and subsequent 5 year capital programme forms part of this process. The financial implications of this strategy are included as part of the 2022/23 Budget and tax setting report elsewhere on this agenda.</p>
Is this a Key Decision?	Yes
When should this matter be reviewed?	Annually
Reviewing OSC:	Overview and Scrutiny Board

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

Communities making Havering	[X]
Places making Havering	[X]
Opportunities making Havering	[X]
Connections making Havering	[X]

SUMMARY

The Council is required by statute (the Prudential Code for Capital Finance in Local Authorities, 2017 Edition) to agree the capital programme and associated capital strategy. Local authorities are required to have regard to the current editions of this code by regulations 2 and 24 of the Local Authorities (Capital Finance and Accounting) Regulations 2003 [SI 3146].

This report sets out the Authority's Capital Strategy and presents the Council's proposed capital budget for 2022/23 and five year Capital Programme to 2026/27.

RECOMMENDATIONS

Cabinet is asked to:

1. **Recommend to Council for consideration and approval** the 2022/23 and 5 year Capital Programme noting the changes in accessing new borrowing set out in section 1.3
2. **Agree** that the Chief Financial Officer be authorised to allocate funding from the Capital Contingency included within the draft Capital Programme.
3. **Agree** that externally funded schemes can be added to the capital programme up to £500k as and when funding is confirmed. Any external funding over £500k will be subject to approval by the Chief Financial Officer.
4. **Approve** the capital strategy contained within this report noting its impact on both the capital programme and the financial implications for setting the revenue budget for 2022/23 and beyond
5. **Note** the capital prudential indicators included within the capital strategy when approving the capital programme to ensure affordability.
6. **Approve** the Minimum Revenue Provision Policy Statement which determines the amount of money set aside each year for the repayment of debt
7. **Agree** that the Chief Financial Officer be authorised to re-profile capital budgets mid-year based on the updated forecasts provided by services and reported to the Senior Leadership Team as part of the capital monitoring process. This will assist in producing more accurate information for treasury management purposes.

REPORT DETAIL

1. Capital Strategy

1.1 Overview

- 1.1.1 This capital strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It should be read in conjunction with the following reports, all of which can be found elsewhere on this agenda:

- Treasury Management Strategy Statement (TMSS)
- 2022/23 Revenue Budget and Medium Term Financial Strategy (MTFS)
- HRA rent setting report

The capital strategy is underpinned by the strategic aims of the Council which are – Cleaner, Safer and Prouder Together. The future capital investment will be focused into the delivery of these objectives for the Council.

- 1.1.2 The Council is investing in major developments across the borough as part of its ambitious Regeneration programme which will deliver new and replacement affordable homes and enabling self-sustaining communities to grow.
- 1.1.3 The capital programme also includes investment in the core infrastructure of carriageways and footways, and also recognises the commitment to managing the performance, risk and expenditure on its infrastructure assets.
- 1.1.4 The Council has brought together its budgets in relation to its operational asset management into a Corporate Landlord function which prioritises repairs and maintenance across the office estate and operational buildings. The cost of ongoing repairs and maintenance budgets, including funding for health and safety work, are built into both the revenue budget and capital programme.
- 1.1.5 The digital portfolio investment brings together all current and future technology and digital transformation projects clearly setting out how advances in the application of digital data and smart technologies will help to shape the digital future of our borough. It is essential to future proof and protect the resilience of council's systems against the risk of cyber-attacks. The Capital programme includes investment in the digital strategy to fund this modernisation and minimise the risk of cyber-attacks.

1.2 Governance of capital approvals

- 1.2.1 The capital programme, which is updated for new proposed schemes, revised profiling, slippage and changes in expenditure projections is presented to full Council every year for approval. The capital programme reported provides financial implications for the current MTFS reporting period of four years, however with the Council's engagement in longer term capital investments the timeframe over which the capital programme and financing costs are monitored extend beyond this period.
- 1.2.2 The process for including new schemes in the 2022/23 capital programme was undertaken as part of the corporate budget setting process. Project outlines were considered by senior officers in terms of delivery of corporate objectives or operational plans, and a shortlist of schemes was selected for the production of outline business cases to be considered by Cabinet.
- 1.2.3 Any bids for capital funding outside the approved capital programme in year will need to include a business case demonstrating either a clear link to corporate objectives or the requirement to meet an operational imperative, establish the funding source to meet the cost and follow approval processes laid down in the Council's standing orders and financial regulations.
- 1.2.4 There is an established methodology for the development of project documentation and business cases which is overseen by the Corporate Programme Management Office. There is a corporate system containing programme performance and delivery information which is used to manage and monitor the milestones, risk and outcomes of the programmes.
- 1.2.5 The above investments and processes are taking place against a background of austerity and significant uncertainty in the future sources of funding for local government. It is therefore a key aim of the Council's capital strategy that it delivers a financial return on investment, such as capital receipts or new revenue streams, or delivers key strategic priorities and benefits to the borough.
- 1.2.6 Value for money (VFM) is a key component of capital projects. As part of the business case development and evaluation process, projects will need to show that all options have been considered and that the option that has been chosen is cost efficient and effective. The monitoring and management of these projects against the business case assumptions ensures that the focus on value for money remains for the life of the project.
- 1.2.7 The Council has chosen not to invest in purely commercial projects. Its capital investment is primarily related to increasing and improving the provision of a rich mix of housing tenures that help to address the acute housing need in the borough. Whilst there may be a commercial return resulting from a number of the schemes, this is not the predominant focus for the Council.

1.3 Access to Borrowing

- 1.3.1 The government has acknowledged the valuable contribution that local authorities make to the social and economic infrastructure of this country, and is committed to the approach of local decision-making and accountability under the prudential regime when setting its capital programme
- 1.3.2 To support local investment and to encourage capital investment, local authorities can access low cost loans through the Public Works Loan Board (PWLB). The purpose of the PWLB is to offer long-term, affordable loans to support local authority investment in service delivery, housing, economic regeneration, treasury management, and occasionally preventative action, under the prudential regime.
- 1.3.3 In February 2020 Parliament reformed the statutory basis of the PWLB, transferring its lending powers to HM Treasury. In March 2020 the government consulted on revising the PWLB's lending terms to reflect these new governance arrangements, and to end the situation in which a minority of local authorities used PWLB loans to support the acquisition of investment assets primarily for yield. The government published its response to this consultation and implemented these reforms in November 2020.
- 1.3.4 The key change in the PWLB lending change as a result of these reforms is Local Authorities can no longer access PWLB funds without confirmation from the S151 Officer that the authority does not plan to buy investment assets primarily for yield in the next 3 years. This is confirmed both at the start of the year in a return to HM Treasury setting out the authorities capital plans and in any application to the PWLB for additional loans.
- 1.3.5 In addition to borrowing from the PWLB local authorities must not pursue a deliberate strategy of using private borrowing or internal borrowing to support investment in an asset that the PWLB would not support and then refinancing or externalising this with PWLB loans. Under the prudential code, local authorities cannot borrow from the PWLB or any other lender for speculative purposes, and must not use internal borrowing to temporarily support investments purely for yield.
- 1.3.6 As set out in the proposed capital programme below, prudential borrowing is a key financing source in the funding of the authority's capital programme so it is important that the approved capital programme does not include any schemes that are primarily for investment purposes. Investment assets would usually have one or more of the following characteristics
- Buying land or existing buildings to let out at market rates
 - Buying land or buildings which were previously operated on a commercial basis which is then continued by the local authority

- Buying land or buildings other than housing which generate income and are intended to be held indefinitely rather than until the achievement of some meaningful trigger

The Council does not have any such schemes in its Capital programme.

2. 2022/23 – 2026/27 5 Year Capital Programme

2.1 Overview

- 2.1.1 After taking into consideration the existing approved capital programme and associated reprofiling, new bids and the capital investment plans, the full proposed capital programme has been developed for Members to approve.
- 2.1.2 Requirements under the Prudential Code and the changes to PWLB lending require the Council to separate out its capital programme between its main Service Spending (education, highways & transport, social care, public health, culture & related services and environmental & regulatory services), Housing (HRA and GF) and Regeneration projects.

The following sections of this report do this:-

- Existing Service Spending capital projects (section 2.2)
 - New Service Spending capital projects (section 2.3)
 - Revised Housing capital projects (section 2.4)
 - Revised Regeneration capital projects (section 2.5)
- 2.1.3 The capital budgets submitted for approval of expenditure are presented reflecting anticipated slippage from the existing capital programme. Any additional slippage will be reported and rolled forward into 2022/23 as part of the closure of the 2021/22 accounts.

2.2 Existing Service Spending Capital Projects

- 2.2.1 The existing capital programme was approved as part of last year's budget setting process. This programme is reviewed as part of the corporate monitoring processes each quarter and the progress against the budget is scrutinised. As a result of this review, reprofiling of certain projects spending plan are identified and have been included in the revised Capital programme in this report.

Table 1 - Existing Service Spending Capital Programme

Summary of Existing Approved GF Capital Programme	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Adults Services						
Adults - DFG	2.889	0.000	0.000	0.000	0.000	2.889
Adults - Other	0.899	1.618	0.000	0.000	0.000	2.517
Adults Services Total	3.788	1.618	0.000	0.000	0.000	5.406
Customer, Communication & Culture						
Leisure - Other	5.535	0.000	0.000	0.000	0.000	5.535
Leisure - SLM	0.100	0.838	3.724	0.000	0.000	4.662
Libraries	0.039	0.000	0.000	0.000	0.000	0.039
Customer, Communication & Culture Total	5.674	0.838	3.724	0.000	0.000	10.236
Transformation	6.199	6.462	3.280	1.980	1.180	19.101
Childrens Services	0.944	0.891	0.000	0.000	0.000	1.835
Environment						
Environment - Highways	16.969	1.050	0.750	0.000	0.000	18.769
Environment - Parks	0.500	0.500	0.000	0.000	0.000	1.000
Environment Total	17.469	1.550	0.750	0.000	0.000	19.769
Registration & Bereavement Services	0.250	0.000	0.000	0.000	0.000	0.250
Asset Management						
Corporate Buildings	0.659	0.000	0.000	0.000	0.000	0.659
Health & Safety	0.100	0.024	0.000	0.000	0.000	0.124
Schools Conditions Programme	2.644	0.100	0.000	0.000	0.000	2.744
Schools Expansions	0.490	7.500	21.730	0.000	0.000	29.720
Vehicle Replacement	2.000	0.000	0.000	0.000	0.000	2.000
Asset Management Total	5.893	7.624	21.730	0.000	0.000	35.247
ICT Infrastructure	5.075	3.980	1.720	1.650	1.650	14.075
Regeneration - Externally Funded	0.726	0.000	0.000	0.000	0.000	0.726
Total GF Capital Expenditure	46.019	22.963	31.204	3.630	2.830	106.646

2.2.9 The funding streams to finance the above spend is as follows

Table 2 - Existing Service Spending Financing

Financing	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Capital Receipts	18.101	2.591	0.000	0.000	0.000	20.692
Revenue and Reserve Contributions	2.005	0.000	0.000	0.000	0.000	2.005
Grants & Other Contributions	6.877	7.900	21.730	0.000	0.000	36.507
Borrowing	19.036	12.472	9.474	3.630	2.830	47.442
Total Funding	46.019	22.963	31.204	3.630	2.830	106.646

2.3 New Service Spending Capital Projects

2.3.1 In addition to the existing capital programme there has also been a review of the future capital requirements undertaken across the business. The updated new bids

are shown in Table 3 below. Cabinet is asked to recommend these bids to Council for approval as part of the approval of the total Capital Programme.

Table 3 – New Service Spending Capital Projects

Internally Funded Schemes Presented for Approval	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Environment						
Potential Capital Requirement of Waste Contract	8.220	1.920	0.000	0.000	0.000	10.140
Registration & Bereavement						
Childrens Memorial Lawn	0.030	0.000	0.000	0.000	0.000	0.030
Redcrofts Lake Pumping System	0.025	0.000	0.000	0.000	0.000	0.025
Redcrofts Lake - Creation of Waterfall	0.030	0.000	0.000	0.000	0.000	0.030
Crematory - Roof Shielding	0.040	0.000	0.000	0.000	0.000	0.040
Romford Cemetery Fence	0.020	0.000	0.000	0.000	0.000	0.020
SEC Raised Pond Beds	0.015	0.000	0.000	0.000	0.000	0.015
Total Internally Funded Schemes	8.380	1.920	0.000	0.000	0.000	10.300
Externally Grant Funded Schemes Presented for Approval	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Asset Management						
Schools Conditions Programme (indicative)*	2.100	0.000	0.000	0.000	0.000	2.100
Adults						
Better Care Fund/ Disabled Facilities Grant (indicative)	2.056	0.000	0.000	0.000	0.000	2.056
Environment						
TFL - Core Local Implementation Plan (indicative)	1.957	0.000	0.000	0.000	0.000	1.957
Total Externally Grant Funded Schemes	6.113	0.000	0.000	0.000	0.000	6.113
Externally CIL/S106 Funded Schemes Presented for Approval	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Regeneration						
Covid Memorial Project - Hard landscaping & Memorial	0.224	0.000	0.000	0.000	0.000	0.224
Sunrise Avenue - Traffic Calming	0.050	0.000	0.000	0.000	0.000	0.050
Total Externally Funded S106/CIL Schemes	0.274	0.000	0.000	0.000	0.000	0.274
TOTAL NEW GF CAPITAL PROGRAMME	14.767	1.920	0.000	0.000	0.000	16.687

* The indicative schools conditions programme is set out in detail in appendix 2. If the grant differs from the indicative allocation the schemes will be adjusted accordingly.

2.3.2 Included in the new bids are potential capital costs that may arise from the procurement of the new Waste contract. The procurement will progress over the next 6 months and competitive dialogue process will develop requirements for future depot facilities, fleet replacement for waste collection and possibly capitalisation of vessels for waste collection. The scale of the investment will become clearer as the procurement process continues. The need for a depot location and fleet acquisitions will depend on discussions with the contractor and what facilities they bring to the table, however there are scenarios where we may

need to procure further assets to enable service delivery. The Capital programme allows for this possibility and will be updated as further information becomes available

- 2.3.3 Registration and Bereavement service have put forward a series of small bids to support elements of the service and to enhance the customer experience. The total capital bid comes to £0.160m with a full year ongoing revenue cost of £8k
- 2.3.4 There are other indicative additional allocations for the schools condition programme, Disabled Facilities Grant and the TfL Local Implementation Plan for Highways. These sums are funded from a grant allocation and do not incur revenue financing costs.
- 2.3.5 A Community Infrastructure Levy (CIL) scheme was initiated in Havering in 2020/21 and the council has started to receive CIL payments. There has been significant work undertaken by the Infrastructure Steering Group on a protocol for managing the CIL process and to ensure that the council gets the best added value for the CIL it receives. The aim for the investment of the CIL is to ensure it is utilised to enhance the infrastructure of the council and it should therefore link to the Infrastructure and Local area plan. The development of the CIL monitoring and pipeline forecasting information will enable strategic decisions about where that investment should be made. The latest figures on the availability of CIL identifies the contributions banked and potential pipeline receipts. Prudent financial planning would dictate that the council allocates CIL funding in line with its priorities
- 2.3.6 There are a number of schemes coming forward at present asking for funding from the corporate CIL resource. The following two schemes have been approved and are being added to the capital programme:
- The Covid 19 Memorial project is a multi-funded project involving the creation of various sites around the Borough in memory of those that have fallen victim to the Covid-19 pandemic. The bid is for the installation of paths, site furniture, landscaping and a central memorial.
 - The Sunrise Avenue traffic calming is a scheme to ensure drivers slow down and improve the safety of the public highway as a result of a number of large regeneration schemes in the area. It will consist of the installation of speed cushions and a pedestrian crossing.
- 2.3.7 Work is also ongoing on the Supported Housing programme that has approval for the development of supported housing within borough as part of the regeneration programmes. There is the potential with the success of the initial schemes that further schemes could be developed. This will require further capital investments with business cases that demonstrate significant revenue savings and improved services for our people living within these developments.

2.3.12 The funding streams to finance the proposed new projects are as follows:

Table 4 – New Service Spending Financing

Funding Sources of Schemes Presented for Approval	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Capital Receipts	8.220	0.000	0.000	0.000	0.000	8.220
Revenue and Reserve Contributions	0.000	0.000	0.000	0.000	0.000	0.000
Grants	6.113	0.000	0.000	0.000	0.000	6.113
Section 106/ CIL	0.274	0.000	0.000	0.000	0.000	0.274
Borrowing	0.160	1.920	0.000	0.000	0.000	2.080
TOTAL FUNDING	14.767	1.920	0.000	0.000	0.000	16.687

2.3.13 As can be seen from the above table a significant element of the new capital projects are funded from prudential borrowing. This will have the result of additional capital financing costs charged to revenue over the life of the assets. These costs are factored into the Councils medium term financial strategy. The capital financing costs as a result of the additional borrowing for the additional projects are set out below:

Table 5 – Revenue Impact of New Service Spending

	Incremental Impact to Revenue			
	2022/23 £m	2023/24 £m	2024/25 £m	Total £m
Interest Costs associated with additional Borrowing	0.002	0.031	0.029	0.062
Repayment of Principal (MRP) associated with additional borrowing	0.000	0.006	0.240	0.246
Total Capital Financing Costs associated with additional borrowing	0.002	0.037	0.269	0.308

2.3.14 Whilst these costs are factored into the MTFS for prudent financial planning purposes, alternative funding sources will be investigated and used where possible to mitigate these costs, delivering a saving on the revenue budget.

2.4 Revised Housing (HRA) Capital Projects

2.4.1 The HRA business plan and the 2022/23 HRA Rent Setting report is included elsewhere on this agenda. As well as setting out the revenue budgets for the financial year 2022/23 the plan also sets out the medium term capital programme for Housing. A summary of the plans can be seen in the table below:

Table 6 – Revised Housing (HRA) Capital Programme

Proposed HRA Capital Programme	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Stock capital investment	32.957	29.735	29.335	34.483	32.543	159.054
Other Improvements	0.000	0.000	0.000	0.000	0.000	0.000
Development/Acquisition	71.786	66.208	47.536	44.366	42.323	272.218
Demolition & Forward Funding	31.318	62.480	109.861	95.390	89.598	388.646
Other Regeneration	34.581	22.548	8.583	6.336	12.050	84.098
Total HRA Capital Expenditure	170.642	180.971	195.315	180.575	176.513	904.017

2.4.2 Whilst there is no direct provision made for the repayment of debt (and therefore no MRP) the inclusion of the repayment of loans is included in the long term business plan for the HRA. To reflect this in the service revenue expenditure, unlike for the GF, depreciation is a true cost to the service which is then used to finance capital expenditure through the mechanism known as the Major Repairs Reserve (MRR).

2.4.3 Included within the HRA business plan is how the service are proposing to finance the capital expenditure and is summarised in the table below:

Table 7 – Revised Housing (HRA) Capital Financing

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Major Repairs Reserve (MRR)	9.480	9.659	9.842	10.028	10.219	49.229
RTB receipts (Allowable Debt)	1.073	1.080	1.088	1.081	1.075	5.397
RTB receipts (1-4-1 receipts)	13.977	13.016	13.537	11.182	8.718	60.429
Other Grants & Contributions	16.626	75.782	40.219	96.639	60.774	290.041
Revenue contributions (HRA)	4.891	2.907	4.520	10.518	8.424	31.260
HRA Prudential Borrowing	124.595	78.526	126.109	51.126	87.305	467.662
Total Funding	170.642	180.971	195.315	180.575	176.513	904.017

2.5 Revised Regeneration Capital Projects

2.5.1 Included within the capital programme are a number of Regeneration schemes that because of their size, are reported separately in the authority's capital programme. Each scheme has an individual business case setting out the risks and merits which have either been reviewed or are in the process of being reviewed by Members. The capital strategy brings together all these schemes, along with the Council's full capital programme, but Members are asked to review the individual business cases for a full understanding of each of the schemes.

2.5.2 The table below shows the current spending plans (based on latest business plans) for all of the regeneration schemes being proposed.

Table 7 – Revised Regeneration Capital Programme

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
<u>Regeneration Programme</u>						
Bridge Close						
Bridge Close - New School	0.000	0.000	15.654	0.000	0.000	15.654
Bridge Close - New Medical Facility	0.000	0.000	5.146	0.000	0.000	5.146
Rainham & Beam Park						
Rainham & Beam Park Housing Zone	7.500	8.271	0.000	0.000	0.000	15.771
Rainham & Beam Park (potential CPO's funded from sales to JV)	8.000	33.510	0.000	0.000	0.000	41.510
Rainham & Beam Park Commercial Acquisitions	0.000	0.000	0.000	0.000	0.000	0.000
Farnham & Hildene						
Farnham & Hildene - Commercial Properties	0.000	0.000	0.000	2.656	14.395	17.051
Farnham & Hildene - Medical Centre	2.884	1.718	0.000	0.000	0.000	4.602
Provision for Future Regeneration Opportunities	70.000	70.000	0.000	0.000	0.000	140.000
Mercury Land Holdings						
North Street - loans	0.000	0.000	0.000	0.000	0.000	0.000
Quarles JV - Equity	0.000	0.000	0.000	0.000	0.000	0.000
Quarles JV - Loans	1.625	2.063	0.000	0.000	0.000	3.688
Quarles PRS - Equity	0.000	0.000	0.000	0.000	0.000	0.000
Quarles PRS - Loans	2.375	1.313	0.000	0.000	0.000	3.688
Homelessness - equity	4.746	18.996	0.000	0.000	0.000	23.742
Homelessness - loan	7.119	28.492	0.000	0.000	0.000	35.611
Crow Lane - Equity	0.000	0.000	0.000	0.000	0.000	0.000
Crow Lane - Loans	0.000	0.000	0.000	0.000	0.000	0.000
Waterloo - Equity	13.793	0.000	0.000	0.000	0.000	13.793
Waterloo - Loans	21.732	23.224	0.000	0.000	0.000	44.956
Roneo - Equity	0.000	0.000	0.000	0.000	0.000	0.000
Roneo - Loans	7.993	0.019	0.000	0.000	0.000	8.012
Rainham JV/LBH - Equity	9.000	0.000	0.000	0.000	0.000	9.000
Rainham JV/LBH - Loans	10.500	10.500	0.000	0.000	0.000	21.000
Reactive Acquisition Fund Balance	0.000	0.000	2.826	0.000	0.000	2.826
Total Regeneration Programme	167.267	198.106	23.626	2.656	14.395	406.050

2.5.3 The proposed funding of these schemes is from prudential borrowing and capital receipts. Details are set out in the table below:

Table 8 – Revised Regeneration Capital Financing

Funding Sources	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Capital Receipts	78.000	103.510	0.000	0.000	0.000	181.510
Revenue and Reserve Contributions	0.000	0.000	0.000	0.000	0.000	0.000
Grants	0.000	0.000	0.000	0.000	0.000	0.000
Section 106/ CIL	0.000	0.000	0.000	0.000	0.000	0.000
Borrowing	89.267	94.596	23.626	2.656	14.395	224.540
TOTAL FUNDING	167.267	198.106	23.626	2.656	14.395	406.050

2.5.4 Details of the regeneration schemes included as part of the capital programme are:

- Rainham & Beam Park Housing Zone

This scheme was originally approved for progression at Cabinet on 13 December 2017 with capital expenditure forecasts based on the original business plan. Since the original approval the project has developed with the capital expenditure above based on latest business plans.

- Bridge Close

This scheme was originally approved for progression at Cabinet on 15 November 2017 and again was based on the original business case for the project. Like with Rainham & Beam Park the scheme has developed and the latest capital expenditure forecasts are based on the new business plan. A report outlining a revised approach to funding Bridge Close was approved by Cabinet on 16 December 2020, and the capital requirements are included in the capital programme.

- Mercury Land Holdings

The original business plan was approved at Cabinet on 15 November 2017. Since this approval new schemes and opportunities have been identified and this new capital programme includes a number of new projects. Inclusion in the capital programme ensures that the capital expenditure approvals are in place subject to the full business cases being approved setting out the individual projects and their risks and benefits associated with them.

2.5.5 Like with the new capital projects, if schemes within these regeneration schemes are approved and progress then additional prudential borrowing will be required. This borrowing will result in revenue capital financing costs over the profile of the schemes as shown below. Whilst these costs are factored into the MTFS for prudent financial planning purposes, alternative funding sources will be used where possible to mitigate these costs, delivering a saving on the revenue budget.

Table 9 – Revenue Impact of the Regeneration Capital Programme

	Incremental Impact to Revenue						
	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Interest Costs associated with additional Borrowing	1.684	2.758	1.773	0.394	0.256	0.216	7.081
Repayment of Principal (MRP) associated with additional borrowing	0.717	1.816	1.402	0.604	0.059	0.320	4.917
Total Capital Financing Costs associated with additional borrowing	2.401	4.574	3.175	0.998	0.315	0.536	11.999

- 2.5.6 It is important to acknowledge that once the developments move into the delivery phase, the costs of the programmes become more significant, including for example the costs of borrowing or the costs of maintaining an operational construction site. Therefore any delays in the programme that add time into the development phase plans will bring with it additional material costs over and above these business plan assumptions.
- 2.5.7 It should also be acknowledged that as these regeneration ventures progress, there are costs incurred in the preparation of the schemes and the establishment of the delivery vehicles that are sunk costs, and have occurred in this or previous years. If any of the schemes at any stage in the future do not progress to final delivery and completion, then these costs could fall to the Council with no mechanism for recovery.
- 2.5.8 The primary reason for undertaking these schemes is regeneration delivering new homes in accordance with the Councils strategic aims and plans. The business cases have also identified a number of additional benefits arising alongside the regeneration. One of the benefits is the estimated financial return to the Council that will arise as a result of the delivery of the projects. The return generated from these regeneration projects will offset the budget pressure arising from the capital financing costs of borrowing and provide future funds for reinvestment. There will also be a return to support the Council's MTFS from MLH as a result of the Council making loans to the company. Full details of the additional pressures and savings for the individual schemes are included in the Medium Term Financial Strategy.
- 2.5.9 In addition to the income streams, dividends will also be payable from MLH, although at present it is assumed these are reinvested in further regeneration schemes.
- 2.5.10 The primary existence of these regeneration projects are for regeneration purposes and it's important to acknowledge that these income streams can be more volatile than other investments made solely for treasury purposes (details of which are set out in the Treasury Management Strategy Statement (TMSS) elsewhere in the

agenda). Members are reminded that over reliance on these income streams should not be made when setting a balanced budget and that by approving these schemes, Members are happy with the overall balance of income that these projects contribute to the budget setting process.

2.6 2022/23-2026-27 5 year Capital Programme

2.6.1 Subject to Member approval, the following table sets out the proposed total capital programme for the financial years 2022/23 through to 2026/27 covering the existing capital programme, new bids, HRA and Regeneration:

Table 10 – Proposed Total Capital Programme

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Adults Services						
Adults - DFG	4.945	0.000	0.000	0.000	0.000	4.945
Adults - Other	0.899	1.618	0.000	0.000	0.000	2.517
Adults Services Total	5.844	1.618	0.000	0.000	0.000	7.462
Customer, Communication & Culture						
Leisure - Other	5.535	0.000	0.000	0.000	0.000	5.535
Leisure - SLM	0.100	0.838	3.724	0.000	0.000	4.662
Libraries	0.039	0.000	0.000	0.000	0.000	0.039
Customer, Communication & Culture Total	5.674	0.838	3.724	0.000	0.000	10.236
Transformation	6.199	6.462	3.280	1.980	1.180	19.101
Childrens Services	0.944	0.891	0.000	0.000	0.000	1.835
Environment						
Environment - Highways	25.239	2.970	0.750	0.000	0.000	28.959
Environment - TFL	1.957	0.000	0.000	0.000	0.000	1.957
Environment - Parks	0.724	0.500	0.000	0.000	0.000	1.224
Environment Total	27.921	3.470	0.750	0.000	0.000	32.141
Registration & Bereavement	0.410	0.000	0.000	0.000	0.000	0.410
Asset Management						
Corporate Buildings	0.659	0.000	0.000	0.000	0.000	0.659
Health & Safety	0.100	0.024	0.000	0.000	0.000	0.124
Schools Conditions Programme	4.744	0.100	0.000	0.000	0.000	4.844
Schools Expansions	0.490	7.500	21.730	0.000	0.000	29.720
Vehicle Replacement	2.000	0.000	0.000	0.000	0.000	2.000
Asset Management Total	7.993	7.624	21.730	0.000	0.000	37.347
ICT Infrastructure	5.075	3.980	1.720	1.650	1.650	14.075
Regeneration	167.993	198.106	23.626	2.656	14.395	406.776
Total GF Capital Expenditure	228.053	222.989	54.830	6.286	17.225	529.384
HRA Capital Expenditure	170.642	180.971	195.315	180.575	176.513	904.017
Total Capital Expenditure	398.695	403.961	250.145	186.861	193.738	1,433.401

2.6.3 If the capital programme is agreed the capital expenditure will be financed as follows:

Table 11 – Financing of Capital Programme

Financing	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Capital Receipts	119.370	120.198	14.625	12.263	9.792	276.248
Revenue and Reserve Contributions	16.377	12.566	14.362	20.546	18.642	82.493
Grants & Other Contributions	29.616	83.682	61.949	96.639	60.774	332.661
Section 106/ CIL	0.274	0.000	0.000	0.000	0.000	0.274
Borrowing	233.058	187.515	159.209	57.412	104.530	741.724
Total Funding	398.695	403.961	250.145	186.861	193.738	1,433.401

3. Prudential Indicators

3.1 Capital expenditure is incurred where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. Details of the Council's policy on capitalisation can be found in the Council's accounting policies included within the annual statement of accounts.

3.2 In 2022/23, including the Housing Revenue Account, the Council is planning capital expenditure of £398m as set out in the table below:

Table 12 – Prudential Indicator: Estimate of Capital Expenditure

	2020/21 Actual £m	2021/22 Budget £m	2022/23 Budget £m	2023/24 Budget £m	2024/25 Budget £m
Service Spending	41.337	79.881	60.060	24.883	31.204
Council Housing (HRA)	59.155	207.837	170.642	180.971	195.315
Regeneration Programme	17.202	28.573	167.993	198.106	23.626
Total	117.694	316.292	398.695	403.961	250.145

The Service Spending on capital projects include highways, schools maintenance and expansions, IT infrastructure and leisure, and these can be seen in the detailed capital programme section of this report.

The Council Housing (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. The HRA capital programme supports the ongoing capital maintenance of the housing stock, the delivery of decent homes standards alongside a significant investment in the 12 Estates regeneration programme and the acquisition of affordable homes across other regeneration schemes, particularly the Bridge Close scheme. The

HRA business plan (which includes full details of the proposed HRA capital programme) is an item elsewhere on the agenda.

- 3.3 All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 13 – Prudential Indicator: Capital Financing

	2020/21 Actual £m	2021/22 Budget £m	2022/23 Budget £m	2023/24 Budget £m	2024/25 Budget £m
Capital Receipts	20.638	57.046	119.370	120.198	14.624
Revenue Contributions & Reserves	21.100	33.313	16.377	12.566	14.362
Grants & Other Contributions	21.052	34.744	29.891	83.682	61.949
Borrowing	54.904	191.188	233.058	187.515	159.209
Total	117.694	316.292	398.695	403.961	250.145

- 3.4 Debt (Borrowing) is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as Minimum Revenue Provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. The Council's full Minimum Revenue Provision statement is available as part of the Treasury Management Strategy Statement.

- 3.5 The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase by £220m during 2022/23 raising from £584m to £804m. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 14 – Prudential Indicator: Estimates of Capital Financing Requirement

	2020/21 Actual £m	2021/22 Forecast £m	2022/23 Forecast £m	2023/24 Forecast £m	2024/25 Forecast £m
Service Spending	125.307	153.276	167.510	176.282	177.643
Council Housing (HRA)	212.752	349.438	468.530	545.973	645.905
Regeneration Programme	63.444	81.615	168.695	259.280	269.448
Total Capital Financing Requirement	401.503	584.229	804.735	981.535	1,092.996

* The CFR projections include loan repayments of £45m treated as capital receipts which are set aside for the repayment of debt and therefore reduce the CFR figures.

- 3.7 Additional Prudential Indicators can be found in the Treasury Management Strategy Statement (TMSS) which can be found elsewhere on the agenda

4. Disposals

- 4.1 As the Council has pursued a policy of selling surplus sites for many years it becomes more difficult to identify new sites for disposal that do not pose challenges, either technically or in terms of planning, and especially in respect of objections to disposal that arise in many cases. Nonetheless, constant and on-going appraisal of property assets to identify disposal opportunities is a best practice tenet on all local authorities.
- 4.2 Nationally, councils are shifting their approach and considering sites for self-development in line with corporate need. Through capital spend; they are able to generate savings and new forms of revenue income.
- 4.3 The Council's Asset Management Plan states that land and property assets should only remain in Council ownership if they:
- need to be retained in Council control for the provision of services
 - are of great value to the Council, community and other stakeholders and are in need of the degree of protection from development or other uses afforded only by ownership
 - are investment properties providing a financial return that can fully satisfy relevant investment criteria.
- 4.4 As well as ensuring that the portfolio of retained property is suitable for the operational needs of the Council, there is a continuing need to generate capital receipts from the disposal of assets in order to pursue capital projects. The review and identification of new disposal and capital receipt opportunities makes an essential contribution to funding the Council's capital programme.
- 4.5 The COVID pandemic has significantly changed the ways the Council both provides its frontline services and operates its other back office functions. These changes have provided an opportunity for the Council to review its changing needs and building requirements.
- 4.6 In November 2021 full Council received an update on the Council's approach to climate change and reducing its carbon footprint. The Council's asset strategy will also take account of these medium term aims ensuring that decisions regarding asset retention factor in requirements such as energy efficiency.

- 4.5 The combination of these factors has highlighted the need for a continuing systematic review of the Council's assets to ensure that those that continue to be retained match one of the definitions referred to above and those that do not are considered for disposal or re-use.

5. Capital Receipts

- 5.1 A review was undertaken of the council's asset schedule with a view to identifying plots that could be disposed of to generate capital receipts funding. The generation of such receipts would enable the funding of transformation schemes using the flexible use of capital receipts permissions or to reduce the requirement for borrowing to fund capital investments. The work on developing options for consideration has been undertaken and will be presented separately. It should be noted that there is a lead in time to the generation of receipts from when properties are identified.

6. Flexible Use of Capital Receipts and Transformation

- 6.1 In December 2017, the Secretary of State announced the continuation of the flexible use of capital receipts directive which allows Authorities to use capital receipts to finance revenue transformation expenditure for any project that is designed to generate ongoing revenue savings. Authorities are required to list each project and the savings that are being generated as a result of the project.
- 6.2 The flexible use of receipts directive was due to end for the financial year 2021/22 however in February 2021 the government announced that they would extend these permissions for a further three years from 2022/23 and that further details would be provided.
- 6.3 Due to the delay in the release of details of the extension to the flexible use of receipts policy it is felt prudent that details of schemes that qualify under this directive will be reported to Members once confirmation of the extension and qualifying criteria have been established.

7. Regeneration Programme

7.1 Overview

- 7.1.1 With central government financial support for local public services declining, the Council has invested in a number of joint ventures and subsidiaries.
- 7.1.2 Mercury Land Holdings (MLH) is the Council's wholly owned property development company established to:

- Make use of existing Council capital assets
- To contribute to dealing with the housing supply issue in the Borough
- Ensure a mix of housing in terms of type, size and tenure best matched to the needs of Havering
- To support the Council's regeneration and growth aim
- Generate a financial return to support front line services

The Council's investment in MLH in terms of loans and equity are included in the capital programme. The investment is managed via a shareholder's board arrangement and MLH submit a business plan each year with investment plans for consideration and approval by Cabinet.

- 7.1.3 In addition the Council is the partner in three other regeneration vehicles. One has been established to regenerate the Council's own housing provision, predominantly within the HRA. The other two are to support regeneration and bring in new affordable housing across Havering.

- 12 Estates programme
- Bridge Close
- Beam Park

- 7.1.4 With regeneration being the key objective, the Council accepts higher risk on capital investments in the Regeneration Programme than with treasury investments where the emphasis is on Security, Liquidity and Yield (SLY) in that order. The principal risk exposures for each regeneration scheme are set out in the individual business cases but include risks such as fall in capital values, inflation and interest rate risk. These risks are managed through the individual business cases which show detailed modelling of the risk factors and their impact. In order that commercial investments remain proportionate to the size of the authority, whilst there is no overall maximum investment limit, every business case is reviewed with the full impact of the decision assessed before a decision to proceed or abandon the scheme being made.

- 7.1.5 Further details on the capital expenditure plans and the associated prudential indicators which include the commercial activities can be found in the Treasury Management Strategy Statement. The Council's capital expenditure plans are the key driver of treasury management activity with the output of these plans reflected in the TMSS and prudential indicators. These are designed to assist Member's overview and confirm capital expenditure plans.

7.2 Risk Management and Mitigation

7.2.1 Specific risks for individual schemes are contained within the project business cases. The scale and importance of the project will dictate the level of business case evaluation. Sound business case protocols can mitigate the risk of business case collapse with appropriate levels of contingency being built into the business case to mitigate risks.

7.2.2 In addition to specific risks associated with projects there are a number of cross cutting risks that apply to all capital investments.

- Interest Rate Risk - This is managed indirectly through the TMSS and through our treasury advisers Link Asset Services
- Inflation Risk – The Governments latest inflation forecasts indicate that inflation could rise up to nearly 5% in the next 12 months. Inflation risk is always a concern as slippage can potentially decrease the purchasing power. This can be mitigated by good project management and clearly identified cash flow projections.
- Legal Risk – Capital schemes need to comply with the latest relevant regulations which can change and lead to an impact on construction costs for example. This is mitigated by awareness of pipeline changes and through contingencies
- Market health and commercial values – when projects are entered, the business case often depends on key assumptions or estimates of future market positions. Should market movements mean that these assumptions are inaccurate then this may lead to a change in the project financials. This risk can be mitigated through performance monitoring and contingencies.
- Supplier financial stability – To mitigate this, the Council considers the financial robustness of all contractors and partners and requests appropriate financial standing assurance.
- Reputational Risk – This is particularly relevant to the public sector and can result in the public losing faith in the organisation. The risk can be mitigated by good project management and communication with clear expectations of all stakeholders being key.
- Financial risk due to programme delay – as the schemes progress into delivery phase the costs of the programmes become more significant, including the costs of any borrowing, of the holding costs of construction sites and the operating costs of the joint venture partners, which will be incurred even during times of delay. This can occur for external reasons – e.g. inclement weather that stops work on site – or reasons internal to the council – e.g. delays from slipped planned phasing or decision making deadlines. Many external causes can be mitigated by insurance cover or

contingency sums, and close contract management with partners. The internal process risk can be mitigated by clear planning and timetabling of key decisions and project approval phasing, and monitoring and management of the project plans against those deliverables.

8. Minimum Revenue Provision Policy Statement

- 8.1 Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP). Although there has been no statutory minimum provision requirement since 2008, The Local Government Act 2003 requires the Authority to have regard to the MHCLG *Guidance on Minimum Revenue Provision* last updated in 2020.

The broad aim of the MHCLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

- 8.2 The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. The following statement only incorporates options recommended in the Guidance.

- For capital expenditure incurred before 1st April 2008, MRP will be determined in accordance with the former regulations that applied on 31st March 2008, incorporating an “Adjustment A” of £2.9m on a reducing balance method
- For capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant assets in equal instalments, but under exceptional circumstances the annuity method may apply. Furthermore, where appropriate provision of MRP will commence in the year after the asset becomes operational.

- 8.3 Estimated life periods will be determined under delegated powers. The Authority may defer to the estimated useful economic life periods specified in the MRP guidance, but reserves the right to determine such periods and prudent MRP. As some types of capital expenditure incurred by the Authority are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of

expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

For assets acquired by finance leases or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

8.4 No MRP will be charged in respect of assets held within the Housing Revenue Account as repayment of debt is incorporated in the long term HRA business plan.

8.5 **Third party loans** – Under statutory requirements the payment of the loan will normally be treated as capital expenditure. The subsequent loan repayments, (which are treated as capital receipts under statutory requirements), will be used to reduce the long term liability and consequently the CFR. As a result MRP will not generally be charged on the loan providing the loan repayment means that the debt will be repaid quicker than if MRP was provided based on the asset life method.

The Authority keeps under review all loans to 3rd parties and should there be an expectation that loans will not be repaid in full MRP would be made in this respect to insure that provision is put aside prudently for the repayment of debt.

8.6 There is currently consultation issued from the Department for Levelling up, Housing and Communities seeking views on proposed changes to regulations to better enforce the duty of local authorities to make prudent Minimum Revenue Provision each year. Officers will ensure that the provision complies with any future changes to this regulation.

9. Knowledge and Skills

9.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. The Council also has a training and development programme to support staff to study towards relevant professional qualifications.

9.2 Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

9.3 Member training is undertaken as part of the induction programme following any election and in particular for new Members. Specialist training and advice is also provided to relevant cabinet portfolio members which is either conducted by members of staff or external specialist sources.

REASONS & OPTIONS

Reasons for the Decision

The Council is required to approve the Capital Strategy as per the 2017 updates to the Prudential Code for Capital Finance in Local Authorities and the Treasury Management in the Public Services Code of Practice.

Alternative Options Considered

There are no alternative options in so far as approving the capital strategy and setting the capital programme. However, there are options in respect of the various elements of the capital programme.

IMPLICATIONS & RISKS

Financial Implications and Risks

The Council needs to manage and control its future capital programme and investment very carefully to ensure that it meets its fiduciary responsibilities. It will need to carefully prioritise future capital investment to deliver optimum outcomes as resources become increasingly scarce. A number of new schemes rely upon borrowing which creates a long term budgetary commitment for the Council for which it anticipates that it will receive financial returns of income in addition to meeting the primary objectives of economic development and regenerations. It is therefore essential that there is robust and proactive management of all capital projects going forward in order to deliver the financial plans set out in each approved business case. In particular, the delivery of income streams due from the series of Regeneration led projects for housing development are crucial and underpin the Council's ability to meet the cost of this capital investment and generate future revenue returns to support the delivery of the MTFS. Failure to deliver to plan, could result in significant financial pressures for the Council and therefore robust programme and project governance will be essential. This framework and the expected returns on investment will be included in the revised Capital Strategy.

In allocating funding to these proposals the principle of financing capital expenditure from prudential borrowing as a last resort, was used. Going forward, the use of external funding sources will be maximised, pulling together the co-ordination of grant funding, s106 and any future CIL payments and the use of capital receipts, revenue and reserves.

Legal Implications and Risks

There are no apparent direct legal implications arising from this report. The Capital Strategy is a requirement of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required by regulation to have regard to both codes when carrying out its duties under Part 1 of the Local Government Act 2003. This report has been produced in accordance with those requirements.

Human Resource Implications and Risks

There appear to be no HR implications or risks arising directly that impact on the Councils workforce.

Equalities Implications and Risks

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce.

Health and Wellbeing Implications and Risks

The Council is committed to improving the quality of life and wellbeing for all Havering employees and residents in respect of socio-economics and health determinants. Whilst there are no direct implications to the Council's workforce and residents health and wellbeing as a result of this report, the way the Council spends its budgets on facilities and services does have the potential to impact on our overall health and wellbeing.

For example investment in social infrastructure for public services is likely to have a positive impact on health and wellbeing in terms of providing facilities and services, social connectivity, skills improvement, employment and wealth creation. If social infrastructure is not invested and there is a lack of good quality roads, paths and public buildings the aesthetic quality of the environment can impact negatively on both physical and mental health and wellbeing.

The extensive investment in the regeneration programme with the aim of delivering more affordable homes will also have a significant impact on health and wellbeing

Sitting behind this strategy are a number of processes to assess and improve the health impacts of the projects being proposed. For example, any capital building works such as the 12 estates regeneration project will be subject to the new local plan which includes a new policy requirement for development applications of 10 units or more to have a

commensurate scale health impact assessment. This will highlight any positive impacts of the development on improved health and wellbeing and look for ways to mitigate any negative impacts.

In addition where appropriate, individual projects/programmes within this strategy will themselves be subject to a separate equalities and health impact assessment (EqHIA) which will identify in more detail potential negative impacts for mitigation or positive impacts.

Climate Change Implications and Risks

The establishment of the Havering Climate Action Plan signals a commitment by the Council to tackle climate change and will affect all Council policies and decisions. The proposed capital programme has been developed with this Climate Action Plan at its forefront with good financial stewardship and procurement contributing to the Council's aim of achieving net-zero annual carbon emissions by 2040. In addition all projects included in the programme will follow the principles set out in the action plan and adhere to its key values.

BACKGROUND PAPERS

None

Directorate	Service	Programme	Project Number	Project Name	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	Total
Adults Services	Adults Services	Adults - DFG	C10260	HGF Cap. Bal. (From DFG Schemes): All years	1,335,565	0	0	0	0	1,335,565
Adults Services	Adults Services	Adults - DFG	C30090	Disabled Facilities Grant	456,970	0	0	0	0	456,970
Adults Services	Adults Services	Adults - DFG	C35200	Better Care Fund - Disabled Facilities Grant (indicative)	1,096,733	0	0	0	0	1,096,733
	Adults Services	Sub total		Adults - DFG	2,889,268	0	0	0	0	2,889,268
Adults Services	Adults Services	Adults - Other	C28160	Adults Learning Disabilities Provision Build	899,000	1,618,000	0	0	0	2,517,000
	Adults Services	Sub total		Adults - Other	899,000	1,618,000	0	0	0	2,517,000
Chief Operating Officer	Customer, Communication & Culture	Leisure - Other	C35070	Sports Centre	5,534,919	0	0	0	0	5,534,919
	Customer, Communication & Culture	Sub total		Customer, Communication & Culture	5,534,919	0	0	0	0	5,534,919
Chief Operating Officer	Customer, Communication & Culture	Leisure - SLM	C26860	SLM - Central Park Leisure Centre - Refurbishment	20,000	10,000	476,878	0	0	506,878
Chief Operating Officer	Customer, Communication & Culture	Leisure - SLM	C26870	SLM - Hornchurch Sports Centre - Redevelopment	0	0	126,168	0	0	126,168
Chief Operating Officer	Customer, Communication & Culture	Leisure - SLM	C26880	SLM - Sapphire Ice and Leisure - Fit Out	80,000	828,484	0	0	0	908,484
Chief Operating Officer	Customer, Communication & Culture	Leisure - SLM	C28070	SLM - Awaiting Allocation	0	0	3,120,755	0	0	3,120,755
	Customer, Communication & Culture	Sub total		Leisure - SLM	100,000	838,484	3,723,801	0	0	4,662,285
Chief Operating Officer	Customer, Communication & Culture	Libraries	C22130	Libraries CCTV Replacement	5,073	0	0	0	0	5,073
Chief Operating Officer	Customer, Communication & Culture	Libraries	C22150	Libraries Redecoration	20,000	0	0	0	0	20,000
Chief Operating Officer	Customer, Communication & Culture	Libraries	C25260	Library Building Works	14,000	0	0	0	0	14,000
	Customer, Communication & Culture	Sub total		Libraries	39,073	0	0	0	0	39,073
Chief Operating Officer	Transformation	Transformation	C38180	CRM System	1,021,000	42,000	0	0	0	1,063,000
Chief Operating Officer	Transformation	Transformation	C36070	Smart Working Plus	220,798	0	0	0	0	220,798
Chief Operating Officer	Transformation	Transformation	C38040	Cyber Security	192,500	200,000	160,000	160,000	160,000	872,500
Chief Operating Officer	Transformation	Transformation	C38060	Platforms & Integration	2,165,000	1,680,000	1,600,000	300,000	0	5,745,000
Chief Operating Officer	Transformation	Transformation	C38080	Hardware Device Refresh	0	2,400,000	0	0	0	2,400,000
Chief Operating Officer	Transformation	Transformation	C38120	Organisational Data Capability	2,032,500	2,040,000	1,500,000	1,500,000	1,000,000	8,072,500
Chief Operating Officer	Transformation	Transformation	C38130	Business Systems, BI and Data Analytics	50,000	0	0	0	0	50,000
Chief Operating Officer	Transformation	Transformation	C38140	Borough Wide Connectivity and Digital Inclusion	432,500	0	0	0	0	432,500
Chief Operating Officer	Transformation	Transformation	C38150	Automation & Innovation (RPA & Chatbots)	85,000	100,000	20,000	20,000	20,000	245,000
	Transformation	Sub total		Transformation	6,199,298	6,462,000	3,280,000	1,980,000	1,180,000	19,101,298
Childrens Services	Childrens Services	Childrens - Other	C28150	Childrens Residential and Attached Semi Independ Provision Home	939,286	890,714	0	0	0	1,830,000
Childrens Services	Childrens Services	Childrens - Other	C29360	Locality Based Childrens Centres Transformation	4,863	0	0	0	0	4,863
	Childrens Services	Sub total		Childrens Services	944,149	890,714	0	0	0	1,834,863
Neighbourhoods	Environment	Environment - Highways	C38000	Traffic CCTV Cameras	1,000,000	750,000	750,000	0	0	2,500,000
Neighbourhoods	Environment	Environment - Highways	C38010	Infrastructure - Verges for parking	300,000	300,000	0	0	0	600,000
Neighbourhoods	Environment	Environment - Highways	C38020	Enforcement CCTV	3,500,000	0	0	0	0	3,500,000
Neighbourhoods	Environment	Environment - Highways	C28210	Five Year Carriageway Resurfacing Programme	6,000,000	0	0	0	0	6,000,000
Neighbourhoods	Environment	Environment - Highways	C28560	Five Year Footway Resurfacing Programme	6,000,000	0	0	0	0	6,000,000
Neighbourhoods	Environment	Environment - Highways	C29390	Former Oldchurch Hospital Site (Swan) - Highways Works	169,319	0	0	0	0	169,319
	Environment	Sub total		Environment - Highways	16,969,319	1,050,000	750,000	0	0	18,769,319
Neighbourhoods	Environment	Environment - Parks	C35030	Park Improvements	500,000	500,000	0	0	0	1,000,000
	Environment	Sub total		Environment - Parks	500,000	500,000	0	0	0	1,000,000
Neighbourhoods	Registration & Bereavement Services	Cemeteries & Crematoriums	C35010	Cremator Replacement	250,000	0	0	0	0	250,000
	Registration & Bereavement Services	Sub total		Cemeteries & Crematoriums	250,000	0	0	0	0	250,000
OneSource	Asset Management	Corporate Buildings	C28270	Central Depot Expansion	527,015	0	0	0	0	527,015
OneSource	Asset Management	Corporate Buildings	C22390	Mercury House External Repairs	71,878	0	0	0	0	71,878
OneSource	Asset Management	Corporate Buildings	C38200	Asbestos Survey	60,000	0	0	0	0	60,000
	Asset Management	Sub total		Corporate Buildings	658,893	0	0	0	0	658,893
OneSource	Asset Management	Health & Safety	C12000	H&S Fire Extinguisher Acquisitions	0	7,000	0	0	0	7,000
OneSource	Asset Management	Health & Safety	C18010	H and S Corporate Buildings - Legionella Assessments	15,000	10,000	0	0	0	25,000
OneSource	Asset Management	Health & Safety	C28250	H and S Corporate Buildings - Legacy Works	25,292	0	0	0	0	25,292
OneSource	Asset Management	Health & Safety	C30860	H&S - Gates	20,000	0	0	0	0	20,000
OneSource	Asset Management	Health & Safety	C30870	H and S Corporate Buildings - Fire Risk Assessments	20,000	6,800	0	0	0	26,800
OneSource	Asset Management	Health & Safety	C30890	H&S Corporate Buildings - Asbestos	20,000	0	0	0	0	20,000
	Asset Management	Sub total		Health & Safety	100,292	23,800	0	0	0	124,092
OneSource	Asset Management	Schools Building Maintenance	C25490	Unplanned works to Education Buildings	261,620	0	0	0	0	261,620
OneSource	Asset Management	Schools Building Maintenance	C25510	Asbestos Removal 2017/18	147,292	0	0	0	0	147,292
OneSource	Asset Management	Schools Building Maintenance	C31190	Parklands Jr Sch replacement of dilapidated building	1,161,740	100,000	0	0	0	1,261,740
OneSource	Asset Management	Schools Building Maintenance	C35230	Crownfield Inf School Replace Lighting	30,000	0	0	0	0	30,000
OneSource	Asset Management	Schools Building Maintenance	C35260	Gidea Park School Heating and Controls	90,000	0	0	0	0	90,000
OneSource	Asset Management	Schools Building Maintenance	C35270	Harold Court School Roofs 1,2,3,4,5,7	132,309	0	0	0	0	132,309
OneSource	Asset Management	Schools Building Maintenance	C35360	Nelmes Jr School Lighting Upgrade 1st Floor	20,000	0	0	0	0	20,000
OneSource	Asset Management	Schools Building Maintenance	C38360	Crowfield Inf - Flat roofs B,C	60,000	0	0	0	0	60,000
OneSource	Asset Management	Schools Building Maintenance	C38370	Engayne - Flat roof 9	120,000	0	0	0	0	120,000
OneSource	Asset Management	Schools Building Maintenance	C38390	Langton Infants - Flat roof	5,000	0	0	0	0	5,000
OneSource	Asset Management	Schools Building Maintenance	C38410	Newtons - Flat roofs Infant block	150,000	0	0	0	0	150,000
OneSource	Asset Management	Schools Building Maintenance	C38420	Rainham Village - Flat roofs 3,4,5,6,7,8,9,10	10,000	0	0	0	0	10,000
OneSource	Asset Management	Schools Building Maintenance	C38430	Scotts - Flat roof Infant block	20,000	0	0	0	0	20,000
OneSource	Asset Management	Schools Building Maintenance	C38440	Towers Infants - Flat roofs roof 3,7	5,000	0	0	0	0	5,000
OneSource	Asset Management	Schools Building Maintenance	C38450	Towers Juniors - Flat roofs A,D,G	50,000	0	0	0	0	50,000
OneSource	Asset Management	Schools Building Maintenance	C38470	Squirrels Heath Inf & Jun - Phase 4 electrical distribution	2,000	0	0	0	0	2,000
OneSource	Asset Management	Schools Building Maintenance	C38480	Parklands Inf - Fire Alarm and Emergency lighting	2,000	0	0	0	0	2,000

Directorate	Service	Programme	Project Number	Project Name	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	Total
OneSource	Asset Management	Schools Building Maintenance	C38490	Parklands Jun - Fire Alarm and Emergency lighting	2,000	0	0	0	0	2,000
OneSource	Asset Management	Schools Building Maintenance	C38560	Harold Wood - Upgrade classroom lighting	20,000	0	0	0	0	20,000
OneSource	Asset Management	Schools Building Maintenance	C38570	Mead - Flat roofs	5,000	0	0	0	0	5,000
OneSource	Asset Management	Schools Building Maintenance	C39020	Unallocated Schools condition grant	350,000	0	0	0	0	350,000
	Asset Management	Sub total		Schools Building Maintenance	2,643,961	100,000	0	0	0	2,743,961
OneSource	Asset Management	Schools Expansions	C26030	Phase 4 Expansions Unallocated	0	0	6,850,000	0	0	6,850,000
OneSource	Asset Management	Schools Expansions	C30070	Schools Basic Needs 2020/21	0	7,500,000	14,879,700	0	0	22,379,700
OneSource	Asset Management	Schools Expansions	C23300	Crownfield Jr Expansion 3FE to 4FE - Phase 3	50,000	0	0	0	0	50,000
OneSource	Asset Management	Schools Expansions	C23320	Crownfield Inf Expansion 3FE to 4FE - Phase 3	50,000	0	0	0	0	50,000
OneSource	Asset Management	Schools Expansions	C24010	Brady Primary Expansion - 1 to 2 FE Phase 3	100,000	0	0	0	0	100,000
OneSource	Asset Management	Schools Expansions	C26080	Bower Park Sch - 6 to 7 FE Phase 4	90,000	0	0	0	0	90,000
OneSource	Asset Management	Schools Expansions	C31230	A new nursery at Forest Approach Academy	50,000	0	0	0	0	50,000
OneSource	Asset Management	Schools Expansions	C36330	Clockhouse Primary School ARP	150,000	0	0	0	0	150,000
	Asset Management	Sub total		Schools Expansions	490,000	7,500,000	21,729,700	0	0	29,719,700
OneSource	Asset Management	Vehicle Replacement	C38880	Procurement of 29 vehicles for Passenger Travel Services	2,000,000	0	0	0	0	2,000,000
	Asset Management	Sub total		Vehicle Replacement	2,000,000	0	0	0	0	2,000,000
OneSource	ICT	ICT Infrastructure	C28180	Infrastructure Improvements and Resilience	620,000	0	0	0	0	620,000
OneSource	ICT	ICT Infrastructure	C38050	Data Centre & Core Network	2,662,379	280,000	0	0	0	2,942,379
OneSource	ICT	ICT Infrastructure	C35110	IT Devices Refresh	250,000	1,750,000	70,000	0	0	2,070,000
OneSource	ICT	ICT Infrastructure	C35120	Server Infrastructure	50,000	50,000	0	0	0	100,000
OneSource	ICT	ICT Infrastructure	C35130	Data Centre Improvements	20,000	10,000	0	0	0	30,000
OneSource	ICT	ICT Infrastructure	C35140	Networking (Core & Campus)	80,000	80,000	0	0	0	160,000
OneSource	ICT	ICT Infrastructure	C35150	WiFi Infrastructure	50,000	300,000	0	0	0	350,000
OneSource	ICT	ICT Infrastructure	C35160	Audio Visual Equipment	10,000	10,000	0	0	0	20,000
OneSource	ICT	ICT Infrastructure	C38100	Evergreening Capital - IT	1,332,500	1,500,000	1,650,000	1,650,000	1,650,000	7,782,500
	ICT	Sub total		ICT Infrastructure	5,074,879	3,980,000	1,720,000	1,650,000	1,650,000	14,074,879
Regeneration Programme	Regeneration	Regeneration - TFL	C29000	Beam Parkway Major Scheme LIP 18-19 TFL	725,615	0	0	0	0	725,615
	Regeneration	Sub total		Regeneration - TFL	725,615	0	0	0	0	725,615
		Total		Total	46,018,666	22,962,998	31,203,501	3,630,000	2,830,000	106,645,165

LA Schools	2022/23 Condition Grant Scheme's	Priority	Budget £
Clockhouse	Flat Roofs 1 2 3	1	190,000
Harold Wood	Flat Roof A, B, C	1	190,000
Parklands Jun	Flat roof (expansion)	1	140,000
Nelmes	Flat roof junior block	1	200,000
Branfil	Pitched roofs (3 no)	1	200,000
Crowlands	Pitched roofs	2	200,000
Nelmes Infant	Replacement ceiling and lighting upgrade	1	60,000
Various Schools	LED Lighting	1	120,000
James Oglethorpe	Electrical upgrade	1	60,000
Various Schools	Fire doors	1	150,000
Various Schools	School ventilation (Windows)	1	120,000
Rainham Village	Pedestrian bridge for fire evacuation	1	20,000
Parsonage farm	Fire escape staircase	1	25,000
Hilldene	Structural works	1	20,000
Various Schools	Asbestos (top up code C25510)	1	250,000
Various Schools	Roof cost uplift for previous schemes	1	245,000
Total			2,200,000

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Cabinet

16th February 2022

Subject Heading:

Treasury Management Strategy
Statement 2022/23 and Annual
Investment Strategy 2022/23 ("TMSS"),
Treasury Indicators

Cabinet Member:

Councillor Roger Ramsey
Cabinet Member for Finance & Property

SLT Lead:

Jane West
Chief Financial Officer

Report Author and contact details:

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Policy context:

The CIPFA Code of Practice ("CIPFA TM Code") on treasury management 2017 recommends that the TMSS is reported to a scrutiny committee for effective scrutiny- this role is undertaken by the Audit Committee and this report will be reviewed at its re scheduled meeting on the 22nd February 2022 and final version of the report will be presented to Full Council on 2nd March 2022.

Financial summary:

The TMSS forms part of the Authority's overall budget strategy and financial management framework.

Is this a Key Decision?

No

When should this matter be reviewed? **Annually**
Reviewing OSC: **Overview and Scrutiny Committee**

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

Communities making Havering	[]
Places making Havering	[]
Opportunities making Havering	[]
Connections making Havering	[]

SUMMARY

The TMSS is part of the authority’s reporting procedures as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) TM Code and its Prudential code (“The CIPFA Prudential Code”) for capital finance in local authorities. The Local Government Act 2003 requires authorities to comply with both codes. The TMSS also sets out recently introduced changes to the legislative framework, which are generally designed to place restrictions on authorities’ commercial activity.

This report fulfils the authority’s legal obligation under the Local Government Act 2003 to have regard to both the CIPFA TM Code and Government Guidance, and it covers:

- The Borrowing and Investment Strategies
- Treasury Management and Prudential Indicators - there is a change to them from the revised CIPFA TM published in December 2021 and is discussed later in this report and will be reported upon in the 2023-24 TMSS.

RECOMMENDATIONS

Cabinet is asked to:

1. Approve the TMSS 2022/23.
2. Approve the Prudential and Treasury Indicators set out in Appendices 2 and 3 of this report.
3. Recommend the annual TMSS 2022/23 to Council for approval.
4. Delegate future changes required to this Strategy to the Chief Financial Officer in the consultation with the Cabinet Member for Finance and Property. This will provide the additional flexibility to swiftly respond to changing circumstances.

REPORT DETAIL

1. Introduction

- 1.1 The Authority is required to set a balanced budget each financial year, which broadly means that income received during the year will meet its operational expenditure. As part of the overall financial management arrangements, a primary objective of the Treasury Management service is to ensure that the Authority's cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in counterparties or instruments in accordance with the Authority's appetite for risk and liquidity requirements, as priorities before considering investment return.
- 1.2 The other main function of treasury management is to help fund the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer term cash flow planning required to meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet the Authority's risk or cost objectives
- 1.3 CIPFA define treasury management as "The management of the local Authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated

with those activities; and the pursuit of optimum performance consistent with those risks.”

1.4 Whilst any regeneration initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities. This expenditure is shown throughout this report as the “regeneration programme”.

1.5 The Authority is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

a. Prudential and treasury indicators and treasury strategy, TMSS (this report) - The first, and most important report is forward looking and covers:

- The capital plans, (including prudential indicators)
- The treasury management strategy statement, (how the investments and borrowings are to be organised), including treasury indicators
- An investment strategy, (the parameters on how investments are to be managed).

b. A mid-year treasury management report – a progress report and updates Members on the capital position, amending prudential/treasury indicators as necessary, and whether any policies require revision.

c. An annual treasury report – a backward looking review document providing outturn details on actual prudential and treasury indicators and treasury activity compared to the estimates within the strategy.

1.6 The minimum revenue provision policy is now included in the 5 Year Capital Programme and Strategy Report which is presented to Cabinet alongside the Budget report.

1.7 The above reports are required to be adequately reviewed before being adopted by the Authority. This role is undertaken by the Audit Committee.

2. **Key Considerations and Sustainability**

2.1 **TMSS 2022/23**

2.1.1 The strategy for 2022/23 covers two main areas:

a) Treasury Management Issues

- The borrowing strategy
- Debt rescheduling
- The investment strategy
- TM regulation – newly agreed changes and consultations
- The policy on use of external service providers
- The current treasury position as shown in **appendix 1**
- The treasury indicators which limits the treasury risk and activities of the Authority; **appendix 3** these indicators are unchanged from the approved 2021/22 TMSS
- The prospects for interest rates; **appendix 4**
- The policy on borrowing in advance of need; **appendix 5** This policy is unchanged from the approved 2021/22 TMSS
- The Counterparty & Investment policy; **appendix 6 & 7** This policy is unchanged from the approved 2021/22 TMSS

b) Capital issues

- the capital expenditure plans and the associated prudential indicators are set out in **appendix 2**

2.1.2 These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the CIPFA TM Code and the Department for Levelling-Up Housing and Communities or DLUHC (formerly MHCLG) Investment Guidance.

2.2 **Training**

2.2.1 A key requirement of the CIPFA TM Code is Member consideration of treasury management matters and the new Knowledge and Skills framework set out in the revised CIPFA TM Code published in December 2021. The Authority addresses this important issue by:

- Providing training sessions, briefings and reports on treasury management and investment issues to those Members responsible for the monitoring and scrutiny of treasury management.

- Requires all relevant Officers to keep their skills up to date through training, workshops and seminars, and participating in the CIPFA Treasury Management Forum and other relevant local groups and societies.

2.3 **Treasury Management Consultants**

- 2.2.1 The Authority uses **Link Asset Services (“Link”)** as its external treasury management adviser. The Authority recognises that responsibility for treasury management decisions remains with itself at all times and ensures that undue reliance is not placed upon external service providers. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment and the methods by which their value will be assessed are agreed and subjected to regular review.

3. **Service Delivery and Performance Issues**

- 3.1 The Authority’s capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, shown in **appendix 2**, which are designed to assist Members’ overview and confirm capital expenditure plans.

3.2 **Borrowing Strategy**

- 3.2.1 The Authority continues to utilise internal borrowing, (£125.8m at 31/3/21). This means that the capital borrowing needed as measured by the Capital Financing Requirement (CFR), has not been fully funded with external loan debt as cash supporting the Authority’s reserves, balances and cash flow has been used as a temporary expedient to fund capital spend and generate revenue savings. This strategy has been prudent as investment returns have approached zero while counterparty risk has remained an issue. As the Authority’s CFR continues to grow, external cash balances will be maintained to provide a liquidity buffer of £50m (or at a level the CFO determines to be appropriate) and which is consistent with the liquidity benchmark approach advocated by CIPFA. Going forward the growth in CFR increases the Authority’s exposure to short term interest rates and refinancing risk in its debt portfolio and as such is not a sustainable approach over the long term. Those risks need to be carefully managed through the judicious introduction of new long term external borrowing into the debt portfolio.

3.2.2 The CFO in conjunction with treasury will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- Where there is a significant risk of a much sharper rise in long and short term rates than that currently forecast, facilitated by an increase in global demand, rises in central bank rates and further increases in inflation risks, then the portfolio position will be re-appraised. Long term fixed rate funding will be drawn whilst interest rates are lower than they are projected to be over the medium to long term.

New Borrowing

3.2.3 The Authority's borrowing strategy will give consideration to the following forms of borrowing to finance capital requirements:

- Internal borrowing: The need to undertake external borrowing can be reduced by the temporary use of internal balances held for provisions and reserves within the Authority's accounts and cash flow movements on a day-to-day basis. The option of postponing borrowing and running down investment balances may provide short term revenue savings and reduce investment risk. The use of internal balances, however, must be monitored in order to mitigate the risks arising from the need to externally refinance when rates are unfavourable and protect the budget strategy from volatility in short term and long term interest rates;
- Temporary Borrowing: from the money market or other local authorities;
- Shorter Term Borrowing (1 – 5 years): from non PWLB and other sources;
- Long Term Market Debt: where rates are significantly below those offered by the PWLB for an equivalent maturity period, and to provide diversity within the debt portfolio;
- PWLB: borrowing for periods across all durations where rates offer best value.
- Other borrowing arrangements: such as the use of leasing, specialist 'green' funding that may be more cost efficient for some types of capital expenditure such as for vehicles, equipment and decarbonisation schemes.

3.2.4 The Authority will continue to borrow in respect of the following

- Maturing debt
- Approved (prudential) capital expenditure / capital investment
- To finance short-term cash flow fluctuations.

3.2.5 The type, period, rate and timing of new borrowing will be determined by the CFO under delegated powers, taking into account the following factors

- Expected movements in interest rates as outlined above
- Maturity profile of the debt portfolio set out in graph 1 and table 1 below
very little new borrowing will be required to replace maturing long term debt until 2026/27 when £85m will be required over the next five years
- The impact on the medium term financial strategy, MTFS
- Proposed Prudential Indicators and limits as set out in **appendix 2**.

Graph 1: Debt Maturity Profile

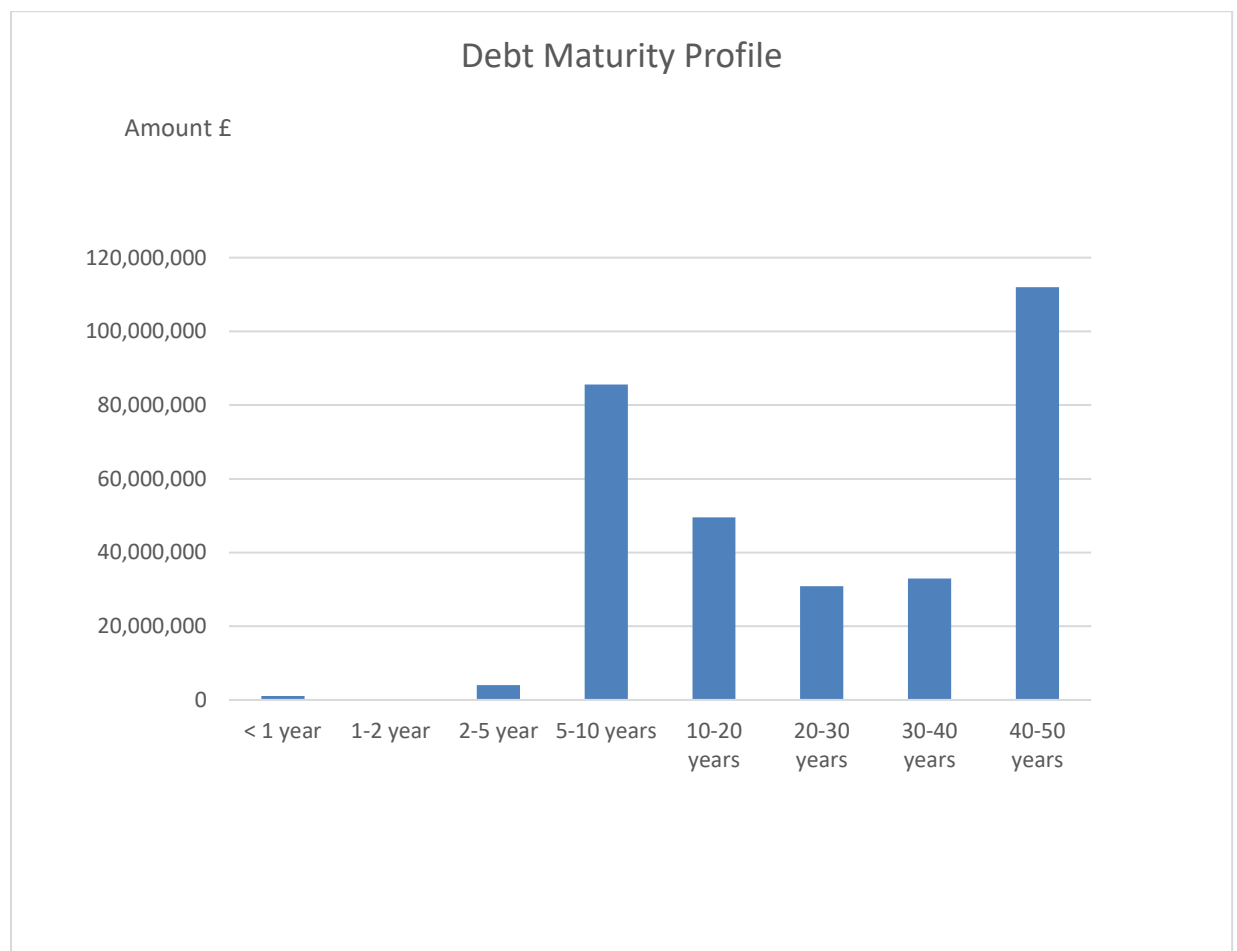


Table 1: Debt Maturity profile and cost

Tenor by time Bucket	Total £,000	Average rate %
< 1 Year	1,109	4.88
1 - 2 Years	0	N/A
2 - 5 years	4,028	3.40
5 - 10 years	85,561	3.21
10 - 20 years	49,574	3.34
20 - 30 years	30,853	3.41
30 - 40 years	32,959	5.03
40 - 50 years	112,000	1.66
> 50 Years	0	N/A
Total	316,087	2.90%

3.2.6 Appendix 2 table 2 shows estimated new borrowing of £605.1m required to fund capital expenditure between financial year end 2020/21 and 2024/25 at of which £50m PWLB borrowing has already been drawn down in 2021/22. However it should be noted that this increase in debt is unlikely to be that high due to external factors, for example, if new government grants are announced, new decisions that the Authority may take such as if new items are added/removed from the capital programme or disposals of surplus assets were to be agreed. Moreover, it also depends on the amount of slippage in the capital programme and to what extent the Authority may borrow in advance. This growth in debt will be reviewed annually against the available budget and will be adjusted to what the Authority can afford.

Treasury Management Limits on borrowing activity

3.2.7 There are three debt related treasury activity limits. The purpose of these are to manage the activity of the treasury function within a flexibly set remit for risk management, yet not impose undue restraints that constrict opportunities for cost reduction or performance improvement. The indicators are:

- Upper limits on variable interest rate exposure net of investments
- Upper limits on fixed interest rate exposure
- Maturity structure of borrowing to manage refinancing risk.

3.2.8 The indicators cover 2020/21 - 2024/25. The CIPFA Prudential Code and the CIPFA TM Code requires authorities to set treasury indicators and these are set out in **Appendix 3**. No breaches in the indicators are expected in the period covered in this report.

Policy on borrowing in advance of need

3.2.9 This is set out in **appendix 5** of this report.

Debt Rescheduling

3.2.10 All rescheduling will be reported to the Cabinet at the earliest meeting following its action.

Where short term borrowing rates are considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- The generation of cash savings and / or discounted cash flow savings
- To fulfil the treasury strategy
- To enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility)
- Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

3.3 **Annual Investment Strategy**

3.3.1 The DLUHC and CIPFA have extended the meaning of ‘investments’ to include both treasury and non-treasury investments. This report deals solely with treasury investments, (as managed by the treasury management team).

3.3.2 The Authority’s investment policy has regard to the following

- DLUHC’s Guidance on Local Government Investments (“the Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice 2017 (“the TM Code”).

- CIPFA Treasury Management Guidance Notes 2018 and have regard to the TM Code and Guidance Notes from 2021 once the guidance notes are published.
- 3.3.3 The key intention of the Guidance is to maintain the requirement for authorities to invest prudently and that priority is given to the security and liquidity of investments before yield. The Authority's objective is therefore to achieve, within this constraint, the optimum return on its investments with the appropriate levels of security and liquidity. Within the prudent management of its financial affairs, the Authority may temporarily invest funds that are borrowed for the purpose of expenditure expected to be incurred in the reasonably near future. Borrowing purely to invest or on-lend for speculative purposes remains unlawful and this Authority does not engage in such activity.
- 3.3.4 The above guidance from the DLUHC and CIPFA place a high priority on the management of risk. This Authority has adopted a prudent approach to managing risk, its minimum credit criteria is set out in Appendix 6. This policy is unchanged from the approved 2021/22 TMSS.
- 3.3.5 The Authority will consider placing longer term treasury deals while investment rates are at historically low levels and where attractive interest rates with high quality counterparties become available.
- 3.3.6 Investments will make reference to the core balance, cash flow requirements and the outlook for short and medium term interest rates.
- 3.3.7 Credit ratings should not be the sole determinant of the quality of an institution, this Authority is not bound by the agency with the lowest rating and, importantly, officers will continually assess and monitor the financial sector and the economic/political environment in which institutions operate.
- 3.3.8 Treasury investment instruments identified for use in the financial year are listed in **Appendix 7** This policy is unchanged from the approved 2021/22 TMSS. The 'specified' and 'non-specified' investment categories are in accordance with the DLUHC Investment Guidance.
- 3.3.9 The CFO will, on advice, make operational changes to these limits in response to prevailing market conditions and regulatory changes.
- 3.3.10 All investments will be denominated in sterling.
- 3.3.11 The Authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks

for investment performance. Regular monitoring of investment performance will be carried out during the year.

3.4 Loans to Third Parties or Non Treasury investments

3.4.1 The Authority may borrow to make grants or loans to third parties for the purpose of capital expenditure, as allowable under paragraph 25 (1) (b) of the Local Authorities (Capital Financing and Accounting) (England) Regulations 2003 (Statutory Instrument No. 3146). This facility is likely to be used to support local economic regeneration and development activity but not limited to those purposes. The additional capital expenditure may be funded by external borrowing. Loans for working capital or revenue purposes are permitted as long as these are funded from the Authority's internal cash balances as external borrowing is not permitted in such circumstances.

3.4.2 Pension Fund Cash - The Local Government Pension Scheme (Management and Investment) Regulations 2016 requires the Authority to maintain a separate bank account for the Pension Fund. For the management of Pension Fund cash, there is in place an agreement to pool internally held pension fund balances (working cash and those pending external investment) with the investment balances of the Authority. These balances are invested in accordance with the Authority's Treasury Management Strategy.

The Pension Fund receives interest annually on their cash balances at a rate commensurate with that received by the Authority. Pension Fund cash balances may be withdrawn anytime. In the event of loss of any investment, this will be borne on a pro rata basis equivalent to the value of each party's contribution to the investment which incurred the loss.

3.4.3 Pension Fund Prefunding – The Authority can choose to enter into an agreement to made advance payment to fund the employee pension contribution for up to 3 years. The benefit of this is to take advantage of discount rate provided by the Pension Fund Actuary which may result in cash saving for the Authority. The Authority has not previously adopted such advance payments.

3.5 TM regulation – newly agreed changes and consultations

3.5.1 CIPFA published revised codes on 20th December 2021 and has stated that formal adoption is not required until the 2023/24 financial year. The Authority has to have regard to these codes of practice when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy, and related reports during the financial year..

3.5.2 The revised codes will have the following implications

A requirement for the Authority to adopt a new debt liability benchmark treasury indicator to support the financing risk management of the capital financing requirement

Clarify what CIPFA expects a Local Authority to borrow for and what they do not view as appropriate. This will include the requirement to set a proportionate approach to commercial and service capital investment

Address Environment Social and Governance (ESG) issues within the Capital Strategy

- Require implementation of a policy to review commercial property, with a view to divest where appropriate and a requirement to have an annual strategy/policy on reviewing commercial portfolios.

Create new Investment Practices to manage risks associated with non-treasury investment (similar to the current Treasury Management Practices)

Ensure that any long term treasury investment is supported by a business model

A requirement to effectively manage liquidity and longer term cash flow requirements

Amendment to Treasury Management Practices (TMP) 1 to address ESG policy within the treasury management risk framework (TMPs are detailed operational practice notes that support the treasury strategy)

Amendment to the knowledge and skills register for individuals involved in the treasury management function - to be proportionate to the size and complexity of the treasury management conducted by each council

A new requirement to clarify reporting requirements for service and commercial investment, (especially where supported by borrowing/leverage).

3.5.3 In addition, all investments and investment income must be attributed to one of the following three purposes

Treasury management

Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

Service delivery

Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

Commercial return

Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to a council's financial capacity – i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. A Council must not borrow to invest primarily for financial return.

REASONS AND OPTIONS

Reasons for the decision:

The statutory Codes set out that the Authority ought to approve a Treasury Management Strategy Statement, the MRP Policy Statement and the Prudential Indicators.

Other options considered:

The DLUHC Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The CFO, having consulted the Cabinet Member for Finance and Property, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain

IMPLICATIONS AND RISKS

Financial implications and risks:

The Treasury Management Strategy Statement is a key part of the overall budget strategy and financial management framework and governs the strategic and operational treasury management activities throughout each financial year in order to manage the Authority's financial risks associated with cash management via borrowing and investments.

For the financial year 2022/23, the budget for investment income has been set at £0.25m, based on known maturities in 2022/23 and a forecasted future investment yield at 0.25%. However this may need to be revised down during the year

depending on the balance between internal and external borrowing and the level of liquidity buffer kept, with any corresponding offset made to the interest payable budget.

The budget for long term debt interest payable in 2022/23 based on the current debt portfolio and future anticipated borrowing is forecasted to be £11.5m. The budget was increased in 2021/22 in anticipation of borrowing for the capital programme, Theme Board agreed borrowing increase of £121m. The ongoing COVID pandemic has led to both delays in the programme and accordingly only £50m of new long term debt being taken at historically low levels.

Based on existing and planned long term borrowing the 2022-23 budget for HRA debt interest payable has been set at £8m and General Fund interest payable at £3.5m.

Progress made on the TMSS will be reported in an half year report to Audit Committee.

Legal implications and risks:

Local Authorities are required by Regulations 2 and 24 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003/3146 as amended to have regard to the “Prudential Code for Capital Finance in Local Authorities” and Treasury Management in the Public Services Code of Practice published by CIPFA when considering their duties under Part 1 of the Local Government Act 2003.

The Authority must comply with section 3 of the Local Government Act 2003 to keep under review the amount of money the Authority can afford to borrow.

The Authority has fiduciary duties toward its tax payers to act in good faith in the interests of those tax payers with the considerable sums of money at its disposal. The Strategies being proposed for approval seek to discharge those duties in a reasonable and prudent manner.

There are no other apparent legal implications arising as a result of this Report.

Human Resources implications and risks:

There are no direct Human Resources implications arising as a result of this report

Equalities Implications and Risks:

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Authority, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and
- (iii) Foster good relations between those who have protected characteristics and those who do not.

The Authority is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce.

There are no equalities implications within this report

Health and Wellbeing Implications and Risks:

The Authority is committed to improving the quality of life and wellbeing for all Havering employees and residents in respect of socio-economics and health determinants. There are no direct implications to the Authority's workforce and resident's health and wellbeing as a result of this report.

BACKGROUND PAPERS

NONE

Appendix 1

Current Treasury Position and Capital Financing Requirement (CFR)

As at 31 March 2021 and 31st December 2021, Investments and borrowings set in table 1 below includes new borrowing of £50m from PWLB, pending capital spend.

Table1: Treasury Portfolio Position

TREASURY PORTFOLIO				
	Actual 31/3/21 £m	Actual 31/3/21 %	Actual 31/12/21 £m	Actual 31/12/21 %
Treasury Investments				
Banks & Building Societies	35.0	68.2	89.9	58.0
Government (including Local Authorities)	75.0	31.8	45.0	29.1
Money Market funds	0	0	20.0	12.9
Total Treasury Investments	110.0	100	154.9	100
Treasury Borrowing				
PWLB	258.2	93.7	308.3	97.5
LOBO loan from bank	7.0	2.5	7.0	2.2
Temporary loan (LA)	10.0	3.6	0	0
Other loans	0.4	0.2	0.8	0.3
Total External Borrowing	275.6	100	316.1	100
Net Treasury Investments/(Borrowing)	(165.6)		(161.2)	

The Authority's forward projections for borrowing are summarised below in Table 2. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing. The expected change in debt will be influenced by changes in the CFR and long term interest rates.

However it should be noted that this change in debt is due to external factors set out in the covering report and capital slippage. Table 2 shows internal borrowing of £230m but this is dependent on the changes to the Authority's cash backed reserves and changes in net working capital. External cash balances of £50m are maintained over the medium term to mitigate liquidity risk.

Table 2: Capital Financing Requirement (CFR) and Borrowing

£m	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
External Debt					
Debt at 1 April	265.6	275.7	354.3	574.7	751.5
Expected change in Debt	10.1	78.6	220.4	176.8	111.5
Actual gross debt at 31 March	275.7	354.3	574.7	751.5	863.0
The Capital Financing Requirement	401.5	584.3	804.7	981.5	1,093.0
Under / (over) borrowing	125.8	230.0	230.0	230.0	230.0

Within the above figures the level of debt relating to regeneration activities is detailed in table 3 below.

Table 3: Regeneration Programme debt

	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
CFR at 31 March £m	63.4	81.6	168.7	259.3	269.4
Percentage of total CFR %	15.80	13.97	20.96	26.42	24.65

Capital expenditure

This prudential indicator is a summary of the Authority's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Table 1: Capital expenditure forecast 2020/21 - 2024/25

Capital expenditure £m	2020/21 Actual	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
Non-HRA	41.3	79.9	60.1	24.9	31.2
HRA	59.2	207.8	170.6	181.0	195.3
Regeneration Program *	17.2	28.6	168.0	198.1	23.6
Total **	117.7	316.3	398.7	404.0	250.1

* these activities relate to areas such as capital expenditure on investment properties, loans to third parties etc.

Other long-term liabilities - The above financing need excludes other long-term liabilities that already include borrowing instruments.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Table 2: Financing of Capital expenditure forecast 2020/21 - 2024/25

Financing of capital expenditure £m	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Capital receipts	20.6	57.0	119.4	120.2	14.6
Capital grants	21.1	34.7	29.9	83.7	61.9
Revenue and Reserves	21.1	33.3	16.4	12.6	14.4
Net financing need for the year ***	54.9	191.2	233.1	187.5	159.2

*** Net financing need, example (**117.7- 20.6-21.1-21.1) = 54.9m)

The net financing need for regeneration programme activities included in the above table against expenditure is shown below:

Table 3: Regeneration Programme forecast 2020/21 - 2024/25

Regeneration Programme £m	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Capital Expenditure	17.2	28.6	168.0	198.1	23.6
Other Sources of Financing	0	0	78.0	103.5	0
Net financing need for the year	17.2	28.6	90.0	94.6	23.6
Percentage of total net financing need	31.3%	14.9%	38.6%	50.5%	14.8%

The Authority's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Authority's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Authority's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for (e.g. by capital grants), through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (OLTL) which relates to PFI schemes and finance leases. The Authority currently has no such liabilities within the CFR.

The Authority is asked to approve the CFR projections below:

Table 4: Capital financing requirement forecast 2020/21 - 2024/25

Capital Financing Requirement £m	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Non Housing	125.3	153.3	167.5	176.3	177.6
Housing	212.8	349.4	468.5	546.0	645.9
Regeneration	63.4	81.6	168.7	259.3	269.5
Total CFR	401.5	584.3	804.7	981.5	1,093.0
Movement in CFR		182.8	220.4	176.8	111.5
Movement in CFR represented by					
Net financing need for the year	-	191.2	233.1	187.5	159.3
Less MRP	-	4.7	7.0	9.5	13.4
Less receipts set aside	-	3.7	5.6	1.2	34.4
Movement in CFR	-	182.8	220.5	176.8	111.5

A key aspect of the regulatory and professional guidance is that elected Members are aware of the size and scope of any commercial/regeneration activity in relation to the Authority's overall financial position. The capital expenditure figures and the details above demonstrate the scope of this activity and, by approving these figures, consider the scale proportionate to the Authority's remaining activity.

Within the range of prudential indicators there are a number of key indicators to ensure that the Authority operates its activities within well-defined limits. One of these is that the Authority needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Chief Financial Officer reports that the Authority complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.).

The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist Members' overview and confirm capital expenditure plans are affordable, prudent and sustainable.

Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Authority's overall finances. The Authority is asked to approve the following indicator:

Ratio of financing costs to net revenue stream

Table 5 identifies the trend in the cost of capital, (borrowing and other long term obligation costs), against HRA rents. The estimates of financing costs include current commitments and the proposals in this budget report.

Table 5: Ratio of financing costs to net revenue stream / HRA rents 2020/21 - 2024/25

%	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
HRA	10.48	14.37	20.90	25.93	30.46

Table 6 shows the trend in the Non-HRA cost of capital (borrowing and other long term obligation costs), regeneration finance costs are shown both gross and net of Mercury Land Holding (MLH) investment income, against net revenue stream.

Table 6: Ratio of Non HRA net financing costs to net revenue stream 2020/21 – 2024/25.

%	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Main services	3.74	4.49	5.65	6.04	7.31
Regeneration - gross	1.67	2.08	3.35	5.76	7.18
- net	1.20	1.24	1.90	3.67	4.81

Regeneration investment income from MLH is forecast at £45m in the nine year period 2025/26 to 2033/34 (approx. £5m per year). It is expected that MLH will make loan repayments of £14m over the same period (of which £8m will be repaid in 2025/26) and the balance thereafter. Equity repayments of £7.2m are expected in 2024/25.

The Operational boundary

This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Table 7: Operational boundary 2020/21 - 2024/25

Operational boundary £m	2020/21 Limit	2021/22 Limit	2022/23 Limit	2023/24 Limit	2024/25 Limit
Debt	328.1	496.4	696.3	770.7	852.5
Other long term liabilities	10	10	10	10	10
Regeneration Programme	63.4	81.6	168.7	259.3	277.5
Total	401.5	588	875	1,040	1,140

The authorised limit for external debt TM code

This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Authority. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all Authorities' plans, or those of a specific Authority, although this power has not yet been exercised.
2. The Authority is asked to approve the following authorised limit:

Table 8: Authorised limit 2020/21 - 2024/25

Authorised limit £m	2020/21 Limit	2021/22 Limit	2022/23 Limit	2023/24 Limit	2024/25 Limit
Debt	468	642	805	853	903
Other long term liabilities	10	10	10	10	10
Regeneration Programme	88	162	248	300	350
Total	566	814	1,063	1,163	1,263

TREASURY LIMITS

Treasury Management Limits on Activity

There are two debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair opportunities to reduce costs/improve performance.

The Code requires that for LOBO loans the maturity date is now deemed to be the next call date.

The indicators are

Maturity structure of borrowing

These gross limits are set to reduce the Authority's exposure of large fixed rate sums falling due for refinancing; these have been kept deliberately wide to provide flexibility for any restructuring that might be carried out to de-risk the debt portfolio.

Maturity structure of fixed interest rate borrowing 2022/23		
	Lower	Upper
Under 12 months	0%	40%
12 months to 2 years	0%	60%
2 years to 5 years	0%	70%
5 years to 10 years	0%	80%
10 years to 20 years	0%	100%
20 years to 30 years	0%	100%
30 years to 40 years	0%	100%
40 years to 50 years	0%	100%
Maturity structure of variable interest rate borrowing 2022/23		
	Lower	Upper
Under 12 months	0%	90%
12 months to 2 years	0%	90%
2 years to 5 years	0%	100%
5 years to 10 years	0%	100%
10 years to 20 years	0%	100%
20 years to 30 years	0%	100%
30 years to 40 years	0%	100%
40 years to 50 years	0%	100%

Investment treasury indicator and limit

Total principal funds invested for greater than 365 days. These limits are set with regard to the Authority's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Authority is asked to approve the following treasury indicator and limit

Upper limit for principal sums invested for longer than 365 days			
£m	2021/22	2022/23	2023/24
Principal sums invested for longer than 365 days	£120m	£120m	£100m

Appendix 4

PROSPECTS FOR INTEREST RATES

The Authority has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. The following commentary and table gives their central view.

Bank Rate

The forecast on interest rates hinges on inflation. The Bank of England MPC expect inflation to fall back to its 2% target rate in late 2023 after the peaking at 7.2% in April 2022. Link are forecasting four increases in Bank Rate over the forecast period to March 2025, ending at 1.25%. – at the time of writing officers expect that the 1.25% rate will be reached by the end of 2022.

PWLB rates and gilt yields

Since the start of 2021, we have seen a lot of volatility in gilt yields, and hence PWLB rates. Our forecasts show a steady, rise in both Bank Rate and gilt yields during the forecast period to March 2025.

Link Group Interest Rate View 7.2.22													
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
5 yr PWLB	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
10 yr PWLB	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
25 yr PWLB	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
50 yr PWLB	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40

POLICY ON BORROWING IN ADVANCE OF NEED

The Authority must ensure that its total debt does not, except in the short-term, exceed the total of the CFR in the preceding year i.e. 2021/22, plus the estimates of any additional CFR for the year 2022/23 and the following two financial years. This allows some flexibility for early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

Any decision to borrow in advance will be considered carefully to ensure that value for money can be demonstrated, and that the Authority can ensure the security of such funds.

In determining whether borrowing will be undertaken in advance of need the Authority will

- Ensure that the ongoing revenue liabilities created, and the implications for future capital plans and budgets have been considered
- Evaluate economic and market factors that might influence the manner and timing of the decision to borrow
- Consider the pros and cons of alternative forms of funding, interest rate structures and repayment profiles
- Consider the positive and negative impacts of borrowing in advance of need on the Authority's cash balances, in particular the increased exposure to credit risk that will arise as a result of investing this additional cash in advance of need.

The Authority's Counterparty Credit policy, minimum credit ratings criteria

Credit Rating: Investment decisions are made by reference to the lowest appropriate published credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

Within the parameters set out below the Authority works together with Link Asset Services (the treasury management advisor) to establish an operational lending list using Link's creditworthiness methodology. The CFO will agree an operational lending list within these parameters.

The notes below should be read in conjunction with table 1 overleaf.

- 1. Banks (Unsecured) and Building Societies:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

For non UK Banks, the Authority's credit criteria will require that banks from AA+ rated countries and above can be used.

Current bank accounts: the Authority's own banker, Should the credit rating fall below A-, for liquidity purposes the Authority may continue to deposit surplus cash with the group providing that investments can be withdrawn on the next working day. Balances will be reviewed on a daily basis to assess their appropriateness.

Banks (secured): Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits.

The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

2. **Rated Building Societies** - The Authority's credit rating criteria for UK Building Societies in 2021/22 will continue to limit deposits to those UK Building Societies that meet the credit criteria in table 1 below.
3. **Non Rated Building Societies** – The criteria in table 1 overleaf will apply.
4. **Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.
5. **Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made following an external credit assessment as part of a diversified pool in order to spread the risk widely.
6. **Registered providers:** Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing and, as providers of public services, they retain the likelihood of receiving government support if needed.
7. **Residential Mortgage Based Schemes** - Investment will be restricted to AAA rated funds with only UK exposure. These funds offer stronger risk-adjusted returns whilst maintaining high daily liquidity with time plus two days (T+2) access.
8. **Pooled funds:** Shares in diversified investment vehicles consisting of any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee.
9. **Money Market Funds (MMF):** The Authority will continue to use MMF's, which provide lower interest returns but do provide a highly liquid, diversified investment via a highly credit-rated pooled investment vehicle.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and

continued suitability in meeting the Authority's investment objectives will be monitored regularly.

- 10. Ring Fenced Banks, (RFB)** The largest UK banks, (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits), were required, by UK law, in response to the global financial crisis to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as “ring-fencing”. Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up. In general, simpler, activities offered from within a ring-fenced bank (RFB) will be focused on lower risk, day-to-day core transactions, whilst more complex and “riskier” activities are required to be housed in a separate entity, a non-ring-fenced bank **(NRFB)**. The Authority will continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings, (and any other metrics considered), will be considered for investment purposes.

Table 1: Approved investment counterparties and limits

These limits are unchanged from last years approved TMSS report.

Credit rating	Banks unsecured*	Banks secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£35m 5 years	£35m 20 years	£35m 50 years	£15m 20 years	£15m 20 years
AA+	£35m 5 years	£35m 10 years	£35m 25 years	£15m 10 years	£15m 10 years
AA	£35m 4 years	£35m 5 years	n/a	£15m 5 years	£15m 10 years
AA-	£35m 3 years	£35m 4 years	n/a	£15m 4 years	£15m 10 years
A+	£35m 2 years	£35m 3 years	n/a	£25m 3 years	£15m 5 years
A	£35m 13 months	£35m 2 years	n/a	£25m 2 years	£15m 5 years
A-	£35m 6 months	£35m 13 months	n/a	£15m 13 months	£15m 5 years
None	£1m 6 months	n/a	n/a	£5m 5 years	£10m 5 years
	UK Local Authorities £35m per Authority; 50 years				
Pooled funds	£25m per fund These include Bond Funds, Gilt Funds, Equity, Enhanced Cash Funds, Mixed Asset Funds and Money Market Funds, Residential Mortgage Based Schemes (RMBS)				

* Includes Building Societies

Investment Limits

The Authority further proposes the investment limits as set out in the table below to protect the security of its investments. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 2: Investment limits

	Cash limit
UK Central Government	unlimited
Any single organisation, except the UK Central Government	£35m each
Any group of organisations under the same ownership	£35m per group
Any group of pooled funds under the same management	£35m per manager
Financial instruments held in a broker's nominee account	£50m per broker
Foreign countries	£35m per country
Registered providers	£35m in total
Unsecured investments with building societies	£50m in total
Loans to unrated corporates	£35m in total
Money Market Funds	£50m in total
UK Residential Mortgage Backed Securities (RMBS)	£25m in total

Appendix 7

Specified and Non Specified Investments

Specified investments:

The DLUHC Guidance defines specified investments as those:

- Denominated in pound sterling, due to be repaid within 12 months of arrangement,
- Not defined as capital expenditure by legislation, and invested with one of
- The UK Government
- A UK local Authority, parish Authority or community Authority, or A body or investment scheme of “high credit quality”.

The Authority defines “high credit quality” organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

Table 1: Specified Investments

Instrument	Institution Type	Instrument Minimum 'High' Credit Criteria	Limit	Max. Maturity Period
Accounts, deposits, certificates of deposit and senior unsecured bonds with banks other than multilateral development banks, UK Government Gilts.	UK Banks and UK Banking Groups ¹	per Appendix 6, Table 1	£35m	per Appendix 6, Table 1
	UK Building Societies	per Appendix 6, Table 1	£35m	per Appendix 6, Table 1
	Non UK Banks	Sovereign Rating of AA+ and above and meet Credit Criteria in Appendix 6, Table 1	£35m	per Appendix 6, Table 1
Covered bonds, floating rate notes, reverse repurchase agreements and other collateralised arrangements with banks and building societies	UK Banks and Building Societies and Non UK Banks	Per Appendix 6, Table 1 (and Sovereign Rating of AA+ minimum for Non UK Banks)	See Note 2	per Appendix 6, Table 1
Term Deposits	Local Authorities and other Public Institutions	UK Sovereign Rating	£35m	per Appendix 6, Table 1
Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing.	Registered Social Housing Providers	per Appendix 6, Table 1		per Appendix 6, Table 1
Money Market Fund		AAA ³	£25m	
Enhanced Cash Funds		AA/Aa ⁴	£25m	
Residential Mortgage Based Schemes (RMBS)		UK AAA	£25m	

1. £35m Limit per bank / banking group.
2. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.
3. Investments will be made with those MMF's which have a rating of AAA
4. Minimum of Fitch / Standard & Poor's AA or Moody's Aa rating

Table 2 : NON SPECIFIED INVESTMENTS

Instruments	Non Specified Investments	Institution Type	Minimum Credit Criteria	Maximum Duration	Cash limit
Accounts, deposits, certificates of deposit, structured deposits and senior unsecured bonds with banks other than multilateral development banks. Covered bonds, reverse repurchase agreements, and other collateralised arrangements with banks and building societies. Short Dated Bond Funds, Diversified Growth Funds, Absolute Return Funds and Property Funds. Unrated Bonds.	Total long-term investments (investments over 1 year)	UK and Non UK Banks and Building Societies, Rated Registered Social Housing Providers (RSP)	Per Appendix 6, Table 1	10 yrs.	£120m
	Total investments without credit ratings or rated below A- (except UK Government and local authorities)	Unrated Registered Social Housing Providers (RSP), Unrated Banks and Building Societies	N/A	5 yrs.	£40m
	Total Investments made in pooled investment vehicles.			7 yrs.	
	Total Investments made in un-rated bonds.				
	Total non-specified investments				£160m

Non-specified investments:

Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the

definition on high credit quality. Limits on non-specified investments are shown in table 3 below.

Table 3: Non-specified investment limits

	Cash Limit £m
Total long-term investments	120
Total Investments without credit ratings or rated below A- (subject to due diligence)	40
Total non-specified investments	160



Cabinet

16th February 2022

Subject Heading:

Treasury Management Strategy
Statement 2022/23 and Annual
Investment Strategy 2022/23 ("TMSS"),
Treasury Indicators

Cabinet Member:

Councillor Roger Ramsey
Cabinet Member for Finance & Property

SLT Lead:

Jane West
Chief Financial Officer

Report Author and contact details:

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Policy context:

The CIPFA Code of Practice ("CIPFA TM Code") on treasury management 2017 recommends that the TMSS is reported to a scrutiny committee for effective scrutiny- this role is undertaken by the Audit Committee and this report will be reviewed at its re scheduled meeting on the 22nd February 2022 and comments received will be covered in the version of the report that is laid before Full Council on 23rd March 2022 for adoption.

Financial summary:

The TMSS forms part of the Authority's overall budget strategy and financial management framework.

Is this a Key Decision?

No

When should this matter be reviewed? **Annually**

Reviewing OSC: **Overview and Scrutiny Committee**

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

Communities making Havering	[]
Places making Havering	[]
Opportunities making Havering	[]
Connections making Havering	[]

SUMMARY

The Authority is required by legislation to bring this report every year. It demonstrates that the Authority's borrowing and investments have been managed in accordance with the legislative requirements and best practice during 2021/22 and how the Authority will continue to do so in 2022/23. It also sets out recently introduced changes to the legislative framework, which are generally designed to place restrictions on councils' commercial activity. The Authority already complied with the principles of those new requirements and, where required, will also update elements of operational practice to meet the detail. Appendix 2 of the report also sets out the updated "Prudential Indicators" which are an important part of the overall local authority financial system. These have been calculated in accordance with best practice and by agreeing them Cabinet will be ensuring that they are updated to reflect the Authority's most recent capital investment plans.

The Treasury Management Strategy Statement (TMSS) is part of the Authority's reporting procedures which adhere to the Chartered Institute of Public Finance and Accountancy code of practice on treasury management ("the CIPFA TM Code") and its prudential code ("the CIPFA Prudential Code") for capital finance in local authorities. The Authority has adopted both codes which requires that total capital investment in Havering and the borrowing required to pay for it remains within sustainable limits and that the impact upon its future Council tax and Council rent levels are acceptable.

This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA TM Code and Government Guidance, and it covers:

- The Borrowing and Investment Strategies – the report sets out an estimate of our new borrowing over the next four years, how the new funding is

sourced, provide a view on interest rates and how the Authority's surplus cash will be invested safely.

- Treasury Management and Prudential Indicators – measures how safely officers are managing the Authority's money – there is a change to them from the revised CIPFA TM published in December 2021 and is discussed later in this report and will be reported upon in the 2023-24 TMSS.

RECOMMENDATIONS

Cabinet is asked to

- approve this report and the prudential and treasury indicators in appendix 2 & 3 respectively and
- recommended for adoption by Full Council.

REPORT DETAIL

1. Introduction

- 1.1 The Authority is required to set a balanced budget each financial year, which broadly means that income received during the year will meet its operational expenditure. As part of the overall financial management arrangements, a primary objective of the Treasury Management service is to ensure that the Authority's cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in counterparties or instruments in accordance with the Authority's appetite for risk and liquidity requirements, as priorities before considering investment return.
- 1.2 The other main function of treasury management is to help fund the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer term cash flow planning required to meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet the Authority's risk or cost objectives
- 1.3 CIPFA define treasury management as "The management of the local Authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated

with those activities; and the pursuit of optimum performance consistent with those risks.”

1.4 Whilst any regeneration initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities. This expenditure is shown throughout this report as the “regeneration programme”.

1.5 The Authority is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

a. Prudential and treasury indicators and treasury strategy, TMSS (this report) - The first, and most important report is forward looking and covers:

- The capital plans, (including prudential indicators)
- The treasury management strategy statement, (how the investments and borrowings are to be organised), including treasury indicators
- An investment strategy, (the parameters on how investments are to be managed).

b. A mid-year treasury management report – a progress report and updates Members on the capital position, amending prudential/treasury indicators as necessary, and whether any policies require revision.

c. An annual treasury report – a backward looking review document providing outturn details on actual prudential and treasury indicators and treasury activity compared to the estimates within the strategy.

1.6 The minimum revenue provision policy is now included in the 5 Year Capital Programme and Strategy Report which is presented to Cabinet alongside the Budget report.

1.7 The above reports are required to be adequately reviewed before being adopted by the Authority. This role is undertaken by the Audit Committee.

2. Key Considerations and Sustainability

2.1 TMSS 2022/23

2.1.1 The strategy for 2022/23 covers two main areas:

a) Treasury Management Issues

- The borrowing strategy
- Debt rescheduling
- The investment strategy
- TM regulation – newly agreed changes and consultations
- The policy on use of external service providers
- The current treasury position as shown in **appendix 1**
- The treasury indicators which limits the treasury risk and activities of the Authority; **appendix 3** these indicators are unchanged from the approved 2021/22 TMSS
- The prospects for interest rates; **appendix 4**
- The policy on borrowing in advance of need; **appendix 5** This policy is unchanged from the approved 2021/22 TMSS
- The Counterparty & Investment policy; **appendix 6 & 7** This policy is unchanged from the approved 2021/22 TMSS

b) Capital issues

- the capital expenditure plans and the associated prudential indicators are set out in **appendix 2**

2.1.2 These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the CIPFA TM Code and the Department for Levelling-Up Housing and Communities or DLUHC (formerly MHCLG) Investment Guidance.

2.2 Training

2.2.1 A key requirement of the CIPFA TM Code is Member consideration of treasury management matters and the new Knowledge and Skills framework set out in the revised CIPFA TM Code published in December 2021. The Authority addresses this important issue by:

- Providing training sessions, briefings and reports on treasury management and investment issues to those Members responsible for the monitoring and scrutiny of treasury management.

- Requires all relevant Officers to keep their skills up to date through training, workshops and seminars, and participating in the CIPFA Treasury Management Forum and other relevant local groups and societies.

2.3 **Treasury Management Consultants**

- 2.2.1 The Authority uses **Link Asset Services (“Link”)** as its external treasury management adviser. The Authority recognises that responsibility for treasury management decisions remains with itself at all times and ensures that undue reliance is not placed upon external service providers. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment and the methods by which their value will be assessed are agreed and subjected to regular review.

3. **Service Delivery and Performance Issues**

- 3.1 The Authority’s capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, shown in **appendix 2**, which are designed to assist Members’ overview and confirm capital expenditure plans.

3.2 **Borrowing Strategy**

- 3.2.1 The Authority continues to utilise internal borrowing, (£125.8m at 31/3/21). This means that the capital borrowing needed as measured by the Capital Financing Requirement (CFR), has not been fully funded with external loan debt as cash supporting the Authority’s reserves, balances and cash flow has been used as a temporary expedient to fund capital spend and generate revenue savings. This strategy has been prudent as investment returns have approached zero while counterparty risk has remained an issue. As the Authority’s CFR continues to grow, external cash balances will be maintained to provide a liquidity buffer of £50m (or at a level the CFO determines to be appropriate) and which is consistent with the liquidity benchmark approach advocated by CIPFA. Going forward the growth in CFR increases the Authority’s exposure to short term interest rates and refinancing risk in its debt portfolio and as such is not a sustainable approach over the long term. Those risks need to be carefully managed through the judicious introduction of new long term external borrowing into the debt portfolio.

3.2.2 The CFO in conjunction with treasury will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- Where there is a significant risk of a much sharper rise in long and short term rates than that currently forecast, facilitated by an increase in global demand, rises in central bank rates and further increases in inflation risks, then the portfolio position will be re-appraised. Long term fixed rate funding will be drawn whilst interest rates are lower than they are projected to be over the medium to long term.

New Borrowing

3.2.3 The Authority's borrowing strategy will give consideration to the following forms of borrowing to finance capital requirements:

- Internal borrowing: The need to undertake external borrowing can be reduced by the temporary use of internal balances held for provisions and reserves within the Authority's accounts and cash flow movements on a day-to-day basis. The option of postponing borrowing and running down investment balances may provide short term revenue savings and reduce investment risk. The use of internal balances, however, must be monitored in order to mitigate the risks arising from the need to externally refinance when rates are unfavourable and protect the budget strategy from volatility in short term and long term interest rates;
- Temporary Borrowing: from the money market or other local authorities;
- Shorter Term Borrowing (1 – 5 years): from non PWLB and other sources;
- Long Term Market Debt: where rates are significantly below those offered by the PWLB for an equivalent maturity period, and to provide diversity within the debt portfolio;
- PWLB: borrowing for periods across all durations where rates offer best value.
- Other borrowing arrangements: such as the use of leasing, specialist 'green' funding that may be more cost efficient for some types of capital expenditure such as for vehicles, equipment and decarbonisation schemes.

3.2.4 The Authority will continue to borrow in respect of the following

- Maturing debt
- Approved (prudential) capital expenditure / capital investment
- To finance short-term cash flow fluctuations.

3.2.5 The type, period, rate and timing of new borrowing will be determined by the CFO under delegated powers, taking into account the following factors

- Expected movements in interest rates as outlined above
- Maturity profile of the debt portfolio set out in graph 1 and table 1 below
very little new borrowing will be required to replace maturing long term debt until 2026/27 when £85m will be required over the next five years
- The impact on the medium term financial strategy, MTFS
- Proposed Prudential Indicators and limits as set out in **appendix 2**.

Graph 1: Debt Maturity Profile

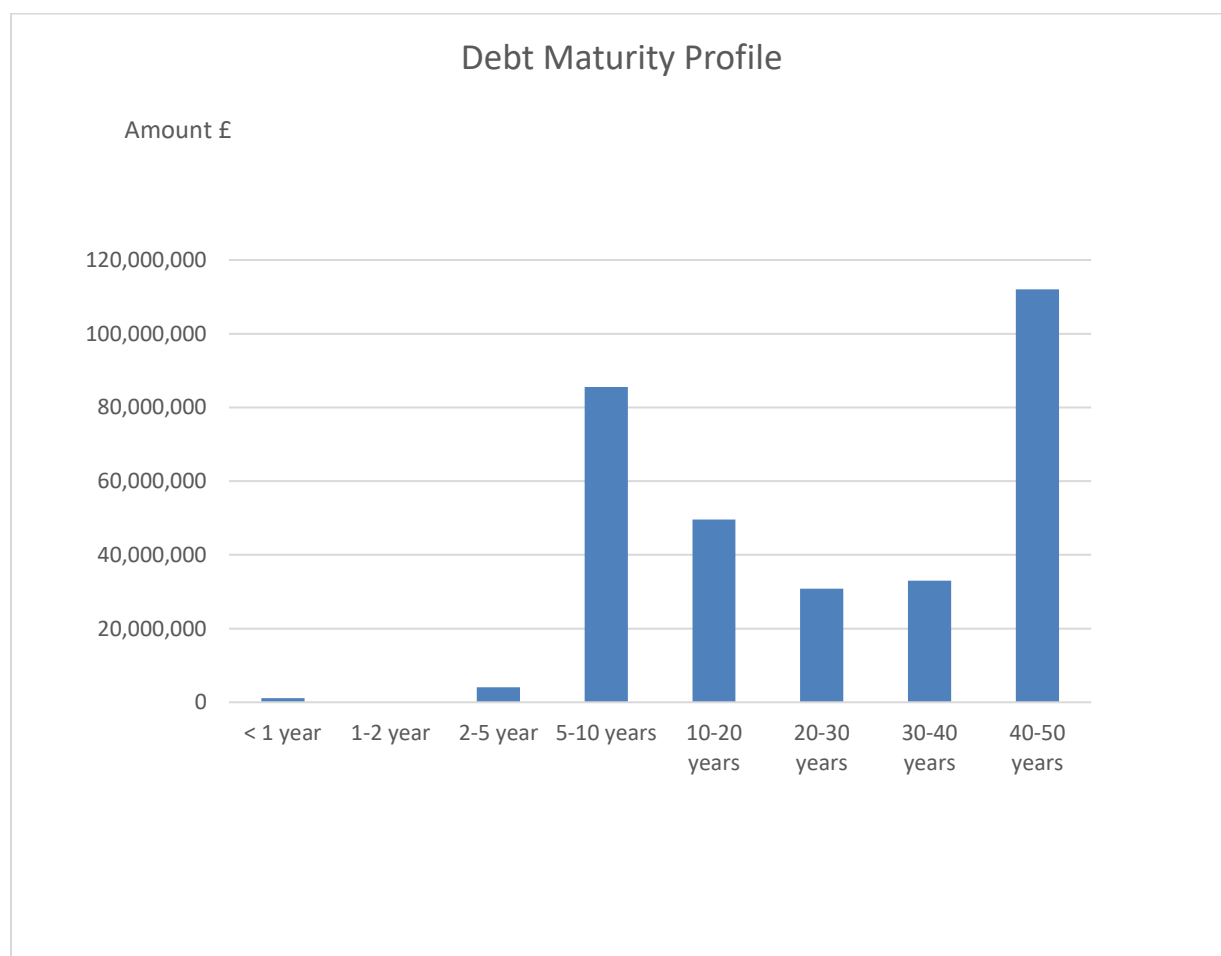


Table 1: Debt Maturity profile and cost

Tenor by time Bucket	Total £,000	Average rate %
< 1 Year	1,109	4.88
1 - 2 Years	0	N/A
2 - 5 years	4,028	3.40
5 - 10 years	85,561	3.21
10 - 20 years	49,574	3.34
20 - 30 years	30,853	3.41
30 - 40 years	32,959	5.03
40 - 50 years	112,000	1.66
> 50 Years	0	N/A
Total	316,087	2.90%

3.2.6 Appendix 2 table 2 shows estimated new borrowing of £605.1m required to fund capital expenditure between financial year end 2020/21 and 2024/25 at of which £50m PWLB borrowing has already been drawn down in 2021/22. However it should be noted that this increase in debt is unlikely to be that high due to external factors, for example, if new government grants are announced, new decisions that the Authority may take such as if new items are added/removed from the capital programme or disposals of surplus assets were to be agreed. Moreover, it also depends on the amount of slippage in the capital programme and to what extent the Authority may borrow in advance. This growth in debt will be reviewed annually against the available budget and will be adjusted to what the Authority can afford.

Treasury Management Limits on borrowing activity

3.2.7 There are three debt related treasury activity limits. The purpose of these are to manage the activity of the treasury function within a flexibly set remit for risk management, yet not impose undue restraints that constrict opportunities for cost reduction or performance improvement. The indicators are:

- Upper limits on variable interest rate exposure net of investments
- Upper limits on fixed interest rate exposure
- Maturity structure of borrowing to manage refinancing risk.

3.2.8 The indicators cover 2020/21 -2024/25. The CIPFA Prudential Code and the CIPFA TM Code requires authorities to set treasury indicators and these are

set out in **Appendix 3**. No breaches in the indicators are expected in the period covered in this report.

Policy on borrowing in advance of need

3.2.9 This is set out in **appendix 5** of this report.

Debt Rescheduling

3.2.10 All rescheduling will be reported to the Cabinet at the earliest meeting following its action.

Where short term borrowing rates are considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- The generation of cash savings and / or discounted cash flow savings
- To fulfil the treasury strategy
- To enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility)
- Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

3.3 **Annual Investment Strategy**

3.3.1 The DLUHC and CIPFA have extended the meaning of ‘investments’ to include both treasury and non-treasury investments. This report deals solely with treasury investments, (as managed by the treasury management team).

3.3.2 The Authority’s investment policy has regard to the following

- DLUHC’s Guidance on Local Government Investments (“the Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice 2017 (“the TM Code”).
- CIPFA Treasury Management Guidance Notes 2018 and have regard to the TM Code and Guidance Notes from 2021 once the guidance notes are published.

- 3.3.3 The key intention of the Guidance is to maintain the requirement for authorities to invest prudently and that priority is given to the security and liquidity of investments before yield. The Authority's objective is therefore to achieve, within this constraint, the optimum return on its investments with the appropriate levels of security and liquidity. Within the prudent management of its financial affairs, the Authority may temporarily invest funds that are borrowed for the purpose of expenditure expected to be incurred in the reasonably near future. Borrowing purely to invest or on-lend for speculative purposes remains unlawful and this Authority does not engage in such activity.
- 3.3.4 The above guidance from the DLUHC and CIPFA place a high priority on the management of risk. This Authority has adopted a prudent approach to managing risk, its minimum credit criteria is set out in Appendix 6. This policy is unchanged from the approved 2021/22 TMSS.
- 3.3.5 The Authority will consider placing longer term treasury deals while investment rates are at historically low levels and where attractive interest rates with high quality counterparties become available.
- 3.3.6 Investments will make reference to the core balance, cash flow requirements and the outlook for short and medium term interest rates.
- 3.3.7 Credit ratings should not be the sole determinant of the quality of an institution, this Authority is not bound by the agency with the lowest rating and, importantly, officers will continually assess and monitor the financial sector and the economic/political environment in which institutions operate.
- 3.3.8 Treasury investment instruments identified for use in the financial year are listed in **Appendix 7** This policy is unchanged from the approved 2021/22 TMSS. The 'specified' and 'non-specified' investment categories are in accordance with the DLUHC Investment Guidance.
- 3.3.9 The CFO will, on advice, make operational changes to these limits in response to prevailing market conditions and regulatory changes.
- 3.3.10 All investments will be denominated in sterling.
- 3.3.11 The Authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

3.4 Loans to Third Parties or Non Treasury investments

3.4.1 The Authority may borrow to make grants or loans to third parties for the purpose of capital expenditure, as allowable under paragraph 25 (1) (b) of the Local Authorities (Capital Financing and Accounting) (England) Regulations 2003 (Statutory Instrument No. 3146). This facility is likely to be used to support local economic regeneration and development activity but not limited to those purposes. The additional capital expenditure may be funded by external borrowing. Loans for working capital or revenue purposes are permitted as long as these are funded from the Authority's internal cash balances as external borrowing is not permitted in such circumstances.

3.4.2 Pension Fund Cash - The Local Government Pension Scheme (Management and Investment) Regulations 2016 requires the Authority to maintain a separate bank account for the Pension Fund. For the management of Pension Fund cash, there is in place an agreement to pool internally held pension fund balances (working cash and those pending external investment) with the investment balances of the Authority. These balances are invested in accordance with the Authority's Treasury Management Strategy.

The Pension Fund receives interest annually on their cash balances at a rate commensurate with that received by the Authority. Pension Fund cash balances may be withdrawn anytime. In the event of loss of any investment, this will be borne on a pro rata basis equivalent to the value of each party's contribution to the investment which incurred the loss.

3.4.3 Pension Fund Prefunding – The Authority can choose to enter into an agreement to made advance payment to fund the employee pension contribution for up to 3 years. The benefit of this is to take advantage of discount rate provided by the Pension Fund Actuary which may result in cash saving for the Authority. The Authority has not previously adopted such advance payments.

3.5 TM regulation – newly agreed changes and consultations

3.5.1 CIPFA published revised codes on 20th December 2021 and has stated that formal adoption is not required until the 2023/24 financial year. The Authority has to have regard to these codes of practice when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy, and related reports during the financial year..

3.5.2 The revised codes will have the following implications

A requirement for the Authority to adopt a new debt liability benchmark treasury indicator to support the financing risk management of the capital financing requirement

Clarify what CIPFA expects a Local Authority to borrow for and what they do not view as appropriate. This will include the requirement to set a proportionate approach to commercial and service capital investment

Address Environment Social and Governance (ESG) issues within the Capital Strategy

- Require implementation of a policy to review commercial property, with a view to divest where appropriate and a requirement to have an annual strategy/policy on reviewing commercial portfolios.

Create new Investment Practices to manage risks associated with non-treasury investment (similar to the current Treasury Management Practices)

Ensure that any long term treasury investment is supported by a business model

A requirement to effectively manage liquidity and longer term cash flow requirements

Amendment to Treasury Management Practices (TMP) 1 to address ESG policy within the treasury management risk framework (TMPs are detailed operational practice notes that support the treasury strategy)

Amendment to the knowledge and skills register for individuals involved in the treasury management function - to be proportionate to the size and complexity of the treasury management conducted by each council

A new requirement to clarify reporting requirements for service and commercial investment, (especially where supported by borrowing/leverage).

3.5.3 In addition, all investments and investment income must be attributed to one of the following three purposes

Treasury management

Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

Service delivery

Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is “either related to the financial viability of the project in question or otherwise incidental to the primary purpose”.

Commercial return

Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to a council’s financial capacity – i.e., that ‘plausible losses’ could be absorbed in budgets or reserves without unmanageable detriment to local services. A Council must not borrow to invest primarily for financial return.

REASONS AND OPTIONS

Reasons for the decision:

The statutory Codes set out that the Authority ought to approve a Treasury Management Strategy Statement, the MRP Policy Statement and the Prudential Indicators.

Other options considered:

The DLUHC Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The CFO, having consulted the Cabinet Member for Finance and Property, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater

Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain

IMPLICATIONS AND RISKS

Financial implications and risks:

The Treasury Management Strategy Statement is a key part of the overall budget strategy and financial management framework and governs the strategic and operational treasury management activities throughout each financial year in order to manage the Authority's financial risks associated with cash management via borrowing and investments.

For the financial year 2022/23, the budget for investment income has been set at £0.25m, based on known maturities in 2022/23 and a forecasted future investment yield at 0.25%. However this may need to be revised down during the year depending on the balance between internal and external borrowing and the level of liquidity buffer kept, with any corresponding offset made to the interest payable budget.

The budget for long term debt interest payable in 2022/23 based on the current debt portfolio and future anticipated borrowing is forecasted to be £11.5m. The budget was increased in 2021/22 in anticipation of borrowing for the capital programme,

Theme Board agreed borrowing increase of £121m. The ongoing COVID pandemic has led to both delays in the programme and accordingly only £50m of new long term debt being taken at historically low levels.

Based on existing and planned long term borrowing the 2022-23 budget for HRA debt interest payable has been set at £8m and General Fund interest payable at £3.5m.

If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different. Variance from budget will be reported on a bi-annual basis to full Authority.

Legal implications and risks:

Local Authorities are required by Regulations 2 and 24 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003/3146 as amended to have regard to the “Prudential Code for Capital Finance in Local Authorities” and Treasury Management in the Public Services Code of Practice published by CIPFA when considering their duties under Part 1 of the Local Government Act 2003.

The Authority must comply with section 3 of the Local Government Act 2003 to keep under review the amount of money the Authority can afford to borrow.

The Authority has fiduciary duties toward its tax payers to act in good faith in the interests of those tax payers with the considerable sums of money at its disposal. The Strategies being proposed for approval seek to discharge those duties in a reasonable and prudent manner.

There are no other apparent legal implications arising as a result of this Report.

Human Resources implications and risks:

There are no direct Human Resources implications arising as a result of this report

Equalities Implications and Risks:

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Authority, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and

(iii) Foster good relations between those who have protected characteristics and those who do not.

The Authority is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce.
There are no equalities implications within this report

Health and Wellbeing Implications and Risks:

The Authority is committed to improving the quality of life and wellbeing for all Havering employees and residents in respect of socio-economics and health determinants. There are no direct implications to the Authority's workforce and resident's health and wellbeing as a result of this report.

BACKGROUND PAPERS

NONE

Current Treasury Position and Capital Financing Requirement (CFR)

As at 31 March 2021 and 31st December 2021, Investments and borrowings set in table 1 below includes new borrowing of £50m from PWLB, pending capital spend.

Table1: Treasury Portfolio Position

TREASURY PORTFOLIO				
	Actual 31/3/21 £m	Actual 31/3/21 %	Actual 31/12/21 £m	Actual 31/12/21 %
Treasury Investments				
Banks & Building Societies	35.0	68.2	89.9	58.0
Government (including Local Authorities)	75.0	31.8	45.0	29.1
Money Market funds	0	0	20.0	12.9
Total Treasury Investments	110.0	100	154.9	100
Treasury Borrowing				
PWLB	258.2	93.7	308.3	97.5
LOBO loan from bank	7.0	2.5	7.0	2.2
Temporary loan (LA)	10.0	3.6	0	0
Other loans	0.4	0.2	0.8	0.3
Total External Borrowing	275.6	100	316.1	100
Net Treasury Investments/(Borrowing)	(165.6)		(161.2)	

The Authority's forward projections for borrowing are summarised below in Table 2. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing. The expected change in debt will be influenced by changes in the CFR and long term interest rates.

However it should be noted that this change in debt is due to external factors set out in the covering report and capital slippage. Table 2 assumes that internal borrowing of £230m is maintained but this is dependent on the changes to the Authority's cash backed reserves and changes in net working capital. The assumption is also made that external cash balances of £50m are maintained over the medium term.

Table 2: Capital Financing Requirement (CFR) and Borrowing

£m	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
External Debt					
Debt at 1 April	265.6	275.7	354.3	574.7	751.5
Expected change in Debt	10.1	78.6	220.4	176.8	129.3
Actual gross debt at 31 March	275.7	354.3	574.7	751.5	880.8
The Capital Financing Requirement	401.5	584.3	804.7	981.5	1,110.8
Under / (over) borrowing	125.8	230.0	230.0	230.0	230.0

Within the above figures the level of debt relating to regeneration activities is detailed in table 3 below.

Table 3: Regeneration Programme debt

	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
CFR at 31 March £m	63.4	81.6	168.7	259.3	277.5
Percentage of total CFR %	15.80	13.97	20.96	26.42	24.98

Capital expenditure

This prudential indicator is a summary of the Authority's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Table 1: Capital expenditure forecast 2020/21 - 2024/25

Capital expenditure £m	2020/21 Actual	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
Non-HRA	41.3	79.9	60.1	24.9	31.2
HRA	59.2	207.8	170.6	181.0	195.3
Regeneration Program *	17.2	28.6	168.0	198.1	23.6
Total **	117.7	316.3	398.7	404.0	250.1

* these activities relate to areas such as capital expenditure on investment properties, loans to third parties etc.

Other long-term liabilities - The above financing need excludes other long-term liabilities that already include borrowing instruments.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Table 2: Financing of Capital expenditure forecast 2020/21 - 2024/25

Financing of capital expenditure £m	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Capital receipts	20.6	57.0	119.4	120.2	14.6
Capital grants	21.1	34.7	29.9	83.7	61.9
Revenue and Reserves	21.1	33.3	16.4	12.6	14.4
Net financing need for the year ***	54.9	191.2	233.1	187.5	159.2

*** Net financing need, example (**117.7- 20.6-21.1-21.1) = 54.9m)

The net financing need for regeneration programme activities included in the above table against expenditure is shown below:

Table 3: Regeneration Programme forecast 2020/21 - 2024/25

Regeneration Programme £m	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Capital Expenditure	17.2	28.6	168.0	198.1	23.6
Other Sources of Financing	0	0	78.0	103.5	0
Net financing need for the year	17.2	28.6	90.0	94.6	23.6
Percentage of total net financing need	31.3%	14.9%	38.6%	50.5%	14.8%

The Authority's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Authority's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Authority's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for (e.g. by capital grants), through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (OLTL) which relates to PFI schemes and finance leases. The Authority currently has no such liabilities within the CFR.

The Authority is asked to approve the CFR projections below:

Table 4: Capital financing requirement forecast 2020/21 - 2024/25

Capital Financing Requirement £m	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Non Housing	125.3	153.3	167.5	176.3	177.6
Housing	212.8	349.4	468.5	546.0	655.7
Regeneration	63.4	81.6	168.7	259.3	277.5
Total CFR	401.5	584.3	804.7	981.5	1,110.8
Movement in CFR		182.8	220.4	176.8	129.3
Movement in CFR represented by					
Net financing need for the year	-	191.2	233.1	187.5	159.2
Less MRP	-	4.7	7.0	9.5	13.4
Less receipts set aside	-	3.7	5.7	1.2	16.5
Movement in CFR	-	182.8	220.4	176.8	129.3

A key aspect of the regulatory and professional guidance is that elected Members are aware of the size and scope of any commercial/regeneration activity in relation to the Authority's overall financial position. The capital expenditure figures and the details above demonstrate the scope of this activity and, by approving these figures, consider the scale proportionate to the Authority's remaining activity.

Within the range of prudential indicators there are a number of key indicators to ensure that the Authority operates its activities within well-defined limits. One of these is that the Authority needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Chief Financial Officer reports that the Authority complied with this prudential indicator in the current year and does not envisage difficulties for the future. This

view takes into account current commitments, existing plans, and the proposals in this budget report.

Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.).

The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist Members' overview and confirm capital expenditure plans are affordable, prudent and sustainable.

Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Authority's overall finances. The Authority is asked to approve the following indicator:

Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream.

Table 5: Ratio of financing costs to net revenue stream 2020/21 - 2024/25

%	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Non-HRA	4.43	5.28	6.35	6.71	7.90
HRA	4.67	7.46	9.74	11.02	12.86
Regeneration	1.97	2.53	4.69	7.40	8.30
Total	11.07	15.27	20.78	25.13	29.06

The estimates of financing costs include current commitments and the proposals in this budget report.

The Operational boundary

This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Table 6: Operational boundary 2020/21 - 2024/25

Operational boundary £m	2020/21 Limit	2021/22 Limit	2022/23 Limit	2023/24 Limit	2024/25 Limit
Debt	328.1	496.4	696.3	770.7	852.5
Other long term liabilities	10	10	10	10	10
Regeneration Programme	63.4	81.6	168.7	259.3	277.5
Total	401.5	588	875	1,040	1,140

The authorised limit for external debt TM code

This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Authority. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all Authorities' plans, or those of a specific Authority, although this power has not yet been exercised.
2. The Authority is asked to approve the following authorised limit:

Table 7: Authorised limit 2020/21 - 2024/25

Authorised limit £m	2020/21 Limit	2021/22 Limit	2022/23 Limit	2023/24 Limit	2024/25 Limit
Debt	468	642	805	853	903
Other long term liabilities	10	10	10	10	10
Regeneration Programme	88	162	248	300	350
Total	566	814	1,063	1,163	1,263

TREASURY LIMITS

Treasury Management Limits on Activity

There are two debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair opportunities to reduce costs/improve performance.

The Code requires that for LOBO loans the maturity date is now deemed to be the next call date.

The indicators are

Maturity structure of borrowing

These gross limits are set to reduce the Authority's exposure of large fixed rate sums falling due for refinancing; these have been kept deliberately wide to provide flexibility for any restructuring that might be carried out to de-risk the debt portfolio.

Maturity structure of fixed interest rate borrowing 2022/23		
	Lower	Upper
Under 12 months	0%	40%
12 months to 2 years	0%	60%
2 years to 5 years	0%	70%
5 years to 10 years	0%	80%
10 years to 20 years	0%	100%
20 years to 30 years	0%	100%
30 years to 40 years	0%	100%
40 years to 50 years	0%	100%
Maturity structure of variable interest rate borrowing 2022/23		
	Lower	Upper
Under 12 months	0%	90%
12 months to 2 years	0%	90%
2 years to 5 years	0%	100%
5 years to 10 years	0%	100%
10 years to 20 years	0%	100%
20 years to 30 years	0%	100%
30 years to 40 years	0%	100%
40 years to 50 years	0%	100%

Investment treasury indicator and limit

Total principal funds invested for greater than 365 days. These limits are set with regard to the Authority's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Authority is asked to approve the following treasury indicator and limit

Upper limit for principal sums invested for longer than 365 days			
£m	2021/22	2022/23	2023/24
Principal sums invested for longer than 365 days	£120m	£120m	£100m

PROSPECTS FOR INTEREST RATES

The Authority has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. The following commentary and table gives their central view.

Bank Rate

We are not expecting Bank Rate to go up fast after the initial rate rise; our view is that the supply potential of the economy has not taken a major hit during the pandemic: it should, therefore, be able to cope well with meeting demand after supply shortages subside over the next year, without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the spike up to 5%. We are, therefore, forecasting four increases in Bank Rate over the forecast period to March 2025, ending at 1.25%.

PWLB rates and gilt yields

Since the start of 2021, we have seen a lot of volatility in gilt yields, and hence PWLB rates. Our forecasts show a steady, but slow, rise in both Bank Rate and gilt yields during the forecast period to March 2025 but there will doubtless be a lot of unpredictable volatility during this forecast period

Link Group Interest Rate View 20.12.21														
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
5 yr PWLB	1.40	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00
10 yr PWLB	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30
25 yr PWLB	1.80	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50
50 yr PWLB	1.50	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30

POLICY ON BORROWING IN ADVANCE OF NEED

The Authority must ensure that its total debt does not, except in the short-term, exceed the total of the CFR in the preceding year i.e. 2021/22, plus the estimates of any additional CFR for the year 2022/23 and the following two financial years. This allows some flexibility for early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

Any decision to borrow in advance will be considered carefully to ensure that value for money can be demonstrated, and that the Authority can ensure the security of such funds.

In determining whether borrowing will be undertaken in advance of need the Authority will

- Ensure that the ongoing revenue liabilities created, and the implications for future capital plans and budgets have been considered
- Evaluate economic and market factors that might influence the manner and timing of the decision to borrow
- Consider the pros and cons of alternative forms of funding, interest rate structures and repayment profiles
- Consider the positive and negative impacts of borrowing in advance of need on the Authority's cash balances, in particular the increased exposure to credit risk that will arise as a result of investing this additional cash in advance of need.

The Authority's Counterparty Credit policy, minimum credit ratings criteria

Credit Rating: Investment decisions are made by reference to the lowest appropriate published credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

Within the parameters set out below the Authority works together with Link Asset Services (the treasury management advisor) to establish an operational lending list using Link's creditworthiness methodology. The CFO will agree an operational lending list within these parameters.

The notes below should be read in conjunction with table 1 overleaf.

- 1. Banks (Unsecured) and Building Societies:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

For non UK Banks, the Authority's credit criteria will require that banks from AA+ rated countries and above can be used.

Current bank accounts: the Authority's own banker, Should the credit rating fall below A-, for liquidity purposes the Authority may continue to deposit surplus cash with the group providing that investments can be withdrawn on the next working day. Balances will be reviewed on a daily basis to assess their appropriateness.

Banks (secured): Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits.

The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

2. **Rated Building Societies** - The Authority's credit rating criteria for UK Building Societies in 2021/22 will continue to limit deposits to those UK Building Societies that meet the credit criteria in table 1 below.
3. **Non Rated Building Societies** – The criteria in table 1 overleaf will apply.
4. **Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.
5. **Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made following an external credit assessment as part of a diversified pool in order to spread the risk widely.
6. **Registered providers:** Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing and, as providers of public services, they retain the likelihood of receiving government support if needed.
7. **Residential Mortgage Based Schemes** - Investment will be restricted to AAA rated funds with only UK exposure. These funds offer stronger risk-adjusted returns whilst maintaining high daily liquidity with time plus two days (T+2) access.
8. **Pooled funds:** Shares in diversified investment vehicles consisting of any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee.
9. **Money Market Funds (MMF):** The Authority will continue to use MMF's, which provide lower interest returns but do provide a highly liquid, diversified investment via a highly credit-rated pooled investment vehicle.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and

continued suitability in meeting the Authority's investment objectives will be monitored regularly.

- 10. Ring Fenced Banks, (RFB)** The largest UK banks, (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits), were required, by UK law, in response to the global financial crisis to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as "ring-fencing". Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up. In general, simpler, activities offered from within a ring-fenced bank (RFB) will be focused on lower risk, day-to-day core transactions, whilst more complex and "riskier" activities are required to be housed in a separate entity, a non-ring-fenced bank **(NRFB)**. The Authority will continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings, (and any other metrics considered), will be considered for investment purposes.

Table 1: Approved investment counterparties and limits

These limits are unchanged from last years approved TMSS report.

Credit rating	Banks unsecured*	Banks secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£35m 5 years	£35m 20 years	£35m 50 years	£15m 20 years	£15m 20 years
AA+	£35m 5 years	£35m 10 years	£35m 25 years	£15m 10 years	£15m 10 years
AA	£35m 4 years	£35m 5 years	n/a	£15m 5 years	£15m 10 years
AA-	£35m 3 years	£35m 4 years	n/a	£15m 4 years	£15m 10 years
A+	£35m 2 years	£35m 3 years	n/a	£25m 3 years	£15m 5 years
A	£35m 13 months	£35m 2 years	n/a	£25m 2 years	£15m 5 years
A-	£35m 6 months	£35m 13 months	n/a	£15m 13 months	£15m 5 years
None	£1m 6 months	n/a	n/a	£5m 5 years	£10m 5 years
	UK Local Authorities £35m per Authority; 50 years				
Pooled funds	£25m per fund These include Bond Funds, Gilt Funds, Equity, Enhanced Cash Funds, Mixed Asset Funds and Money Market Funds, Residential Mortgage Based Schemes (RMBS)				

* Includes Building Societies

Investment Limits

The Authority further proposes the investment limits as set out in the table below to protect the security of its investments. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 2: Investment limits

	Cash limit
UK Central Government	unlimited
Any single organisation, except the UK Central Government	£35m each
Any group of organisations under the same ownership	£35m per group
Any group of pooled funds under the same management	£35m per manager
Financial instruments held in a broker's nominee account	£50m per broker
Foreign countries	£35m per country
Registered providers	£35m in total
Unsecured investments with building societies	£50m in total
Loans to unrated corporates	£35m in total
Money Market Funds	£50m in total
UK Residential Mortgage Backed Securities (RMBS)	£25m in total

Appendix 7

Specified and Non Specified Investments

Specified investments:

The DLUHC Guidance defines specified investments as those:

- Denominated in pound sterling, due to be repaid within 12 months of arrangement,
- Not defined as capital expenditure by legislation, and invested with one of
- The UK Government
- A UK local Authority, parish Authority or community Authority, or A body or investment scheme of “high credit quality”.

The Authority defines “high credit quality” organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

Table 1: Specified Investments

Instrument	Institution Type	Instrument Minimum 'High' Credit Criteria	Limit	Max. Maturity Period
Accounts, deposits, certificates of deposit and senior unsecured bonds with banks other than multilateral development banks, UK Government Gilts.	UK Banks and UK Banking Groups ¹	per Appendix 6, Table 1	£35m	per Appendix 6, Table 1
	UK Building Societies	per Appendix 6, Table 1	£35m	per Appendix 6, Table 1
	Non UK Banks	Sovereign Rating of AA+ and above and meet Credit Criteria in Appendix 6, Table 1	£35m	per Appendix 6, Table 1
Covered bonds, floating rate notes, reverse repurchase agreements and other collateralised arrangements with banks and building societies	UK Banks and Building Societies and Non UK Banks	Per Appendix 6, Table 1 (and Sovereign Rating of AA+ minimum for Non UK Banks)	See Note 2	per Appendix 6, Table 1
Term Deposits	Local Authorities and other Public Institutions	UK Sovereign Rating	£35m	per Appendix 6, Table 1
Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing.	Registered Social Housing Providers	per Appendix 6, Table 1		per Appendix 6, Table 1
Money Market Fund		AAA ³	£25m	
Enhanced Cash Funds		AA/Aa ⁴	£25m	
Residential Mortgage Based Schemes (RMBS)		UK AAA	£25m	

1. £35m Limit per bank / banking group.
2. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.
3. Investments will be made with those MMF's which have a rating of AAA
4. Minimum of Fitch / Standard & Poor's AA or Moody's Aa rating

Table 2 : NON SPECIFIED INVESTMENTS

Instruments	Non Specified Investments	Institution Type	Minimum Credit Criteria	Maximum Duration	Cash limit
Accounts, deposits, certificates of deposit, structured deposits and senior unsecured bonds with banks other than multilateral development banks. Covered bonds, reverse repurchase agreements, and other collateralised arrangements with banks and building societies. Short Dated Bond Funds, Diversified Growth Funds, Absolute Return Funds and Property Funds. Unrated Bonds.	Total long-term investments (investments over 1 year)	UK and Non UK Banks and Building Societies, Rated Registered Social Housing Providers (RSP)	Per Appendix 6, Table 1	10 yrs.	£120m
	Total investments without credit ratings or rated below A- (except UK Government and local authorities)	Unrated Registered Social Housing Providers (RSP), Unrated Banks and Building Societies	N/A	5 yrs.	£40m
	Total Investments made in pooled investment vehicles.			7 yrs.	
	Total Investments made in un-rated bonds.				
	Total non-specified investments				£160m

Non-specified investments:

Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the

definition on high credit quality. Limits on non-specified investments are shown in table 3 below.

Table 3: Non-specified investment limits

	Cash Limit £m
Total long-term investments	120
Total Investments without credit ratings or rated below A- (subject to due diligence)	40
Total non-specified investments	160

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CABINET

Subject Heading:

Adoption of the East London Joint Resources and Waste Strategy

Cabinet Member:

Cllr Osman Dervish

SLT Lead:

Barry Francis

Report Author and contact details:

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Policy context:

The East London Waste Authority (ELWA) and its constituent Boroughs (the 'Constituent Councils') are statutorily required to produce a Joint Strategy for East London's Resources and Waste to replace the existing strategy which is expiring. Waste management is a key topic within Havering's Climate Action Plan.

Financial summary:

ELWA has set up a Strategy Reserve to cover the costs arising out of the development and planning for post 2027 waste disposal arrangements. Consequently, there is no separate strategy expenditure included in the budget and levy approved by the Authority on 4 February 2019.

Is this a Key Decision?

Yes

(c) Significant effect on two or more Wards

When should this matter be reviewed?

By 2028, and thereafter at intervals of not more than 10 years.

Reviewing OSC:

Environment OSC

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

Communities making Havering
Places making Havering
Opportunities making Havering
Connections making Havering

☐
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SUMMARY

- 1.1 As Waste Collection Authorities (WCAs) the London Borough of Havering and the other 3 constituent Boroughs of the East London Waste Authority (ELWA) (Barking and Dagenham, Newham, and Redbridge – the ‘Constituent Councils’) collect household and other waste that is subsequently treated and/or disposed of by ELWA as the Joint Waste Disposal Authority (JWDA).
- 1.2 ELWA and its Constituent Councils are statutorily required to produce a Joint Strategy for East London’s Resources and Waste (“Joint Strategy”) to replace the existing strategy which is expiring.
- 1.3 The new Joint Strategy has been developed in close cooperation between officers and Members of the Constituent Councils (Appendix 1).
- 1.4 The context around the Constituent Councils delivering waste management services is subject to considerable change over coming years, with changes to national waste policy, obligations through the London Environment Strategy (LES), and the ending of ELWA’s current treatment contract in 2027 with the need to develop successor arrangements.
- 1.5 The Preliminary Draft of the Joint Strategy was agreed by Cabinet in July 2021, and was then subject to public consultation for eight weeks to September 2021 to understand the public opinion on its priorities and actions. The results of this are provided in Appendix 2. Future service changes will be subject to consultation as appropriate in line with statutory obligations.
- 1.6 Background information relating to the following areas accompanied the July 2021 Cabinet report and will therefore not be repeated:
- Current and Future Government and Mayoral Waste Policy and Targets
 - Strategy Development Process
 - Individual Borough Local Authority Collected Waste (LACW) Recycling Rate Targets
 - Draft Strategic Environmental Assessment (SEA) Screening
 - Public Consultation Plan
 - Timeline for Consultation and Adoption
- 1.7. Additionally, the following documents are available for viewing at www.eastlondonwaste.gov.uk/jointstrategy
- Joint Strategy for East London’s Resources and Waste
 - Consultation Report
 - Joint Strategy Consultation Report Appendices
 - Equalities Impact Assessment (also attached to this report as Appendix 3)
 - Strategic Environmental Assessment – Screening Report
 - Strategic Environmental Assessment – Statement of Determination
 - Joint Strategy Technical Report 1 – Baseline
 - Joint Strategy Technical Report 2 - Forecasting
 - Joint Strategy Technical Report 2 – Forecasting – Appendix A
 - Joint Strategy Technical Report 3 – Waste Reduction and Reuse Modelling

- Joint Strategy Technical Report 3 – Waste Reduction and Reuse Modelling – Appendix A
- Joint Strategy Technical Report 4 – Collections Modelling

RECOMMENDATIONS

- 2.1 Cabinet is recommended to approve the adoption of the East London Joint Resources and Waste Strategy (Joint Strategy).

REPORT DETAIL

3. Background

3.1 Current Waste Management Arrangements

- 3.1.1 As a Waste Collection Authority (WCA) the London Borough of Havering has a statutory obligation to collect household waste arising from homes and other premises, alongside commercial waste at the request of individual businesses. It is also responsible for undertaking street cleansing and other public realm management duties, which result in the collection of other waste streams.
- 3.1.2 The ELWA is a 'Joint Waste Disposal Authority' and is responsible for providing treatment and disposal for the waste and recycling collected by the Constituent Councils, and the operation of Reuse and Recycling Centres (RRC's) the contract of which started in 2002 and ends in December 2027.
- 3.1.3 Waste Authorities in London, and their associated strategies, are required to deliver waste services in 'general conformity' (subject to some caveats) with the Mayor of London's 2018 London Environment Strategy (LES).
- 3.1.4 The Resources and Waste Strategy for England (2018) sets out the Government's vision for future waste management policy.

4 Key Elements of the Joint Strategy

4.1 Recycling Rate Targets

- 4.1.1 Targets outlined in section 4.3.3 of the Joint Strategy are respectively national targets for England and London-wide targets, not targets on individual local authorities within these areas. It is acknowledged that individual local authorities will over or under achieve against these targets depending on local circumstances.
- 4.1.2 The shared Local Authority Collected Waste (LACW) recycling rate target within the Joint Strategy is 35% for 2030, with Havering's individual target being 45%. This is substantially higher than the other Constituent Councils due to the larger proportion of green waste recovered for composting contributing towards the overall recycling rate as well as a lower proportion of flatted properties in the Borough, which traditionally produce lower levels of recycling.

4.1.3 The targets and modelling assumptions included in the Joint Strategy can be viewed in the appendices to the previous July 2021 Cabinet report.

4.2 ELWA's Successor Post-2027 Waste Treatment and Disposal Solution

4.2.1 The end of the current waste treatment contract in 2027 will mean that ELWA needs to make new arrangements to manage the waste and recycling collected by the Constituent Councils. This is a process that can take several years to plan because of the large investments for new infrastructure and because of the lengthy procurement / development times.

4.2.2 Section 4.4.2 of the Joint Strategy contains a series of priorities and actions to guide the process of developing successor arrangements. Given that ELWA's successor contracts could last for up to 30 years in line with standard waste industry contracts, the Joint Strategy period is 2027 to 2057.

4.2.3 The Joint Strategy does however still set out a range of actions that the Constituent Councils are committed to undertake to improve services prior to 2027 and commits the Constituent Councils to review of the Strategy by 2028 and thereafter at intervals of not more than 10 years.

4.3 Contents of the Joint Strategy

- **Chapter One – Introduction** - sets the context, aims and objectives of the strategy.
- **Chapter Two – What Is Our Current Situation?** – sets out the context of the Constituent Councils' area, current waste management arrangements, a description of the waste managed, and the current performance.
- **Chapter Three – What Might The Future Look Like?** - describes how the area will change, impacts of national and regional policy on waste generation, and likely other factors such as changes in consumer behaviour.
- **Chapter Four – Where Do We Want to Be?** - sets out the vision for how the Constituent Councils will work together to help reduce waste and reuse and recycling. Sets out recycling targets and priorities and actions for ELWA's post-2027 arrangements.
- **Chapter Five – How Do We Get There** - outlines how the Constituent Councils will work together to achieve the aims and ambitions set out in the Joint Strategy including provisions for future review; and
- **Chapter Six – Measuring Success** - describes how the performance indicators outlined will be used to measure success.

5 **Key stakeholders**

5.1 Engagement with the Greater London Authority

5.1.1 Officers from ELWA and the Constituent Councils have been engaging with the Greater London Authority (GLA) since project commencement, to chart a course towards achieving general conformity with the LES.

5.1.2 The engagement has been productive and positive, and the Constituent Councils appear to be on track to achieve this. This will be confirmed during formal consultation with the GLA.

5.2 The Need for a Strategic Environmental Assessment (SEA)

5.2.1 An SEA Screening Report was produced for the Joint Strategy for review by statutory consultees - the Environment Agency, Historic England and Natural England. General comments were received back from Historic England, whilst Natural England confirmed that no SEA would be required for the Joint Strategy. A Statement of Determination has been produced and is available on the ELWA website.

5.3 Wider Stakeholder Engagement Process

5.3.1 Due to the aforementioned constraints and uncertainties, the Joint Strategy largely sets out broad directions of travel and general principles for future waste and resource management.

5.3.2 Whilst there is no statutory requirement to do so, a public engagement process has been undertaken to determine local priorities around how the Constituent Councils plan to meet the targets and ambitions set out in the Joint Strategy.

5.3.3 In Havering, responses included both national and local issues, some within the Council's control, and others that would need to be dealt with on either a regional or national basis. The main areas of interest for respondents were:

- More consistency in collections between boroughs
- Recycling a wider range of materials at home, including glass and plastic
- Introduction of bins for households
- Education and enforcement
- Encouraging businesses to use less single-use plastic
- Better labelling on packaging
- More local repair outlets

5.3.4 A summary of the consultation exercise is provided in Appendix 2, with further appendices available at www.eastlondonwaste.gov.uk/jointstrategy.

REASONS AND OPTIONS

6. Reasons for the decision:

6.1 The WCAs and WDAs in 'two tier' areas (i.e. areas with separate WCAs and WDAs) in England are required under s32 of the Waste Emissions Trading Act to have in place a joint strategy for the management of household and similar wastes. The Act also obligates these Authorities to:

- Ensure that the policies in the joint strategy are kept under review;
- Have regard to the relevant government guidance; and
- When formulating a joint strategy "carry out such consultation as they consider appropriate".

6.2 Other options considered:

- 6.3 Not produce a new strategy. However, given the above statutory requirements, this is not considered a viable option.

IMPLICATIONS AND RISKS

7. Financial implications and risks:

- 7.1 The targets and priorities within the Joint Strategy do not bind the Council to any specific expenditure, but there will need to be investment in recycling and waste services in the future to meet performance expectations, both within the strategy, as well as local and national legislation in the form of the London Environment Strategy and Environment Act respectively.
- 7.2 Further analysis of financial implications will need to be undertaken as more specific proposals are brought forward for the Council's collection services as well as the wider infrastructure solutions for ELWA. These financial implications will be considered and funding agreed prior to proposals being executed. Havering's future waste collection services will be designed flexibly with expected requirements and funding in mind.

7.3 Legal implications and risks:

- 7.3
- 7.3.1 The role of Newham as a Waste Collection Authority (WCA) and ELWA as Waste Disposal Authority (WDA) is set out in the Waste Regulation and Disposal Authorities Order 1985.
- 7.3.2 The Waste Collection Authorities and Waste Disposal Authorities in 'two tier' areas (i.e. areas with separate WCAs and WDAs) in England are required under s32 of the Waste Emissions Trading Act to have in place a joint strategy for the management of household and similar wastes.
- 7.3.3 Waste Authorities in London are required to deliver waste management services in 'general conformity' (subject to some caveats) with the Mayor of London's Resources and Waste Strategy – currently the waste policies of the Mayor's wider 2018 London Environment Strategy (LES). This requirement extends to the policies of any Joint Waste Strategy.
- 7.3.4 There is a general duty to consult set out in s.3 of the Local Government Act 1999 ('LG Act'), requiring Best Value Authorities to consult with 'representatives' of taxpayers, business rate payers, service users and others who would be impacted by proposals. The Waste and Emissions Trading Act 2003 ('WET Act'), from which the requirement for waste authorities in two-tier areas to produce a joint strategy arises, states that consultation should be undertaken as 'appropriate'.
- 7.3.5 The Council may rely upon the General Power of Competence ("general power") provided for in Section 1 of the Localism Act 2011. The general power is a wide power, which allows the Council to do anything that an individual may do, subject to public law principles and certain statutory limitations.

7.4 Human Resources implications and risks:

7.5 There are no specific HR implications arising from the contents of this report.

7.6 Equalities implications and risks:

7.7 An Equalities and Health Impact Assessment has been completed for the Joint Strategy and is attached to this report (Appendix 3). There are no specific equality implications relating to the content of the Joint Strategy. Local collection arrangements are already in place to meet the needs of mobility-impaired residents and any change in service will be subject to an appropriate EQHIA. The cultural diversity of the Borough will inform the development of any communications or education programmes arising from the Joint Strategy. The EQHIA highlights the fact that positive benefits are expected to result from increased awareness of waste and environmental issues and plans to reduce waste and develop community partnership arrangements. There are no specific impacts envisaged for any persons falling under the protected characteristics as outlined in the Equalities Act. Any specific service changes would, in themselves, require further separate EQHIAs.

7.8 Health and Wellbeing implications and Risks

7.9 There are no specific negative health and wellbeing implications arising as a result of the publication of the Joint Strategy. Havering's policy team will be consulted to ensure relevant stakeholders are given the opportunity to respond to any further consultations, and an EQHIA will be undertaken when planning any future service changes. As outlined above, the EQHIA highlights the fact that positive benefits are expected to result from increased awareness of waste and environmental issues and plans to reduce waste and develop community partnership arrangements. The reduction in waste is expected to provide a key environmental benefit to the Borough. However, any actual future service changes would require a further well-being assessment where applicable.

BACKGROUND PAPERS

N/A

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A Joint Strategy for East London's Resources and Waste 2027 - 2057

A Joint Strategy for East London's Resources and Waste 2027 – 2057

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Executive Summary

It is important that the environment is left in a better condition for the next generation.

This Joint Strategy sets out how the five Partner Authorities, namely the [East London Waste Authority](#) (ELWA) and the London Boroughs of [Barking and Dagenham](#), [Havering](#), [Newham](#) and [Redbridge](#), will preserve resources by minimising waste, promoting resource efficiency and moving towards a circular economy, all of which will help to protect the natural environment and reduce carbon emissions.

There is a great deal of change coming in the next few years that will affect the management of resources and waste in the Partner Authorities' area. This includes the end of ELWA's long-term 25-year contract for waste treatment services in 2027, potential changes to existing Partner Authority vehicle and service contracts, as well as important national and regional initiatives and targets that will result in new legislation and requirements for local authorities.

This Joint Strategy sets out the strategic aims and aspirations for resources and waste management of the five Partner Authorities, and outlines how the Partner Authorities will work together to manage resources and waste within their boundaries between 2027 and 2057, after the end of the long-term contract for waste treatment services.

Working with residents and businesses, the Partner Authorities want to make it as easy as possible to produce less waste, and to reuse, repair, and recycle more items and materials. Within the Joint Strategy a series of priorities are outlined that will help facilitate this, including how the Partner Authorities will support future improvements with infrastructure. These priorities will form the basis of how the Partner Authorities will manage waste in the future, contribute to London-wide and national targets, and meet the aspirations for future performance. The Partner Authorities will need to work together to achieve these goals.

The Joint Strategy also outlines the journey required to deliver improvement and respond to future changes. The Joint Strategy starts in 2027 once the current long-term contract for waste and recycling treatment comes to an end, but it is recognised that action to deliver improvements needs to start as soon as possible to achieve future performance aspirations. Steps that the Partner Authorities are taking to improve performance in the intervening years, including development of an East London Waste Prevention Programme and Borough Reduction and Recycling Plans (submitted to the Mayor of London), are detailed.

The Joint Strategy itself will need to be reviewed periodically to confirm it remains relevant in light of the rapidly changing policy environment and provides the right framework to drive performance improvements. The first overall review will take place by 2028.

The Partner Authorities also will need to regularly monitor progress against current and proposed performance indicators, which focus on reducing waste, maximising reuse, repair and recycling and limiting any waste sent to landfill.

This Joint Strategy sets the framework to drive environmental improvements that will support the Partner Authorities to help protect the environment for future residents and businesses of East London.

1 Introduction

1.1 Purpose of the Joint Resources and Waste Strategy

This Joint Strategy sets out the strategic aims and aspirations for resources and waste management of the five Partner Authorities, namely the [East London Waste Authority](#) (ELWA) and the London Boroughs of [Barking and Dagenham](#), [Havering](#), [Newham](#) and [Redbridge](#) (these four together being also known as the 'Constituent Councils'). The Partner Authorities work together to manage resources and waste within their boundaries. It is a long-term strategy.

It is important that the environment is left in a better condition for the next generation. This Joint Strategy sets out how the Partner Authorities will preserve resources by minimising waste, promoting resource efficiency and moving towards a circular economy, all of which will help to protect the natural environment and reduce carbon emissions. The Joint Strategy has been informed by the views of local residents, businesses and other interested stakeholders, officers and Elected Members within the Partner Authorities and those of statutory stakeholders including the Greater London Authority.

There is a great deal of change coming in the next few years that will affect the management of resources and waste in the Partner Authorities' area. This includes the end of ELWA's long-term 25-year contract for waste treatment services in 2027, potential changes to existing Partner Authority vehicle and service contracts, as well as important national and regional initiatives and targets that will result in new legislation and requirements for local authorities.

The Joint Strategy period is from 2027 to 2057. It is therefore primarily focused on how resources (the materials we use in our everyday lives) and waste will be managed in the future.

The Partner Authorities will commit to undertake a high-level review of this Joint Strategy by 2028 (see Chapter 5), to ensure the targets, priorities and aspirations are appropriate once future waste and recycling collection and treatment arrangements are better understood. Reviews thereafter will be conducted at intervals of not more than 10 years, to ensure the Joint Strategy continues to drive improvement and enable the Partner Authorities to respond to evolving innovations and policies on resources and waste management.

The previous strategy was originally drafted in 1996 and reviewed in 2006 and set the framework for performance for the 25-year contract period to 2027. The contract operator (Renewi) has developed a number of five-year and annual budget and service delivery plans, which review progress and outline future performance standards¹ and the Partner Authorities have prepared Reduction and Recycling Plans² (RRPs) that set out how they will develop their services and local performance to work towards the targets and service standards within the London Environment Strategy³. The Partner Authorities' Plans will also be updated as proposals for future service and performance improvement on waste reduction, reuse and recycling evolve.

¹ [Renewi-FYSDP-Report-web-res.pdf \(eastlondonwaste.gov.uk\)](#)

² <https://data.london.gov.uk/dataset/waste-plans>

³ [London Environment Strategy](#)

The Joint Strategy does not cover local issues such as the collection of litter, street cleansing and fly-tipping, and also does not set out specific details on how each borough will develop its household waste and recycling collection services in the future. The Joint Strategy focuses on the longer-term targets and aspirations of the Partner Authorities and the general principles by which the Partner Authorities will work together to achieve them. Further details on the responsibilities of the Partner Authorities can be found in section 1.2.

1.1.1 Structure of the Joint Strategy

- **Chapter One** – sets the context for the Joint Strategy;
- **Chapter Two** - describes how resources (the valuable materials that we dispose of every day) and waste are currently managed in the Partner Authorities' area, and provides detail on some of the opportunities, challenges and existing performance levels;
- **Chapter Three** - describes what changes the Partner Authorities expect to see in the future, both in terms of how the area will change, what impacts national and regional policy may have on the types and quantities of waste being generated, and some of the other factors which may also play a role in how consumers buy, use and dispose of products that will have an effect on resources and waste management;
- **Chapter Four** – sets out the vision for how the Partner Authorities will work together and with the community to help reduce waste and divert more items for repair and reuse. It sets out what level of recycling performance is expected to be achieved across the area, the aspirations the Partner Authorities have for diverting even more waste from disposal, and how future waste treatment capacity will be sourced;
- **Chapter Five** – outlines how the Partner Authorities will work together to achieve the aims and aspirations set out in the Joint Strategy; and
- **Chapter Six** – describes what performance measures will be used to measure success.

1.2 Responsibilities of the Partner Authorities

The four Constituent Councils (as 'waste collection authorities') are responsible for arranging the collection of household waste and recycling, as well as undertaking waste and recycling collections from local businesses that choose to use their commercial waste services.

The Constituent Councils also manage street cleansing, fly-tipping removal, and management of litter from local parks and open spaces, which all generate waste.

ELWA is the 'joint waste disposal authority' for the region, and is responsible for providing treatment and disposal services for the waste and recycling collected by the Constituent Councils. ELWA also operates four Reuse and Recycling Centres (RRCs) where residents can deposit a wide range of materials for reuse, recycling and disposal.

1.3 Why Do We Need a Joint Strategy?

This Joint Strategy is needed to help the Partner Authorities start to plan for the end of the long-term 25-year contract (2002-2027) for waste treatment, while meeting the new requirements that will be arising from national and regional policy changes, and economic, environmental and societal drivers. The Partner Authorities also recognise the imperative to manage resources better in the future, to enhance resource efficiency and minimise greenhouse gas emissions. The main drivers are described in the following sections.

Development of a Joint Strategy is a statutory requirement for waste authorities in two-tier areas⁴. Furthermore, development of this document provides an opportunity to ensure that future strategy, procurement proposals and targets align as closely as possible with London's overall strategic ambitions, as set out in the London Environment Strategy.

In the development of this Joint Strategy a full public consultation and engagement process was undertaken to better understand the needs of communities within East London, their views on waste and the environment, and to gauge public perception of the proposals for the future. The public consultation was carried out for eight weeks between 26 July and 20 September 2021. During this period feedback was gathered via an online focus group, a virtual drop-in session, and an online (and paper) survey. The full results of the consultation are published in the Summary of Responses – Public Consultation report, along with details of the amendments subsequently made to the Joint Strategy.

The draft Joint Strategy was also sent to the Greater London Authority and a Mayoral response to the public consultation was received. A full copy of the response can be found in the Summary of Responses – Public Consultation report along with details of the amendments made to the Joint Strategy.

It was also considered whether a Strategic Environmental Assessment (SEA) needed to be conducted. A screening assessment was developed and sent to the following statutory consultees for feedback:

- Environment Agency,
- Historic England,
- Natural England.

Full responses can be found in the Summary of Responses – Public Consultation report. In summary it was concluded that a full SEA was not needed for the Joint Strategy.

⁴ [Waste and Emissions Trading Act 2003 \(legislation.gov.uk\)](https://www.legislation.gov.uk/ukpga/2003/27/section/101)

1.3.1 Summary of the Key Drivers

Figure 1: Summary of the Key Drivers



1.3.2 Society and the Environment

In recent years there has been growing concern throughout society about our impact on the environment, particularly around climate change, the 'throw-away' society and plastic pollution. An increasing number of people are now aware that producing and consuming goods and services results in greenhouse gas emissions and waste. Members of the public are looking to brands, retailers, governments, and other organisations to help them adopt more sustainable lifestyles.

This growing public interest in how products are made and what happens to the waste people generate has led to a number of policy initiatives at an international, national and regional level. Many of these policies include adherence to the waste hierarchy (Figure 2), which presents the management options for resources and waste in order of preference based on environmental impacts. Policies and programmes are also increasingly focused on delivering what is known as the Circular Economy (Figure 3), which involves designing out waste and pollution, keeping products and materials in use, and regenerating natural systems. Embracing the principles of both the waste hierarchy and the Circular Economy supports society in moving away from unsustainable levels of consumption of natural resources and helps to protect the environment in a number of ways. New policies that focus on these principles, along with pressure from consumers, are driving innovation and change in manufacturing and retailing, leading to new technologies for managing waste products.

At an international level the Sustainable Development Goals⁵ (SDGs), also known as the Global Goals, were adopted by all United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. The goals collectively represent a broad 'social value charter' for the planet.

The 17 SDGs are integrated, recognising that action in one area will affect outcomes in others, highlighting that development must balance social, economic and environmental sustainability. From the 17 goals and 169 targets there are at least eight indicators which focus on solid waste management, the majority of which sit in Goal 12 – Responsible Consumption and Production. These indicators cover everything from domestic material consumption through to global food loss, but importantly link back to the issue of sustainable management of the resources we have and use.

Developing a Joint Strategy for resources and waste management provides an opportunity for the Partner Authorities to explore the ways they can work together and with the local community (residents, businesses and other organisations) to deliver more sustainable systems for managing resources and waste in accordance with the Circular Economy principles within the national Resources and Waste Strategy and the London Environment Strategy. This includes identifying ways to reduce waste, divert more materials for reuse and recycling, and reduce the greenhouse gas emissions associated with the generation and management of resources and waste. The Partner Authorities will look at how to do this within their own services and how to influence wider work by a range of organisations involved in the supply of goods and services locally.

⁵ [THE 17 GOALS | Sustainable Development \(un.org\)](https://un.org/sustainabledevelopment/)

Figure 2: The waste hierarchy

The Waste Hierarchy

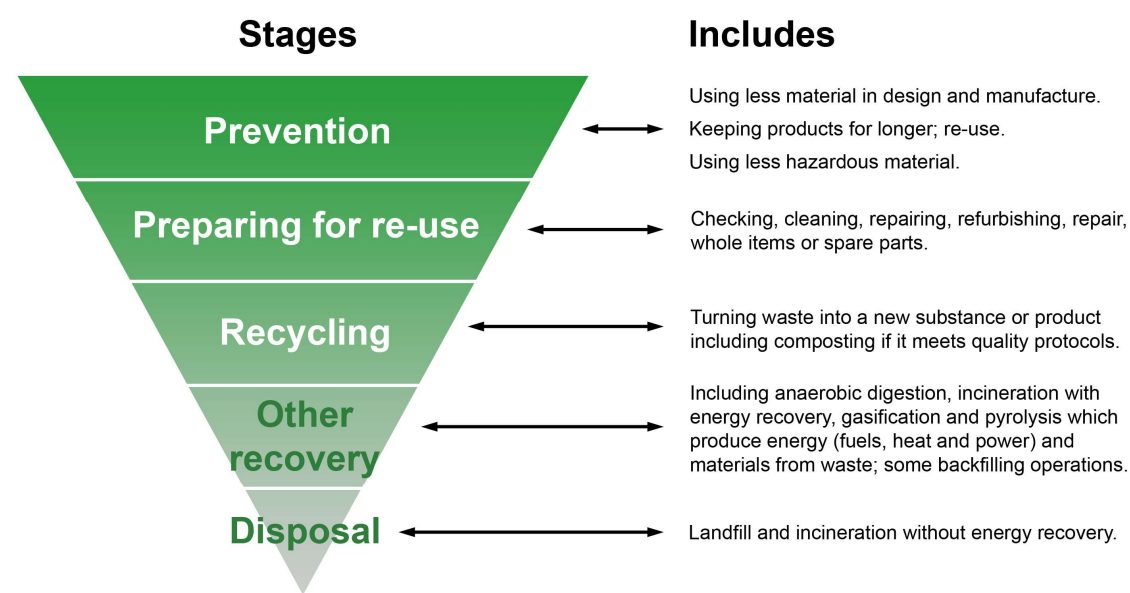
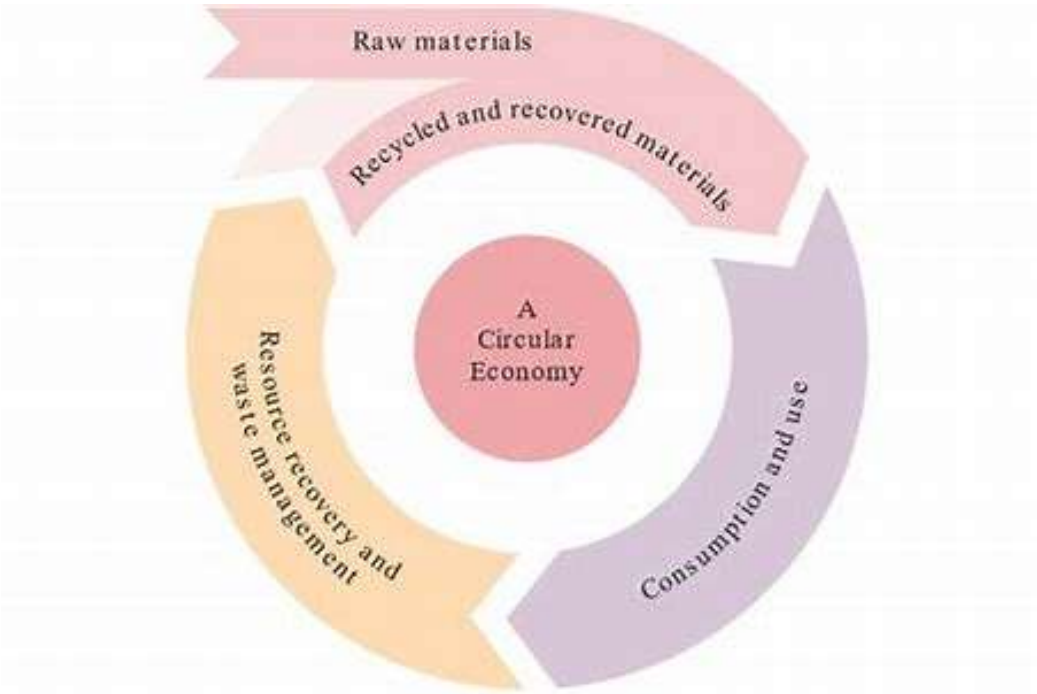


Figure 3: Vision of a circular economy (Resources and Waste Strategy)



1.3.3 Policy Landscape

National and regional policy on resources and waste is rapidly evolving in order to meet ambitions on preserving materials, reducing environmental impacts, and establishing a Circular Economy.

The national Resources and Waste Strategy⁶ (RWS) was published in 2018, and includes many new proposals that will change how local authorities deliver recycling and waste services, and how communities interact with them. These include the setting up of a Deposit Return Scheme (DRS) for drinks containers, extended producer responsibility (EPR) for the costs of managing packaging waste, and establishing more consistent household and business recycling services across the country (Consistency). Further discussion of these issues can be found in Section 3.2.1.

The Government launched a second round of consultations on the DRS, EPR and Consistency proposals in the spring of 2021. This Joint Strategy has included consideration of, and assumptions on, the direction of travel for the development of these proposals, and the actions and priorities set out within the document include further review of the final course of action that the Government decides upon for implementing the RWS. Consultation feedback from the most recent round of consultations is due to be published in the spring of 2022. The first overall review of the Joint Strategy will take place by 2028 and any updates to implementing the RWS will be considered at that time.

The Mayor of London also published the London Environment Strategy⁷ (LES) in 2018, which covers a broad range of environmental issues including waste management. The LES includes an aspiration for London to be a 'zero waste city' by 2050. The regional waste policies contained within the LES are similar to the national Consistency proposals, and waste authorities in London must demonstrate 'general conformity' with them.

The national and regional strategies both set ambitious targets for reuse and recycling, which East London will contribute towards. These are explained in Chapter 4 of this Joint Strategy, which also covers local priorities and aspirations, whilst the range of national and regional policies and proposals that have come forward are covered in more detail in Chapter 3.

Local policy issues including commitments to reduce carbon emissions and improve air quality will also need to be taken into consideration and will help to inform the way that we manage waste materials in the future.

1.3.4 Economic Factors

Local authorities have faced a challenging financial situation in recent years, and the Covid-19 pandemic has put extra pressure on budgets locally as demand for some services has increased while income from other activities has dropped. The long-term effects of the pandemic are not yet known, but the disruption to the national economy, along with accelerated changes to how many people live and work, are likely to mean that some adverse effects on local authority finances will continue. The Partner Authorities need to deliver waste collection and treatment services in the most cost-effective way, in order to protect other frontline services that residents value.

The existing long-term waste treatment contract (see below) has prevented the Partner Authorities from gaining the financial savings that other local authorities have been able to

⁶ [Resources and waste strategy for England - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/682122/resources-and-waste-strategy-for-england.pdf)

⁷ [London Environment Strategy - GLA](https://www.london.gov.uk/what-we-do/environment/london-environment-strategy)

attain through increasing recycling, and the overall costs for treatment of the waste and recycling collected have generally been higher for the Partner Authorities than in many parts of London. When this contract ends in late 2027, the Partner Authorities will have the opportunity to start making savings on waste treatment by diverting more material for recycling, and may also be able to access cheaper solutions for managing the residual waste. To make the best of these opportunities, it is important for the Partner Authorities to work together to consider what mix of collection and treatment services will provide the most cost-effective solutions overall, taking into account local priorities and needs. The development of this Joint Strategy is the first stage in that process.

1.3.5 Contract Situation

The current long-term waste treatment contract started in 2002, and was designed to achieve high levels of diversion of waste from landfill. This was consistent with national policy at the time, and the contract was supported by the Government through the implementation of a Private Finance Initiative model. The operator of the contract, Renewi, has achieved and indeed significantly exceeded the targets set on landfill diversion, and at the time of writing this Joint Strategy less than one percent of the Partner Authorities' waste goes to landfill (a reduction from seven percent in 2018/19).

Unfortunately, the structure of the contract has made it more difficult to increase recycling in the Partner Authorities' area, and consequently local recycling performance has fallen behind the rest of the country. The financial savings that other local authorities can achieve by increasing recycling are not available under the structure of the contract, and the range of materials that can be collected for recycling has also been limited by the infrastructure that was built in the mid-2000s to support local waste treatment.

Renewi is working with the Partner Authorities to try to improve local recycling, including supporting initiatives to introduce a wider range of materials into household recycling collection services. The company's annual budget and service delivery plans⁸ include a number of projects designed to help the Partner Authorities meet and exceed a local 33% recycling target, with partnership working across the region intended to improve household collections, increase the quality of the recycling collected through reduced contamination, recover even more materials from the residual waste, and increase reuse and recycling at the four Reuse and Recycling Centres. The local recycling target was expected to be achieved by 2020/21, but the impacts of the Covid-19 pandemic unfortunately meant that this was missed (with 31.5% being achieved). At the time of writing, it is anticipated that this target will be met in 2021/22.

The Partner Authorities will be working with Renewi to continue to improve local recycling services and performance to the end of the contract in 2027, including identifying opportunities to take full advantage of the changing policy landscape. There will also be work done to mitigate national changes that are expected on how local recycling rates are calculated, which may see a significant portion of the material recovered by Renewi from residual waste no longer being counted towards this performance and reducing local recycling rates by up to five percent.

⁸ [ELWA's Strategy « East London Waste Authority](#)

1.4 Producing a Joint Strategy – Aims and Objectives

With the end of the long-term waste treatment contract approaching, and the significant changes coming forward on resources and waste policy, the Partner Authorities agreed that the development of a new Joint Strategy for East London would be an important first stage in planning for the future.

To develop the Joint Strategy, a series of basic questions were posed that would need to be answered for the Partner Authorities:

- What is our current situation?
- How much waste will there be to manage in the future, and what will its composition be?
- By how much can we reduce the amount of waste that is generated?
- How much waste can we divert for reuse or repair?
- How much waste can we recycle or compost?
- How will we manage the treatment of waste collected for recycling or composting, as well as waste that cannot be recycled?

The following aims and objectives were developed by the Partner Authorities for the Joint Strategy to provide a clear outline of what needs to be achieved in the future. The priorities for the future which are detailed in Chapter 4 are based on the aims and objectives.

Joint Strategy Aims

The aims of the Joint Strategy are:

- A1. to promote and implement sustainable municipal resources and wastes management policies in East London as part of our contribution to transitioning to a more Circular Economy;**
- A2. to minimise the overall environmental impacts of resources and wastes management;**
- A3. to engage residents, community groups, local business and any other interested parties in the development and implementation of the above resources and wastes management policies; and**
- A4. to provide customer-focused, cost-effective, best value services.**

Joint Strategy Objectives

The objectives of the Joint Strategy are:

- O1. to minimise the amount of municipal wastes arising;**
- O2. to maximise reuse, recycling and composting rates;**
- O3. to maximise the diversion of resources and wastes from landfill, particularly organic materials that would produce greenhouse gases;**
- O4. to co-ordinate and continuously improve municipal wastes minimisation and management policies in East London;**
- O5. to manage municipal wastes in the most environmentally benign and economically efficient ways possible, including reducing greenhouse gas emissions, through the provision and co-ordination of appropriate resources and wastes management facilities and services;**
- O6. to ensure that services and information are fully accessible to all members of the community;**
- O7. to maximise all opportunities for local regeneration and increased social value benefits from waste and resource management, including employment, skills and wellbeing; and**
- O8. to ensure an equitable distribution of costs, so that those who produce or manage the waste pay for it.**

2 What is our Current Situation?

This chapter provides a snapshot of services delivered and performance at the time of writing the Joint Strategy (spring 2021).

Data and information to support the development of the Joint Strategy were taken from the last full year of service that was available when the development of the document started (namely 2018/2019) and have been used to understand current performance but also provide a baseline for future projections. Any updates to this have been highlighted within this chapter.

Development of the Joint Strategy began in late 2019, and continued during the Covid-19 pandemic. The pandemic has had an effect on the amount (quantities) and type (composition) of waste produced, and the Partner Authorities continue to monitor these changes. However, the Partner Authorities believe it is too soon to forecast with confidence what the longer-term impacts on local waste quantities and composition will be.

2.1 Our Area

The London Boroughs of Barking and Dagenham, Havering, Newham and Redbridge cover an area of 93 square miles, bordering the historic East End, the edges of Epping Forest, rural Essex and the River Thames. The 1.1 million residents live in 425,000 households, spread over a diverse mix of districts that include large housing estates, dense terraces, detached suburban streets, and small villages. There are also significant pockets of commercial land, active farms, and large industrial zones. The area is seeing a great deal of regeneration, spurred on by the 2012 Olympics, the imminent arrival of Crossrail services, and the repurposing of land next to the Thames. Further details on what East London could look like in the future can be found in Chapter 3.

The local community is vibrant, diverse, and ever changing. Residents come from a wide range of cultures and backgrounds, and the development of new housing is attracting many more people to the area. As is commonplace in London, an increasing number of people are renting rather than buying their homes, which contributes to relatively high levels of population transience (in other-words people move more regularly). The population density varies significantly from neighbourhood to neighbourhood, but is generally increasing across the area as more new homes are provided in blocks of flats than houses.

2.2 How We Currently Manage Resources and Waste

2.2.1 Collections

The four Constituent Councils all provide a weekly residual waste collection for residents, with more frequent services for some blocks of flats where space for bins is limited, and also on high streets where residents need to put their waste out on the street in bags. Commercial waste collections for businesses are currently offered by three of the four Constituent Councils.

Collections of 'dry' recycling, which mainly includes paper, card, plastic bottles, tins and cans, are provided on a weekly or fortnightly basis. Opportunities to improve local recycling services and collect a wider range of materials are being explored, and at the time of writing this Joint Strategy work is underway to begin allowing a wider range of materials to be accepted in recycling collection services. Council websites should be referred to for the latest information

on recycling services and what materials can be recycled locally.

Garden waste collections are provided by all four Constituent Councils to meet local needs.

Commercial recycling services are currently offered in two of the four boroughs (as well as by private waste contractors), and there is a network of public recycling banks around the area that residents can use to recycle more materials, including glass.

Residents can book bulky waste collections for larger items like furniture and white goods, with some items being separated so they can be reused or recycled. Some of the Partner Authorities also have additional arrangements in place to allow bulky items to be diverted from disposal, such as Barking & Dagenham's partnership with an online electrical retailer to provide a free collection scheme for specific bulky items that can be reused and repaired.

There are also special collections available for household collections of clinical waste and hazardous waste.

Unlike many other parts of London, the Partner Authorities benefit from some materials being recovered for recycling from the residual waste, such as glass, metals, and the dried residue of food and garden waste. The recovery of these materials currently counts towards local recycling performance, but the Government has indicated that there may be changes to how local recycling rates are calculated in the future that could see the contributions from some of these recovered materials no longer counting. Further information is awaited from the Government on this issue.

2.2.2 Street Cleansing and Parks Waste

The four Constituent Councils collect waste from street cleansing operations, including the contents of litter bins, material swept off the street, and larger items that have been cleared from fly-tips.

Similar waste is also collected from the parks managed by the four Constituent Councils, along with material similar to household garden waste (where it is not composted at the parks themselves).

2.2.3 Reuse and Recycling Centres

ELWA provides four Reuse and Recycling Centres (RRCs), with one in each Borough. These are available for residents to use free of charge to deposit a wide range of materials for reuse, recycling or disposal. Three of the RRCs are also available for businesses to pay to use, through a direct arrangement with the operator of the sites.

2.2.4 Waste Treatment

ELWA is responsible for providing treatment services for the waste the four Constituent Councils have collected from households, businesses, and through street cleansing. These treatment services are provided through a long-term integrated waste services contract with Renewi, which ends in late 2027.

Much of the dry recycling (paper, card, tins, cans, plastic bottles, etc.) is collected in one bin or bag, so has to be sorted before each item can be sent off for recycling into new products. This sorting is done at a Materials Recovery Facility (MRF). Separated materials are then sent

to reprocessing facilities that can recycle them into new products, and materials that can't be recycled (contamination) are sent for treatment (predominantly to be used as a fuel for electricity generation and district heating elsewhere).

Recycling from bring banks and some household collections do not require sorting and are able to be sent directly to reprocessors for recycling.

Garden waste is sent to industrial composting facilities, which produce a high-quality product that can be used to improve soil on agricultural land. This reduces the demand for fertiliser made using fossil fuels, helping to reduce greenhouse gas emissions and other pollution.

Some recyclable materials, such as electrical items, metal and wood, are extracted from the bulky waste that is collected from residents, so that these can be sent away for reprocessing into new products. The remaining bulky waste is shredded to make a fuel to be used for electricity generation and district heating elsewhere.

The residual waste is processed through two Mechanical-Biological Treatment (MBT) facilities, located at Frog Island (Havering) and Jenkins Lane (Newham), which opened in the mid-2000s and are paid for through the current 25-year contract. The MBT system works by drying out the waste through natural processes similar to composting, where the organic content of the waste (mostly food) decomposes and produces heat. This drives off a lot of the moisture in the waste over the 10 to 14 days it spends in the drying halls at the MBT facilities, reducing the overall weight by about 30% (21% of total waste arisings including recycling). The dried waste is then put through a series of devices to recover some recyclable materials, such as glass, metals, and the solid residue of the food waste. These are sent off for re-processing, whilst the remaining waste is used as a fuel for electricity generation and district heating elsewhere. A short video of the process was produced by Newham Council, and is available on YouTube⁹.

⁹ [What happens to your rubbish in Newham - YouTube](#)

Figure 4: How Waste and Resource Management works within the Partner Authorities' area

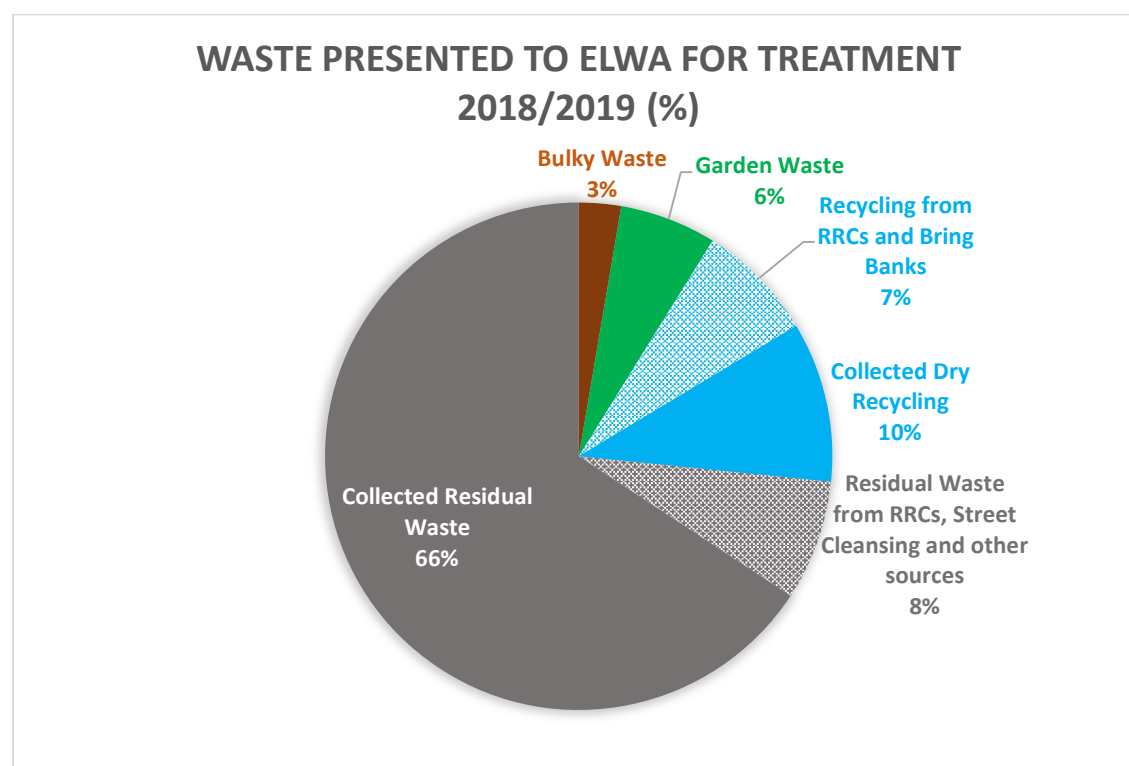


2.3 How Much Waste Do We Manage?

The Partner Authorities currently manage approximately 450,000 tonnes of waste per year, which comes from a number of sources including households, businesses, Reuse and Recycling Centres (RRCs), on-street bring banks and street cleansing.

Figure 5 displays the percentage proportion of each waste type presented to ELWA for treatment in the 2018/19 financial year.

Figure 5: Waste presented to ELWA for treatment 2018/2019 (%)

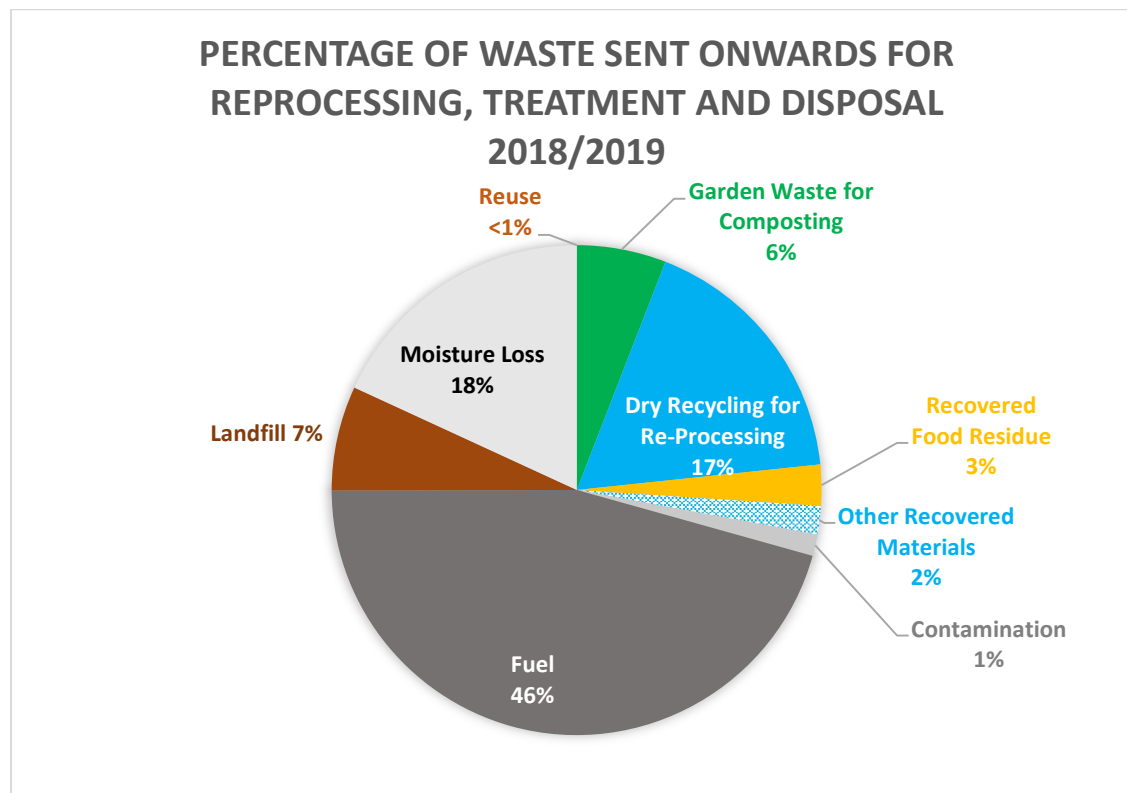


Once the collected materials are bulked together at a local transfer station or undergo initial treatment, they leave the ELWA facilities for onward treatment and reprocessing.

Around 300,000 tonnes of residual waste is processed through the two MBT plants each year, whilst around 43,000 tonnes of mixed dry recycling is sorted at a number of different MRFs. The garden waste is sent to composting facilities, and the materials that residents have put into bring banks or taken to the RRCs are sent to other re-processors to be turned into new products.

Figure 6 displays the amount (percentage) of waste and recycling from all ELWA facilities sent onwards from ELWA for reprocessing, treatment and disposal. It includes the moisture loss from the MBT process which results in an overall weight (tonnage) reduction of waste being sent on for further treatment compared to what was collected.

Figure 6: Percentage of Waste and Recycling sent onward from ELWA for reprocessing, treatment and disposal



2.4 What's In Our Waste?

To be able to understand how best to plan future waste collection and treatment services, including how recycling performance could be improved, it is important to understand in more detail what amounts and types (composition) of waste residents are currently producing.

The last time a detailed analysis of the composition of waste managed by the Partner Authorities took place was in 2016, and the charts below show the results from that study. Figure 7 provides the composition of the household waste that was sampled (recycling and residual waste), whilst Figure 8 provides the composition of the residual waste only. This is particularly important as it helps the Partner Authorities to understand how much waste that could have been recycled is still being disposed of in residual waste.

The analysis carried out in 2016 revealed that there is a large amount of food waste being produced and disposed of as residual waste within the Partner Authorities' area. This is common to many parts of the country, but it shows that a significant difference to the amount of residual waste being produced could be made by helping local residents to reduce food waste. According to the environmental charity WRAP, the average family of four can save just over £60 per month¹⁰ by reducing their food waste, whilst preventing food waste would have significant environmental and cost benefits.

¹⁰ [Why Save Food | Love Food Hate Waste](#)

Data from the residual waste composition analysis also shows that large amounts of paper and card, plastics and metals are being thrown away which could have been recycled.

Figure 7: Waste Composition Analysis Results 2016 –All Household Waste

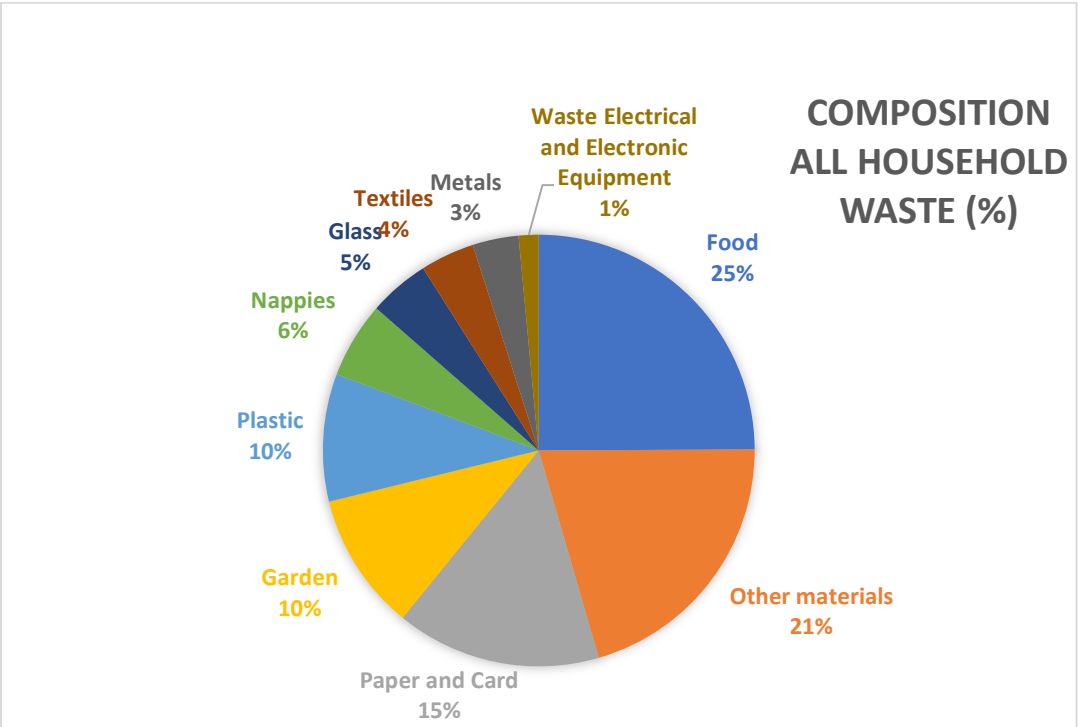
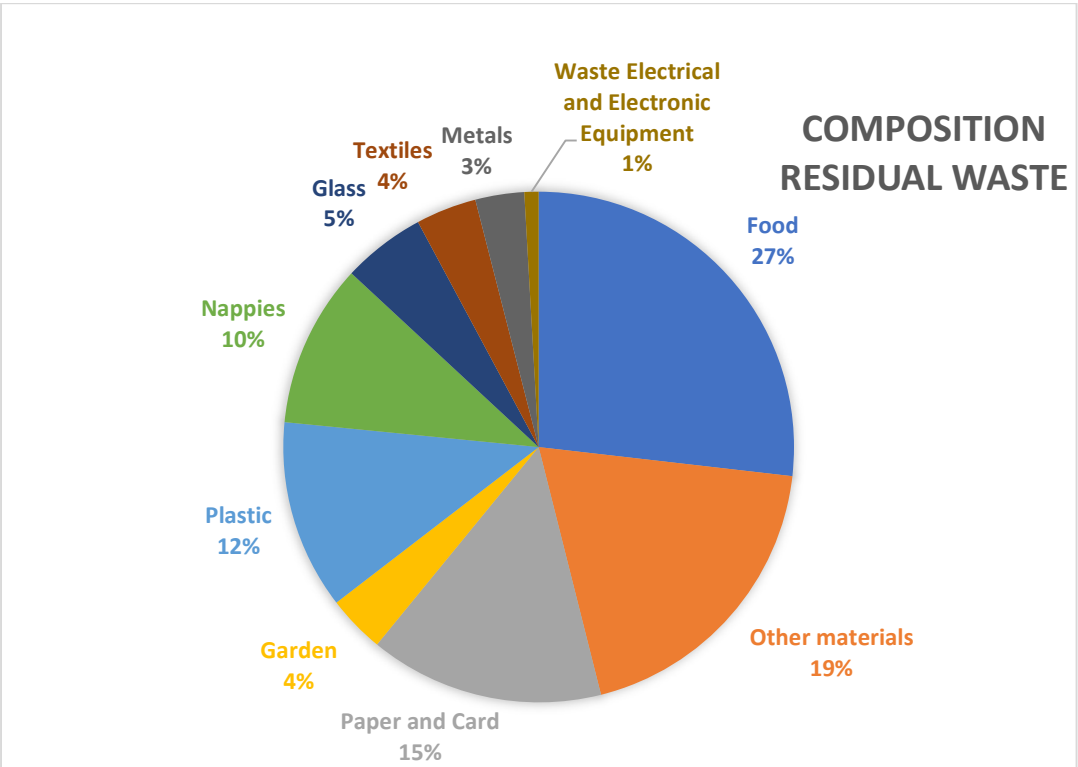


Figure 8: Waste Composition Analysis Results 2016 - Residual Waste



2.5 Our Current Performance

The Partner Authorities' area faces some considerable challenges relative to other parts of England and London in achieving the high recycling rates and reductions in residual waste more widely attained elsewhere.

One of the main challenges is ELWA's current long-term waste treatment contract. This was innovative when it first began in 2002 and means that very little residual waste is landfilled (which is environmentally beneficial). However, over time it has become restrictive for the Partner Authorities and has meant that it has not been economically viable to achieve the same high levels of performance on recycling as other parts of the country.

2.5.1 Barriers to Recycling

A number of studies have identified common barriers to recycling, many of which are applicable to the Partner Authorities' area. Within the WRAP Barriers to Recycling at Home¹¹ study the following universal barriers were identified:

Situational barriers – including not having adequate containers, a lack of space for storage, unreliable collections, unable to get to bring sites;

- Lack of space for storage within a property is a common challenge for those residents living in flats or in Houses of Multiple Occupancy (HMOs)

Behaviour – for example household disorganisation, being too busy with other preoccupations, difficulties in establishing routines for sorting waste and remembering to put it out on collection day;

- Examples of behavioural barriers include putting things in the recycling even if the unsure if it can be recycled, which can cause contamination of the recycling

Lack of knowledge – such as knowing what materials to put in which container, and understanding the basics of how the scheme works; and

- High levels of transience (residents moving often), combined with a lack of information provided to tenants about services, can limit recycling

Attitudes and perceptions – such as not accepting there is an environmental or other benefit, resistant to householder sorting, and not getting a personal motivational reward from recycling.

- Ease of throwing everything into one bin combined with not having anywhere to store recycling can limit recycling

WRAP's Recycling Tracker¹² identifies that age profiles and home ownership affects recycling rates. Residents between 18-35 record lower rates of recycling, and home owners tend to recycle more than people who rent their homes.

¹¹ [WRAP Barriers to Recycling at Home](#)

¹² <https://wrap.org.uk/resources/report/recycling-tracker-report-2021-behaviours-attitudes-and-awareness-around-recycling>

ReLondon has produced a report about recycling in flats¹³, which noted that people who live in these types of property recycle much less than those who live in houses.

Across the area, the levels of garden waste collected are relatively low because many properties in the region have very small or no gardens, with the lack of a garden becoming even more common due to the increasing number of blocks of flats. Garden waste often makes a large contribution to the recycling rates in higher performing parts of the country.

However, despite the barriers identified, the Partner Authorities aspire to improve recycling rates in the future with the support of the community and businesses. Some of the current initiatives that the Partner Authorities are working on are covered below in section 2.6. The Joint Strategy considers how significant improvements in performance can be achieved once the current waste treatment contract comes to an end in 2027.

2.5.2 Reuse, Recycling and Composting

As a consequence of the factors detailed above, East London has some of the lowest recycling rates in the country.

¹³ [Report - Making recycling work for people in flats | ReLondon](#)

Figure 9 and Figure 10 display the percentage of household waste sent for reuse, recycling or composting for the Partner Authorities and all London boroughs and the City of London (NI192 – represents National Indicator 192, previously a statutory indicator for reporting performance).

A particular concern for the Partner Authorities is the amount of contamination in the recycling. Contamination is the name given to non-recyclable material that residents incorrectly put out for recycling, or recyclable materials which are placed in the wrong bin (e.g. textiles need to be placed into a recycling bank or donated locally, rather than into household recycling bins and bags). Contamination has to be sorted out from other recyclable items before being sent away for disposal. Some types of contamination are particularly problematic, as they can also damage other materials that would otherwise be able to be recycled. Tissues, nappies and food waste are examples of this type of contamination, and they are especially damaging to paper and card when put into the same recycling bin or bag.

Figure 9: Percentage of household waste sent for reuse, recycling or composting 2018/2019 – NI192 Partner Authorities

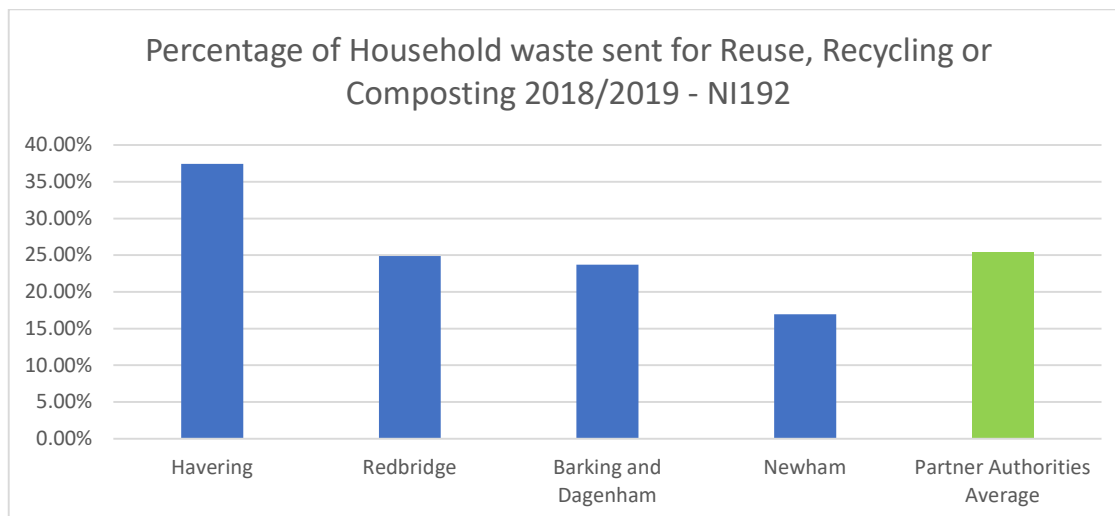
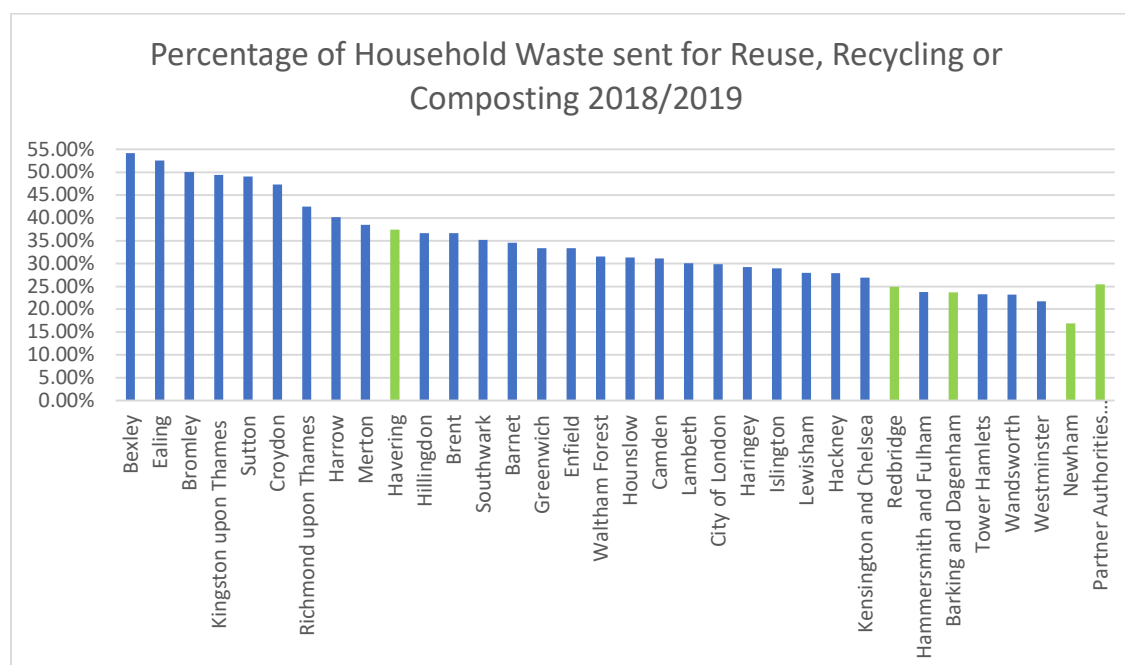


Figure 10: Percentage of household waste sent for reuse, recycling or composting 2018/2019 – NI192 for all London Boroughs and the City of London



2.5.3 Waste Generation

The Partner Authorities' area has some of the highest levels of waste generation in London. The relatively low recycling rates also contribute to the larger amounts of residual waste collected in the area.

Figure 11 displays the total weight of all household waste per head of population, and Figure 12 displays the total weight of residual household waste per household, compared to the other London Boroughs and the City of London.

Figure 11: Total household waste per head (kilograms/head/year) 2018/2019 – for all London Boroughs and the City of London

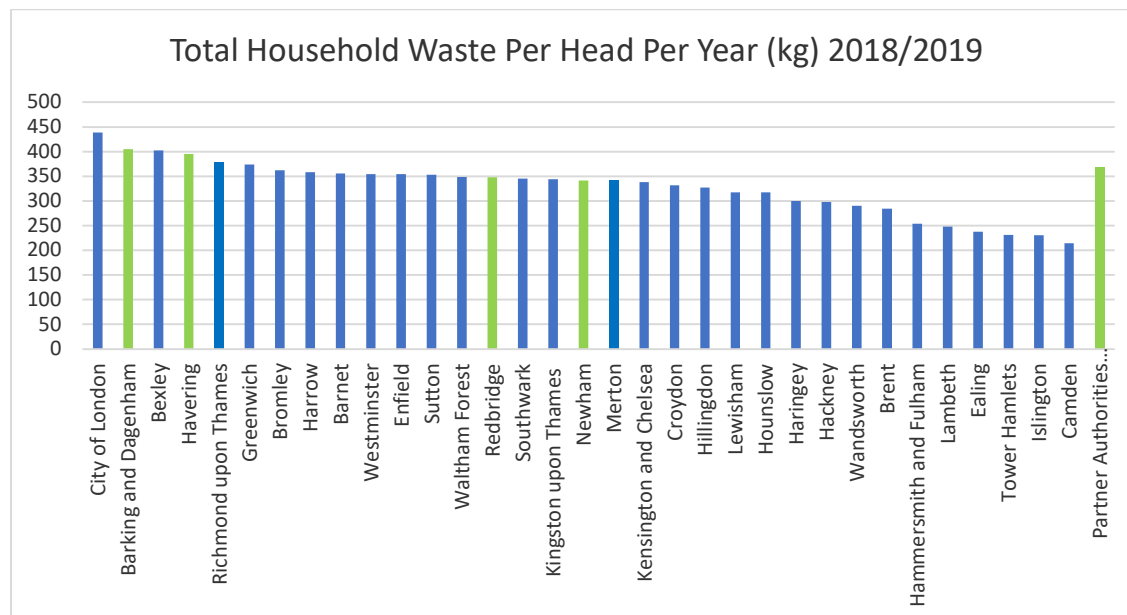
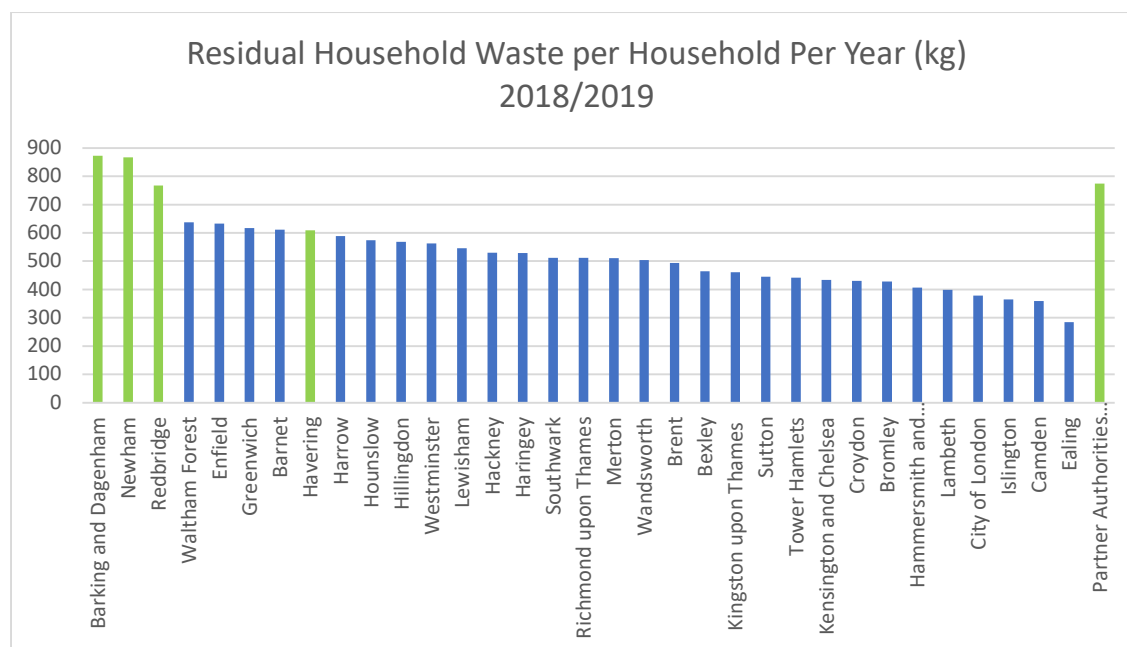


Figure 12: Residual waste per household (kilograms/household/year) 2018/2019 – NI191 for all London Boroughs and the City of London



2.5.4 Landfill Diversion

The Partner Authorities' area achieves a high rate of diversion of waste from landfill due, in large part, to the treatment of residual waste by the MBT facilities described in section 2.2.4. Other items that may once have been more commonly sent to landfill, such as discarded furniture, are also now treated in a similar way to recover recyclable items and create a fuel from the remaining material. The performance in the baseline year for this Joint Strategy for

landfill diversion was 92.4% compared to a London-wide average of 90.5%. However, the local performance has since been increased to more than 99%. In recent years ELWA has been working closely with its contractor Renewi to improve the recovery of recyclable materials from the residual waste at the MBTs. Renewi has also worked hard to establish long-term arrangements for using the fuel it creates from the residual waste, which has resulted in great improvements in landfill diversion. Renewi is continuing to invest in its facilities to improve performance.

2.6 How We Are Improving

Although there are some considerable challenges to overcome, the Partner Authorities have been working for some time to improve performance on waste reduction, reuse and recycling.

The four Constituent Councils have each produced Reduction and Recycling Plans¹⁴ (RRPs), which have been submitted to the Mayor of London. These explain how they will reduce waste, increase reuse and improve recycling, working with ELWA and other stakeholders, as part of contributing to the goals and targets in the London Environment Strategy.

In line with their RRP, Constituent Councils are exploring how to improve local recycling services before the end of the current waste treatment contract, including options for starting to collect a wider range of materials. in order to align more closely with the Mayor of London's minimum service standards¹⁵¹⁶. There are also projects planned or underway to try to get more residents to start recycling properly, separating more of their recyclable waste and reducing contamination.

2.6.1 Reduction and Reuse

There have been a number of projects and initiatives in East London to reduce waste and increase reuse. These include offers of discounted home composting bins for residents, discounts or promotions on reusable nappies, campaigns and workshops focused on reducing food waste, and 'give and take' days that enable residents to donate items they no longer need while also having the opportunity to find products that they would otherwise have to buy.

The work on waste reduction and reuse has now been developed into the Waste Prevention Programme, which is being delivered collectively by the Partner Authorities as a two-year trial from 2021. This is focusing on some core materials, such as food waste, furniture, clothing, nappies and electronics, with a number of projects and new services being introduced to help residents reduce waste, repair items and save money. Projects and initiatives to encourage the provision and use of refill and repair services will be incorporated into the second year of the programme, along with a focus on single-use items for which affordable reusable alternatives are available.

¹⁴ [Waste Reduction and Recycling Plans – London Datastore](#)

2.6.2 Community Engagement

The Partner Authorities understand the importance of working with communities to reduce waste, increase reuse and improve recycling. There are teams dedicated to community engagement on waste and recycling, visiting residents at their homes, attending community meetings, and running events and roadshows. During the Covid-19 pandemic these teams have made use of online platforms (such as Zoom and Microsoft Teams) to continue this work, providing opportunities for residents to learn how to waste less and recycle more even during the most challenging times.

ELWA and the Constituent Councils also work closely with Renewi and Renewi's communications partner Keep Britain Tidy to deliver a programme of education in schools and community engagement on waste reduction, reuse and recycling.

The Partner Authorities have supported national and regional campaigns on waste reduction, reuse and recycling, including Recycle Week, Compost Awareness Week, Real Nappy Week, Recycle for London/London Recycles, and Love Food Hate Waste.

3 What Might the Future Look Like?

3.1 The Partner Authorities' Area in the Future

The Partner Authorities' area has been a focus for regeneration for several decades, and major new developments are planned or in progress across the region. The opening of new transport links in the late 1990s and the staging of the London Olympics in 2012 resulted in a rapid pace of new development in the west of the area particularly, whilst the imminent arrival of Crossrail is helping to drive similar changes elsewhere in the region.

The demand for new housing in London has put extra pressure on the land available, so most new housing being developed is in higher-density developments. New areas are being opened up for housing development for the first time, particularly along the River Thames and the region's major transport corridors, whilst new commercial zones are also coming forward. The area is a particular focus for new 'green industries' moving into the capital, spurred on by the excellent air, road, rail and water transport options.

3.2 Resources and Waste Management in the Future

As mentioned in Chapter 2, there are a number of policy drivers that will influence how the Partner Authorities manage resources and waste in the future. These are covered in more detail within this chapter.

3.2.1 Policy Landscape

3.2.1.1 Overview

In its **25 Year Environment Plan**¹⁷ (Jan 2018), the Government set out its ambition to improve the environment within a generation. This included adopting policies within Government Strategies to use resources from nature more sustainably and efficiently, and managing pressures on the environment by minimising waste. Specifically, with relevance to this Strategy, it sets out the following policies:

- Maximising resource efficiency and minimising environmental impacts at end of life
- Achieving zero avoidable plastic waste by the end of 2042
- Reducing food supply chain emissions and waste
- Reducing litter and littering
- Improving management of residual waste
- Cracking down on fly-tippers and waste criminals

The Plan highlights the importance of taking a natural capital approach when developing and implementing policy.

¹⁷ [25 Year Environment Plan - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/25-year-environment-plan)

The 25 Year Environment Plan is supported by a number of strategies including:

- **Clean Growth Strategy**¹⁸ – which commits to exploring new and innovative ways to manage emissions from landfill
- **Industrial Strategy**¹⁹ – which looks at major projects and encouraging consumers to look at the whole life value of a product
- **Litter Strategy**²⁰ – which outlines how the Government will work with groups and businesses to reduce litter
- **Resources and Waste Strategy**²¹ – which demonstrates the Government’s ambitions to move to a more circular economy
- **Waste Prevention Plan** – consulted on in Spring 2021²²

The **Resources and Waste Strategy** (RWS, 2018) combines the Government’s pledges with the commitments it has made through the adoption of the EU Circular Economy Package²³. The RWS is guided by two overarching objectives:

- To maximise the value of resource use; and
- To minimise waste and its impact on the environment.

The RWS will contribute to the delivery of five strategic ambitions:

- To work towards all plastic packaging placed on the market being recyclable, reusable or compostable by 2025;
- To work towards eliminating food waste to landfill by 2030;
- To eliminate avoidable plastic waste over the lifetime of the 25 Year Environment Plan;
- To double resource productivity by 2050; and
- To eliminate avoidable waste of all kinds by 2050.

3.2.1.2 What Does This Mean for the Partner Authorities’ Area?

The Environment Act, which gained royal assent on 10th November 2021, brought into law a number of key policies set out in the RWS. Consultations on three key policies from the RWS were launched in the spring of 2021 (feedback due Spring 2022). Although they are not fully defined, several of these policies have already been identified as being important for the Partner Authorities to consider:

¹⁸ [Clean Growth Strategy - GOV.UK \(www.gov.uk\)](https://www.gov.uk/clean-growth-strategy)

¹⁹ [The UK's Industrial Strategy - GOV.UK \(www.gov.uk\)](https://www.gov.uk/the-uk-industrial-strategy)

²⁰ [Litter Strategy for England - GOV.UK \(www.gov.uk\)](https://www.gov.uk/litter-strategy)

²¹ [Our waste, our resources: a strategy for England \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/our-waste-our-resources)

²² Note that the London Environment Strategy also contains Waste Prevention objectives (7.1) and a plan for London is expected to follow the national plan.

- **The introduction of a Deposit Return Scheme (DRS) for drinks containers, to incentivise recycling.** Under the proposals consumers would pay a deposit for items like bottles and cans, which they could reclaim by returning these containers to shops or new 'Reverse Vending Machines' (RVMs) which would be located in supermarkets and other relevant locations.
- DRS systems increase recycling rates and can also reduce litter, but how the proposed system will interact with local authority collections, and whether the additional recycling can be counted towards performance locally, is unclear. There also remains a question about potential future revenue loss from the sale of these materials, if drinks containers are diverted from local authority collection systems.
- **Standardising recycling collections from businesses and households.** This will set requirements for local authorities to provide separate collections of food waste for composting and specify the range of materials to be included in recycling collections. These mirror the minimum standard requirements for household waste collection services set out in the London Mayor's Environment Strategy. Requirements on businesses to separate waste for recycling and composting are also proposed.
- Under the Consistency proposals all of the Constituent Councils will need to conduct assessments on the delivery of the required services and, notably, the degree to which materials should be collected separately from each other for recycling to satisfy tests set by Government.
- **Extended Producer Responsibility (EPR) for packaging.** This will require businesses in the packaging production and retail chain to pay for the costs of managing their waste packaging and includes a number of initiatives to make packaging more recyclable. EPR may provide an opportunity for additional funds for local authorities to support collection and recovery of packaging. This is to be consulted on by Government.

The Environment Act enables DRS schemes and producer responsibility regimes for other materials to be brought forward by the Government in the future.

Other key provisions of the RWS relevant to the Joint Strategy include:

- **A tax on plastic packaging containing less than 30% recycled content²⁴** – In addition to the EPR and DRS proposals, which both include some focus on improving the management of plastic waste, the Government legislated for a tax on plastic packaging that contains less than 30% recycled plastic (from April 2022), and will use regulations to phase out single use unrecyclable packaging and place bans²⁵ on the sale of other items such as drinking straws.

²⁴ <https://www.gov.uk/government/publications/introduction-of-plastic-packaging-tax-from-april-2022/introduction-of-plastic-packaging-tax-2021>

²⁵ [Straws, cotton buds and drink stirrers ban: rules for businesses in England - GOV.UK \(www.gov.uk\)](#)

- **Ways of measuring performance beyond recycling rates** – The Government is exploring new ways to monitor the performance of resources and waste management systems, to try to better capture wider environmental impacts. This could include moving away from weight-based targets such as recycling rates, which can incentivise the recycling of heavier materials instead of those that offer greater environmental benefits through recycling.
- The Partner Authorities will continue to measure performance using a range of metrics and will lobby Government to consult on the use of a carbon metric (and other proposed metrics). Further details on performance measurement can be found in Chapter 6.

3.2.2 Resource Efficiency and Scarcity

The natural resources we use are valuable, and as the population of the world increases, the demand for these resources will rise. This will put more pressure on the environment as new sources of these resources are explored, and will also increase the costs for using them.

With the harm we are doing to our environment becoming more severe, and increasing competition around the world for the natural resources we have already extracted, finding ways to use those resources more efficiently will continue to be an urgent priority. Reducing our overall consumption of resources is of the utmost importance, whilst ensuring that materials that are in circulation keep their value and continue to be used again and again will minimise the demand for extracting more from nature. Reducing our waste and reusing or recycling as much as possible are both vital to improving the efficiency of our use of natural resources.

Over time some of the resources we value will start to become scarce, as natural sources get depleted and the costs of finding more become prohibitive. Retaining resources we already have access to by reusing and recycling our waste will help to minimise the pressures that resource scarcity could create.

3.2.3 Greenhouse Gas Emissions

Climate change has become one of the most important concerns for governments and communities around the world, and the role that humans have played in causing it is now well understood. Taking action on climate change is an international priority, and is likely to continue to increase in importance as the effects of the global warming we are already seeing become more apparent. This Joint Strategy is being developed in the year that the 26th UN Climate Change Conference of the Parties (COP26) is being hosted in the UK (Glasgow).

The principal focus is on reducing the emissions of a range of 'greenhouse gases', such as carbon dioxide and methane, that are responsible for the rising global temperatures and subsequent disruptive effects on the climate and weather systems. The UK Government has set ambitious targets²⁶ to cut greenhouse gas emissions by 68% by 2030 (based on 1990 levels). This target is amongst the highest in the world, and commits the UK to cut emissions at the fastest rate of any major economy so far. The delivery pathway to achieve this (which includes waste management activities such as reducing and recycling food waste) is outlined

²⁶ [UK sets ambitious new climate target ahead of UN Summit - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/uk-sets-ambitious-new-climate-target-ahead-of-un-summit)

in the Net Zero Strategy: Build Back Greener, which launched in October 2021²⁷ Everyone has a role to play in achieving this target, and there are implications for all industry sectors. The national resources and waste policy aims to reduce carbon emissions and protect the wider environment by encouraging citizens to reduce consumption and subsequent waste, reuse what we can and recycle materials to retain their inherent value.

Reducing emissions is also a regional and local priority. The London Environment Strategy sets out a number of actions for reducing emissions through changes to our buildings, how we travel, the provision of parks and green spaces that can absorb some greenhouse gases, and how we consume and dispose of products. The Emissions Performance Standard (EPS) measures greenhouse gases released from London's local authority waste management activities and forms a core part of the Mayor's London Environment Strategy. The EPS aims to achieve significant carbon dioxide (CO₂) emission savings from the management of London's local authority waste. The EPS focuses on treatment of waste with an emphasis on recovering materials which deliver greater CO₂ reductions. The EPS sets targets that London Boroughs are expected to contribute to through their RRP, and defines a Carbon Intensity Floor²⁸ (CIF) that residual waste solutions must (as a minimum) meet. The Partner Authorities are all developing plans for cutting emissions arising from their own operations, as well as identifying ways that they can work with local communities to help residents play their part such as encouraging sustainable consumption.

In urban areas in particular, including East London, air quality is another important issue that is being tackled as the effects on human health of certain pollutants become clearer. Many of the activities that emit greenhouse gases are also the cause of local air pollution, so actions to adopt more sustainable lifestyles will help in tackling both problems. Some of the Partner Authorities have implemented air quality management areas, and all Partner Authorities are observing the London Environment Strategy requirements on emissions when planning for future vehicle fleets.

3.3 Preparing for the Future

The Partner Authorities have an aspiration to manage resources and waste more sustainably in the future, through a focus on reducing waste, increasing reuse and repair, and improving recycling.

Huge changes have happened to the types of waste that we have produced over previous decades, and this type of change is expected to continue. The Partner Authorities need to understand what the waste they collect and manage might look like in the future, covering a period that would match the lifespan of most kinds of large-scale waste treatment infrastructure. A period of 30 years from the end of the current long-term contract in 2027 has therefore been looked at, meaning predictions have been made to 2057. However, the Partner Authorities recognise that the accuracy of forecasts will reduce the further into the future they

²⁷

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1026655/net-zero-strategy.pdf

²⁸ [Policy 5.17 Waste capacity | London City Hall](#)

look, and as such will review the predictions every few years to determine whether anticipated growth, material changes and other factors have developed as expected.

Land use in the Partner Authorities' area will also change in the future, as new housing is built, transport links are improved, industries move in and out of the area, and major regeneration plans are developed and delivered. A changing local area will inevitably mean the amount and type of waste being generated also changes, and the Partner Authorities will need to be able to respond to this.

3.3.1 How Did We Forecast?

A range of forecasting or 'horizon scanning' techniques were used to look at the factors which could influence the amount and type of waste that will be generated in the future.²⁹

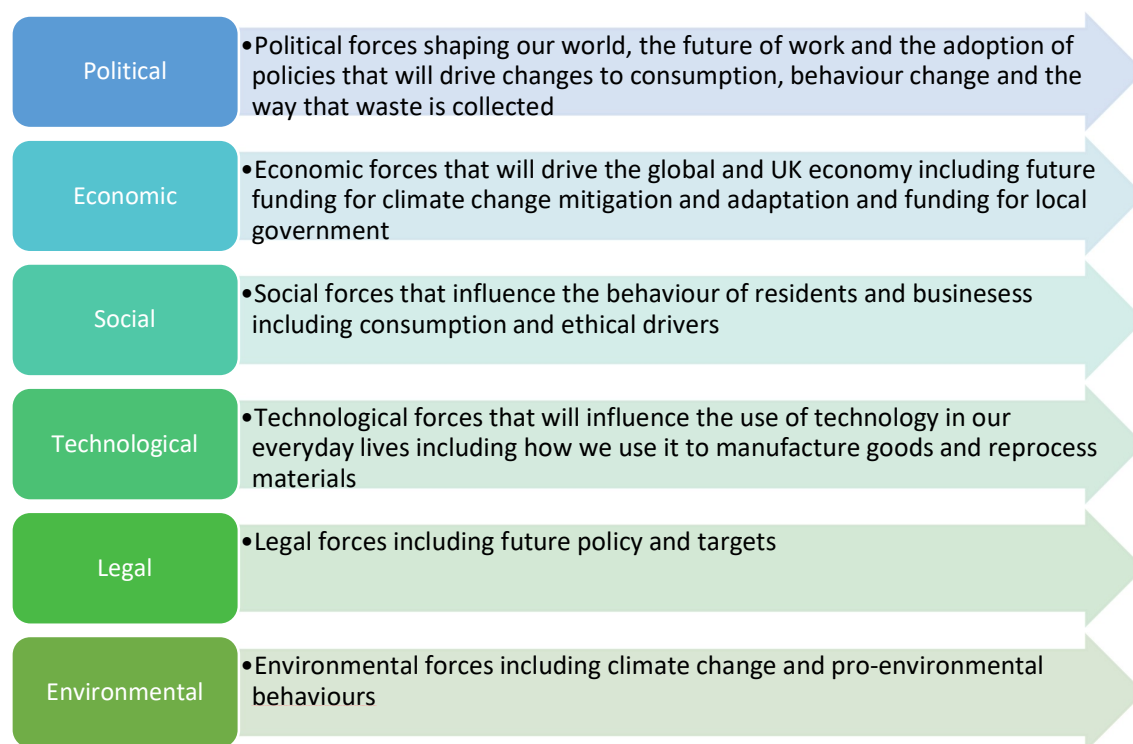
The first stage was to identify how much the amount and type of housing in the Partner Authorities' area might change, as this is likely to be the single biggest influence on the future generation of waste, and the interface between residents and their local waste and recycling collection services. The second stage was to predict how some of the proposals in the Resources and Waste Strategy might impact on future waste. Finally, an analysis was done of other political, economic, social, technological, legal and environmental (PESTLE) factors that might lead to changes in the types and quantities of products that are consumed and disposed of in the future (Figure 13). All of this analysis was based on research from around the world, as well as forecasting work that other organisations or industries have done.

Examples of the types of forces considered include:

- Climate change making the UK warmer and wetter - increasing garden growth rates;
- Growth of online shopping and deliveries – cardboard;
- Smart Technology including smart home items (lights, speakers etc.) and wearable devices (glasses, wristbands, shoes etc.).

²⁹ <https://eastlondonwaste.gov.uk/jointstrategy>

Figure 13: Overview of PESTLE Forces



Three examples of future ‘worlds’ were created by grouping together different impacts:

Green World – this is a ‘best case’ scenario, where governments, communities and businesses all embrace the most environmentally conscious behaviours and lifestyles, leading to reductions in waste and the adoption of truly sustainable lifestyles.

Current Trends – in this scenario there continues to be improvements in legislation, product design and the adoption of sustainable lifestyles, but not to the extent of the Green World scenario.

Degraded World – this is a very unlikely scenario, where even current environmental protections come to an end, and waste generation significantly increases.

In addition, to help provide some comparison with the current situation, current levels of waste generation per household were projected into the future using the forecasts for the amount of new housing that is expected to be built in the Partner Authorities’ area to understand how much waste there would be to manage with no other changes considered. This created a fourth ‘world’ known as Household Growth Only.

Figure 14: Example forces mapped against the three 'worlds'

Forces	Potential outcomes 1 Green World	Potential outcomes 2 Current Trends	Potential outcomes 3 Degraded World
Climate change making the UK warmer and wetter - increasing garden growth rates	Increased rates of garden vegetation growth and further land dedicated to allotments. Increased levels of growing food at home. Increased consumption of salad and vegetables. Increased garden waste arisings and higher levels of participation in food waste collections.	Increased rates of garden vegetation growth. No new allotments. Slow take up of growing food at home. Some increase in consumption of salad and vegetables. No change in garden waste arisings. Food waste recycling collections are introduced.	Increased rates of garden vegetation growth. Reduced number of allotments due to housing developments. Slow take up of growing food at home. Some increase in consumption of salad and vegetables. No change in garden waste arisings. Food waste recycling collections are rejected by government.
Growth of online shopping and deliveries - cardboard	Increased switch to online shopping and deliveries (currently 15 – 20% of all consumer goods are sold online). Pro-environmental behaviours encourage reduced levels of consumption and high levels of recycling. Take back schemes embraced. Use of crates increases. New schemes enter the market in the medium term and refills increase.	Online consumption increases. Increased arisings of cardboard in the short term which is recycled (change in composition). Take back schemes in the longer term - embraced where compulsory (reduction in cardboard produced and recycled).	Online consumption increases. Increased arisings of cardboard in the short term which are not recycled. Take back schemes in the longer term - only used where compulsory.
Smart Technology including smart home items (lights, shower, speakers etc.) and wearable devices (glasses, wristbands, shoes etc.)	Increased levels of Waste Electrical and Electronic Equipment (WEEE) due to an increase of Internet of Things (IoT) and required sensors. Items that aren't considered WEEE currently will need to be re-categorised in the future. E.g. textiles. Comprehensive take back for WEEE items Extended Producer Responsibility (EPR) and widespread recycling options that are used.	Increased WEEE arisings due to an increase of IoT and required sensors. Items that aren't considered WEEE currently will need to be re-categorised in the future. E.g. textiles. Comprehensive take back for WEEE items (EPR) recycling increases in line with increased arisings.	Increased WEEE arisings due to an increase of IoT and required sensors. Items that aren't considered WEEE currently will need to be re-categorised in the future. E.g. textiles. Comprehensive take back for WEEE items (EPR) used when financially viable.

It was decided to base this Joint Strategy on the Current Trends world, which anticipates reductions in waste per household compared to the current situation but recognises that the transition to a comprehensively more sustainable economic model will take a considerable amount of time to achieve. However, if everyone makes a strong commitment to living more sustainably, the outcomes projected in the Green World scenario could be achieved. The Partner Authorities will ensure that future services are able to respond to the world changing

in a different way than has been projected, and will support efforts across society to move towards a future that is as close as possible to the Green World.

3.3.2 Our Predictions for the Future

The Current Trends world considered a wide range of possibilities, and anticipated gradual increases in policy, legislation and social trends that will help to protect the environment. Many of the current barriers to more sustainable ways of life are expected to continue, but growing concern about the environment will lead to greater awareness and consideration of waste generation by individuals, organisations and governments.

The impacts of these predictions on materials vary, but notably the following types of waste are anticipated to increase:

- Waste electrical and electronic equipment
- Nappies and other absorbent hygiene products
- Plastic film

Recycling opportunities for plastic film and electronic equipment are expected to increase, as is the use of food waste for generating energy and making soil improvers. The use of paper is expected to continue to decrease, but this will be offset to some degree by the increasing use of cardboard for packaging and home deliveries.

3.3.3 Preparing for the Unforeseen

The process to forecast what the world may look like in the future was completed before the emergence of the Covid-19 pandemic in March 2020. Although local authorities plan for a number of events as part of managing risks, the size, severity and length of the Covid-19 outbreak was not foreseen.

At the time of writing this Joint Strategy, the pandemic is still ongoing and organisations across the resources and waste industry are continuing to manage its impacts. These have included more household waste being generated as many people started working from home, fluctuations in global material markets as international trade was disrupted, and large amounts of healthcare waste being generated as testing and vaccination regimes got underway.

There are also a number of possible long-term impacts from the pandemic that are starting to be discussed at a local, regional, national and even international level. These range from relatively short-term economic downturns to fundamental shifts in how and where people live and work.

The Covid-19 pandemic has highlighted the need for greater resilience in how services are planned and delivered, but has also demonstrated how sudden events could set the world on a different path than had been predicted. The Partner Authorities will take the learning from this pandemic on board in the planning of future services, and will monitor the long-term changes that could come about to ensure that the forecasts of future waste types and quantities explained in this chapter remain relevant.

4 Where Do We Want To Be?

The Partner Authorities have high aspirations for increasing the sustainability of local resources and waste management in the future, as outlined in the aims and objectives for the Joint Strategy (see boxes below). This chapter sets out the Partner Authorities' priorities and aspirations for resources and waste management for the Joint Strategy period.

Joint Strategy Aims

The aims of the Joint Strategy are:

- A1. to promote and implement sustainable municipal resources and wastes management policies in East London as part of transitioning to a Circular Economy;**
- A2. to minimise the overall environmental impacts of resources and wastes management;**
- A3. to engage residents, community groups, local business and any other interested parties in the development and implementation of the above resources and wastes management policies; and**
- A4. to provide customer-focused, cost-effective, best value services.**

Joint Strategy Objectives

The objectives of the Joint Strategy are:

- O1. to minimise the amount of municipal wastes arising;**
- O2. to maximise reuse, recycling and composting rates;**
- O3. to maximise the diversion of resources and wastes from landfill, particularly organic materials that would produce greenhouse gases;**
- O4. to co-ordinate and continuously improve municipal wastes minimisation and management policies in East London;**
- O5. to manage municipal wastes in the most environmentally benign and economically efficient ways possible, including reducing greenhouse gas emissions, through the provision and co-ordination of appropriate resources and wastes management facilities and services;**
- O6. to ensure that services and information are fully accessible to all members of the community;**
- O7. to maximise all opportunities for local regeneration and increased social value benefits from waste and resource management, including employment, skills and wellbeing; and**
- O8. to ensure an equitable distribution of costs, so that those who produce or manage the waste pay for it.**

Priorities outlined in this chapter are based on extensive modelling, and provide realistic and appropriate steps that align to, and will contribute towards, London-wide and national policies and targets. Further details on the modelling work can be found in the Technical Reports³⁰ for this Joint Strategy.

As discussed in chapter 2, as the Partner Authorities move beyond the existing integrated waste management contract in 2027, there is scope to implement more flexible and ambitious waste management policies and an eagerness to do so. As set out in Chapter 3 it is difficult to predict the future and the Partner Authorities commit to review their aspirations as circumstances change in line with the aims and objectives of the Joint Strategy.

4.1 Waste Prevention

In line with the Waste Hierarchy, waste prevention provides the greatest environmental and cost benefits for the communities of East London, so is a top priority for the Partner Authorities.

An East London Waste Prevention Programme was approved in February 2021 so that the Partner Authorities can increase their role in preventing waste as soon as possible. The plan includes activities which specifically target key materials, and will facilitate simple ways that residents, businesses and other stakeholders can work together to reduce waste.

Priority materials

Waste prevention activities will focus on a number of priority waste streams that reflect the:

- amount of material within the residual waste either at the kerbside or RRC;
- opportunities to reduce carbon emissions;
- opportunities to protect material scarcity; and
- imperative to minimise the use of plastic.

³⁰ <https://eastlondonwaste.gov.uk/jointstrategy>

The following table sets out the Partner Authorities' priorities and actions on waste prevention:

The Partner Authorities' waste prevention priorities:

- Continue to work with residents and businesses to reduce waste growth and contribute to the London wide aspiration of becoming a 'zero waste city'
- Support the London wide target of reducing food waste by 50% by 2030 and will work with the Greater London Authority, ReLondon³¹ and other authorities to do this
- Work to raise awareness of the individual, community and environmental benefits of reducing waste

More specifically we will:

- Develop waste prevention plans, Reduction and Recycling Plans, or other appropriate tools that outline the actions that will be taken to provide communications, engagement and access to services that help residents reduce waste and save money
- Support national and regional campaigns on waste prevention, and develop local campaigns to support projects and services
- Develop partnership arrangements with community organisations, housing associations local authorities, and other key stakeholders to enhance work on waste prevention
- Work with the Government, other local authorities and key stakeholders to promote higher standards of product design and manufacture, to prolong product lifecycles and reduce avoidable waste

Objectives: These priorities meet the following objectives of this Joint Strategy: O1, O2, O3, O4, O6, O7

4.2 Reuse and Repair

Increasing the amount of unwanted or broken items that are diverted for reuse or sent for repair will not only reduce the environmental impacts of waste management, but will also provide community benefits through support of local businesses and community organisations, enhancing job opportunities, skills and training. Establishing a local circular economy will also improve access to reduced price goods for lower income families – a social value benefit.

The Partner Authorities will work to significantly increase reuse and repair activities within East London, and work with communities to encourage reuse and repair for both disposing of unwanted items and the purchase of new. Reuse and repair will form a significant part of the Waste Prevention Plan which started in 2021.

³¹ Formally known as LWARB – the London Waste and Recycling Board

The following table sets out the Partner Authorities' priorities and actions on reuse and repair:

The Partner Authorities' reuse and repair priorities:

- Work to increase the amount of products that are kept in local circulation through reuse and repair services
- Seek to normalise reuse within our communities as a means of disposing of unwanted items
- Seek to promote the purchase of reused, refurbished and repaired products as a beneficial alternative to buying new
- Seek to advance local green economy job and training opportunities through supporting the development of reuse and repair services

More specifically we will:

- Explore options for providing or supporting existing and new reuse collection services from homes and businesses
- Investigate opportunities for increasing reuse provision at the Reuse and Recycling Centres, including on-site retail outlets where viable
- Work with reuse organisations to develop / expand existing valued partnerships, strengthen local offerings, and support increases in scope and capacity to enhance the services available to residents
- Raise awareness of repair options available within the Partner Authorities' area
- Participate in national, regional and sub-regional campaigns promoting reuse, refill and repair, and undertake local promotion of the benefits and range of available services
- Work with the Government, other local authorities and key stakeholders to promote higher standards of product design and manufacture, to enhance opportunities for cost-effective reuse

Objectives: These priorities meet the following objectives of this Joint Strategy: O1, O2, O3, O4, O5, O6, O7

4.3 Recycling

The structure of the current long-term contract for waste treatment and the wider context in the Partner Authorities' area has made it more difficult for the Partner Authorities to keep up with other parts of the country in increasing recycling. However, when this contract ends in late 2027 and the policy landscape changes, there will be new opportunities to improve performance. The Constituent Councils have already identified ways that they will be working to increase recycling before the end of the contract through their RRP. As has been explained in previous chapters, the Partner Authorities' area also faces increasing challenges in achieving high recycling, notably because a larger proportion of high-density flats are being built across the area than in most other parts of the capital.

Another challenge relates to the current MBT processes which recover some materials for recycling, including glass, metals and dried food waste. The recycling of these recovered materials counts toward local recycling rates at present. However, at the time of writing this

Joint Strategy, there are indications that the dried food waste may no longer be able to be counted towards local recycling performance in the future because of some proposed changes to Government policy. This could mean up to a five percent reduction in current local recycling rates.

The Partner Authorities will work with the Government, other local authorities and waste industry bodies to try to reduce the impact of this proposed change, as the recovery of the dried food waste presents clear environmental benefits that should continue to be encouraged. However, if the proposed change does happen, targets set for the future will need to take the loss of the current (up to) five percent contribution into account.

4.3.1 Modelling Future Performance

To understand what future recycling performance could look like, extensive modelling has been undertaken³². This has used the forecasts of future waste levels that were explained in the previous chapter, and has looked at how improvements to recycling services and investment in engagement, education and communications that the Partner Authorities could make would increase local recycling rates. The modelling has taken into account the large and increasing number of flats within the region and the challenges these properties face with recycling.

The modelling focused on the likely required household waste and recycling services that the Government has proposed through the “Consistent Recycling Collections” chapter of the national Resources and Waste Strategy. All collection options include a separate food waste collection service, along with the addition of glass and a wider range of plastics to recycling collections. The modelling of future performance includes assumptions on the likely impact of the proposed introductions of a Deposit Return Scheme (DRS) for drinks containers and an Extended Producer Responsibility (EPR) regime for packaging waste. The future types of waste treatment technology that will be used are currently unknown (see Section 4.4), so to help the Partner Authorities understand what levels of recycling they might be able to achieve if current industry-standard approaches to waste treatment were used after 2027, the modelling has assumed that there will be no contribution to local recycling rates from recovery of materials from the residual waste. The continuation of current arrangements for garden waste and provision of weekly rubbish collections for all residents are included in the modelling.

At the time of writing this Joint Strategy, the Government is still working on implementing the proposals within the national Resources and Waste Strategy. The Partner Authorities support these proposals as they should result in many environmental benefits, a general increase in recycling across the country and a move towards the ‘polluter pays’ principle. The proposed DRS in particular could result in recyclable waste being collected by organisations other than local authorities. The Partner Authorities have assumed in the modelling that cans and bottles recycled through the DRS will still count towards local recycling rates. The Partner Authorities are continuing to monitor and engage with the Government’s development of its new policies to fully understand potential implications, and will place the targets in the context of the new policy environment when it becomes clearer.

³²<https://eastlondonwaste.gov.uk/jointstrategy>

4.3.2 Aspirations for Future Performance

The modelling has revealed that a minimum **joint** recycling performance of 35% of Local Authority Collected Waste (LACW) by 2030 is realistic, given the above challenges. This assumes that current performance levels will reduce by as much as five percent in the intervening years because of the proposed change to how local recycling rates are calculated (as explained in section 4.3).

The Partner Authorities aspire to jointly achieve considerably **more than 35%** recycling and composting of Local Authority Collected Waste, in order to help London meet the strategic ambition of 50% set in the London Environment Strategy.

Achieving higher levels of recycling will require everyone to play their part, reducing and reusing their waste as much as possible, separating items for recycling whenever and wherever they can while also being careful to correctly dispose of non-recyclable items. The Partner Authorities will work with local residents, businesses and other stakeholders to continuously educate on and promote recycling, and will focus particular efforts on reducing contamination and improving recycling performance in blocks of flats. The opportunities to increase local recycling rates through cost-effective recovery of more material from the residual waste will also be explored as part of a procurement plan, which is covered in the next section.

The Partner Authorities will work together as emerging national policy on resources and waste continues to evolve, in order to understand how best to provide services and maximise opportunities to further improve local recycling performance.

The individual borough contributions that make up the joint performance aspirations are set out in the table below.

Table 1: Borough Contributions to the Joint LACW Minimum Recycling Performance and Borough /LES Household Recycling Aspirations for 2030³³³⁴

Borough	2030 LACW Minimum Performance	Borough / LES Household Recycling Aspiration
Barking & Dagenham	35%	50%
Havering	45%	50%
Newham	28%	50%
Redbridge	35%	50%
Joint Performance	35%	50%

³³ Note: Recycling contributions from RRCs and residual treatment processes managed by ELWA are apportioned to individual Boroughs and form part of these performance figures

³⁴ The differences in performance contribution between the Partner Authorities relates to the factors that can challenge recycling performance, outlined in Chapter 2, such as proportion of flats and gardens.

4.3.3 Contribution to National and Regional Targets

The joint minimum performance and local aspirations proposed would allow the Partner Authorities to contribute to the targets set out in the Resources and Waste Strategy:

- 50% of household waste reused, recycled or composted by 2025
- 65% of municipal waste (which includes waste from businesses that is similar to household waste, comprising materials like food, paper, plastic etc.) reused, recycled or composted by 2035

A contribution would also be made to the targets the Mayor of London has set in the London Environment Strategy (which was completed shortly before the RWS was published):

- 50% of local authority waste reused, recycled or composted by 2025
- 65% of municipal waste and 50% of household waste reused, recycled or composted by 2030

The targets outlined within the RWS and LES are high, and it is acknowledged that nationally and across London there are many authorities with lower numbers of flats and greater levels of garden waste that will achieve and exceed the targets. The Partner Authorities have set a realistic joint **minimum** performance based on the local circumstances and future challenges that were explained earlier in this Joint Strategy, but will continue to work together and with the wider community to identify ways to increase recycling further and meet local aspirations for higher performance.

The following table sets out the Partner Authorities' priorities and actions on recycling:

The Partner Authorities' recycling priorities:

- We aspire to reach 50% household recycling, and will work with local communities in this regard
- We aim to achieve a minimum joint reuse, recycling and composting performance of 35 % of LACW by 2030
- We will work together to offer the Mayor's minimum level of household recycling service provision, providing residents with straightforward and easy-to-use recycling collection services
- We will improve the quality of recycling collected and reduce contamination
- We will improve recycling performance in houses and blocks of flats
- We will work alongside new policy commitments including DRS and the EPR regime for household packaging to maximise opportunities for increasing recycling

More specifically we will:

- Introduce separate food waste collections for street level properties and blocks of flats, in line with anticipated regulations and Government guidance
- Expand household collection services to allow residents to recycle a wider range of packaging and containers where relevant markets exist

- Continue to investigate opportunities to recycle even more materials, through collection services, public recycling facilities and the Reuse and Recycling Centres
- Work with In-house commercial waste services and private waste companies to ensure that businesses in East London are able to access cost-effective recycling services
- Engage with our residents and businesses to increase awareness of, and participation in, recycling
- Provide feedback to residents and businesses on contamination, and highlight the need for material quality
- Identify opportunities to use the ReLondon 'Making Recycling Work for People in Flats toolkit'³⁵ or other suitable approaches to improve recycling performance in blocks of flats
- Work with the Government, other local authorities, producers and key stakeholders to develop better approaches to the planning and design of new developments to ensure residents are able to recycle easily
- Work together to identify opportunities to extract more recyclable material from bulky waste, street cleansing waste and fly tipped materials
- Explore opportunities to increase recycling through recovery of materials from other waste streams
- Support London Recycles messaging and campaigning to ensure that a consistent reduce, reuse, recycle message is delivered across London
- Work with the Government, other local authorities, producers and key stakeholders to promote standards of product design that enhance opportunities for cost-effective recycling

Objectives: These priorities meet the following objectives of this Joint Strategy: O2, O3, O4, O5, O6

³⁵ [Report - Making recycling work for people in flats | ReLondon](#)

4.4 Supporting Improvements with Infrastructure

4.4.1 Why Do We Need New Infrastructure?

The end of the long-term integrated waste contract in 2027 will mean that ELWA needs to make new arrangements to manage the waste and recycling collected by the Partner Authorities. This is a process that can take several years to plan because of the large investments that may be needed in new infrastructure.

The end of this contract also provides an opportunity for improvements to be made to reuse and recycling services for households and businesses. It can take time to plan these types of improvements, particularly where investment in new contracts or vehicles are required, and there will be differing infrastructure needs to support these arrangements.

It is important for ELWA and the Constituent Councils to work together on planning future arrangements for managing resources and waste, so that the right types and sizes of waste and recycling treatment are available, and the best whole system solution is obtained.

4.4.2 What Are the Priorities for the Partner Authorities?

Due to the uncertainties around the detail of future policy and the capacity available for different types of infrastructure in 2027, it is not appropriate or possible to set out a prescribed solution for the reuse, recycling and waste treatment/disposal of waste handled by ELWA beyond 2027 at this stage.

ELWA will develop a procurement plan to support the delivery of future waste treatment capacity from 2027 onwards, and will work with the Constituent Councils to understand their infrastructure needs as they make plans for any future changes to waste and recycling collection services.

The following table sets out the Partner Authorities' priorities and actions for supporting local performance improvements with infrastructure:

The Partner Authorities' infrastructure priorities:

- We will contribute to national and regional targets on reducing waste sent to landfill
- We will secure access to waste treatment capacity in ways that support the Partner Authorities' priorities around reuse, repair and recycling
- We will establish resilient, responsive and flexible arrangements for future waste treatment, so that the Partner Authorities can continue to improve local services while remaining responsive to changes in global material markets and international policy
- We will seek to procure waste treatment services that provide local economic, environmental and social benefits
- We aim to support the Mayor's target of managing the equivalent of 100% of London's waste within the capital

More specifically we will:

- Maximise the use of, and value from, ELWA's existing waste treatment contract
- Develop a procurement plan for future waste treatment capacity, to support the aims and objectives of this Joint Strategy. A Strategic Environmental Assessment screening will form part of the procurement plan process
- Ensure effective and responsible future commissioning, considering issues such as flexibility, resilience, value for money, service quality, social value, and environmental impacts including greenhouse gas emissions
- Ensure that any future contracts commissioned will not impede the Partner Authorities' ability to improve recycling in line with aspirations to reach 50%
- Investigate options for supporting the development of appropriate new local infrastructure for reuse, repair and remanufacture, which provide opportunities for local regeneration
- Work with the Greater London Authority to deliver future infrastructure and waste treatment capacity solutions that align with the policies set out in the London Environment Strategy, and ensure compliance with the Mayor of London's Carbon Intensity Floor requirements³⁶ for any technology solutions considered that may include energy recovery (note: technologies will be considered as part of a procurement plan)
- Work with the Government, other local authorities and key stakeholders to encourage the development of local materials reprocessing capacity

Objectives: These priorities meet the following objectives of this Joint Strategy: O1, O3, O4, O5, O7

³⁶ [London Environment Strategy - Policy 7.3.2.b](#)

5 How Do We Get There?

The Joint Strategy has so far set out a number of priorities and actions for improving performance on waste reduction, reuse and recycling, as well as delivering future waste treatment capacity. This chapter will focus on how the Partner Authorities will work together to achieve, and improve on, the targets and aspirations set out in the previous chapter.

5.1 Partnership Working and Progress Reporting

This Joint Strategy has been developed by the Partner Authorities. The continuation of joint working will be important in successfully delivering the aims and objectives the Partner Authorities have set out (Section 1.4), and the Partner Authorities will need to work collectively to monitor progress against these goals. Appropriate governance arrangements will be developed to do this, which could include a Joint Strategy board or formal committee, which is likely to undertake activities including:

- allowing the Partner Authorities to share information on local proposals for improving services;
- identifying opportunities for residents and other stakeholders to provide feedback on progress;
- tracking the development of the ELWA procurement plan;
- continuing to engage with the GLA and other key stakeholders on future procurement and other key plans; and
- discussing further changes to national or regional policy that may influence the management of resources and waste in the Partner Authorities' area including those linked to carbon emissions.

New partnerships will also be important to helping to improve performance on waste reduction, reuse and recycling. Where appropriate, formal arrangements will be set up with other key organisations, such as local charities providing reuse services. More informal partnership working will be developed with national, regional and local organisations that have common goals to reduce waste, increase reuse and repair, and improve recycling. These organisations could include other local authorities or organisations representing local government.

5.2 Delivering Improvement

The Partner Authorities have committed to improving performance on waste reduction, reuse and recycling, and have set a joint **minimum performance** of 35% reuse, recycling and composting of their collected wastes by 2030 with aspirations to contribute as much as possible towards the London-wide ambition of 50% of household waste

The modelling that has been carried out to support the development of this Joint Strategy has provided the basis for setting performance aspirations through consideration of standard service models, and some anticipated service improvements have been highlighted. As discussed in section 4.3 the aspirations also take into consideration predicted changes to the way that recycling rates will be reported in the future which would mean a reduction in the current recycling rate.

Under the Government's Consistency proposals, all of the Partner Authorities will need to conduct assessments on the delivery of the required services and, and the degree to which materials should be collected separately from each other for recycling. This will require close coordination between the Constituent Councils and ELWA to ensure that the waste handling and treatment solutions driven by the collection services are deliverable in the context of the Partner Authorities' area. These review points will also provide an opportunity to ensure services are cost-effective, meet local needs, and are able to take full advantage of the opportunities that new national policies may bring.

The nature of the current long term waste treatment contract means that it may not be cost-effective for the Partner Authorities to make significant improvements to services before 2027. However, the Partner Authorities also recognise the importance of increasing local recycling rates as soon as possible and complying with emerging policy from the Resources and Waste Strategy, so will undertake analysis to determine the best times to make any changes that are planned during the transition process to new waste treatment arrangements. Service improvements will be set out in the Constituent Councils' Reduction and Recycling Plans. Work will also be undertaken to determine the most effective methods for equitably distributing the costs of future waste and recycling treatment services, in order to reduce barriers to improved performance and align with new policy and funding regimes such as those being developed by Government under the national Resources and Wastes Strategy or announced as part of the Net Zero Strategy.

5.3 Responding to Change

The Partner Authorities have identified a number of national and regional policies and initiatives that could affect how resources and waste are managed in the future, and have included estimated impacts within the forecasting and modelling work that underpins this Joint Strategy. This includes some of the proposals within the national Resources and Waste Strategy, for which experience and benchmarking from other European countries has been used to estimate what impact there could be in East London.

At the time of writing this Joint Strategy, the Covid-19 pandemic is still causing significant change and disruption across the world. The immediate impacts of this pandemic on resources and waste management in the Partner Authorities' area are well understood, but there could be longer-term effects that cannot yet be predicted.

Over the period of the Joint Strategy there are also likely to be other issues that arise which may mean that there are changes to how resources and waste are managed. The extensive forecasting work that has been undertaken to support the development of this document has attempted to identify a large number of these, including housing growth, climate change and innovations in product design, with research being used to develop predictions about what effect they may have. However, there may be other issues that arise which have not been foreseen, particularly in the longer term. As mentioned previously, effective future commissioning will consider issues such as flexibility and resilience as well as value for money, service quality, social value, and environmental impacts including greenhouse gas emissions.

The Partner Authorities will work together to review evolving national policy, so that the implications for local services and performance can be fully understood at the earliest

opportunity. The Partner Authorities will also continue to work closely with one another to understand how other issues are developing that may mean there needs to be fresh consideration of how resources and waste management could change in the future and the role that the Partner Authorities could play in mobilising a green economic recovery.

5.4 Reviewing the Joint Strategy

This Joint Strategy covers a 30-year period from the end of ELWA's current waste treatment contract in 2027.

Such a long-term strategy will require reviewing and updating to reflect how East London is changing, waste and recycling services are developing, performance is improving, and national and regional policy is evolving (including the London Environment Strategy, which has its own review periods³⁷).

The Partner Authorities will commit to undertake a high-level review of this Joint Strategy to ensure the targets, priorities and aspirations are appropriate once new national policy has been implemented, and once future waste and recycling collection and treatment arrangements are better understood. This process will also review whether the Joint Strategy remains in general conformity with the LES. The Partner Authorities will launch this review at the appropriate time, and will commit to this taking place by 2028. Reviews thereafter will be conducted at intervals of not more than 10 years, to ensure the Joint Strategy continues to drive improvement and enable the Partner Authorities to respond to evolving innovations and policies on resources and waste management.

³⁷ [LES Implementation Plan](#)

6 Measuring Success

This Joint Strategy sets out the principles for a long-term approach to managing waste and resources. The Partner Authorities will carry out regular reviews and updates to make sure the approach continues to be relevant, appropriate and effective. This will include monitoring the contribution to all of the Mayor of London's targets in any future update of the London Environment Strategy.

In order to know whether the aims and objectives of the Joint Strategy are being met, it is important to establish, monitor and report on appropriate measures.

6.1 Current Performance Indicators

The key measures which are currently reported by the Partner Authorities to the GLA and the UK Government currently include:

- Total tonnage of residual (non-recycled) waste per household (NI 191)
- Percentage of household waste sent for reuse, recycling or composting (NI 192)
- Percentage of waste sent to landfill (NI 193)

6.2 Proposed Performance Indicators

This section identifies the performance indicators that the Partner Authorities will use to monitor progress against the aims and objectives of the Joint Strategy.

6.2.1 Weight-Based Targets

Residual waste per household (kilograms/household/year) (NI 191) and per head (kilogram/head/year)

These will be core performance indicators for the Partner Authorities. They measure the amount of residual household waste that residents dispose of, either through their regular collection from home, at the Reuse and Recycling Centres, or through street litter bins. Positive performance is indicated by the figures reducing against the indicators, and this can be achieved not only by recycling, but also through reducing overall waste generation and diverting more unwanted or broken items for reuse or repair.

Evolving national policies may result in less recyclable waste being presented to local authorities to manage, with it instead being returned to producers through take-back schemes or a national Deposit Return Scheme. This would be a positive development, but it could be detrimental to the recycling performance that local authorities are able to report. However, the positive impacts of these types of scheme would still be captured through monitoring of these indicators, as the amount of residual waste that residents produce would be likely to reduce.

These measures will allow monitoring against the following objectives of this Joint Strategy:

O1, O2, O4, O5, O6

Percentage of household waste sent for reuse, recycling or composting (NI 192)

LACW reused, recycled or composted (%)

In addition to continuing to use the existing NI 192 measure of household waste reused, recycled or composted, an expanded metric which covers all Local Authority Collected Waste (LACW) will also be used. This includes household waste, as well as the commercial waste that local authorities collect from local businesses that choose to use the council's service. Use of these metrics is in line with the London Environment Strategy, which has set reuse, recycling and composting targets for both LACW and household waste, and this Joint Strategy has set a joint minimum performance against the LACW measure of 35% by 2030 with aspirations to reach 50% household waste reused, recycled or composted.

This measure will allow monitoring against the following objectives of this Joint Strategy:

O1, O2, O4, O5, O6

Percentage of waste sent to landfill (NI 193)

This indicator will monitor how well the Joint Strategy is delivering against national and regional targets on reducing the use of landfill. Disposing of waste in landfill does not allow either the material or energy content to be recovered, so is considered to be the least desirable method of disposal.

This measure will allow monitoring against the following objectives of this Joint Strategy:

O3, O4, O5

In addition, the Partner Authorities will continue to report against the existing household waste-based reuse, recycling and composting indicator (NI 192), until such a time as it is reviewed by the Government. This indicator is no longer statutory, but continues to be used by local authorities for consistency and performance monitoring and so is useful for benchmarking.

6.2.2 Greenhouse Gas Emissions

The consumption of goods and services, and the management of the resources and waste that arise from these activities, results in greenhouse gas emissions. These emissions can vary significantly according to how the waste materials are being managed, and it is important to consider the "whole system" of collections and treatment when comparing different approaches to resources and waste management.

It is common for the measurement of different greenhouse gas emissions to be standardised into 'carbon equivalent' emissions. This reflects that the various greenhouse gases (such as carbon dioxide and methane) have different impacts when released into the atmosphere, and allows for easier comparisons of the many types of activity that produce greenhouse gas emissions.

Carbon emissions will need to be monitored to help the Partner Authorities understand how the Joint Strategy is delivering against local, regional and national ambitions on reducing environmental impact and achieving 'net zero' carbon emissions.

At the time of writing this Joint Strategy, the Constituent Councils are developing local approaches for measuring, monitoring and reducing greenhouse gas emissions, while also contributing to London-wide initiatives to agree standard approaches. The Partner Authorities will work together to develop suitable measuring and monitoring frameworks for the Joint Strategy, so that the impacts of resources and waste management can be appropriately reported at a local level.

At a regional level, the GLA's Emissions Performance Standard will be used to monitor performance and model the impacts of proposed new services, and new waste treatment solutions will be assessed against the Carbon Intensity Floor³⁸ where applicable. The Partner Authorities will also feed into national reporting regimes as they are developed.

These approaches to monitoring greenhouse gas emissions associated with the management of East London's resources and waste will allow monitoring against the following objectives of this Joint Strategy:

O4, O5

6.2.3 Air Quality

Air quality is a top priority in many urban areas, including East London, and developing approaches to reducing pollution and improving the quality of the air we breathe requires a good understanding of the sources of pollution.

The collection and treatment of resources and waste needs to be considered as part of improving air quality. The Partner Authorities will work together to develop effective reduction, abatement, measuring and monitoring approaches for pollution emissions associated with local resources and waste management, feeding into regional work being taken forward to deliver on the air quality policies within the London Environment Strategy.

These approaches to monitoring air quality impacts associated with the management of East London's resources and waste will allow monitoring against the following objectives of this Joint Strategy:

O4, O5

6.2.4 Social Value

Increasingly, organisations are considering their activities holistically, taking account of the wider economic, social and environmental effects of their actions. Social Value serves as an umbrella term for these broader effects, and organisations which make a conscious effort to ensure that these effects are positive can be seen as adding social value by contributing to the long-term wellbeing and resilience of individuals, communities and society in general³⁹. Local Authorities can take social value into account through their policy and spending decisions to maximise the benefit for the communities they serve.

³⁸ [London Environment Strategy - Policy 7.3.2.b](#)

³⁹ [What is Social Value? - Social Value Portal](#)

There are established tools for understanding the social value that different services or contracts can bring, which can then be used to monitor the delivery of the anticipated social benefits. One example is the Social Value Portal, which a number of local authorities are now using as part of their procurement and contract management processes. The Partner Authorities will explore the options available for monitoring and reporting on social value, so that opportunities to enhance local communities through this Joint Strategy and the development of future services are fully realised.

Monitoring the social value of local resources and waste management services will allow monitoring against the following objectives of this Joint Strategy:

O4, O5, O6, O7

6.3 New Performance Measures

In 2019 the Government consulted on proposals contained within the Resources and Waste Strategy to reduce waste, increase recycling and improve the quality of the recycling collected. As part of further consultations released in spring 2021 (feedback due in spring 2022), the government sought views on introducing new national Key Performance Indicators and developing alternative methods for measuring performance on resources and waste management. Waste-related performance has traditionally been measured by weight, but the limitations of this approach are becoming clearer as it can result in a focus on collecting heavier recyclable materials (such as garden waste) rather than those which may offer the best overall environmental benefits through being recycled.

The Government has recognised that other methods of measuring waste and recycling performance are needed, such as looking at the impact on climate change.

As mentioned in Chapter 3.2.1, the Government is increasingly using a natural capital approach when developing and implementing policy. The importance of nature has also been emphasised in the recent publication, *The Economics of Biodiversity: The Dasgupta Review*⁴⁰, which highlights the need to change how we think, act and measure success. It states that 'introducing natural capital into national accounting systems would be a critical step towards making inclusive wealth our measure of progress'. It is likely that over the life of the Joint Strategy new metrics will be introduced that place an emphasis on the value of nature including valuing our natural resources.

The Partner Authorities will continue to monitor the evolution of these proposals in addition to wider environmental proposals, and will adapt their monitoring and reporting approaches accordingly.

Developing new environmental performance measures in line with evolving national and regional policy will allow monitoring against the following objectives of this Joint Strategy:

O4, O5

⁴⁰ [Final Report - The Economics of Biodiversity: The Dasgupta Review - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/95252/final-report-the-economics-of-biodiversity-the-dasgupta-review.pdf)

6.4 New Funding Regimes

The Partner Authorities will review the way in which ELWA's costs are apportioned between the Constituent Councils so that, the Constituent Councils' pay equitably for the services they use. The most appropriate time to implement any changes is expected to be when successor services to ELWA's current long-term contract are put in place.

Such new financial arrangements will have to take account of new national regimes to be introduced under the Resources and Waste Strategy, once these have become clear. Similarly, any further new national regimes introduced during the term of this Joint Strategy may require a further review to ensure there continues to be an equitable distribution of costs.

The Partner Authorities should then all have both an environmental and a financial business case to improve services and reduce environmental impacts as much as possible.

Developing new financial arrangements locally will allow monitoring against the following objectives of this Joint Strategy

O8

Glossary

Term	Definition
Biodegradable Waste	Biodegradable waste is any product that can be easily broken down naturally by water, oxygen, the sun's rays, radiation, or microorganisms. It includes most food and green garden waste, and can include some paper and card.
Carbon Dioxide (CO₂)	Principal greenhouse gas related to climate change.
Carbon Dioxide-Equivalent (CO₂e)	The universal unit of measurement used to indicate the global warming potential (GWP) of greenhouse gases. It is used to evaluate the impacts of releasing (or avoiding the release of) different greenhouse gases. For example, the GWP of methane is 21 times that of CO ₂ , which has a GWP of 1. Sulphur hexafluoride has a GWP of 23,900. A CO ₂ -equivalent figure is used to represent the warming impact of greenhouse gases.
Carbon Footprint	Total greenhouse gas emissions resulting from an activity or group of activities, including embodied carbon.
Carbon Intensity Floor	The CO ₂ e emissions performance level set for electricity generated from London's municipal waste to achieve. The carbon intensity floor has been set at the level whereby any electricity generated from London's municipal waste is to be no more polluting in carbon terms than the electricity source it replaces. The carbon intensity floor sits within the Emissions Performance Standard that has been set for London's activities associated with the collection, treatment and final disposal of London's municipal waste to achieve.
Circular Economy	An economic model in which resources are kept in use at the highest level possible for as long as possible in order to maximise value and reduce waste, moving away from the traditional linear economic model of 'make, use, dispose'.
Climate Change	A large scale, long-term shift in the planet's weather patterns or average temperatures. Characterised by higher temperatures, sea level rise, changing rainfall, and more frequent and severe extreme weather.
Commercially Collected Waste	Waste from businesses in the possession or control of a body or organisation that is not a waste authority
Composition Analysis	An analysis of the different items present within waste. This can include the types and weight of items and materials.

Term	Definition
GLA	The Greater London Authority is the administrative body for Greater London. It comprises a directly elected Mayor and directly elected London Assembly.
Greenhouse Gas (GHG)	Any gas that induces the greenhouse effect, trapping heat within the atmosphere that would normally be lost to space, resulting in an increase in average atmospheric temperatures, contributing to climate change. Examples include carbon dioxide, methane and nitrous oxides.
Household Waste	All waste collected by Waste Collection Authorities under section 45(1) of the Environmental Protection Act 1990, plus all waste arisings from Civic Amenity sites and waste collected by third parties for which collection or disposal credits are paid under Section 52 of the Environmental Protection Act 1990. Household waste includes waste from collection rounds of domestic properties (including separate rounds for the collection of recyclables), schools, public buildings, street cleansing and litter collection, beach cleansing, bulky household waste collections, hazardous household waste collections, household clinical waste collections, garden waste collections, Civic Amenity/Reuse and Recycling Centre wastes, drop-off/'bring' systems, clearance of fly-tipped wastes, weekend skip services and any other household waste collected by the waste authorities. Household waste accounts for approximately four fifths of London's municipal waste.
Local Authority Collected Waste (LACW)	All waste in the possession or control of waste authorities. This includes waste collected from households and businesses.
Municipal Waste	Household waste or business waste that is similar in composition irrespective of who collects or disposes of it.
Natural Capital	London's natural capital is the set of environmental resources (open land, air, water, wildlife) that provides services - such as flood protection or cleaner air. Natural capital benefits the wellbeing of Londoners and the city's economy. Alongside other forms of capital - such as human knowledge and skills, manufactured goods, buildings and products - natural capital is a valuable asset that must be managed sustainably to secure and improve these benefits.
Net Zero	'Net zero' refers to achieving an overall balance between emissions produced and emissions taken out of the atmosphere.
Polluter Pays Principle	The 'polluter pays' principle is the commonly accepted practice that those who produce pollution should bear the costs of managing it to prevent damage to human health or the environment.

Term	Definition
Recycling	Waste Framework Directive: 'any recovery operation by which waste materials are reprocessed into products, materials or substances whether for the original or other purposes. It includes the reprocessing of organic material but does not include energy recovery and the reprocessing into materials that are to be used as fuels or for backfilling operations'
Responsible Procurement	Socially, environmentally and economically sustainable procurement to deliver an improved quality of life and better value for money. It involves working across London to provide sustained employment opportunities and improve working conditions. It means opening up access to contract opportunities for London's diverse businesses, and voluntary and community sector organisations, encouraging improved practices with suppliers and promoting greater environmental sustainability to make London a better place to live and work.
Residual Waste	Waste that is left once recyclable waste or reusable items have been separated.
Reuse	Waste Framework Directive: 'any operation by which products or components that are not waste are used again for the same purpose for which they were conceived' The processes contribute to sustainable development and can save raw materials, energy and transport costs.
Social Value	<p>Increasingly, organisations are considering their activities holistically, taking account of the wider economic, social and environmental effects of their actions.</p> <p>Social Value serves as an umbrella term for these broader effects, and organisations which make a conscious effort to ensure that these effects are positive can be seen as adding social value by contributing to the long-term wellbeing and resilience of individuals, communities and society in general.</p> <p>The United Nations Sustainable Development Goals are, in effect, a social value charter for the planet.</p> <p>Public sector bodies can take social value into account through their policy and spending decisions to maximise the benefit for the communities they serve. Businesses can make decisions both about what they do and how they do it in ways that add social value.</p>
Waste	Any substance or object which the holder discards, intends to discard or is required to discard.

Term	Definition
Waste Authority	A Waste Collection Authority and a Waste Disposal Authority. It includes London's 33 waste collection authorities (all 32 boroughs and the City of London), those 12 authorities that are "unitary" waste authorities (combined collection and disposal) and the 4 statutory waste disposal authorities.
Waste Collection Authority	The authority responsible for arranging the collection of household waste in their area (in London this is on a borough-wide basis) and commercial or industrial waste on request.
Waste Disposal Authority	The authority responsible for arranging for the disposal of waste collected in their area by the Waste Collection Authority. They also provide sites where householders can deposit waste free of charge (Reuse and Recycling Centres).
Waste Prevention	<p>Waste Framework Directive: 'measures taken before a substance, material or product has become waste, that reduce:</p> <ul style="list-style-type: none"> (a) the quantity of waste, including through the re-use of products or the extension of the life span of products; (b) the adverse impacts of the generated waste on the environment and human health; (c) the content of harmful substances in materials and products.

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Consultation Report

Summary of Responses – Public Consultation

Joint Strategy for East London's Resources and Waste 2027 – 2057

Report for East London Partner Authorities

Report for East London Partner Authorities - ED13247100

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1 Introduction

It is important that the environment is left in a better condition for the next generation.

The Joint Strategy for East London's Resources and Waste (2027 – 2057) sets out the strategic aims and ambitions for resources and waste management of the five Partner Authorities, namely the East London Waste Authority (ELWA) and the London Boroughs of Barking and Dagenham, Havering, Newham and Redbridge (these four together being also known as the Constituent Councils). The Partner Authorities work together to manage resources (the materials we recycle and donate for reuse) and waste within their boundaries.

The Joint Strategy is a plan for the future. The management of resources and waste requires a long-term approach so that the right infrastructure can be secured or built or adapted to treat the materials we throw away and those we sort for recycling. The Joint Strategy starts in 2027, when the current contract to treat East London's waste and recycling comes to an end and runs until 2057 to reflect the typical life of large-scale resources and waste treatment infrastructure.

The Joint Strategy has four key themes, namely:

- Waste prevention
- Reuse and repair
- Recycling
- Supporting improvements with infrastructure

In the development of the Joint Strategy a full public consultation and engagement process was undertaken to better understand the needs of communities within East London, their views on waste and the environment, and to gauge public perception of the proposals for the future.

The public consultation was carried out for eight weeks between 26 July and 20 September 2021. During this period feedback was gathered via an online focus group, a later virtual drop-in session, and an online (and paper) survey.

The draft Joint Strategy was also sent to the Greater London Authority and a Mayoral response to the public consultation was received.

It was also considered whether a Strategic Environmental Assessment (SEA) needed to be conducted. A screening assessment was developed and sent to the following statutory consultees for feedback:

- Environment Agency,
- Historic England,
- Natural England.

This report provides the results of all the engagement activities, copies of responses received from statutory stakeholders and details of the amendments made to the Joint Strategy.

2 Consultation promotion and interactions

The Joint Strategy has been informed by the views of local residents, businesses and other interested stakeholders, officers and Elected Members within the Partner Authorities and those of statutory stakeholders including the Greater London Authority. To raise awareness of the consultation and to encourage as many people as possible to engage and provide feedback the online survey and virtual drop-in session were promoted in the following ways:

- A press release was developed and issued to all Partner Authorities along with suggested text for social media posts
- A dedicated web page containing information about the draft Joint Strategy and all supporting documents was hosted on the ELWA website¹

¹ <https://eastlondonwaste.gov.uk/jointstrategy/>

- Regular updates were provided to the Partner Authorities regarding the online survey and virtual drop-in session
- Posters were developed and sent to the central library within each Borough for further distribution to all libraries. Electronic versions of the poster were also made available for library screens

To ensure the consultation was accessible for all members of the community, feedback could be provided online via the online survey, a dedicated email address, or at the virtual drop-in session. The option to respond by post was also made available, with stakeholders being able to request paper copies of the survey by email, telephone or in writing.

During the planning of the consultation events some local restrictions due to the Covid-19 pandemic were still in place and it was decided that the focus group and drop-in session would be held virtually rather than in-person.

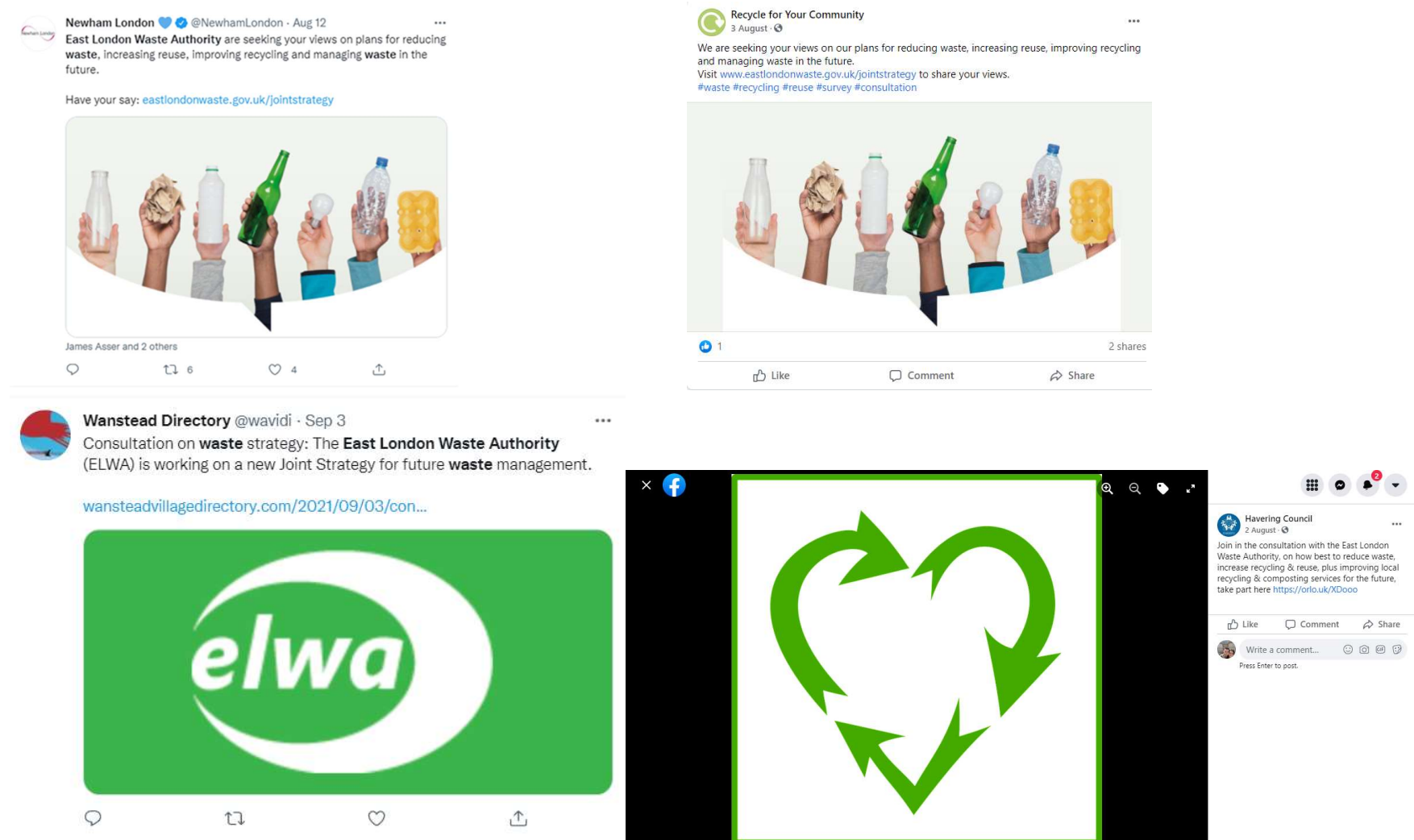
2.1 Social Media

Example social media posts were distributed for use to each Council and to Keep Britain Tidy (who run the 'Recycle for Your Community' campaign and associated social media channels). Example posts, including those promoting the online consultation survey and the virtual drop-in session, were available for use. **Error! Reference source not found.** provides a summary of the posts and interactions and Figure 1 provides a selection of example posts across Twitter and Facebook. All of the social media posts were designed as focussed information provision (highlighting events and the consultation survey) and as such were not designed to prompt direct interaction with the post.

Table 1: Summary of social media posts and interactions during the consultation period

Total posts:	20
Total interactions: (likes and shares):	44
Total comments:	4
Comments relevant to the draft Joint Strategy	Increase the range of materials collected (including glass)

Figure 1: Example social media posts



3 Online Survey

An online survey was launched at the start of the eight-week consultation period. The survey asked for feedback on the priorities and opportunities contained within the draft Joint Strategy, provided the opportunity to comment on individual chapters and also provide general feedback. Information was requested from the respondent on the area in which they lived and whether they were responding as a resident or business. A number of equalities-based questions were also posed to monitor equalities.

A full copy of the responses to each question can be found in the survey report in Appendix A.

In total 425 people accessed the survey, and the majority of the individual questions received over 200 responses. Questions could be skipped if preferred, providing respondents with the opportunity to comment only on the areas they wanted to raise. Over 500 individual comments were recorded which were grouped into themes and considered against the draft Joint Strategy to identify opportunities to incorporate feedback into the final version. The six themes with the greatest number of comments are shown in Table 2. It is important to note that comments that were categorised under the Waste Collection Authority Issue theme were all related to local service issues / suggestions and not to the themes of the Joint Strategy.

Table 2: Themes with the greatest number of comments associated with them

Key Theme	Number of comments	Example Response
Increase number of materials that can be recycled	112	Requests to be able to recycle food waste, glass, textiles, garden waste and plastics
Waste Collection Authority Issue	65	Suggestions for service change improvements (not related to the strategy)
Influence	39	Advocate government to drive better waste management practices such as reducing plastic packaging
Communications and engagement	39	Consistent and regular communications on waste issues including what can be recycled and how to reuse and repair items
Waste prevention	38	Activities that will reduce the amount of waste produced
Delivery improvements and measuring success	30	Requests to convert strategy into action and to move as quickly as possible to improve performance

The responses raised by participants across all of the consultation activities have been summarised in Chapter 8: Recommendations for updating the draft Joint Strategy, with Table 5 providing details of how the responses relate to the joint Draft Strategy.

4 Focus Group

Focus groups are a qualitative research tool that can be beneficial to use when wanting to explore issues in more depth. They can also provide insights from traditionally hard to reach demographics that may not be inclined to respond to an online survey.

To support the Partner Authorities in gathering residents' views on the draft strategy, M·E·L Research working with Ricardo, delivered an online focus group with 10 residents on Wednesday 4th August 2021 between 10.30am and 12pm. Participants were from each of the Boroughs, with three residing in flats, proportionate to the average proportion of flat dwellers living across the area.

Participants were recruited using a specialist Market Research Society (MRS) accredited recruiter. Participants were provided with an incentive of a £40 gift voucher for their participation in the focus group.

The focus group provided an opportunity to understand more about the thoughts of residents on the priorities that had been identified within the draft Joint Strategy and whether participants would like to change, add to, or delete any of them.

A simplified version of the Priorities and Opportunities were shown to the participants during the focus group and each of the four themes was discussed in turn.

Full details of the focus group outputs and topic guide along with the demographic profile of the participants can be found in Appendix B.

4.1 Key themes

Headline comments arising from the focus group are detailed in Table 3. The comments covered a range of areas associated with the Priorities and Opportunities contained within the draft Joint Strategy as well as some local issues that the attendees felt passionate about.

Table 3: Comments arising from the focus group by theme

Key Themes	Comments
General	Education and communication is important
	Important to work with the community and community organisations
Waste Prevention	Single use plastics are a concern
	Packaging arising from online deliveries needs to be reduced
Reuse and Repair	Increase communications on reuse and repair
	Work more closely with charity shops and other organisations to offer repair services (or signpost to them).
	Offer repair workshops/cafes in libraries or community centres
Recycling	Deposit Return Scheme welcomed
	Barriers to recycling include full and overflowing bins/banks
	More information on how materials are recycled and whether everything is recycled would be welcomed e.g. video
	Desire to recycle food waste
	The materials you can recycle should be consistent across all Boroughs
	Desire to recycle more traditionally difficult to recycle items such as coffee pods and flexible packaging
	Extended Producer Responsibility welcomed if it leads to more packaging being able to be recycled
Infrastructure	50% target is tough but could be achievable with work on single use plastics a reduction in packaging and access to food waste recycling
	More infrastructure / capacity required for flats – some blocks only have access to waste chutes
	Low levels of use of the Reuse and Recycle Centres amongst the participants. Not having a car was flagged as an issue and will be in the future if we're moving towards a car free society

Key Themes	Comments
	Greater transparency about the contract – where does the material go? Videos and more information would be welcomed
Strategy	Provide more information on implementation so that it's more relatable to the public

5 Virtual Drop-In Session

A virtual drop-in session that was open to everyone was held on Wednesday 8th September 2021 from 7-9pm. The purpose of the session was for residents to be able to ask questions about the draft Joint Strategy and/or online survey and also provide verbal feedback on the proposals.

The session was advertised using social media channels and invitations were sent to Partner Authority representatives and Elected Members for distribution to local community groups and interested parties. 14 people registered for the session and 4 attended.

A short presentation was provided (Appendix C) which provided an overview of the draft Joint Strategy and the priorities and opportunities contained within it. A lively discussion took place, which filled the two hours, with residents asking questions around packaging, reuse, repair and recycling, amongst other topics. Table 4 provides an overview of the feedback and questions asked that were related to / pertinent to the draft Joint Strategy.

Table 4: Key themes pertinent to the draft Joint Strategy

Key Themes	Headline feedback / Questions
General	Support for community peer to peer projects and education?
Reuse and Repair	Could reuse/repair shops and stores be opened on the high street? Opportunity for economic regeneration
	Opportunities for a repair café or loan shop?
	Further opportunities for reuse at Jenkins lane – linked to a potential reuse shop
	Signposting reuse sites / apps where food and other items could be passed on or shared
Recycling	Supermarkets now collecting flexibles – could the Partners work with them in the future?
	Increase the number of items that can be recycled in the future e.g. Tetrapak
	Greater feedback on contamination e.g. stickers on bins
	Responsibility for landlords to educate tenants / pass on information on recycling. Particularly HMOs. Potential to link with landlord licencing
Future policy	A Deposit Return Scheme, particularly for plastic would be welcomed
	Keen to see further information on packaging regarding recyclability
Strategy	How can it remain flexible given all the policy changes in the future?
	Will the new (treatment and disposal) contract reward boroughs for recycling in the future?

6 Strategic Environmental Assessment

It was considered whether a Strategic Environmental Assessment (SEA) needed to be conducted for the draft Joint Strategy. A screening assessment was developed and sent to the following statutory consultees for feedback:

- Environment Agency,
- Historic England,
- Natural England.

Following the dispatch of the screening assessment, all consultees were contacted by telephone and follow-up emails were sent during September to encourage responses within the consultation timeframe from those that were yet to respond. Responses were received from Historic England and Natural England. No response was received from the Environment Agency. Full responses can be found in Appendix D. In summary it was confirmed by the consultees that responded that a full SEA was not needed for the Joint Strategy.

7 Greater London Authority

During the development of the draft Joint Strategy, officers from the Greater London Authority were invited to workshops and meetings to facilitate early engagement in the drafting process. A Mayoral response was provided to the public consultation, a copy of which can be found in Appendix E

The Mayor thanked the Partner Authorities for their proactive early engagement with his officers in the Joint Strategy's development process, ensuring that consideration of their legal duty² to perform their waste functions in general conformity with the 2018 London Environment Strategy's (LES) municipal waste management provisions has been programmed in, and accounted for, at the earliest opportunity.

The Mayor's conclusion is that the draft Joint Strategy's recycling targets do make a fair and proportionate contribution to his LES's recycling targets, and that the Joint Strategy is broadly consistent with his overall aims and intentions as laid out in the municipal waste provisions of the LES (subject to the comments and changes suggested in his response). However, this is with the proviso that the lower, floor target for local authority collected wastes, and the borough specific ones that constitute it, do not become the de facto target (s) for the Partner Authorities.

Recommendations outlined within the Mayoral response that have been included within the Joint Strategy included highlighting that targets outlined indicate a joint **minimum** performance, and that local aspirations proposed would allow the Partner Authorities to contribute to the targets within the LES and the Resources and Waste Strategy.

8 Recommendations for updating the draft Joint Strategy

All of the feedback received as part of the consultation activities was reviewed against the draft Joint Strategy to identify where there were opportunities to strengthen it. Table 5 below provides a summary of the key themes received as feedback during the public consultation, and how they have been considered when updating and finalising the Joint Strategy. The key takeaway points are that the vast majority of suggestions made are for recommendations that already featured within the draft Joint Strategy. Many of the suggestions such as collecting more materials are also already being implemented or are in planning to be implemented prior to the start of the Joint Strategy period in 2027.

² Section 355 of the Greater London Authority Act 1999 ("GLA Act 1999")

Table 5: Summary of headline responses and how they relate to the draft Joint Strategy

Theme	Comments	Strategy
Waste Prevention		
Waste Prevention	Food waste and reduction of plastic waste were raised several times by respondents along with calls to reduce packaging waste.	There are a number of priorities and objectives around waste prevention. ELWA has also begun its first Waste Prevention Programme working collaboratively with the Constituent Councils, which identifies key material streams that will be the focus in the first year (2021/22) and a planned second year plan under development. No updates required.
Signpost refill	Comments were raised around more local shops having refill points	Refill will be a focus for the second year of the existing Waste Prevention Programme. No updates required.
Reuse and Repair		
Incentive scheme	Incentivising recycling but also reuse and repair	Available evidence has pointed to mixed results from incentive campaigns. Reuse, repair and recycling will continue to be promoted but specific incentive schemes will be a choice for the Constituent Councils. No updates required.
Expand bulky waste collections	A number of comments flagged access to RRCs (particularly for those without access to cars). Working with landlords to encourage mattress recycling was also raised.	A number of priorities are contained within the Joint Strategy around exploring options for providing or supporting existing and new reuse collection services from homes and businesses. No updates required.
Increase reuse at RRCs	A number of comments on how reuse could be increased (particularly for furniture) at RRCs	A priority within the Joint Strategy is around investigating opportunities for increasing reuse provision (and retail outlets at the RRCs or elsewhere). No updates required.
Signpost repair and reuse and encourage purchase of reused goods	Respondents highlighted local services. Local economic generation. Loan shops where residents can hire commonly used items such as household drills.	A priority within the Joint Strategy is to raise awareness of repair options available within the Partner Authorities' area and also to work with local reuse organisations. This area is already being worked on as part of the Waste Prevention Programme. No updates required.
Recycling		
Food waste recycling	A large number of comments around food waste recycling	Government policy indicates that all local authorities will need to introduce

Theme	Comments	Strategy
	including requests for it to be rolled out to flats and businesses were received.	<p>food waste recycling when contracts permit and Government funding for this is likely to be made available. The Partner Authorities are keen to make this available for all residents and it is already a priority within the Joint Strategy.</p> <p>No updates required.</p>
Increased targets	A small number of comments indicated that the food waste reduction target should be met sooner and that 50% of all waste should be reduced. A small number of comments also stated that the minimum joint recycling target of 35% was not ambitious enough.	<p>The Joint strategy starts in 2027. Food waste reduction and other waste reduction initiatives are already a focus of the Waste Prevention Programme. A joint minimum reuse, recycling and composting performance of 35% has been set, and ambitions are stated to achieve higher rates than this. A 50% aspirational target for recycling is highlighted.</p> <p>No updates required.</p>
Increase number of materials that can be recycled from home and at RRCs	The greatest number of comments received were around increasing the number of materials collected for recycling. Materials stated included: plastics, food, glass, textiles and garden waste.	<p>Many of the Partner Authorities are already collecting a wider range of recyclables (see individual websites for further details). Plans are underway to increase this range as soon as contracts permit and markets are available. Government policy also indicates that a common set of materials should be collected in the future.</p> <p>No updates required.</p>
Consistency of collection and communications on what can be recycled	Some respondents requested a desire for consistency across of collections across the Partner Authorities	<p>A priority within the Joint Strategy is to work together to offer the Mayor's minimum level of household recycling service provision, providing residents with straightforward and easy-to-use recycling collection services.</p> <p>No updates required.</p>
Supporting improvements with infrastructure		
Influence	A number of comments focus on what government and businesses should do and how the Partner Authorities could work with them to drive change. Examples included working with supermarkets on difficult to recycle materials such as plastic film	<p>The Partner Authorities will work alongside new policy commitments (including Extended Producer Responsibility to be introduced by the government) which should provide opportunities to maximise household packaging and plastic film for recycling and further opportunities to work across the supply chain with brands and material reprocessors.</p> <p>No updates required.</p>

Theme	Comments	Strategy
Delivery improvements and measuring success	A large number of comments highlighting that action is required sooner and 'actions' should be drawn from the strategy. KPIs required for the priorities. Linked to targets. Aim for better performance – recycling and food waste prevention mainly	<p>Many of the priorities identified within the Joint Strategy have already started to be actioned, including expanding the range of materials that can be collected and encouraging waste prevention, reuse and repair. Opportunities to increase performance will continue to be identified and action taken.</p> <p>Wording strengthened to highlight that minimum performance levels will not be adopted as 'de facto' targets. The Partner Authorities are committed to increase performance beyond the minimum recycling rates and carbon emission rates identified.</p>
Other		
Focus on working with community organisations and identifying opportunities to enhance skills	Working with local community groups on reuse and repair and general engagement on recycling. Enhancing repair skills but also linked to jobs in waste and recycling	<p>A priority within the Joint Strategy is to work with local reuse organisations. This area is already being worked on as part of the Waste Prevention Plan.</p> <p>No updates required.</p>
Communications, engagement and education	Requests for greater communications on recycling and clarity over what can be recycled. Working with schools identified as being important for the future	<p>A number of priorities and opportunities within the Joint Strategy are focused on engaging with residents and businesses and also working with schools to promote waste prevention, reuse and recycling.</p> <p>No updates required.</p>
Emission reduction	EV fleet, emission reductions	<p>Wording strengthened to highlight that minimum performance levels (including the carbon floor) will not be adopted as 'de facto' targets. The Partner Authorities are committed to increase performance beyond the minimum recycling rates and carbon emission rates identified. The aims and objectives of the Joint Strategy also include an objective to reduce greenhouse gas emissions.</p>

Appendices

Appendices reports are available separately at
www.eastlondonwaste.gov.uk/jointstrategy

Appendix A: Online Survey Full Responses

Appendix B: Focus Group Responses

Appendix C: Virtual Drop-In Session Presentation

Appendix D: SEA Screening Report Statutory Responses

Appendix E: Greater London Authority Response



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Initial Equality Impact Assessment and Analysis (EqIA)

This document provides an initial analysis of equalities impacts in relation to the draft Joint Strategy for East London's Resources and Waste 2027 – 2057 (the 'Joint Strategy').

The draft Joint Strategy sets out how the five Partner Authorities, namely the East London Waste Authority (ELWA) and the London Boroughs of Barking and Dagenham, Havering, Newham and Redbridge, will preserve resources by minimising waste, promoting resource efficiency and moving towards a circular economy, all of which will help to protect the natural environment and reduce carbon emissions.

As public bodies, the Partner Authorities must comply with the Public Sector Equality Duty (PSED). This part of the Equality Act 2010 requires public bodies and organisations to consider any needs of or the impact on people with protected characteristics, which include:

- Age
- Disability
- Gender Reassignment
- Marriage and Civil Partnership
- Pregnancy and Maternity
- Race
- Religion or Belief
- Sex
- Sexual Orientation

An EqIA is a tool used to demonstrate that PSED duties have been met within the Equality Act 2010. The EqIA process helps organisations to make more inclusive decisions and to ensure that programmes, policies, projects and services work well for residents, businesses and staff.

Therefore, the Partner Authorities wish to hear and proactively consider any comments in relation to how any aspect of the issues presented may impact on any sections of the community as listed above. Any feedback in relation to equalities and any point raised within this document will inform a full Equality Impact Assessment and Analysis of the Joint Strategy.

It should be noted that although the Joint Strategy sets out that there will need to be service improvement and changes these will need to be designed according to local needs and will be subject to individual EqIA conducted by the relevant Partner Authority.

You can find out more and tell us your views by visiting the link below and completing the online survey:

Online: www.eastlondon.gov.uk/jointstrategy

Email: consultation@eastlondon.co.uk

Telephone: 020 8724 5803

Paper copies of the consultation will also be available from local libraries.

Address: Address to be confirmed

Introduction

This EqIA discusses the draft Joint Strategy for Resources and Waste Management in East London 2027 – 2057

Summary of the aims and objectives

The draft Joint Strategy sets out the strategic aims and aspirations for resources and waste management of the five Partner Authorities, and outlines how the Partner Authorities will work together to manage resources and waste within their boundaries between 2027 and 2057, after the end of the long-term contract for waste treatment services.

Working with residents and businesses, the Partner Authorities want to make it as easy as possible to produce less waste, and to reuse, repair, and recycle more items and materials. Within the Joint Strategy a series of priorities are outlined that will help facilitate this, including how the Partner Authorities will support future improvements with infrastructure. These priorities will form the basis of how the Partner Authorities will manage waste in the future, contribute to London-wide and national targets, and meet the aspirations for future performance. The Partner Authorities will need to work together to achieve these goals. The priorities outlined are the subject of this Equalities Impact Assessment.

The draft Joint Strategy also outlines the journey required to deliver improvement and respond to future changes. The Joint Strategy starts in 2027 once the current long-term contract for waste and recycling treatment comes to an end, but it is recognised that action to deliver improvements needs to start as soon as possible to achieve future performance aspirations.

Joint Strategy Aims

The aims of the Joint Strategy are:

- A1. to promote and implement sustainable municipal resources and wastes management policies in East London as part of our contribution to transitioning to a more Circular Economy;**
- A2. to minimise the overall environmental impacts of resources and wastes management;**
- A3. to engage residents, community groups, local business and any other interested parties in the development and implementation of the above resources and wastes management policies; and**
- A4. to provide customer-focused, cost-effective, best value services.**

Joint Strategy Objectives

The objectives of the Joint Strategy are:

- O1. to minimise the amount of municipal wastes arising;**
- O2. to maximise reuse, recycling and composting rates;**
- O3. to maximise the diversion of resources and wastes from landfill, particularly organic materials that would produce greenhouse gases;**
- O4. to co-ordinate and continuously improve municipal wastes minimisation and management policies in East London;**
- O5. to manage municipal wastes in the most environmentally benign and economically efficient ways possible, including reducing greenhouse gas emissions, through the provision and co-ordination of appropriate resources and wastes management facilities and services;**
- O6. to ensure that services and information are fully accessible to all members of the community;**
- O7. to maximise all opportunities for local regeneration and increased social value benefits from waste and resource management, including employment, skills and wellbeing; and**
- O8. to ensure an equitable distribution of costs, so that those who produce or manage the waste pay for it.**

Who is affected by the Joint Strategy?

The Joint Strategy will affect all residents within the Partner Authorities' area, any businesses that use the waste and recycling services of the Partner Authorities and any staff involved in the delivery of services.

Consultation

A fully compliant consultation will be undertaken in Summer/Autumn 2021. Equalities impacts and monitoring are included in the consultation as shown within this document. Following the consultation feedback received will be included within a consultation report.

The Partner Authorities have considered equalities for the development of the draft Joint Strategy and delivery of the consultation in a number of ways including:

- Provision of paper copies of the draft Joint Strategy and consultation for those without access to the internet. Paper copies will be available from local libraries or on request from East London Waste Authority (contact details provided)
- A general drop-in session will be provided for Q&A on the Draft Strategy and to provide support with the consultation survey. The drop-in session is likely to be virtual due to ongoing Covid restrictions and concerns
- A focus group which will be designed to be representative of the diverse communities in East London and will take into consideration protected characteristics will be run on the draft Joint Strategy to gather views and answer questions
- Individuals requiring a different form of support in order to participate in the consultation will be encouraged to email / telephone or write to East London Waste Authority

Identification of equalities issues and impacts

Analysis of impacts

The priorities that will form the basis for how the Partner Authorities will manage waste in the future, along with the initial consideration of equalities impacts are set out within the following tables below. The priorities align with the aims and objectives for the draft Joint Strategy.

Each table represents a different theme:

- The Partner Authorities' waste prevention priorities
- The Partner Authorities' reuse and repair priorities
- The Partner Authorities' recycling priorities
- The Partner Authorities' infrastructure priorities

Table 1: The Partner Authorities' waste prevention priorities

Waste Prevention Priority	Equalities Impact
Continue to work with residents and businesses to reduce waste growth and contribute to the London wide aspiration of becoming a 'zero waste city'	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to reduce waste
Support the London wide target of reducing food waste by 50% by 2030 and will work with the Greater London Authority, ReLondon and other authorities to do this	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to reduce food waste
Work to raise awareness of the individual, community and environmental benefits of reducing waste	It is anticipated that this activity would result in a positive impact for all residents and especially residents with lower incomes
Develop waste prevention plans, Reduction and Recycling Plans, or other appropriate tools that outline the actions that will be taken to provide communications, engagement and access to services that help residents reduce waste and save money	It is anticipated that this activity would result in a positive impact for all residents and especially residents with lower incomes
Support national and regional campaigns on waste prevention, and develop local campaigns to support projects and services	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to reduce waste
Develop partnership arrangements with community organisations, housing associations local authorities, and other key stakeholders to enhance work on waste prevention	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to reduce waste and strengthen community ties
Work with the Government, other local authorities and key stakeholders to promote higher standards of product design and manufacture, to prolong product lifecycles and reduce avoidable waste	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to reduce waste by keeping products in circulation for longer

Table 2: The Partner Authorities' reuse and repair priorities

Reuse and Repair Priority	Equalities Impact
Work to increase the amount of products that are kept in local circulation through reuse and repair services	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to reduce waste by keeping goods in circulation for longer
Seek to normalise reuse within our communities as a means of disposing of unwanted items	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to reduce waste by encouraging reuse
Seek to promote the purchase of reused, refurbished and repaired products as a beneficial alternative to buying new	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to reduce waste by encouraging reuse
Seek to advance local green economy job and training opportunities through supporting the development of reuse and repair services	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to reduce waste by encouraging reuse, and support local jobs and training
Explore options for providing or supporting existing and new reuse collection services from homes and businesses	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to reduce waste by encouraging reuse
Investigate opportunities for increasing reuse provision at the Reuse and Recycling Centres, including on-site retail outlets where viable	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to reduce waste by encouraging reuse
Work with reuse organisations to develop / expand existing valued partnerships, strengthen local offerings, and support increases in scope and capacity to enhance the services available to residents	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to reduce waste and strengthen community ties
Raise awareness of repair options available within the Partner Authorities' area	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to reduce waste and encourage reuse and repair
Participate in national, regional and sub-regional campaigns promoting reuse and repair, and undertake local promotion of the benefits and range of available services	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to reduce waste and promote local services

Reuse and Repair Priority	Equalities Impact
Work with the Government, other local authorities and key stakeholders to promote higher standards of product design and manufacture, to enhance opportunities for cost-effective reuse	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to reduce waste by keeping goods in circulation for longer

Table 3: The Partner Authorities' recycling priorities

Recycling Priority	Equalities Impact
We aspire to reach 50% recycling, and will work with local communities in this regard	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to increase reuse, recycling and composting
We aim to achieve a minimum joint reuse, recycling and composting performance of 35% of LACW (Local Authority Collected Waste) by 2030	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to increase reuse, recycling and composting
We will work together to offer the Mayor's minimum level of household recycling service provision, providing residents with straightforward and easy-to-use recycling collection services	Improvement in service offering positive benefits for residents and the environment. No specific equalities issues. An EqIA would be conducted (where required) by the relevant Partner Authority prior to service change to understand any potential local impacts
We will improve the quality of recycling collected and reduce contamination	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to increase quality recycling and decrease contamination
We will improve recycling performance in houses and blocks of flats	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to increase reuse, recycling and composting
We will work alongside new policy commitments including Deposit Return Scheme (DRS) and the Extended Producer Responsibility (EPR) regime for household packaging to maximise opportunities for increasing recycling	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to increase reuse, recycling and composting
Introduce separate food waste collections for street level properties and blocks of flats, in line with anticipated regulations and Government guidance	Improvement in service offering positive benefits for residents and the environment. No specific equalities issues. An EqIA would be conducted (where required) by the relevant Partner Authority prior to service change to understand any potential local impacts
Expand household collection services to allow residents to recycle a wider range of packaging and containers where relevant markets exist	Improvement in service offering positive benefits for residents and the environment. No specific equalities issues. An EqIA would be conducted

Recycling Priority	Equalities Impact
	(where required) by the relevant Partner Authority prior to service change to understand any potential local impacts
Continue to investigate opportunities to recycle even more materials, through collection services, public recycling facilities and the Reuse and Recycling Centres	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to increase reuse, recycling and composting
Work with In-house commercial waste services and private waste companies to ensure that businesses in East London are able to access cost-effective recycling services	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to increase reuse, recycling and composting
Work with our residents and businesses to increase awareness of recycling	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to increase reuse, recycling and composting
Provide feedback to residents and businesses on contamination, and highlight the need for material quality	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to increase reuse, recycling and composting
Identify opportunities to use the ReLondon 'Making Recycling Work for People in Flats' toolkit or other suitable approaches to improve recycling performance in blocks of flats	It is anticipated that this activity would result in a positive impact for all those living in blocks of flats in supporting awareness of waste and environmental issues and specifically in helping to increase reuse, recycling and composting
Work with the Government, other local authorities, producers and key stakeholders to develop better approaches to the planning and design of new developments to ensure residents are able to recycle easily	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and making it easy to recycle
Work together to identify opportunities to extract more recyclable material from bulky waste, street cleansing waste and fly tipped materials	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to increase reuse, recycling and composting
Explore opportunities to increase recycling through recovery of materials from other waste streams	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to increase reuse, recycling and composting
Support London Recycles messaging and campaigning to ensure that a consistent reduce, reuse, recycle message is delivered across London	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to increase reuse, recycling and composting

Recycling Priority	Equalities Impact
Work with the Government, other local authorities, producers and key stakeholders to promote standards of product design that enhance opportunities for cost-effective recycling	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to increase opportunities for cost-effective recycling

Table 4: The Partner Authorities' infrastructure priorities

Infrastructure Priority	Equalities Impact
We will contribute to national and regional targets on reducing waste sent to landfill	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to reduce waste
We will secure access to waste treatment capacity in ways that support the Partner Authorities' priorities around reuse, repair and recycling	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to increase reuse, repair, recycling and composting
We will establish resilient, responsive and flexible arrangements for future waste treatment, so that the Partner Authorities can continue to improve local services while remaining responsive to changes in global material markets and international policy	Improvement in service offering positive benefits for residents and the environment. No specific equalities issues. An EqIA would be conducted (where required) by the relevant Partner Authority prior to service change to understand any potential local impacts
We will seek to procure waste treatment services that provide local economic, environmental and social benefits	Improvement in service offering positive benefits for residents and the environment. No specific equalities issues. An EqIA would be conducted (where required) by the relevant Partner Authority prior to service change to understand any potential local impacts
We aim to support the Mayor's target of managing the equivalent of 100% of London's waste within the capital	Improvement in service offering positive benefits for residents and the environment. No specific equalities issues. An EqIA would be conducted (where required) by the relevant Partner Authority prior to service change to understand any potential local impacts
Maximise the use of, and value from, ELWA's existing waste treatment contract	Improvement in service offering positive benefits for residents and the environment. No specific equalities issues. An EqIA would be conducted (where required) by the relevant Partner Authority prior to service change to understand any potential local impacts
Develop a procurement plan for future waste treatment capacity, to support the aims and objectives of this Joint Strategy. A Strategic Environmental Assessment screening will form part of the procurement plan process	Improvement in service offering positive benefits for residents and the environment. No specific equalities issues. An EqIA would be conducted (where required) by the relevant Partner Authority prior to service change to understand any potential local impacts

Infrastructure Priority	Equalities Impact
Ensure effective and responsible future commissioning, considering issues such as flexibility, resilience, value for money, service quality, social value, and environmental impacts including greenhouse gas emissions	Improvement in service offering positive benefits for residents and the environment. No specific equalities issues. An EqIA would be conducted (where required) by the relevant Partner Authority prior to service change to understand any potential local impacts
Ensure that any future contracts commissioned will not impede the Partner Authorities' ability to improve recycling in line with aspirations to reach 50%	Improvement in service offering positive benefits for residents and the environment. No specific equalities issues. An EqIA would be conducted (where required) by the relevant Partner Authority prior to service change to understand any potential local impacts
Investigate options for supporting the development of appropriate new local infrastructure for reuse, repair and remanufacture, which provide opportunities for local regeneration	Improvement in service offering positive benefits for residents and the environment. No specific equalities issues. An EqIA would be conducted (where required) by the relevant Partner Authority prior to service change to understand any potential local impacts
Work with the Greater London Authority to deliver future infrastructure and waste treatment capacity solutions that align with the policies set out in the London Environment Strategy, and ensure compliance with the Mayor of London's Carbon Intensity Floor requirements ¹ for any technology solutions considered that may include energy recovery (note: technologies will be considered as part of a procurement plan)	Improvement in service offering positive benefits for residents and the environment. No specific equalities issues. An EqIA would be conducted (where required) by the relevant Partner Authority prior to service change to understand any potential local impacts
Work with the Government, other local authorities and key stakeholders to encourage the development of local materials reprocessing capacity	It is anticipated that this activity would result in a positive impact for all in supporting awareness of waste and environmental issues and specifically in helping to increase reuse, recycling and composting

¹ [London Environment Strategy - Policy 7.3.2.b](#)

Impact review

Protected Characteristic	Negative Impact	Positive Impact	No Impact	Unsure of Impact	Comments
Age			X		It is not anticipated that there would be a likelihood of people being proportionately more or less impacted as a result of their age
Disability			X		It is not anticipated that there would be a likelihood of people being proportionately more or less impacted as a result of their disability
Gender reassignment			X		It is not anticipated that there would be a likelihood of people being proportionately more or less impacted as a result of their gender identity
Marriage and civil partnership			X		It is not anticipated that there would be a likelihood of people being proportionately more or less impacted as a result of their marriage or civil partnership
Pregnancy and maternity			X		It is not anticipated that there would be a likelihood of people being proportionately more or less impacted as a result of their pregnancy or maternity
Race			X		It is not anticipated that there would be a likelihood of people being proportionately more or less impacted as a result of their race
Religion or belief			X		It is not anticipated that there would be a likelihood of people being proportionately more or less impacted as a result of their religion or belief
Sex			X		It is not anticipated that there would be a likelihood of people being proportionately more or less impacted as a result of their sex
Sexual orientation			X		It is not anticipated that there would be a likelihood of people being proportionately more or less impacted as a result of their sexual orientation

What are the arrangements for monitoring / reviewing the actual impact of the Joint Strategy?

The Joint Strategy is due to commence in 2027. Governance arrangements for Joint Strategy monitoring and review are yet to be determined, but it is expected that monitoring of the actual impact of the Joint Strategy will take place formally on an annual basis.

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CABINET

26th January 2022

Subject Heading:

The requirements of the Building Safety Bill and Regulatory Reform (Fire Safety) Order 2005 for the council as a landlord.

Cabinet Member:

Councillor Joshua Chapman, Lead Member for Housing

SLT Lead:

Patrick Odling-Smee, Director of Housing

Report Author and contact details:

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Telephone 01708 43

Policy context:

This report set out the implications arising for the Council as a landlord as a result of the Building Safety Bill. It sets out the requirement of the bill, the progress the council has made to prepare for the bill and makes recommendations for what additional actions will be required.

Financial summary:

The implementation of this strategy will have financial implications.

Financial implications relate to the cost of the safety measures set out in the report.

Is this a Key Decision?

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

When should this matter be reviewed?

The matter should be reviewed following final legislation and detailed guidance and regulation from the government.

Reviewing OSC:

Towns and Communities

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

Communities making Havering	[x]
Places making Havering	[X]
Opportunities making Havering	[]
Connections making Havering	[]

SUMMARY

1. This report set out the implications arising for the Council as a landlord as a result of the Building Safety Bill. It sets out the requirement of the bill, the progress the council has made to prepare for the bill and makes recommendations for what additional actions will be required.

RECOMMENDATIONS

- 2.1 That Cabinet note the requirements of the Building Safety Bill and Regulatory Reform (Fire Safety) Order 2005 for the council as a landlord.
- 2.2 That Cabinet notes the progress that has been made to prepare for the implementation of the bill.
- 2.3 That Cabinet recommends to Council that the post of Assistant Director of Property Services is designated as the Accountable Person within the Council's constitution and scheme of delegation and the Monitoring Officer is given delegated authority to make any consequential amendments to the Council's Scheme of Delegation.
- 2.4 That the Towns and Communities Scrutiny Committee should be provided with a quarterly report on performance relating to fire, electrical, gas, lifts, asbestos and legionella safety.

REPORT DETAIL

3. Background

- 3.1 Following the tragic events four years ago at the Grenfell Tower a holistic review of building safety, "Building a Safer Future" led by Dame Judy Hackett, was undertaken, and following the recommendations of this review a new Building Safety Bill is currently being debated in parliament.
- 3.2 The bill introduces a new regulatory regime for all high-risk buildings which are currently in scope and defines these as all buildings of 18 metres or more in height or six storeys (whichever is reached first) and contain at least 2 residential dwellings.
- 3.3 The bill sets out duties at the planning, construction and occupation phases of buildings.
- 3.4 The new Building Safety Regulator will establish a national register of buildings in scope. The new regime will apply to existing occupied in-scope buildings through a transition period that starts with the highest risk buildings first.

- 3.5 The draft bill also impose requirement on those in control of buildings to hold significant level of information on those building, forming a golden thread from inception through to use and ultimately demolition. For new builds this will start at the planning and construction phases and will be a requirement to allow projects to progress, whilst it is acknowledged that in existing building this will take longer to develop and will likely require building owners to undertake significant surveys and develop IT systems to comply.
- 3.6 The bill will change part of the Landlord and Tenant Act 1985, including a regime for charging residents a Building Safety Charge for costs associated with the new regime. For historical building safety failures, the bill has not changed the position that this stays with existing service charge payers including leaseholders.
- 3.7 Landlords will not be able to charge residents for works required by the regulator as a result of the accountable person's negligence.
- 3.8 The bill also imposes legal obligations on residents, through implied terms in tenancy agreements, requiring them to comply with accountable person in their building safety duties, this includes not causing damage to safety equipment or structural elements of a building and ensuring their own equipment is safe and fit for purpose. The accountable person will be able to issue contravention notice where residents fail to comply, but it has not been established the full sanctions available nor how some of these regimes can practicably be monitored.
- 3.9 The BSB is expected to receive Royal Assent in April 2022 and all the provisions implemented between then and December 2023.

3.10 Building Safety Regulator

- 3.11 The bill establishes a new national Building Safety Regulator (BSR) which will sit within the Health and Safety Executive. This has already been created in shadow form and has already undertaken significant levels of recruitment ahead of the adoption of the bill.
- 3.12 The BSR has three main functions
- Oversee the safety and performance system for all buildings, advising minister of changes to the building regulations, identifying emerging risk and managing the performance of building control bodies.
 - Assisting and encouraging the improvement of competence in the construction industry, improving standards and supporting development of building control officers.
 - Leading implementation of the regulatory regime for high-risk buildings including powers to order remedial actions, including stopping works. They also have the power to appoint special measure for failing projects and order the replacement of duty holder, responsible persons and fire safety officers.

- 3.13 The BSR will be able to issue 'stop', 'compliance' or 'improvement' notices and breach of any of these will be a criminal offence. The BSR will replace the Building Regulations Advisory Committee with a new oversight structure.
- 3.14 The draft bill also includes proposed changes to the Regulatory Reform (Fire Safety) Order (RRSFO) which consider the approach to fire safety in buildings. The key proposals are:
- Fire Risk Assessments needs to be wider than just the internals covered in the existing regulations, and will need to consider the external facades, cladding systems, and areas around the buildings
 - For additional cyclical compliance checks on fire doors, both communal and flat entrance doors in high-risk buildings, currently proposals are 3 monthly checks on communal doors and 6 on flat entrance doors
- 3.15 This report sets out the requirement of the bill for the council for in-occupation buildings that it owns and manages as a landlord. Other aspects of the bill and changes to the regulatory regime will be subject to future reports to Cabinet.
- 3.16 Havering Housing Services are a registered provider under the terms of the Housing and Regeneration Act 2008. This means that we are subject to regulation by the Regulator of Social Housing (RSH), a government agency that regulates the actions of all registered providers, including local authorities.
- 3.17 Following the Grenfell Tower fire in June 2017 and the subsequent Green (August 2018) and the White Papers (Charter for Social Housing Residents – November 2020), the RSH has carried out its review of the framework by which registered providers are regulated. The RSH determined that local authorities were seen to be ineffectively regulated and that performance and governance in some areas was poor. In 2021, the RSH undertook further consultation to determine further updates to the regulatory framework consumer standards, with tools to support social housing landlords in meeting these.
- 3.18 The four consumer standards currently are:
- **Home Standard** – including quality of accommodation, and repairs and maintenance
 - **Tenancy Standard** – including allocations and mutual exchange, and tenure
 - **Neighbourhood and Community Standard** – including neighbourhood management, local area co-operation and anti-social
 - **Tenant Involvement and Empowerment Standard** – including customer service, choice and complaints, involvement and empowerment, and understanding and responding to the diverse needs of tenants
- 3.19 Further to this, the White Paper sets out new powers for the RSH to prepare Codes of Practice to amplify the current consumer standards and regulate against them. The Council's responsibility is to ensure it meets its health and safety obligations with proper oversight to all health and safety issues, including gas, fire, electrical, lift, asbestos and legionella safety remains high on the agenda.

3.20 Following the draft Building Safety Bill the RSH has indicated that it will become more active in enforcing standards in relation to tenants' safety and will require evidence of good governance, i.e. reporting on a regular basis to members. The RSH will carry out routine assurance-based inspections on consumer standards of all large registered providers, including local authorities, every four years.

3.21 This report sets out the arrangements required for the RSH to ensure good governance.

4. Preparations for the bill

4.1 Since the Grenfell Tower disaster the council has implemented a comprehensive action plan to ensure that our tenants and leaseholders are safe in their homes. This includes:

4.2 Savills were appointed as independent expert advisors to Cabinet members to ensure they receive impartial and challenging advice regarding their statutory responsibilities and interpretation of the information they receive. Savills recommended a series of measures to ensure that the council has a robust approach to resident safety.

4.3 Policy

4.4 The council has reviewed the fire safety policy and management plans to ensure they were up to date and compliant with legislation and best practice. The council has included in the compliance policies, which were approved in 2020, as many of the draft proposals as possible and are in the process of implementing them. The council has also tried to future proof against some likely future changes, for example looking at basic building safety case file in low and medium rise buildings.

4.5 The council has reviewed the asbestos policies and management plans to ensure they were up to date and compliant with legislation and best practice. The council has included in the compliance policies, which were approved in 2020, as many of the draft proposals as possible and is in the process of implementing them.

4.6 The council has also reviewed the electrical safety policy. The Landlord and Tenant Act requires landlords to ensure electrical systems are maintained safely throughout a tenancy but does not provide guidance on inspections intervals. BS7671 – Requirements for Electrical Installation recommends inspections of domestic electrical system not later than 10 years since the last inspection. The council will meet this standard as a minimum, however, legislation has been introduced which require all private rented accommodation to have an electrical inspection no later than 5 years from the previous inspection, however it is silent on registered providers, although it is likely that this will be extended in the future.

4.7 The council has therefore adopted the approach of undertaking inspections no later than 5 years from the date of the last inspection. This will apply to all domestic and communal electrical systems. On completion of an inspection, an electronic

Electrical Inspection Condition Report (EICR) will be provided, and a paper copy sent to the resident.

- 4.8 The legionella policy applies to communal water systems in general needs properties, sheltered schemes and any other water supplies and storage to communal areas; it does not apply to individual domestic properties. The council will undertake risk assessments for all relevant properties every 2 years in line with the L8 Approved Code of Practice. All works and testing regime will comply with HSG274 Part 2: The control of legionella bacteria in hot and cold-water systems.
- 4.9 This will identify potential sources of risk and their potential harm, reflecting on the both the use of the building and its occupancy type. All actions which are identified will be undertaken with the timescales identified in the risk assessment.
- 4.10 We have included in the compliance policies the provision that we will use designated products or safety critical products, once this regime has been developed. In the meantime, we are only specifying product which can demonstrate appropriate certification for both the product and installations. This is especially relevant around door specifications, and policy has been agreed in which only timber doors will be allowed in blocks, including for leaseholders, as these provide a nominal 30-minute resistance in all cases. Also included in the policies is the minimum competencies we require from contractors undertaking fire related works in our blocks.
- 4.11 **Procedure & Processes**
- 4.12 We have established effective working relationships with London Fire and Rescue Service and both at a strategic and operational level.
- 4.13 Carrying out Type 4 Fire Risk Assessments (FRAs) (invasive survey to common areas and a sample of flats) on all high, medium and low risk buildings which is over and above the statutory requirements. This programme was completed in October 2021 and will now be followed up with annual reviews.
- 4.14 We have reviewed our TMO agreements and have included some clear guidance around building safety obligations, including an explicit duty for the TMO to comply with the building safety manager where relevant and for them not to undertake any repairs or maintenance projects to any fire or structural related elements of any buildings.
- 4.15 **Data**
- 4.16 We have completed a review of our IT systems to ensure that we have robust data to deliver demonstrate resident safety.
- 4.17 Commissioning of an IT system (twinned it) to provide the “golden thread” of data for in-occupation buildings and enable information to be available to residents. This will handle the myriad of different data types and source on one platform and provide a portal which resident and other stakeholders (including the LFB) can obtain relevant

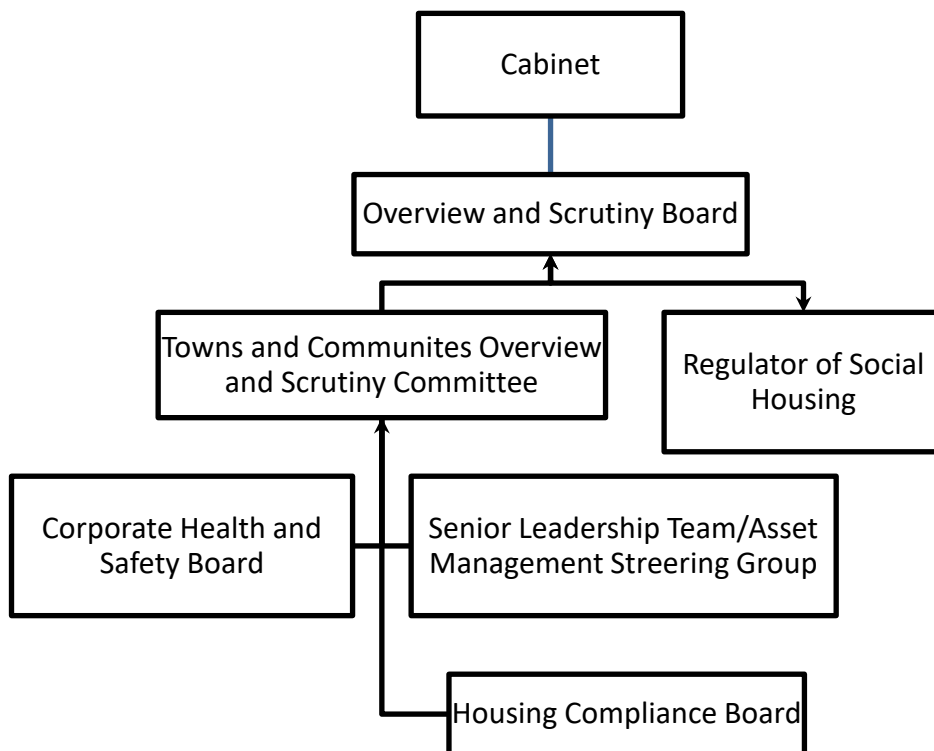
information, including full 3D renders of buildings and evacuation information, all linked to our assets management system Keystone.

4.18 Performance

4.19 Established a performance management framework through the Housing Compliance Board, Housing Senior Management Team, Corporate Health and Safety Board, Senior Leadership Team/Asset Management Group of the Council and Cabinet Members. The performance framework is attached as Appendix 1 to this report. A benchmarking exercise has been completed with local authorities with similar stock to ensure our performance framework is robust.

4.20 It is intended that the following reporting hierarchy is followed in the future:

4.21



4.22 Assurance

4.23 An independent audit by Mazars was commissioned to test the systems and processes relating to the management of gas safety, fire safety, asbestos, legionella, electrical safety and lift safety. The report has been presented to the Audit and Risk

Committee in January 2022. An annual audit of the compliance processes, procedures and data will be carried out.

4.24 Established a comprehensive risk register for health and safety compliance to ensure that the key risks are being effectively managed. A copy of the risk register is attached at appendix 2.

4.25 Resource

4.26 We have committed resources to improve the tenant safety on estates by removing obstacles and other hazards from common areas.

4.27 The service has carried out a review of the skills and resources required to deliver resident safety implemented a reorganisation, recruitment and training plan for all staff.

4.28 We have included in our budgets sufficient monies to undertake the new door checking regime if this is adopted and will implement as part of a cyclical compliance programme as required.

4.29 These actions have prepared the service for the requirement of the bill and the new RSH regime however further arrangements are going to be needed as set out in the next section.

5.0 Additional preparations required.

5.1 For all building in which we hold either a legal estate in possession or the relevant repairing obligation of the common parts then the bill will require us to appoint an accountable person who will be legally responsible for the safety of building within the scope of the bill. This will apply to all housing stock, currently 10 high rise buildings (but if widened out could also extend to a further 980 buildings). Accountable persons can be individuals or corporate individuals.

5.2 The duties of the accountable persons will include;

- Registering high risk buildings with the regulator
- Applying for a Building Assessment Certificate, which must be obtained before the building can be occupied
- Appointing Building Safety Managers
- Ongoing obligations to assess and fire and structural issues
- Maintain a building safety case file
- Provide residents with key safety information and ensuring a resident engagement strategy is in place
- Engage with the BSR as required, including the proactive reporting of defect/failures

5.3 Failure by the accountable person will be a criminal offence, punishable by imprisonment of up to two years and/or a fine.

- 5.4 The accountable person will be responsible for appointing a designated Building Safety Manager (BSM) for each building who must be able to demonstrate sufficient skills, knowledge and competency to undertake the role. They will be responsible for the day-to-day management of a building, including the involvement in the procurement of contractors, liaison and engagement with residents and approving works on site. Failure to undertake their duties will be punishable by a fine.
- 5.5 We currently have 10 buildings which fall with the scope of the regulations. The bill does not dictate how many buildings a BSM can manage but peer organisations are looking at between 3 and 5 buildings per BSM. Given the lack of clarity on the roll and whether it can be undertaken by multiple people we have not yet looked to recruit to develop our job description or recruit to these posts. There are several groups which are developing a competency framework and we will keep a watching brief to following best practice when it emerges.
- 5.6 The Council's constitution and scheme of delegation will be amended to designate the Assistant Director of Property Services as the Accountable Person for the Council's housing stock.
- 5.7 It is not clear whether the BSM must be undertaken by a single person or elements could be given to a number of individual and co-ordinated by the accountable person. It has also not been defined what competency will be considered acceptable for this role.
- 5.8 Requirements under the RRFSO
- 5.9 The bill will require landlords (or those in control of the common parts) to;
- Fire Risk Assessments will need to be wider than just the internals covered in the existing regulations, and will need to consider the external facades, cladding systems, and areas around the buildings.
 - Include additional cyclical compliance checks on fire doors, both communal and flat entrance doors in high-risk buildings, currently proposals are 3 monthly checks on communal doors and 6 on flat entrance doors.
- 5.10 We currently publish basic fire safety information on our website and residents have an email address they can contact to obtain their relevant FRAs. As part of the twinned approach resident will have portal from which they can access all relevant information including their evacuation plans, contact details of relevant staff, upcoming works etc.

6.0 Governance

- 6.1 The Principal Accountable Person (building owner) has to provide:
- A strategy for buildings in scope
 - Information on how residents can be involved in decisions
 - Access to prescribed information (Fire Risk Assessments, Building Safety Case, etc.)
 - Opportunities to raise issues, clear routes to escalate issues

- A copy to all residents aged over 16
 - A way to measure their approach
 - Must be reviewed periodically and when necessary
- 6.2 Our resident engagement strategy has set out the approach and methods that will be used to ensure we meet these requirements and the development of the data available will ensure that residents have access to the proscribed information. We will also ensure that the Resident Engagement Panel have quarterly performance reports on resident safety.
- 6.3 In 2020 the RSH wrote to local authority landlords regarding the implementation of the consumer standards and said:
- “Meeting health and safety obligations is a primary responsibility for registered providers. Boards and councillors must ensure that they have proper oversight of all health and safety issues (including gas safety, fire safety, asbestos and legionella).”*
- 6.4 The RSH has commenced December 2021) a formal consultation on the key performance indicators they will use to measure tenant safety. They are proposing to use:
- Gas safety - Proportion of homes for which all required gas safety checks have been carried out.
 - Electrical safety – to be agreed.
 - Fire safety - Proportion of homes for which all required fire risk assessments have been carried out.
 - Asbestos safety - Proportion of homes for which all required asbestos management surveys or re-inspections have been carried out.
 - Water safety - Proportion of homes for which all required legionella risk assessments have been carried out.
 - Lift safety - Proportion of homes for which all required communal passenger lift safety checks have been carried out.
- 6.5 In order to provide this insight it is recommended that the Towns and Communities Scrutiny Committee receive quarterly performance reports on consumer safety on these measures.
- 6.6 As well as the measures set out in this report, officers will draw up a comprehensive action plan for the implementation of the BSB, the Regulatory Reform (Fire Safety) Order 2005 and the Regulatory Framework from the Regulator of Social Housing.

REASONS AND OPTIONS

7.0 Reasons for the decision

The new Act will require the council to take on new duties and responsibilities for the safety of tenants and leaseholders in their properties. This report recommends the actions required for the Council to comply with those new duties.

8.0 Other options considered:

As this is a statutory requirement the council is under an obligation to act on the new duties.

The role of the accountable officer could be held by another officer however the skills and experience, and seniority within the organisation, make it more appropriate that the Assistant Director of Housing property Services holds the post.

IMPLICATIONS AND RISKS

Financial implications and risks:

This report set out the implications arising for the Council as a landlord as a result of the Building Safety Bill.

The implementation of the bill will have significant revenue and capital financial implications for the Council.

The bill will change part of the Landlord and Tenant Act 1985, including a regime for charging residents a Building Safety Charge for costs associated with the new regime. For historical building safety failures, the bill has not changed the position that this stays with existing service charge payers including leaseholders.

Landlords will not be able to charge residents for works required by the regulator as a result of the accountable person's negligence.

However, the accountable person will be able to issue contravention notice where residents fail to comply, sanctions and monitoring regimes are yet to be established.

All proposed Health and Safety work will be built into the HRA cyclical works programme and funded from the HRA. Although the full extent of these costs are unknown at this stage, in preparation, the HRA Asset Management Strategy agreed at Cabinet in October 2021 contained provision of £20,606,620 for the next 5 years to meet the statutory compliance requirements and provision has been made in the long-term plan for anticipated costs arising from the Fire Safety Act and Building Safety Bill.

The Twinnedit system is currently being procured and will also be funded from the HRA Asset Management budget.

All works that have been commissioned and completed so far have already been funded from existing HRA budgets.

Legal implications and risks:

The Building Safety Bill 2021-22 is subject to amendment as it proceeds through Parliament.

The Bill proposes a regime overseen by a new Building Safety Regulator, with particular emphasis on "higher-risk buildings". The government has also published a draft statutory instrument, the High-risk Building Regulations which was intended to provide more information about the government's intentions for secondary legislation in England once the Bill is enacted.

The Bill creates new:

- Obligations that apply throughout a building's life cycle.
- Requirements relating to the competence of those involved with buildings (including residents).
- Means of enforcement for breach, including criminal sanctions, together with an extension of the limitation period for civil actions.
- Financial costs relating to construction, in the form of a developer levy that must be paid before construction begins.

The Building Safety Bill also proposes:

- Extending the limitation period for claims under section 1 of the *Defective Premises Act 1972* (DPA 1972) (which relates to the "provision" of a dwelling) from six to 15 years, with the new 15-year period applying retrospectively.
- Adding a new section to the DPA 1972, expanding the right to claim so that it covers any work undertaken on an existing dwelling provided that work is done in the course of a business.
- Bringing into force section 38 of the Building Act 1984 (BA 1984), which gives private individuals the right to claim damages where they suffer harm because work on a building has not met Building Regulations standards (including damages arising from death or personal injury).
- Amendments to the provisions within the Fire Safety Order. The amendments to the Fire Safety Order build on the Fire Safety Act 2021, which clarifies that the FSO applies to the structure, external walls and flat entrance doors in buildings containing two or more sets of domestic premises. The amendments provide specific criteria and responsibilities for all Responsible Persons (RPs) undertaking duties under this role.

The Building Safety Bill is extensive and further legal advice may be required in the course of implementing the provisions of the Bill.

Human Resources implications and risks:

It is likely that additional staff resource will be required to undertake a number of roles across all service, given the volumes of projects which are planned across the borough, we will need to recruit and train staff in emerging areas and will likely be competing against the wider construction, regulator and building control sectors for staff with the relevant skills and knowledge. We are already seeing other boroughs and landlords offering significant packages to attract staff, especially in areas such as building control and landlord functions. Both Planning and Housing Property Service are part of the Strategic Workforce Planning Project looking at how we can ensure we have the skills, capacity and capability to develop officers going forward.

All implications for LBH employees will be managed in accordance with the Council's HR policies and processes.

Equalities implications and risks:

Households with protected characteristics are over-represented in social housing and therefore the measures set out in this report to ensure their safety, will have a positive impact on their well-being.

Health and Wellbeing implications and Risks

Having a safe home is essential to individual health and wellbeing, and meeting RSH consumer standards and new Building safety bill be critical in delivering safer housing. We will use works which flow from these changes to ensure future programme of works deliver where possible additional health benefits, through information to residents, specification changes and holistic work programmes.

BACKGROUND PAPERS

Appendix 1 – Landlord Health and Safety Compliance Scorecard.

Appendix 2 – Landlord Health and Safety Compliance Risk Register.

Cabinet 26th January 2022

Report:

The requirements of the Building Safety Bill and Regulatory Reform (Fire Safety) Order 2005 for the council as a landlord.

Appendix 1

LONDON BOROUGH OF HAVERING - HOUSING COMPLIANCE							
DATE:		4th January 2022					
	NUMBER	Dec	TREND	TARGET	COMMENTS	Statutory requirement	Report to Scrutiny/Regulator
FIRE SAFETY COMPLIANCE							
New NODs received		0	➡	0	No new NOD		
Outstanding NOD's		0	➡	0	Check with JS		
PROPERTIES WITH FRA OR RE-ASSESSED FRA			➡ 2	100%	New programme started Dec 21-Dec22 following 100% completion of initial FRAs 5 completed in December	Yes	Yes
Cumulative total	920	5	➡		Completed all FRA by 31 Oct21		
Overdue actions -			➡				
A – to be completed within 14 days		0	➡	0			
B – to be completed within 6 months		0	➡	0			
C – to be completed within 24 months		0	➡	0			
D – to be completed within 5 years		0	➡	0			
Dry Riser Testing		100.00%	⬆ 3	100%	Not due until June/July	No	No
	11	11					
Fire Alarm Testing		100.00%	⬆ 3	100%	Awaiting invoices	No	No
	22	22					
GAS COMPLIANCE							
Domestic Gas - General Needs		99.91%	⬆ 3	100%		Yes	Yes
	8574	8566			*Await housing officer response for premises where resident is between 2 properties, also dog breeding suspected. *No access *No response from tenant x 2 HO aware *Tenant is not at property due to ASB, keys to be collected to gain access - HO aware *Appointment booked for 7th Jan *Resident has TB awaiting outcome		
Domestic Gas - PSL		99.85%		100%	1 PSL Property, tenant has returned from holiday and is self isolating app made 10/01		
	658	657					
Communal Gas servicing		100.00%	➡ 2	100%		No	No
	67	67			Await results of asset survey		
ELECTRICAL COMPLIANCE							
EICRs domestic		87.62%	⬆ 3	100%		No	Yes
	9700	8499			Part of a planned programme of inspections to be completed by the end of December 2022. 84 completed December, residual inspections pending communication with residents		
EICRs domestic – PSL		89.13%	⬆ 3	100%		No	Yes
	690	615			EICRs being carried out by default for landlords.		
EICRs Communal		98.97%	⬆ 3	100%		Yes	Yes
	870	861			9 new builds added following October survey, testing will include new builds in January when all will be completed to 100%		
Emergency Lighting testing - monthly		100.00%	⬆ 3	100%		No	Yes
	676	676			Actually 847 not 676 following new EL installs however all tested throughout		
Lightning Protection testing		95.35%	⬆ 3	100%		No	Yes
	43	41			Kipling and Dryden cannot be completed until external works are completed. Due to be completed December.		

LIFT COMPLIANCE							
Monthly maintenance		100.00%	↑ 3	100%		Yes	Yes
	19	19					
Annual servicing		100.00%	→ 2	100.00%		Yes	Yes
	19	19					
Bi-Annual insurance certificate		100.00%	→ 2	100%		No	No
	19	19					
Lift Compliance - PSL			→ 2	100%		Yes	Yes
LEGIONELLA COMPLIANCE							
L8 Legionella Reports - High Risk		100.00%	→ 2	100%		Yes	Yes
	34	34					
High Risk Properties on monthly testing programme	21	21					
High Risk Properties on six monthly testing programme	13	13					
L8 Legionella Reports - Low Risk		100.00%	→ 2	100%		Yes	Yes
	1430	1430					
Overdue actions from L8 reports							
High - to be completed within 3 months	0	0	↓	0			
Medium - to be completed within 6 months	0	0	→	0			
Low - to be completed within 12 months	25	12	→	0	12 outstanding on remedial due to ongoing access issues		
L8 Legionella Reports - PSL			↑ 3	100%		Yes	Yes
L8 Legionella Reports - 2 Year Review Programme		96.87%	→ 2	100%		No	No
	830	804			26 over two year review due to access issues, reviewing our approach		
ASBESTOS COMPLIANCE							
Asbestos Surveys - Domestic		47.93%	→ 2	100%		No	Yes
	9700	4649			Part of planned programme to be completed by March 2024. No access due to Covid and festivities, over 300 appointment letters sent in December, add further 229 for December		
Asbestos Surveys - Communal		100.00%	→ 2	100%		Yes	Yes
	1138	1138					
Asbestos Surveys - Garages		100.00%	→ 2	100%		Yes	Yes
	143	143					
Asbestos Surveys - PSL			→ 2	100%		Yes	Yes

Cabinet 26th January 2022

Report: The requirements of the Building Safety Bill and Regulatory Reform (Fire Safety) Order 2005 for the council as a landlord.

Appendix 2

Risk Number	Risk Title	Risk Description	Risk Cause	Risk Effect	Mitigating Controls	Governing Body	External Audit	Impact	Likelihood	Risk Rating	Risk Owner	Date Risk Reviewed	Date Next Review Due	Direction of Travel (since last review)	Proposed Mitigating Controls	Officer Responsible for Proposed Control	Impact	Likelihood	Risk Rating
C1	Asbestos Register incomplete	safety risk to residents and operatives/staff due to poor management of material	All assets have not got up to date asbestos survey	Financial - High Reputation - Medium	Surveying programme complete. Register fully updated Policies and management plans in place Clear process to deal with action which flow from surveys in place	Risk register available monthly to SLT and Cabinet via themed boards to monitor and challenge management of the risks. And provide integrity, leadership and transparency	periodic external audits to ensure independent and objective assurance and advice on all matters related to the achievement of objectives. Processes and systems were interrogated by the appointment of a critical friend, Savilles, and measures suggested have been implemented. An external audit by has been ordered and we will act on the findings.	4	1	4	Garry Knights	Feb-21	Jul-21		Full surveying programme is complete for communal areas and garages. We have a full, informed response	Resident Safety and Compliance Manager	4	1	4
C2	IT	Lack of IT Interface & Information management system for compliance	Poor IT infrastructure of officers incorrectly or not using databases and systems	Financial - Medium Continuity of Service - Medium Health & Safety - High	Some compliance data on database (keystone), some held on spreadsheets and other systems Some officers trained and using and updating keystone Some contractors providing information in a way which can be uploaded to keystone all certificates stored on swordfish and link to keystone	Risk register available monthly to SLT and Cabinet via themed boards to monitor and challenge management of the risks. And provide integrity, leadership and transparency	periodic external audits to ensure independent and objective assurance and advice on all matters related to the achievement of objectives	3	4	12	Garry Knights	Feb-21	Jul-21		CADI project working on getting keystone module fully operational Staff being trained on keystone Swordfish being repopulated	Resident Safety and Compliance Manager	3	1	3
C3	Staff/Team	Lack of suitably trained / qualified staff to manage service - All H&S Team are temp staff	Difficult to recruit staff on currently salary bands, given knowledge and experience required and London market	Potential threat to delivery of daily operational needs as a result of a lack of specialist staff who can respond to issues or emergency events that require immediate attention	Team using interns where required. All support staff roles filled with permanent and fully trained officers.	Risk register available monthly to SLT and Cabinet via themed boards to monitor and challenge management of the risks. And provide integrity, leadership and transparency	periodic external audits to ensure independent and objective assurance and advice on all matters related to the achievement of objectives	4	3	12	Garry Knights	Feb-21	Jul-21	1	Restructure working on getting recruitment in train	Resident Safety and Compliance Manager	4	1	4
C4	Brexit	Material & Labour Shortages or delays to Supply Chain	Operational	Delivery of core services can be negatively affected and reduction to emergency operational responses if building materials, fuel or labour were unavailable or import shortages, delays due to increased bureaucracy at borders.	We have engaged within supply chain who have confirmed they sufficient future capacity	Risk register available monthly to SLT and Cabinet via themed boards to monitor and challenge management of the risks. And provide integrity, leadership and transparency		4	1	4	Garry Knights	Feb-21	Jul-21			Resident Safety and Compliance Manager	4	1	4
C5	Fire safety	Regulatory FRA surveys and works not being managed & remedial works not being delivered	Regulation Health & Safety	FIRE Risk management has been intensified by government over the last 2 years and upcoming legislation is due to enforce compliance and stricter overviews of housing providers.	Type 1 FRAs held for all relevant properties. Most actions from TYPE 1 FRAs have been completed within timescales Ongoing programme of TYPE 4 FRAs in place Day to day actions go to term contractor and 2 supporting contractors	Risk register available monthly to SLT and Cabinet via themed boards to monitor and challenge management of the risks. And provide integrity, leadership and transparency	Periodic external audits to ensure independent and objective assurance and advice on all matters related to the achievement of objectives. Processes and systems were interrogated by the appointment of a critical friend, Savilles, and measures suggested have been implemented. An external audit by has been ordered and we will act on the findings. Close working relationship built up with the LFB who regularly audit our blocks and processes	4	1	4	Garry Knights	Feb-21	Jul-21		All relevant buildings now have a valid FRA and works being managed	Resident Safety and Compliance Manager	4	1	4
C6	Compliance Management	Poorly developed delivery programmes, lack of data control, lack of understanding of our stock lack of clarity over reporting information and KPIs	poor delivery methods, lack of data management and control	Regulatory breaches, possible notices / fines or investigations from HSE. Possibility of Prosecution under Corporate Manslaughter Act for Senior Managers. Housing Rating System breaches and risk of harm or injury to staff or other personnel due to poor management of essential safety systems	Delivery programmes in place Stock data is held across two systems KPIs and programme reporting developed and going through governance routes. Protocols now in place to store data on shared systems rather than spread sheets. Instant uploads by the team ensure data is captured in real time and allows accurate reporting	Risk register available monthly to SLT and Cabinet via themed boards to monitor and challenge management of the risks. And provide integrity, leadership and transparency	periodic external audits to ensure independent and objective assurance and advice on all matters related to the achievement of objectives. Processes and systems were interrogated by the appointment of a critical friend, Savilles, and measures suggested have been implemented. An external audit by has been ordered and we will act on the findings. We also employ PCM to audit gas and electric functions	4	2	8	Garry Knights	Feb-21	Jul-21	1	Stock data is being validated to create single point of truth KPIs reporting continues to be honed and is being reviewed by external expert New long term procurement of contracts	Resident Safety and Compliance Manager	4	1	4

C7	Coronavirus	Labour shortages due to possible pandemic. Both internally and Contractors/supply chain	lockdowns, operative infected	Delivery of core services could be negatively affected and a possible reduction to emergency operational responses if labour were unavailable or there was an impact on import or supply of materials.	Robust contingency plan provided by contractors include future lockdowns and office closures	Risk register available monthly to SLT and Cabinet via themed boards to monitor and challenge management of the risks. And provide integrity, leadership and transparency		3	2	6	Garry Knights	Feb-21	Jul-21		constant review of R&MS and working practices. Unknown risk at the moment	Resident Safety and Compliance Manager	3	2	6
C8	Covid 19 effect on compliance staff	Impact of virus affecting staff and the day to day delivery of the service	spread of the virus	Loss of staff leading to being unable to deliver core compliance and health and safety functions from the client side	Home working, Hand Washing, Reminders to staff about hand washing, social distancing, Respect the 2m distancing advice, PPE, When on site wear mask and gloves and sanitise before and after being on site. Symptoms, anyone becoming unwell should seek a test and self isolate. Track and trace, follow Track and Trace guidance.	Risk register available monthly to SLT and Cabinet via themed boards to monitor and challenge management of the risks. And provide integrity, leadership and transparency		3	2	6	Garry Knights	Feb-21	Jul-21		Staff now banned from the office unless agreed by Director. New equipment supplied to aid working from home	Resident Safety and Compliance Manager	3	2	6
C9	Challenges to Procurement	Procurement of long-term contractors are the procurement and approvals process	Lengthy & complex procurement processes & timeframes. Involved in engaging contractors within Compliance field	The compliance team are presently using interim contractors that have been set-up under temporary agreements and 14 contracts need to be procured under revised 5-7 year agreements;	Access to Corporate Procurement team Support from Programme Office and Democratic Services. Using consultants portal to reduce the risk. Notice has been published and procurement moving forward.	Risk register available monthly to SLT and Cabinet via themed boards to monitor and challenge management of the risks. And provide integrity, leadership and transparency	periodic external audits to ensure independent and objective assurance and advice on all matters related to the achievement of objectives.	6	4	20	Garry Knights	Feb-21	Jul-21		External consultants used to support 14 new compliance packages	Resident Safety and Compliance Manager	2	2	4
C10	Home & Remote Working Impact	Remote working for surveying staff has been challenging to monitor & manage lone working. And home working for admin staff has also had issues with equipment failure and IT issues. Inevitably, this also affects performance.	Remote & Home working, initially due to Covid19, has now become the new way for Council staff;	Arduous to track lone working team members who use a check-in & diary update system due to lack of ID's; Tasks require more time resources as it takes longer than it previously did due to delayed feedback & technology rather than face-to-face.	Smart Working equipment provided. New methods of work being introduced. Strict lone-working checks are done by keeping track of remote workers; Mental health & Wellbeing support is available from Corporate services; Staff coming in into the office on a rota basis DSE assessments undertaken	Risk register available monthly to SLT and Cabinet via themed boards to monitor and challenge management of the risks. And provide integrity, leadership and transparency		2	2	4	Garry Knights	Feb-21	Jul-21			Resident Safety and Compliance Manager	2	2	4
C11	Building Safety Bill	Bills brings additional duties and requirements	Bill is in draft form and we are unsure as to the exact impact	additional compliance programmes will be required or additional restrictions which may require significant additional spend and non compliance, sanction from Social Housing Regulator, HSE and Building Safety Regulator	Policies have been written to reflect known changes Type 4 PRAs take and enhanced approach	Risk register available monthly to SLT and Cabinet via themed boards to monitor and challenge management of the risks. And provide integrity, leadership and transparency	periodic external audits to ensure independent and objective assurance and advice on all matters related to the achievement of objectives	3	2	6	Garry Knights	Feb-21	Jul-21		Continue to monitor changing legislation	Resident Safety and Compliance Manager	3	1	3
C12	Governance	Insufficient governance is in place to oversee all areas of compliance	Poor governance could lead to slippages of programmes and non compliance	non compliance, sanction from Social Housing Regulator, HSE and Building Safety Regulator	Compliance Board Clear reporting overview by SLT and Themsted Boards external reviews	Risk register available monthly to SLT and Cabinet via themed boards to monitor and challenge management of the risks. And provide integrity, leadership and transparency	periodic external audits to ensure independent and objective assurance and advice on all matters related to the achievement of objectives	4	1	4	Garry Knights	Feb-21	Jul-21		Internal audit completed and actions being managed	Resident Safety and Compliance Manager	4	1	4
C13	Finance	Insufficient budget provision is made to adequately deliver all compliance and associated programmes	Insufficient monies available and with change legislation difficult to ascertain actual required budgets	non compliance, sanction from Social Housing Regulator, HSE and Building Safety Regulator	Annual budget setting provide opportunity to ensure adequate funding is in place	Risk register available monthly to SLT and Cabinet via themed boards to monitor and challenge management of the risks. And provide integrity, leadership and transparency	periodic external audits to ensure independent and objective assurance and advice on all matters related to the achievement of objectives.	4	1	4	Garry Knights	Feb-21	Jul-21		Budget setting must include all current programme plus likely future programme flowing from the building safety bill	Resident Safety and Compliance Manager	4	1	4
C14	Delays in delivery of programmes	programmes of compliance work are not undertaken quickly enough to manage the risk	poor planning, insufficient resource,	non compliance, sanction from Social Housing Regulator, HSE and Building Safety Regulator, incident in one of our properties	sensible, deliverable programmes are developed, contractors are chosen on ability to deliver the programme, sufficient back office resourced available to manage the programmes and data which flow	Risk register available monthly to SLT and Cabinet via themed boards to monitor and challenge management of the risks. And provide integrity, leadership and transparency	External legal advice from Devonshires confirmed current approaches are sensible - <i>Having must comply with its obligations within a framework that is both practicable and realistic.</i>	4	1	4	Garry Knights	Mar-21	Jul-21		Appropriate programmes are in place to deliver with reasonable and practicable timescales	Resident Safety and Compliance Manager	4	1	4



CABINET

26th January 2022

Subject Heading:

Supported Housing Strategy 2022-2025

Cabinet Member:

Councillor Joshua Chapman, Lead Member for Housing

SLT Lead:

Patrick Odling-Smee, Director of Housing

Report Author and contact details:

Katri Wilson, Assistant Director Supported Housing, Katri.wilson@haverling.gov.uk
Telephone 01708 434581

Policy context:

This is a new strategy developed in response to supported housing need in Havering, and to meeting council's housing and support duties to vulnerable residents.

Financial summary:

The implementation of this strategy will have financial implications.

Financial savings are anticipated as a result of providing supported housing as an alternative to more expensive provision.

Building and leasing new supported housing, and commissioning support services, will require investment by the council.

Is this a Key Decision?

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

When should this matter be reviewed?

This is a 3-year strategy to 2025, and implementation of the commitments in this strategy will be monitored and reviewed annually.

Reviewing OSC:

Towns and Communities

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

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

SUMMARY

1. Supported housing is key to providing the right accommodation and support to enable Havering's vulnerable residents live fulfilled lives.

The Supported Housing Strategy (*appendix 1*) sets out our key commitments and objectives under each aim and the actions that will seek to drive our service delivery in Supported Housing over the coming years.

RECOMMENDATIONS

2. It is proposed, that Cabinet agree the proposed Supported Housing Strategy attached to this report, (*appendix 1*).

REPORT DETAIL

3. Background

- 3.1 Local authorities have wide-ranging obligations to provide suitable housing for vulnerable young people and adults. Competition and the price of accommodation in the greater London market has constrained our ability to deliver this on a large-scale and we have relied on contracting with other parties to deliver the range of accommodation solutions required.

Whilst the local authority can find placements for vulnerable people, the lack of council property means we inevitably have to fund providers' property costs as part of care packages, building in extra cost and being subject to providers' interest concerning property.

The private and independent sector cannot always provide what is needed in-borough, and placements are made out-of-borough. We want to build capacity within the borough to maximise our ability to place people locally and derive all the benefits from doing so. These benefits include continuity of care, maintaining close links to family and friends and local support networks.

3.2 Methodology used

We commissioned research from Housing Learning and Improvement Network (LIN) in 2021, this research built on the Council's previous Review of Older People's Housing in 2016.

In addition, the level of need for housing for vulnerable young people and adults with learning disabilities was researched within the 'Future Accommodation Needs in Havering' commissioned by the JCU in 2019.

These reports suggested housing solutions to inform the development and planning of new supported accommodation in Havering (*Appendix 1, Section 6 Summary of Delivery*).

3.3 Pre-Decision Consultation

The pre-decision consultation involved engaging with a number of internal stakeholders in discussions.

Consultation with members of the Supported Housing Programme Board, including Director of Housing, Director of Adults Services, Director of Children's Services, Head of Joint Commissioning Unit, Director of Regeneration Programme Delivery, Head of Finance for Business Partnering, Finance & Procurement.

The vision and the Supported Housing Strategy was discussed with: -

- Housing Senior Management Team
- Cabinet Member for Housing, Cabinet Member for Health & Adult Care Services

3.4 Strategy objectives

Responses from internal consultation and the research commissioned informed the key strategic objectives of the strategy for the council to focus on over the next three years:

- Provide sufficient supported housing to meet local needs by increasing the number of high quality, cost effective options for supported housing located in Havering
- Deliver the right type of support in the right homes - ensuring support is tailored to meet the needs of the residents
- Reduce the numbers of vulnerable young people and adults who are placed out of borough
- Improve tenancy sustainment to enable independent living for as long as possible
- Increase the numbers of individuals able to move through services to achieve their maximum levels of independence
- Reduce the number of people in residential care settings
- Reduce costs to social care budgets

3.5 The Strategy

The types of households of people who benefit from supported housing have been categorised into key groups, and are included in the strategy:

- *Older people (usually 55 and over).*
- *People with mental ill health.*
- *People with learning disabilities.*
- *Young people, care leavers and those with special educational needs & disabilities (SEND).*
- *Homeless families and single people*
- *People involved in substance misuse (Drugs/alcohol etc.).*
- *Domestic violence refugees.*
- *Offenders / ex-offenders.*

The strategy examines the housing demand for each of these client groups, the planned supply and makes recommendations for new supported housing that is required to meet demand.

The Supported Housing Board will review the strategy action plan and objectives annually.

REASONS AND OPTIONS

4. Reasons for the decision

- 4.1 Havering Housing Services is a registered social housing landlord and is therefore required to meet all relevant government legislation in delivery of a housing service.
- 4.2 Housing legislation e.g. Homelessness Reduction Act 2017, the Domestic Abuse Act 2021
- 4.3 Adult Social Care Reform White paper 2021, sets out details how funding will be spent to transform the adult social care system in England, including new investments in supported housing.
- 4.4 By increasing the number of high quality, cost effective options for supported housing in-borough, we increase the capacity in Havering and reduce costs to social care budgets.

4.3 Other options considered:

Option 1 – do nothing and continue providing supported housing through private and independent sector, or out-of-borough. The availability, price and quality of this option makes is not sustainable.

The cost of not providing sufficient supported housing has a direct impact on the council's budgets. Without the support, vulnerable residents are unable to live independently.

IMPLICATIONS AND RISKS

Financial implications and risks:

This report request Cabinet agree the proposed Supported Housing Strategy. The strategy suggests a future increase in demand for Supported Housing services provided by the Council. This will require both revenue and capital investment not only from the Housing Service but from many services across the Council.

Some of the proposals in the strategy have already secured HRA Capital Funding. Any new proposals will be progressed on a case by case basis and as and when funding has been made available.

Legal implications and risks:

There is not one statutory or regulatory framework governing the Council's obligations to provide supported accommodation as set out in this report. However, there is a variety of legislation which impacts upon this vital area of housing provision, included but not limited to:

- Housing Act 1996 (as amended on various occasions including by the Homelessness Reduction Act 2017) covering both requirements for allocations of social housing (Part 6) and homelessness obligations (Part 7), including suitability of s193 accommodation and linking to the statutory homelessness code of guidance (including a section on securing supported accommodation at paragraphs 16.37- 16.39).
- Children (Leaving Care) Act 2000
- Care Act 2014 – general duty on local authorities to meet the needs of a person who needs care and support, accommodation can be provided where the authority is providing 'accommodation- related' services.
- Domestic Abuse Act
- Equality Act 2010

The proposed strategy is designed to meet the various statutory obligations of the local authority in providing supported housing, and to meet the needs of those people identified as benefitting from supported housing.

Further, the Government has produced a National Statement of Expectations on supported accommodation. It is not statutory guidance or a regulatory requirement but is stated to be best practice and it is advised that the Council has regard to this in developing and implementing the strategy.

Human Resources implications and risks:

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

Equalities implications and risks:

All implications are neutral and set out in the EqHIA at Appendix 2.

Health and Wellbeing implications and Risks

Although the strategy is new, it has a high potential for positive health and wellbeing outcomes. This strategy will minimise the out-of-borough placement and the resident can remain connected their community within Havering. In addition, the council will have more control over the quality and maintenance of the accommodation so that the negative health impact related to low-quality accommodation seen in the variable private sector housing market. Moreover the council services such as Local Area Coordination can facilitate access to local services and community organisations.

BACKGROUND PAPERS

Appendix 1 – Supported Housing Strategy 2022-2025

Appendix 2 – Supported Housing Strategy Equality & Health Impact Assessment (EqHIA)

Prevention of Homelessness and Rough Sleeping Strategy

Allocations policy

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Housing Services- Supported Housing strategy (2022-25)

Equality and Health Impact Assessment (EqHIA)

Document control

Title of activity:	Supported Housing strategy (2022-25)
Lead officer:	Katri Wilson – Assistant Director, Supported Housing
Approved by:	Patrick Odling-Smee, Director of Housing
Authors:	Katri Wilson, Joe Agius – Strategy & Policy officer
Date completed:	September 2021
Scheduled date for review:	September 2025

Did you seek advice from the Corporate Document & Diversity team?	YES
Did you seek advice from the Public Health team?	NO
Does the EqHIA contain any confidential or exempt information that would prevent you publishing it on the Council's website?	NO

Equality & Health Impact Assessment checklist

About your activity

1	Type of activity	Strategy setting out the Council's plan to help ensure an adequate supply of affordable, safe and suitable supported housing for the next five-years.
2	Who will be affected by this activity	Residents in need of supported housing, Housing Services staff and management, Adult Social Care staff and management
3	Scope of activity	<p>This document applies to the affected people and Council service groups mentioned above.</p> <p>It does not cover:</p> <ul style="list-style-type: none"> • Services that provide personal care in the community, or in specific settings such as Registered Care or Nursing Homes. • Supported living schemes for children. <p>This document will be published on the Council's website and intranet to ensure it is easily and freely accessible to everyone.</p>
4	Is this a new document for EqHIA approval?	YES
5	Does this document have the potential to impact upon people with protected characteristics as detailed herein?	YES
6	Does this document have the potential to impact upon affected people's health and wellbeing as detailed herein?	YES

Completed by:	Joe Agius, Strategy & Policy officer
Date:	September 2021

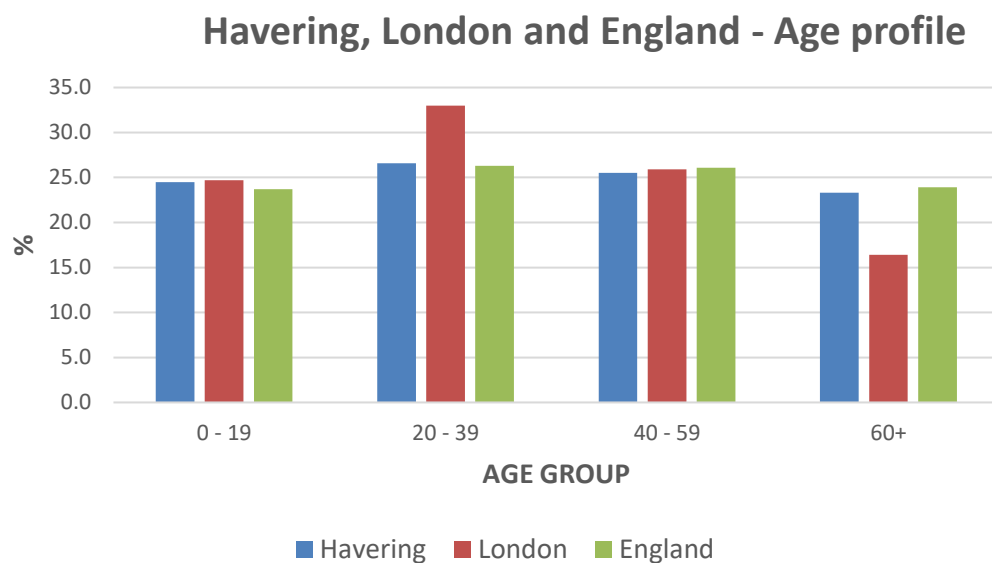
1. Age		
Please tick (✓) the relevant box:		Overall impact: Neutral This is a new strategy. Whilst it is intended to have a positive effect, in the absence of supporting evidence, it is not possible at this time to determine how it will impact on the basis of age . The overall impact on age has therefore been assessed as neutral .
Positive		
Neutral	✓	
Negative		

Evidence¹:

In 2019, Havering recorded an estimated resident population of approximately 259,500 people.

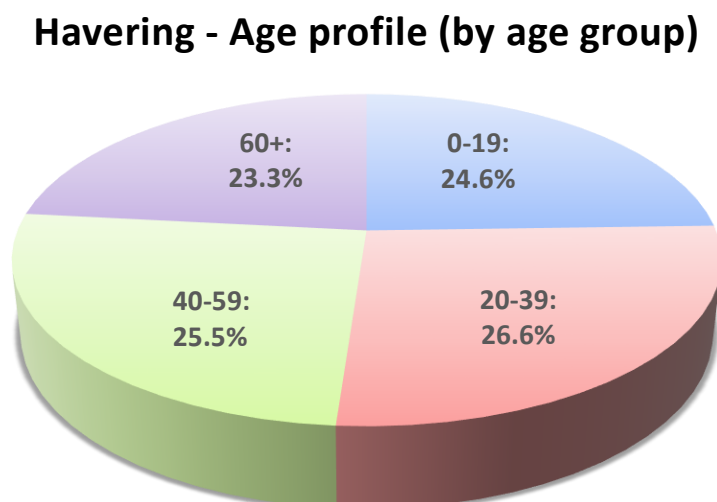
HAVERING			London		England	
Age	Count	%	Count	%	Count	%
0 - 4 yrs	17,367	6.7	606,004	6.8	3,299,637	5.9
5 - 9 yrs	16,824	6.5	602,992	6.7	3,538,206	6.3
10 - 14 yrs	15,570	6.1	537,605	6.0	3,354,246	6.0
15 - 19 yrs	13,864	5.3	467,602	5.2	3,090,232	5.5
SUB-TOTAL	63,625	24.6	2,214,203	24.7	13,282,321	23.7
20 - 24 yrs	14,474	5.6	565,427	6.3	3,487,863	6.2
25 - 29 yrs	17,548	6.8	770,010	8.6	3,801,409	6.8
30 - 34yrs	18,802	7.2	838,109	9.4	3,807,954	6.8
35 - 39 yrs	18,289	7.0	781,520	8.7	3,733,642	6.6
SUB-TOTAL	69,113	26.6	2,955,066	33.0	14,830,868	26.3
40 - 44	16,089	6.2	661,032	7.4	3,414,297	6.1
45 - 49	16,115	6.2	596,614	6.7	3,715,812	6.6
50 - 54	17,477	6.7	567,017	6.3	3,907,461	6.9
55 - 59	16,577	6.4	495,468	5.5	3,670,651	6.5
SUB-TOTAL	66,258	25.5	2,320,131	25.9	14,708,221	26.1
60 - 64	13,847	5.3	391,074	4.4	3,111,835	5.5
65 - 69	11,826	4.6	312,926	3.5	2,796,740	5.0
70 - 74	11,960	4.6	273,546	3.1	2,779,326	4.9
75 - 79	8,453	3.3	193,310	2.2	1,940,686	3.4
80 - 84	6,947	2.7	150,816	1.7	1,439,913	2.6
85+	7,523	2.9	150,917	1.7	1,397,051	2.5
SUB-TOTAL	60,556	23.3	1,472,589	16.4	13,465,551	23.9
TOTAL	259,552	100.0	8,961,989	100.0	56,286,961	100.0

¹ Source: haveringdata 2019 (as published in February 2021)/ONS.



Havering has a larger 60+ year old population compared to London, and a slightly lower level to England.

Current statistical data would suggest that this is on the decline and, as a result, the four age groups are becoming more evenly distributed:



One of the likely reasons for this may be the growing number of younger, out-of-borough households relocating to Havering.

2. Disability		
Please tick (✓) the relevant box:		Overall impact: Neutral This is a new strategy. Whilst it is intended to have a positive effect, in the absence of supporting evidence, it is not possible at this time to determine how it will impact on the basis of disability . The overall impact on disability has therefore been assessed as neutral .
Positive		
Neutral	✓	
Negative		

Evidence²:

Approximately 52,800 people (20.3%) of Havering population suffers with a disability, which is slightly lower than London's disabled population (21.3%). Unfortunately, there is currently no evidence relating to the under 18-year olds and the over 64-year olds.

Therefore, Havering's disabled population is broken down as follows:

MOBILITY IMPAIRMENT		%
Mobility impairment	8,374	89.0
Serious visual impairment	101	1.1
Severe hearing impairment	927	9.9
SUB-TOTAL	9,402	100.0

MENTAL DISABILITY		%
Common disorder	29,625	74.8
Borderline personality disorder	3,760	9.5
Antisocial personality disorder	5,143	13.0
Psychotic disorder	1,090	2.8
SUB-TOTAL	39,618	100.0

LEARNING DISABILITY	3,796	100.0
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SUMMARY		
Physical Disability	9,402	17.8
Mental Disability	39,618	75.0
Learning Disability	3,796	7.2

GRAND TOTAL: 52,816 100.0
 As a % of Havering's population: 20.3%
 As a % of London's population: 2.8%

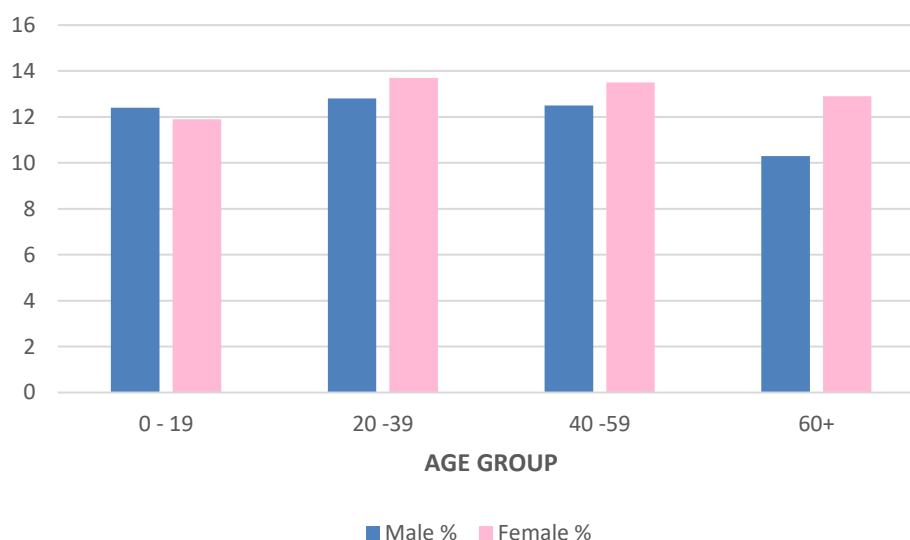
² Source: PANSI (Projected Adult Needs and Service Information) estimates, as published in February 2021.

3. Sex/gender		
Please tick (✓) the relevant box:		Overall impact: Neutral
Positive	<input type="checkbox"/>	This is a new strategy.
Neutral	<input checked="" type="checkbox"/>	Whilst it is intended to have a positive effect, in the absence of supporting evidence, it is not possible at this time to determine how it will impact on the basis of sex/gender .
Negative	<input type="checkbox"/>	The overall impact on sex/gender has therefore been assessed as neutral .

Evidence³:

In 2019, Havering's population had a greater proportion of female residents (52%), than male (48%):

Age	Male	%	Female	%	TOTAL	%
0 - 19	32,178	12.4	30,881	11.9	63,059	24.3
20 - 39	33,216	12.8	35,552	13.7	68,508	26.4
40 - 59	32,438	12.5	35,033	13.5	67,470	26.0
60+	26,729	10.3	33,476	12.9	60,464	23.3
TOTALS	124,560	48.0	134,940	52.0	259,500	100.0



³ Source: haveringdata 2019 (as published in February 2021)/ONS, extrapolated to a population of 259,500.

4. Ethnicity/race		
Please tick (✓) the relevant box:		Overall impact: Neutral This is a new strategy. Whilst it is intended to have a positive effect, in the absence of supporting evidence, it is not possible at this time to determine how it will impact on the basis of ethnicity/race . The overall impact on ethnicity/race has therefore been assessed as neutral .
Positive		
Neutral	✓	
Negative		

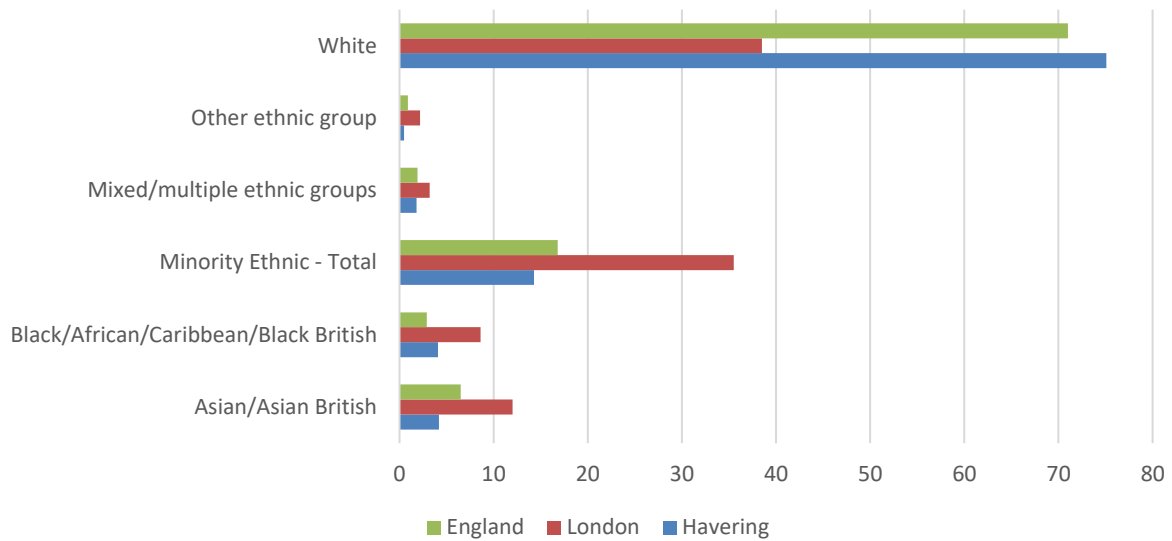
Evidence⁴:

In 2019, Havering was one of the most ethnically homogenous boroughs compared to London and England:

	HAVERING		London		England	
	Count	%	Count	%	Count	%
Asian/Asian British	10,899	4.2	1,511,546	11.9	4,143,403	6.5
Black/African/Caribbean/Black British	10,640	4.1	1,088,640	8.6	1,846,614	2.9
Minority Ethnic - Total	37,109	14.3	4,504,657	35.5	10,733,220	16.8
Mixed/multiple ethnic groups	4,671	1.8	405,279	3.2	1,192,879	1.9
Other ethnic group	1,298	0.5	281,041	2.2	548,418	0.9
White	194,885	75.1	4,887,435	38.5	45,281,142	71.0
	259,500	100.0	12,678,598	100.0	63,745,676	100.0

⁴ Source: haveringdata 2019 (as published in February 2021)/ONS, extrapolated to a population of 259,500.

Havering, London & England - Ethnicity/race breakdown (%)



- Over 92% of Havering's residents are UK-nationals, regardless of ethnic/race heritage.
- Havering's ethnic composition is changing, with its 'White British' population projected to decrease to 78% by 2032.

5. Religion/faith

Please tick (✓) the relevant box:

Positive

Neutral

Negative



Overall impact: Neutral

This is a new strategy.

Whilst it is intended to have a positive effect, in the absence of supporting evidence, it is not possible at this time to determine how it will impact on the basis of **religion/faith**.

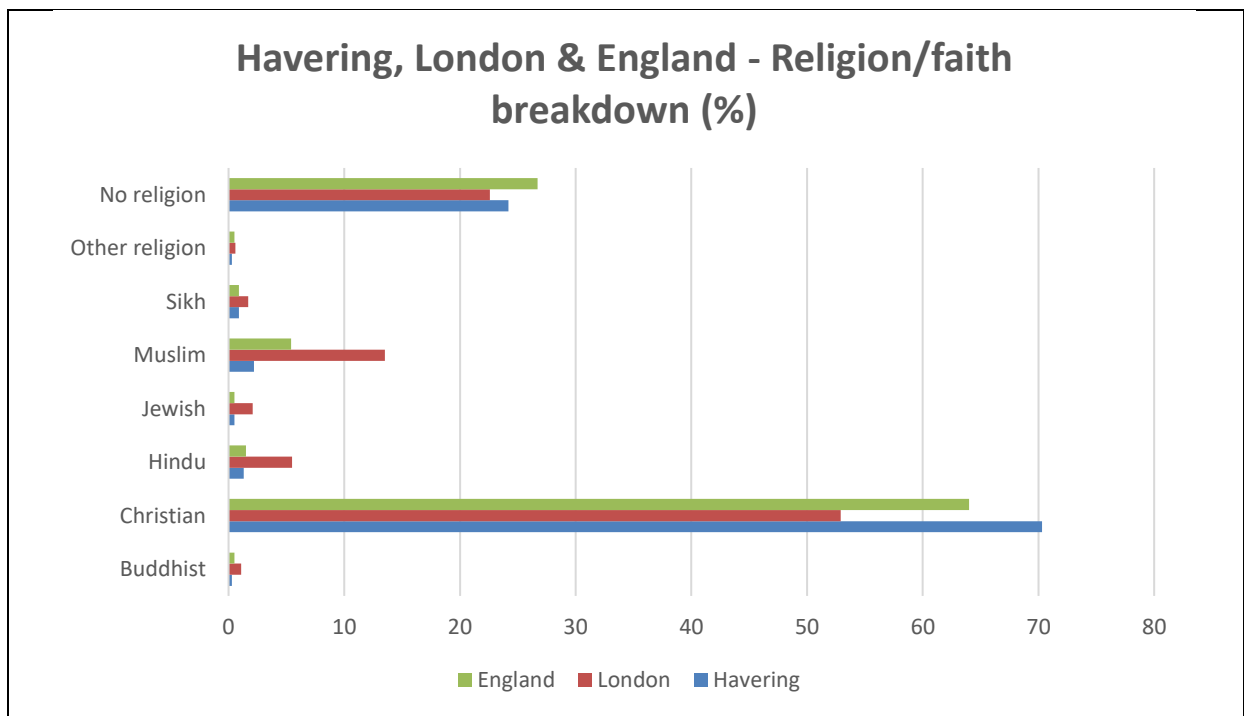
The overall impact on religion/faith has therefore been assessed as **neutral**.

Evidence⁵:

Christianity has the highest religion/faith presence within Havering's population (70.3%), compared to London and England, followed by those with no religious belief (24.2%):

	HAVERING		London		England	
	Count	%	Count	%	Count	%
Buddhist	777	0.3	82,026	1.1	238,626	0.5
Christian	182,429	70.3	3,957,984	52.9	31,479,876	64.0
Hindu	3,374	1.3	411,291	5.5	806,199	1.6
Jewish	1,298	0.5	148,602	2.0	261,282	0.5
Muslim	5,709	2.2	1,012,823	13.5	2,660,116	5.4
Sikh	2,336	0.9	126,134	1.7	420,196	0.9
Other religion	778	0.3	47,970	0.6	227,825	0.5
No religion	62,799	24.2	1,694,372	22.6	13,114,232	26.7
TOTALS	259,500	100.0	7,481,202	100.0	49,208,352	100.0

⁵ Source: haveringdata 2019 (as published in February 2021)/ONS, extrapolated to a population of 259,500.



London has a larger Muslim population, compared to other religions which, given the increasing movement of out-of-borough households into the borough, particularly from East London, is likely to be reflected in Havering’s future religion/faith composition.

6. Sexual orientation		
Please tick (✓) the relevant box:		Overall impact: Neutral
Positive	<input type="checkbox"/>	This is a new strategy.
Neutral	<input checked="" type="checkbox"/>	Whilst it is intended to have a positive effect, in the absence of supporting evidence, it is not possible at this time to determine how it will impact on the basis of sexual orientation .
Negative	<input type="checkbox"/>	The overall impact on sexual orientation has therefore been assessed as neutral .
Evidence: Supporting evidence for Havering is currently unavailable.		

7. Gender reassignment		
Please tick (✓) the relevant box:		Overall impact: Neutral
Positive	<input type="checkbox"/>	This is a new strategy.
Neutral	<input checked="" type="checkbox"/>	Whilst it is intended to have a positive effect, in the absence of supporting evidence, it is not possible at this time to determine how it will impact on the basis of gender reassignment .
Negative	<input type="checkbox"/>	The overall impact on gender reassignment has therefore been assessed as neutral .
Evidence: Supporting evidence for Havering is currently unavailable.		

8. Marriage/civil partnership

Please tick (✓) the relevant box:		Overall impact: Neutral
Positive		This is a new strategy.
Neutral	✓	Whilst it is intended to have a positive effect, in the absence of supporting evidence, it is not possible at this time to determine how it will impact on the basis of marriage/civil partnership .
Negative		The overall impact on marriage/civil partnership has therefore been assessed as neutral .

Evidence⁶:

Nearly half of Havering residents are married, and a third are single.

0.2% of Havering's population consists of a civil partnership relationship.

Havering's figures are very similar to England as a whole, and, generally lower than London:

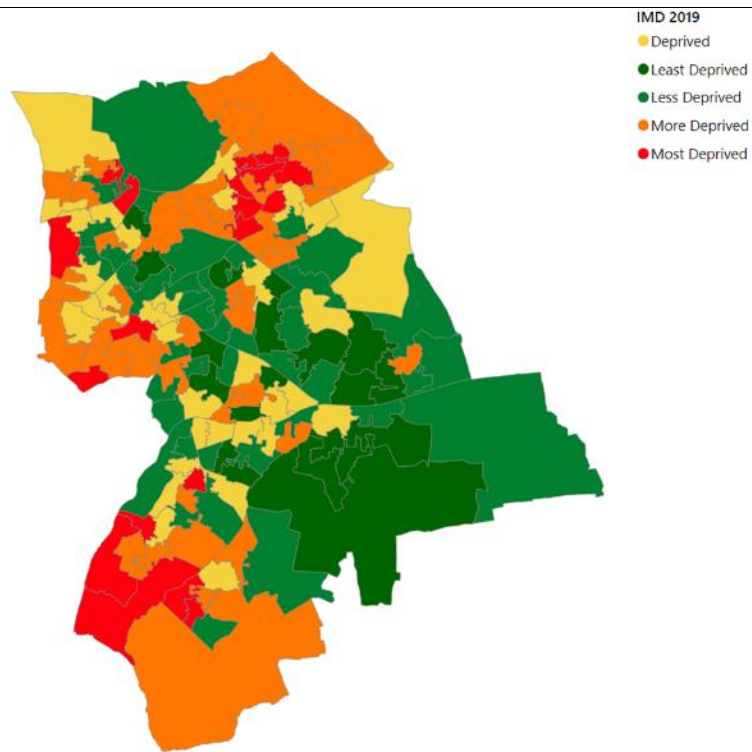
	HAVERING		London		England	
	Count	%	Count	%	Count	%
MARRIED (heterosexual marriage)	125,858	48.5	2,608,345	39.8	20,029,369	46.6
CIVIL PARTNERSHIP (same-sex marriage)	519	0.2	27,425	0.5	100,288	0.2
SINGLE (never married, or never registered a same-sex civil partnership)	85,635	33.0	2,888,944	44.1	14,889,928	34.6
DIVORCED (or formerly a same-sex civil partnership which is now legally dissolved)	20,760	8.0	484,106	7.4	3,857,137	9.0
WIDOWED (or surviving partner from a same-sex civil partnership)	20,501	7.9	328,853	5.0	2,971,702	6.9
SEPARATED (but still legally married, or still legally in a same-sex civil partnership)	6,228	2.4	211,500	3.2	1,141,196	2.7
TOTALS:	259,500	100.0	6,549,173	100.0	42,989,620	100.0

⁶ Source: [haveringdata 2019](#) (as published in February 2021), extrapolated to a population of 259,500.

9. Pregnancy, maternity and paternity		
Please tick (✓) the relevant box:		Overall impact: Neutral This is a new strategy. Whilst it is intended to have a positive effect, in the absence of supporting evidence, it is not possible at this time to determine how it will impact on the basis of pregnancy, maternity and paternity . The overall impact on pregnancy, maternity and paternity has therefore been assessed as neutral .
Positive	<input type="checkbox"/>	
Neutral	<input checked="" type="checkbox"/>	
Negative	<input type="checkbox"/>	
Evidence: Supporting evidence for Havering is currently unavailable.		

10. Health & Wellbeing		
Please tick (✓) the relevant box:		Overall impact: Neutral
Positive		The Council is committed to the health, safety and well-being of Havering's residents.
Neutral	✓	This strategy is intended to have a positive impact on all affected residents. However, this is a new document and, in the absence of supporting evidence, it is not possible at this time to determine how it will impact on the basis of health and well-being .
Negative		<p>Any identified issues/needs relating to health and well-being will be respected and considered on an individual basis.</p> <p>The overall impact on health & wellbeing has therefore been assessed as neutral.</p> <p>Do you consider that a more in-depth Health Impact Assessment is required as a result of this brief assessment? No ✓</p>
Evidence ⁷: <ul style="list-style-type: none"> Although Havering is among the least deprived boroughs in London, over 8,000 children are estimated to live in poverty. The map below shows deprivation patterns in Havering, based on the IMD 2019 child poverty index by Lower Super Output Areas (LSOAs): 		

⁷ This is Havering 2019/20 v4.4, Public Health Intelligence.

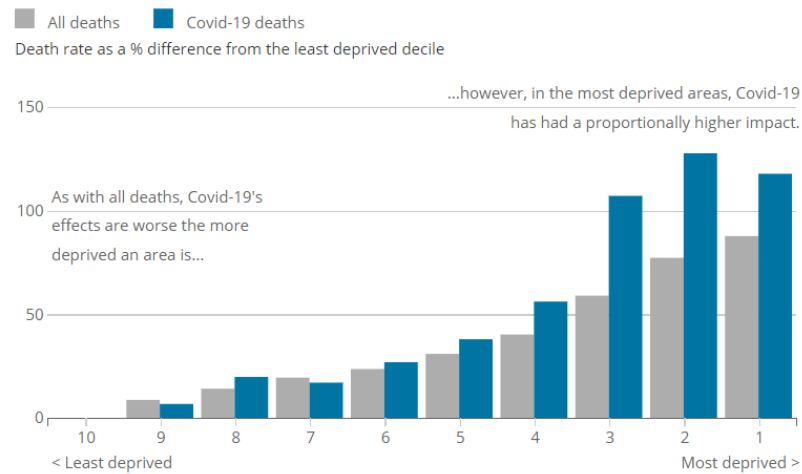


8

- Nationally, COVID-19 has had a proportionally higher impact on the most deprived areas. The chart below shows age-standardised mortality rates, all deaths and Covid-19 related deaths by deprivation deciles for the period between 1 March and 17 April 2020:

⁸ Deprivation Quintiles based on the Income Deprivation Affecting Children Index (IDACI), Havering LSOAs.

Age-standardised mortality rates, all deaths and deaths involving the coronavirus (COVID-19), Index of Multiple Deprivation, England, deaths occurring between 1 March and 17 April 2020



- This shows that the rate for the least deprived area was 25.3 deaths per 100,000 population and the rate in the most deprived area was 55.1 deaths per 100,000 population. This is 118% higher than the least deprived area. In the least deprived area (decile 10), the age-standardised mortality rate for all deaths was 122.1 deaths per 100,000 population.
- In the most deprived area (decile one), the age-standardised mortality rate for all deaths was 88% higher than that of the least deprived, at 229.2 deaths per 100,000 population.

Review

This EqHIA will be reviewed in line with the document's review date, or as and when:

- New, influential legislation comes into effect, or
- New, relevant data becomes available.

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London Borough of Havering Supported Housing Strategy 2022 – 2025



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1. Foreword



Joshua Chapman

Councillor Joshua Chapman,
Cabinet Member for Housing.

For many of us, our priorities have shifted towards home, wellbeing and quality of life, focusing on the environment in which we live and work. However, some members of our community have been more severely affected than others by the pandemic, particularly those who are vulnerable.

In Havering, we recognise that having a safe, comfortable and affordable home is of paramount importance to everyone, and that is why we have a bold plan underway to regenerate twelve existing council-managed housing estates to provide new homes for local people, one of the most ambitious in the country, doubling the amount of affordable homes that currently exist on these estates.

Havering is very keen to ensure the future housing needs of vulnerable people are assessed and planned for as part of that programme. Additional development of supported housing will increase capacity within the borough, which means we are less reliant on the private and voluntary sectors. This means that we will be able to support more vulnerable residents to live independently with the care they need.



Jason Frost

Councillor Jason Frost,
Cabinet Member for Health & Adult Care Services

This **Supported Housing Strategy** has been developed to increase and improve the provision of supported housing options for vulnerable people in Havering. This includes a plan of action that the Council is taking to improve the options available within the local market for those who wish to live in the community. This strategy will be flexible over the next three years, and will be reviewed and updated on an annual basis, to ensure it continues to meet the needs of vulnerable residents in Havering.

2. Aims for the Supported Housing Strategy



Havering Council believes that supported housing is a very important part of our housing offer to Havering residents. This type of housing exists to make sure everyone in our communities can live their best life, whatever their circumstances, ideally within their own home. However, if this is not possible, we are committed to providing a home with the level of support an individual needs.

Supported housing provides invaluable housing and support for a range of vulnerable people. The National Housing Federation says: *“Supported housing also helps ease the pressure on the NHS and care services, and saves the public purse around £940 per resident per year.”*

The aim of Supported Housing in Havering and this strategy is to: -

“Support vulnerable young people and adults to maintain and increase their independence, enabling individuals to thrive, make a contribution to the local community, and reduce reliance on statutory services.”

2.1 Priorities and Objectives



Katri Wilson,
Assistant Director of
Supported Housing

The key objectives of this strategy are to: -

- Provide sufficient supported housing to meet local needs by increasing the number of high quality, cost-effective options for supported housing located in Havering
- Deliver the right type of support - ensuring support is tailored to meet the needs of the residents
- Reduce the number of vulnerable young people and adults who are placed out of borough
- Improve tenancy sustainment to enable independent living for as long as possible
- Increase the number of individuals able to move through services to achieve independence
- Reduce the number of people in residential care settings
- Reduce costs to social care budgets

3. Introduction and approach



Local authorities have wide-ranging obligations to provide suitable housing for vulnerable young people and adults. In meeting those obligations, councils have previously funded and delivered a range of accommodation directly. In more recent years, competition and the price of accommodation in the greater London market has constrained our ability to deliver this on a large scale and we have had to rely on contracting with other parties to deliver the range of accommodation solutions required. Whilst the local authority can find placements for vulnerable people, we inevitably have to fund providers' property costs as part of care packages.

The private and independent sector cannot always provide what is needed in-borough, and so placements are sometimes made out-of-borough, which is not always the best solution for vulnerable individuals. We want to build capacity within the borough to maximise our ability to place people locally and derive all the benefits from doing so.

Supported housing is key to providing the right accommodation and support to enable Havering's vulnerable residents to live fulfilled lives. The Council's Joint Commissioning Unit (JCU) is working in partnership with Housing Services and operational services across Children's and Adult Social Care to come

up with a range of solutions to meet current and future needs.

In 2021, we commissioned a piece of bespoke research from the Housing, Learning and Improvement Network (LIN), covering housing needs in Havering for older people, those with mental health issues, single homeless people, ex-offenders and people with substance misuse issues. This research built on the Council's previous Review of Older People's Housing in 2016.

In addition, the level of need for housing for vulnerable young people and adults with learning disabilities was researched within the '*Future Accommodation Needs in Havering*' report commissioned by the JCU in 2019. These reports suggested housing solutions to inform the development and planning of new specialist accommodation in Havering. This has enabled us to give an accurate picture, 'modelling' what the Havering supported housing needs will look like in over the next three years.

The council has recently published the *Prevention of Homelessness and Rough Sleeping Strategy 2020-2025* and has reviewed its *Allocations Policy*. Both of these documents are relevant to this strategy and should be read in conjunction with it.

3.1. What is supported housing?



Supported housing is where housing, support, and sometimes care services, are provided as an integrated or associated package. Some schemes are long-term, designed for people who need ongoing support to live independently, others are short-term, designed to help people develop the skills needed to move into more mainstream housing. This can include support with independent living skills and health needs, including mental health, drug and alcohol use, managing benefits and debt, and accessing education, training and employment.

Supported housing schemes support a wide range of people, including those who are homeless, people living with mental illness, learning disabilities or recovering from substance misuse, people who have spent their childhood in care, are fleeing domestic violence, or those who are elderly and need extra support to live independently.

Supported housing services include homelessness hostels, refuges, sheltered housing, extra care housing, longer-

term accommodation for people with ongoing support needs and short-term, transitional type schemes that enable people to develop skills as a pathway towards independence.

This can include support in a person's own home or specific identified self-contained or shared accommodation. The support provided within supported housing schemes can also range greatly from 24-hour on-site staff support, to visiting or out-reach support, depending upon its purpose and the needs of the individuals living there.

For the purposes of this strategy, it includes mainstream housing where floating or visiting support is provided, as this is a vital part of the wider spectrum of support. For many people it is more appropriate to their needs and wishes to be supported to access, or to remain, in general needs accommodation, or to return to this after a period of more intensive support in supported housing.

3.2. The types of needs this strategy covers



There are many different types of households or communities of people who benefit from supported housing. For the purposes of this strategy, these have been categorised into key groups, based around existing services. We recognise that there is often overlap between these groups and diversity within them. It is important to ensure that an individual is able to access the right support to meet their personal needs. This is particularly significant where the person has multiple or complex needs.

- Older people (usually 55 and over).
- People with mental ill-health.
- People with learning disabilities.
- Young people, care leavers and those with special educational needs & disabilities (known as 'SEND').
- Homeless families and single people

- People involved in substance misuse (Drugs/alcohol etc.).
- Victims of Domestic violence/abuse refugees.
- Offenders / ex-offenders.

What it not included in this strategy

We have not included services that provide personal care in the community, or in specific settings such as Registered Care or Nursing Homes. The Council will not support new residential care development for adults due to decreasing need for this type of accommodation.

This strategy examines the demand for each of these client groups. In turn, we will set out the planned supply and the supported housing that is required to be developed. Any gaps in provision are then summarised in section six.

3.3. How Supported Housing is funded

Havering Council's Housing Revenue Account (HRA) 30-year Business Plan has identified funding that is available for building new housing, including supported housing, for Havering residents. This funding can be used to build new or refurbish existing buildings. Funding is available from the Adult Social Care General Fund (GF) Capital programme, Joint Commissioning and NHS Capital budgets.

In addition, grants are made available from the Greater London Authority (GLA) and the new Dept. of Levelling-up, Housing, & Communities (DLUHC) for new provision, however these have to be bid for. Havering also receives an allocation from 'Section 106'¹ agreements that can be used for the purposes of supported housing.

There are additional day-to-day running costs relating to supported housing, compared with general needs housing. These include the cost of staffing, and shared facilities and utilities. Part or all of this cost may be covered by a service charge to residents, and elements of this may be recovered through Housing Benefit and Universal Credit.

If there is more intensive care or support provided on site through health or social care services, then there are further costs attached to this and funded through health and social care budgets.

3.4 Opportunities



Havering already has a supported housing programme in place that is developing new supported housing schemes. The programme is used as a vehicle to explore and develop further solutions across the next few years to meet emerging needs.

Havering has a significant, wider regeneration programme underway to deliver new homes for local people. It is important to us to ensure that the future housing needs of our residents are assessed and planned for as part of this programme.

Our aim going forward is to have more ownership of the properties where we provide supported housing, and commission providers to deliver care and support in these schemes. We will consider Section 106 provision and leasing arrangements for supported housing and will work in partnership with property owners and the voluntary sector in developing our supported housing offer.

¹ Section 106 agreements – planning obligation made between local authorities and developers requiring a given portion of housing to be affordable

4. Delivery of our priorities

4.1. Older people

Like many other outer London boroughs, Havering has an ageing population, 18% of Havering residents are over the age of 65, and this figure is set to increase to 21% over the next twenty years. A large proportion of older households are owner-occupiers, and specialist accommodation is no longer always their preferred option. Older people are seeking wider choices in the range of housing and accommodation options that will facilitate independence, in some cases this will be a move to alternative accommodation, for others this is about adapting their current home or bringing in care and support.

Some of our sheltered housing vacancies can take longer to let due to a lack of interest from residents, despite the anticipated increase in the number of older people.

Some older people are interested in 'downsizing'/'right-sizing' and move to specialist housing and accommodation for older people. There is very limited interest in a move to residential care or nursing care as a choice of specialist accommodation; most moves to these types of accommodation are as a result of, for

example, an acute health or care episode.

As the number of older people grows, especially those aged over 85, so too does the number of people who have a disability or other vulnerability that makes it difficult for them to remain independent and safe in their current home. There is also an increase in the number of older people experiencing mental health conditions, such as depression, anxiety and dementia, that can be better met within a supported housing environment. Good quality supported housing can help to maintain independence for some people, and prevent or delay the need for 24-hour residential care.

We have identified the need for an increase in the older persons housing provision. Need is likely increasing as a consequence of a rise in the aged 65+ population relative undersupply of 'supported housing for sale' for older people in the context of over 80% home ownership amongst those over 65 in Havering, and relative undersupply compared to other local authorities.

Current provision

Sheltered Housing

As shown in the table below, there are currently 1,600 sheltered housing units across Havering. The council provides 512 properties across 15 schemes, with housing associations providing 276 units of sheltered housing. The private provision is the largest in the borough with over 800 units provided to people over the age of 65.

	Number of Sheltered units
Council Sheltered Housing	512
Housing Association	276
Private Leasehold Sheltered	706
Private Social Housing tenure	106
Total Sheltered Housing	1,600

4. Delivery of our priorities



Extra Care commissioned by Adult Social Care

Extra care housing can provide a more intensive level of support than standard sheltered housing, normally with a 24-hour care team on site. The borough's current three extra care schemes are -

- 1) Paines Brook Court (Harold Wood)
- 2) St. Ethelburga Court (Harold Wood)
- 3) Dreywood Court (Gidea Park)

Extra care can offer a number of benefits to residents including improving health and wellbeing and quality of life, and allowing the continued involvement of family carers. In addition, there are a number of benefits that distinguish extra care housing from residential care settings:

- a) Extra Care can offer cost savings to local authorities as households maintain independence, which reduces or prevents the need for residential care
- b) People live in their own self-contained homes, which they have legal rights to occupy and are underpinned by housing law
- c) It is usually self-contained accommodation with one or two bedrooms
- d) Couples are able to stay together
- e) Residents come and go as they choose, in the same way as they would if living in the community

f) The provision of care and support is separated from the provision of accommodation

g) Care and support is based on an individual assessment of needs and can be more easily tailored to the individual and the on-site staff are empowered to be flexible in their delivery of care and support.

Future need and priorities

Retirement and Sheltered Housing

The estimated need (after existing supply is deducted) for housing for older people to 2030 is circa 480 units of which 144 should be for affordable rent and 336 for sale.

Housing with care

(Extra care housing and assisted living) - The estimated housing with care need (after existing supply is deducted) to 2030 is 228 units of which circa 114 will be for affordable rent and 114 for sale.

Redevelopment of new retirement and sheltered housing

To meet the needs of the ageing population, plans are in progress to develop a retirement village that will provide 172 units for people over the age of 55. The scheme is in Hornchurch, and will provide modern, standard, accessible older people's housing for rent and for outright sale. Residents can receive care and support, on a personalised basis, where they need it.

- Royal Jubilee Court, Romford, is a former sheltered scheme that will be redeveloped to a retirement village including extra care and dementia-friendly design.
- Brunswick Court, Upminster will be developed to extra-care sheltered housing in circa four-years' time.



4.2 People with mental ill health

Stable and appropriate housing is vital to allow people to address and receive treatment and support for mental ill health. This promotes better individual outcomes, and reduces impact on communities and on interventions from health, social work and housing teams.

For most people, general needs housing is the best place to live, with visiting care or support tailored to their needs. A small minority of people may always require some level of supported housing.

Current provision

We have a range of provision types, which we access as part of the support we offer to our mental health clients. We work in partnership with our mental health colleagues to broker placements based on both the clients, assessed needs and their stage on their pathway to recovery. This pathway supports clients through the journey from acute admission through to independent living in the community.

We work to place people appropriate to their level of need and social and environmental requirement. This can include complexities relating to dual diagnosis, which requires access to specialist therapies and behavioural intervention. This can include drug and alcohol dependencies and forensic history (with restrictions on liability). These factors determine which of the placement types we would broker and in which location (in or out of borough).

Placement Types

- **Care Homes** – Providing accommodation and specialist mental health support for clients with complex needs / behaviours. This can include brokering bespoke packages of support for clients to achieve outcomes relating to the management of their symptoms, behaviour or dependencies.
- **Supported Living** – The client has his or her own tenancy within a shared property. They have their own bedroom and living space and share communal facilities. A care provider is on site to support the client to achieve their outcomes relating to their activities of daily living. This type of provision supports a range of clients: those with complex needs which require high level of daily 1:1 supervision, through to people with lower levels of need.
- **Supported Accommodation** – The client has their own tenancy for their own self-contained flat, usually within a block or complex. They would typically live independently in the property and a provider provides low-level support relating to activities of daily living. This would focus on reducing dependency by setting independence goals.

Clients can remain in any one of these provision types or move between them depending on where they are in their recovery.

Havering currently provides seven schemes in-borough offering supported accommodation placements.

We broker all placements through our 'Complex Dynamic Purchasing System' (DPS), except supported accommodation, for which we have contracts in place.

Future need and priorities

There is an estimated need of circa 96 units of additional housing for people with a mental health support need in Havering by 2030.

Whilst we can access provision, it is not always as local as we would like. The more remote the service, the less control we have over quality. Mental health provision is therefore an area where we will look to establish local, council-owned or controlled properties so that we can commission high-quality providers in local settings to improve outcomes for individuals.

People with complex, enduring mental health needs will require more intensive support in a supported setting for a period of time before moving on to their self-contained accommodation. We will designate a shared house to provide this type of support with staff on-site, with specialist mental health teams supporting individuals in these settings.

Many of these residents want to live independently with visiting support. Where required, designate up to 20 studio or one-bedroom flats per year for people with mental ill health, where people with a medium-level of need could be allocated a flat with floating support. The level of support will vary, and should be flexible depending on the needs of the person, from one visit per week to 2-3 visits per week.



4.3 People with learning disabilities

Population and future modelling

The future population of adults with learning disabilities and/or autism has been modelled using extensive research, and the overall impact shows an increase in the number of people living in services away from the family home. So we estimate a need for 66 places over and above the current 303 placements made; making 369 in five years' time. The main drivers are set out below:

- Migration of people living with family carers into accommodation and support services away from the family home.
- A new generation of younger adults with complex needs (matching the previous 5-10 year history).
- Mortality rates recorded by Havering's data.

The model estimates there will be an increase of circa 37 more people needing accommodation and support aged 60 and with circa 30 people in the 30-49 age group.

Current provision

The current number of Supported Living units for people with learning disabilities, in and out of borough is 143 units.

Summary of current costs is:



Placement Type	Placement Totals	Sum of Current Total Weekly Cost
Residential Care		
In Borough	64	£90,792.71
Out of Borough	57	£93,241.10
Total	121	£184,033.81
Supported Living		
In Borough	108	£135,844.10
Out of Borough	26	£39,781.88
Total	134	£175,625.98
Shared Lives		
In Borough	7	£3,210.00
Out of Borough	2	£972.00
Total Shared Lives	9	£4,182.00

4.3 People with learning disabilities



Future needs and priorities

Younger people (18-49 years) with a learning disability and/or autism

The majority of housing demand will come from younger people transitioning to adult services. The accommodation must be flexible and allow for a wide range of needs. There is a need for additional capacity to allow for moves into this type of accommodation by people already in accommodation and support services with compatibility issues. This would include young people who have mild or moderate learning disabilities but who have additional mental needs or drug or alcohol dependencies.

For those with lower needs, or as move on, there is a need for small, shared living opportunities as step

down from more intensive services. In addition, there will be a migration of circa 20-25 people from the family home to accommodation and support services, over the next 5 years, for whom mainstream shared housing is likely to be the choice.

Flexible accommodation

In response to this need for flexible accommodation, we will plan to develop small groups (6 to 8) of self-contained or studio accommodation where tenants have their 'own space' but with communal areas where sharing and peer interaction can be supported. Ground floor accessible accommodation should provide circa 33% of the required capacity. See table below:

Own space accommodation in self-contained flats	
Group A – Young people entering housing and support services usually for the first time as adults.	A need for 10-15 units for those with highest needs and a further 10-15 units for those with more modest needs over a 5 year period.
Group B - People under 50 who have been in accommodation and support for some time whose needs are changing and need to move.	Modest need to reduce out of area placement, circa 5 units.
Group C - People currently at home with families who will need accommodation and support in future.	Modest need circa 5 units out of the 23 who will migrate away from the family home into accommodation and support services.
All groups – need for flexible 'own space' accommodation.	A total of 30-40 units over 5 years.

4.3 People with learning disabilities

Mainstream housing – small scale shared living opportunities

There is a need for small-scale supported living opportunities. A pair of 3 or 4-bedroom semi-detached properties can provide for people sharing with staff support.

Mainstream housing – small scale shared living opportunities	
Group A – Young people entering housing and support services usually for the first time as adults.	No additional requirement.
Group B – People under 50 who have been in accommodation and support for some time whose needs are changing and need to move.	Modest need to reduce out of area placement; circa 5 units; negated by the effect of people moving into flexible accommodation above.
Group C – People currently at home with families who will need accommodation and support in future.	18 expected to migrate away from the family home into accommodation and support services.
All groups – small scale shared living opportunities.	A programme of 12 units over 5 years; would capture 66% of the new market.



The size of development for flexible ‘own space’ accommodation should be kept to 6 - 8 unless there is a larger, viable cohort likely to move into the accommodation already known. If a development becomes larger it is practically difficult to ‘line up’ or ‘hold’ sufficient tenants to be able to move them all in at the same time upon completion. Further, given the amount of space and staff needed, larger developments of this type can have a much higher impact on existing communities.

Older people with learning disabilities

Very few people with learning disabilities currently live at home with family carers beyond the age of 60, and will migrate to living-in accommodation and support settings. The model assumes demand for another 37 housing and support units for people over 50 over the next 5 years. As a number of people will require a placement outside the borough the unmet demand is likely to be for an additional 25 to 30 units.

Registered Care and Supported Living

The existing voluntary and private market for accommodation and support can reasonably be expected to provide for the modest increase in need of circa 25-30 units from the 128 already utilised by Havering.

The best opportunities to generate choice and value are to expand extra care alternatives and asset planning for home owning families.

Future need and priorities

We are currently in the process of developing supported living for adults with disabilities that consists of 6 one-bedroom flats with support staff on-site, including sleep-in staff.

For older people with learning disabilities we will consider designating 2 one-bedroom flats per year with floating support providing support with issues, practical needs and tenancy support. The support provided should be flexible and tailored to individual needs, and vary from one visit to 3-4 visits per week. Havering’s retirement housing village offers additional options that can be chosen by older people with mild learning disabilities.

4.4 Young people, care leavers and special educational needs & disabilities (SEND) provision



Local authorities have duties under the Children (Leaving Care) Act 2000 towards care leavers. This duty lasts until the young person reaches the age of 25. The Local authority becomes a Corporate Parent and has a statutory duty to ensure that all eligible care leavers are placed in suitable accommodation when leaving care. In addition, older care leavers may be classed as being in 'priority need' under homelessness legislation, meaning that local authorities have a duty to provide them with housing or support. There has been a marked increase in the number of young people and adults in Havering and this is expected to continue.

Due to preventative work, the number of children coming into care at earlier ages is decreasing whilst the number arriving at 16+ has dramatically increased since 2014/15 – partly because of a significant increase in unaccompanied asylum seeking children. This has been putting pressure on service availability and leading to a significant number of older children being placed out of borough.

Current provision

Widcombe Close, providing 6 units, Park End Road providing 6 units and Brunswick Court providing 18 units of supported housing for young people and care leavers.

Future need and priorities

A new scheme is currently being developed for semi-independent living for young people leaving care. This will provide 8 units of supported housing.

Shared, semi-independent accommodation for 16 and 17 year olds and 18-21 year olds - 21 new units are recommended, provided by utilising 4 pairs of 4-bed

semi-detached properties (which provide 5/6 places per property). In order to future-proof the buildings, one of these could be allocated for young mothers, another for those with low-level mental health or learning disability related needs, and two further for the remainder of this cohort.

Self-contained ('Standalone') accommodation for 21-23 year olds - 24 new units for young people. This would comprise of two blocks with 6 flats/studios in each (one each for young mothers, and one for people with mental health needs or learning difficulties), along with one block of 12 flats/studios for those with less complex needs.

Independent accommodation - At least 43 one bed flats will need to be provided to meet the demands of those who are ready to move into their own tenancies in the next year plus those on the waiting list; with a further 20 per annum required thereafter.

A fourth group of care leavers were identified – Those requiring permanent accommodation with indefinite support. It was noted that 9 such young people had already been identified as being in this cohort. Further work in this area was suggested, as numbers, funding and policy, were all uncertain at the time of writing.

We will designate up to 20 studio or one-bedroom flats on general needs estates for move-on, for people leaving care, who can live independently with support. This will also ensure there is move-on from the new supported housing. A Floating Support Worker will provide support to these individuals.

Children with Disabilities - A new build scheme is planned for children with disabilities: a residential care home and short breaks service for children with special educational needs and disabilities (SEND) - 6 units.

Care Leavers with other housing needs

Care Leavers fleeing domestic violence, or other safety reasons - we will consider mutual housing exchanges with other Local Authorities.

Care Leavers with multiple and complex needs - we will provide supported lodgings to enable move on from semi-independent provisions and support individuals achieving more independence.

Care Leavers who are parents - we will consider a small number of 2 bedroom flats where care leavers with children can be supported

Care leavers who are ex-offenders or leaving prison – we will develop a small supported scheme to support individuals with skills for independence.

4.5 Homeless Families



Abercrombie House and Will Perrin Court hostels provide emergency housing and support to homeless families. Havering are progressing plans to redevelop a new scheme, the Family Welcome Centre, with modern self-contained facilities for families, with assessment and support provision on-site. This will offer 74 self-contained flats in the Hilldene area. The Family Welcome Centre is due to open in 2024.

Single Homeless People

A large proportion of single people residing in our hostels, Cold Weather Shelter and Shared Supported Accommodation, people, are vulnerable. The needs assessments indicate that many of them require support to live independently in the community, and to sustain their tenancies. The main areas of need are around mental health issues, substance misuse (drug and alcohol) and complex needs.

Currently single homeless people, including ex-servicemen, are housed in shared supported accommodation. The council currently provides 130 rooms in shared houses for single people. These are for single people with a wide variety of vulnerabilities, and visiting support is provided to support them in their accommodation.

Future need and priorities

The estimated number of single homeless people with a need for housing with support is estimated to be approximately 130 people per annum (from 2021/22). We will provide an assessment centre for single homeless people with staff on-site providing assessment and signposting to housing options.

4.6 People with substance misuse (drug and alcohol)

Over the last year, we have accommodated homeless people with substance misuse issues in local hotels due to Covid-19 pandemic under the everyone in scheme. We have one shared supported house with five bed spaces.

Future need and priorities

The estimated number of people with a substance (drug & alcohol) dependency issues with a need for housing with support is approximately 45 people per annum (from 2021/22).

We will designate 5-6 larger shared supported accommodation places for people with a history of rough sleeping, people with complex needs around mental health and substance misuse. Each will have onsite support staff, to provide intensive or medium-level support to residents, and work in partnership with voluntary drug & alcohol support agencies, council departments and mental health services, to provide wrap-around support and tenancy sustainment.



4.7 Domestic Abuse accommodation

There are currently two Domestic Abuse (DA) refuges in the borough. The smaller of the two has nine beds and is based in central Romford; the other has 14 beds and is based in the Hornchurch/Elm Park area. Each room is a self-contained flat providing victims and their children their own living spaces. There are also crèche facilities on site. Each resident is allocated a support worker, and residents are offered counselling and group support during their stay.



Current offer of both accommodation and support services

- Havering Women's Aid provides both 1-2-1 advocacy, counselling and group support for female victims.
- MENDAS, (Men's Domestic Abuse Services), provides 1-2-1 advocacy support and counselling to male victims of domestic violence.
- Havering Women's Aid Young person's 'independent domestic violence advisors' (IDVA) provides a service for victims aged 13-25 offering 1-2-1 advocacy support.
- Havering IDVA offers 1-2-1 advocacy, safety planning and crisis management for high-risk victims of domestic violence. These victims are supported by Children and Young People's Service, (CYPS), or have come through the Multi-Agency Risk Assessment Conference (MARAC) process.
- London Victims and Witness Service (aka victim support) offers 1-2-1 advocacy support and pre-trial

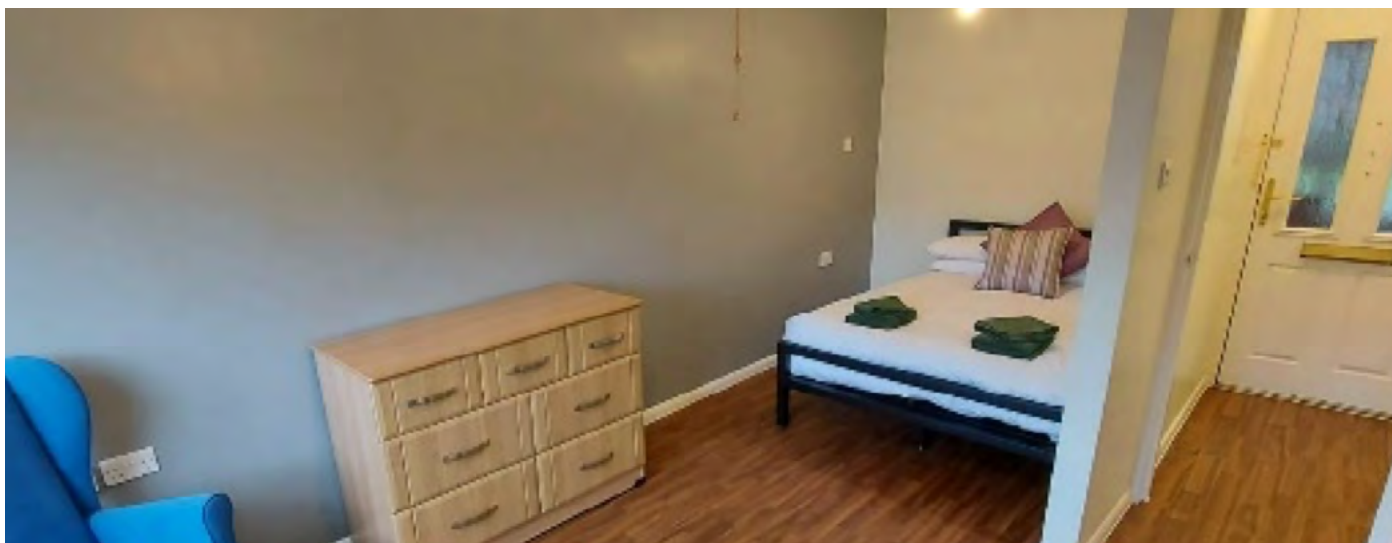
support for victims of domestic violence. This team is usually based in Romford police station.

Future need and priorities

Providing housing for people fleeing domestic abuse remains a priority for Havering. The demand for refuge spaces is channelled through the Domestic Violence national helpline, and people fleeing domestic violence are commonly being placed outside the borough for safety reasons. The refuges in Havering are mostly at capacity (23 units) with around 20% of Havering residents staying there. There is a reciprocal arrangement with other refuges that offer accommodation to Havering residents fleeing domestic violence.

We will require some extra capacity for people fleeing domestic violence. We will work with other boroughs in planning and delivering any future provision.

4.8 Offenders / ex-Offenders



Community Rehabilitation Company (CRC) has 476 offenders on their caseload, an average probation officer's caseload will have 30%-40% classed as homeless, 'sofa surfing etc'. There is a need for support and housing.

Havering Housing Solutions Team are working with the Probation service to provide advice and assistance to offenders coming out of prison. Support from Housing Advice workers is available from both CRC and the National Probation Service and is delivered by both Single Homeless Project and St Mungo's. Other accommodation which is available are bail hostels. Stays at the hostels are time limited and for high-risk offenders.

The Derby Avenue Programme, which is run by a support provider, is in the process of winding down. This was a Housing Association property of five self-contained flats for offenders.

Future need and priorities

There is an estimated demand for an additional 10-20 units of supported housing designated for ex-offenders (from 2021/22).

Going forward Havering Housing Solutions Team will continue to give temporary emergency housing to those who are eligible and expected to be released as homeless, and then supported into private rented accommodation. The same offer is available for homeless offenders/ ex-offenders in the community.

In partnership with the private sector and the Probation service, we will consider providing training flats, where offenders who may be institutionalised, can live in a self-contained flat where floating support is available. After maintaining their tenancy for a period, they will be supported to move into more permanent accommodation.

5. Commissioning approach

In providing supported housing there has to be flexibility in being able to respond to demand that can arise at short notice and unpredictably. A Complex dynamic purchasing system, 'Complex DPS', is in place that enables requirements of an individual to be put out to a wide market of providers so that the closest match possible between needs and provision can be achieved. Our strategy will be to continue to build levels of this type of provision until we reach a point where we believe the balance is correct between block contracted services we know we need and the flexible capability provided by the Complex DPS.

Havering is implementing a place based care model covering health, social care and wider council departments, where people who suffer ill health and disability are able to stay in the area they have lived, and connected with their local communities. Borough Partnerships are developing now to be ready for April 2022 implementation, bringing together the delivery of health and care services around the needs of local people, with the Council taking a lead on planning and delivering for local people, particularly in meeting the housing needs of vulnerable residents.

6. Summary of delivery

	Current Number of Units	Future need in provision	Units in development
Older People	Council Sheltered Housing – 512 flats. Housing Associations – 276 flats Private Leasehold Sheltered – 706 flats. Private Social Housing – 106 flats. Extra Care Sheltered – 3 social rent schemes.	Retirement and Sheltered Housing - to 2030 circa 481 units of which 144 for social/affordable rent and 336 for sale. Housing with care to 2030 is 228 units of which circa 114 for rent and 114 for sale.	Hornchurch Retirement Village (completion in 2024/25).
Mental health	Supported Living in borough – 7 schemes. Number of units commissioned flexibly.	96 units of additional housing for people with a mental health support need by 2030.	20 units of housing with floating support per year.
People with learning difficulties	Supported Living in borough – 25 schemes. Number of units commissioned flexibly, currently circa 130.	Flexible ‘own space’ accommodation	Developing supported living for adults with disabilities, 6 one-bedroom flats with support staff on-site, including sleep-in staff. For older people with learning disabilities, designate 2 one bedroom flats per year on our general needs estates, with floating support providing support. Havering retirement housing village development and extra care sheltered housing offer additional options for older people with mild learning disabilities.
		Group A – Young people entering housing and support services; usually for the first time as adults.	
		10-15 places for those with highest needs and a further 10-15 places for those with more modest needs over a 5 year period.	
		Group B - People under 50 who have been in accommodation and support for some time whose needs are changing and need to move.	
		Modest need to reduce out of area placement; circa 5 places.	
		Group C - People currently at home with families who will need accommodation and support in future.	
		need circa 5 places out of the 23 who will migrate away from the family home into accommodation and support services.	
		All groups – need for flexible ‘own space’ accommodation.	
		A total of 30-40 units over 5 years.	
Young People, care leavers and Special educational needs and disabilities (SEND).	Widcombe Close, providing six units, Park End Road providing six units and Brunswick Court providing 18 units of supported housing.	Mainstream housing – small scale shared living opportunities	A new scheme is currently being developed for 12 units semi-independent living for young people leaving care. A residential care home and short breaks service for children with special educational needs and disabilities (SEND) - 6 units. We will designate up to 20 studio or one-bedroom flats for move on, for people leaving care.
		Group B - People under 50 who have been in accommodation and support for some time whose needs are changing and need to move.	
		Modest need to reduce out of area placement; circa 5 places; negated by the effect of people moving into flexible accommodation above.	
		Group C - People currently at home with families who will need accommodation and support in future.	
		18 expected to will migrate away from the family home into accommodation and support services.	
		All groups – small scale shared living opportunities.	
		12 units over 5 years; would capture 66% of the new market.	
Homeless families and Single homeless people.	83 rooms in two hostels.	Shared, semi-independent accommodation for 16- and 17-year olds and 18-21-year olds: 21 units. Self-contained accommodation for 21- 23-year olds: 24 units. Independent accommodation - At least 43 1-bed flats will need to be provided to meet the demands of those who are ready to move into their own tenancies in the next year plus those on the waiting list; with a further 20 per annum required thereafter. Those requiring permanent accommodation with indefinite support: 9 units. Care Leavers fleeing domestic violence, or have other safety reasons: mutual housing exchanges with other Local Authorities. Care Leavers with multiple and complex needs: we will provide supported lodgings to enable move on from semi-independent provisions and support individuals achieving more independence. Care Leavers who are parents: a small number of 2 bedroom flats where care leavers with children can be supported. Care leavers who are ex-offenders or leaving prison: we will develop a small supported scheme to support individuals with skills for independence.	Family welcome Centre will have 74 self-contained units for families. Assessment center for single people 25 units.
People with substance misuse (drug & alcohol).	5 bed spaces in one shared supported house of multiple occupation.	Accommodation with support is needed for approximately 45 people per annum.	30-35 units in 6 shared supported housing schemes.
Domestic abuse.	23 places in two refuges in the borough.	We will work with other boroughs in planning and delivering any future provision.	Family Welcome Centre will offer places for victims of domestic violence.
Offenders/ ex-Offenders.	The Derby Avenue Programme (5 units), which is run by a support provider, is in the process of winding down.	Estimated demand for an additional 10-20 units of supported housing designated for ex-offenders.	Working with the private sector.

6.1 Supported Housing Strategy – Meeting our aims, priorities and objectives



The aim of Supported Housing in Havering and this strategy is to: -

Support vulnerable young people and adults to maintain and increase their independence, enabling individuals to thrive, make a contribution to the local community, and reduce reliance on statutory services.

Our priority is to: -

Provide accommodation with support that is high quality, and enables residents to maintain and increase their independence.

We will do: -

- *Provide sufficient supported housing to meet local needs by increasing the number of high-quality, cost effective options for supported housing located in Havering*
- *Deliver the right type of support in the right homes -*

ensuring support is tailored to meet the needs of the residents

- *Reduce the numbers of vulnerable young people and adults who are placed out of borough*
- *Improve tenancy sustainment to enable independent living for as long as possible*
- *Increase the numbers of individuals able to move through services to achieve their maximum levels of independence*
- *Reduce costs to social care budgets.*

This strategy commits to the provision of quality accommodation with support that enables residents to maintain and increase their independence, but also by supporting residents' quality of life and ensuring people have a place they're proud to call home.

6.2 Equality and Diversity Statement



The Council will seek to ensure that this strategy is, at all times, applied fairly to all sections of the community.

We will provide information in other formats when required. Residents will be invited to indicate if they wish to make use of the Council's translation and interpretation services, or if they require additional services to enable them to access or understand the strategy, to ensure that they are not disadvantaged in any way.

They will also be invited to provide details of their ethnic origin, sexuality, disability and other equalities

information. Provision of this information is not obligatory; however, such information will help the Council to monitor the number and types of protected characteristics accessing this strategy and will help ensure that service improvements evolve in line with any changing local needs.

Equalities records will be kept and monitored to ensure they remain up to date. This strategy will be reviewed annually to ensure it is not operated in any way that could discriminate or disadvantage against any particular group of people.

6.3 General Data Protection Regulations (GDPR)

Havering Council takes personal privacy very seriously and will never share an applicant's personal data without their prior knowledge, unless required to do so

by law. For full details about how the Council protects personal data, please visit **Havering Council Data Protection policy**.



CABINET	16 th February 2022
Subject Heading:	Havering and Wates Regeneration LLP Business Plan and Budget 2022/2023
Cabinet Member:	Councillor Damian White - Leader of the Council and Portfolio Holder for Regeneration.
SLT Lead:	Neil Stubbings - Director of Regeneration
Report Author and contact details:	Maria Faheem - Regeneration Maria.Faheem@havering.gov.uk 01708 434 379 Martin Fahy- Regeneration Martin.Fahy@havering.gov.uk
Policy context:	Havering Housing Strategy 2014-2017 National Planning Policy Framework 2021 London Plan 2021 Havering Local Plan 2016- 2031 HRA Business Plan 2022-2052
Financial summary:	<p>The report seeks Cabinet approval to invest a maximum of £106.6 of capital expenditure gross of repayments of equity into a Limited Liability Partnership to deliver the regeneration of 12 Housing Revenue Account (HRA) sites.</p> <p>The report seeks Cabinet approval to invest a maximum of £102.6 of capital expenditure gross of repayments of equity into a Limited Liability Partnership to deliver</p>

the regeneration of 12 Housing Revenue Account (HRA) sites.

The report also seeks Cabinet approval to increase the forward funding to be advanced from the Council by £10.8m. The report also seeks approval to a budget of £70.3m in respect of the remaining land assembly / CPO costs to enable the Council to provide vacant possession.

A total revenue surplus for the HRA of £48.1m is forecast as a result of this regeneration scheme after meeting capital financing costs of borrowing. An estimated capital receipt of £102.6m is expected to be realised at the end of the scheme.

Is this a Key Decision?

This is a key decision

When should this matter be reviewed?

Autumn 2022

Reviewing OSC:

Towns and Communities OSC

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

Communities making Havering	[x]
Places making Havering	[x]
Opportunities making Havering	[x]
Connections making Havering	

SUMMARY

This Cabinet Report is an annual update of the Havering and Wates Joint Venture Business Plan as required by Cabinet. When Cabinet agreed to establish the Havering and Wates Joint Venture (JV), this was on the basis that there would be regular (annual) reviews and Cabinet would be asked to agree material changes to the business plan on an annual basis, in line with the annual budget setting process. This is the fourth review following establishment of the JV in April 2018.

The Council's overarching vision for the Havering and Wates Joint Venture (HWR) is to facilitate the regeneration of key areas of the borough; to kick-start renewal of key town centres and estates; and deliver truly affordable homes for local people. In addition, it ensures good quality design of buildings and places by being a joint owner of the development company, thus giving greater control over the planning process and ensuring delivery of key infrastructure requirements. Any returns to the Council are being identified to fund future regeneration programmes across the borough and help fund renewal of our cherished town centres across the borough at a time when the traditional high streets are under significant threat from changing consumer habits.

Through the significant regeneration taking place in the Borough, approximately £1.5bn has been generated of which many local businesses have started to see economic benefits. This has been possible with the JV's commitment to buy British where possible and to give local businesses contracts through our local supply chain initiative. For example, 93% of the £33m build contract value for Napier and New Plymouth, Rainham went to UK companies of which 62% of businesses benefitted locally.

For Work Package One (Napier, New Plymouth, Solar, Serena and Sunrise and Waterloo and Queen Street), the key inputs into the financial models have been reviewed and externally validated. The key inputs are construction costs, expected sales revenues, s106 costs and CIL payments.

The Council, through its involvement in the JV is committed to the delivery of the highest quality homes and places for our residents to live in. The goal is to set a high standard for other developers to follow.

The increase in affordable housing and good quality design is being achieved in a Covid-19 landscape. The JV has faced delays in supply chains, shortage in labour and increase in material costs. With the Council's support the JV has continued with the programme dedicated to providing good quality affordable family housing with enhanced design. The additional forward funding identified within the report shows how these changes are being delivered.

The updating of the viability models and then into the Council's financial dashboards means that this report is able to inform Cabinet of any changes to the expected

outputs from the JV as well as informing Cabinet of any changes in the financial position of the JV and our financial commitments to the JV as an investor. This report not only informs Cabinet of changes but also seeks approval of the new Business Plan and the expected financial commitments.

The original decision to set up the JV was informed by key indicators on the viability and outputs. Those key indicators were: overall % return, overall financial return, initial stake (Equity: borrowing and land value), impact on the HRA Revenue from the cost of borrowing in the early years, total number of units, number of affordable housing units. These metrics are considered to be the key indicators to identify the viability, outputs and potential financial risks.

The 12 Estates programme is currently forecast to receive £48 million development return in revenue to the HRA from year 5 to 15. This figure is built into the HRA Business Plan and rent setting report that has been presented to Cabinet within this Agenda and is not included within the calculations for the average cost of an affordable housing unit within this report.

Table 1 below details those key metrics as reported to Cabinet in the 2021/22 Business Plan and Budget Review and compares them with the numbers in this Business Plan. The table also provides a brief explanation for any changes.

Table 1: Movement Schedule (HWR Programme, excludes Farnham and Hilldene)

Indicator	2021/22 Review	22/23 Review	Movement 21/22 – 22/23	Commentary
% return (profit on cost)	10.9%	10.6%	-0.3%	Blended return including affordable. Private sale return 15%
Peak Equity stake (£)	£28.6m	£35.7m	+£11.9m	Linked to tenure change on WQS Phase 1
Equity stake (Land value)	£8.6m	£6.6m	-£2.0m	Linked to increased costs, inflation allowance.

HRA Revenue Impact Equity 2018-2031 (£)	£1.5m	£3.3m	+£1.8m	Financing costs & income linked to advancing of equity.
Total affordable units	1,551	1,562	+11	Tenure change WQS Phase 1
Total Open Market Sale	1,629	1,617	-12	Tenure change WQS Phase 1
Total units	3,180	3,180	NIL	
% Affordable	49%	49%	NIL	

RECOMMENDATIONS

That Cabinet:

1. **Agree** to endorse and recommend the inclusion of a budget of £102.574m equity for the 12 Sites and Chippenham Road scheme together with a budget of £58.263m for potential land acquisition/CPO costs within the proposed HRA capital programme that will be considered by Cabinet in February 2022 in the annual rent setting and capital programme report and that this is recommended to Council for final approval in February 2022.
2. Subject to the approval of the required budget and funding referred to at recommendation 1, **agree** to further forward funding for the remainder of phase 1 of the 12 Site Programme up to £32.960 million; for the development of the Waterloo and Queen Street Estate (Increase of £10.198 million), and provide for an additional £0.565 million of forward funding on Napier New Plymouth and **delegate** authority to the Director of Regeneration to enter into the necessary forward funding agreements.
3. Subject to the approval of the budgets set out at recommendation 1 and 2 to approve the Havering and Wates Regeneration Joint Venture Business Plan dated December 2021, as attached as Appendix 2.
4. **Agreed** that the Leader of the Council, after consultation with the S151 Officer, the Director of Regeneration and the Director of Legal and Governance, approve detailed business cases and related viability assessments as may be presented under the Business Plan dated December 2021.
5. **Approve** the transfer of 30 Shared Ownership units and 31 London Affordable Rent units from the GLA Romford Housing Zone Waterloo Borough Intervention Agreement to the 2016-21 Affordable Homes Programme.
6. **Approve** the increased GLA 2016-21 Affordable Homes Programme grant funding for the Waterloo Estate. The increase is a result of updating the tenure mix to reflect the current delivery schedule, the grant funding will increase from £18.836m to £21.396m as a result of the update.
7. **Approve** a budget of £12.0 million to fund the cost of compensation and acquisitions on the Appropriation linked to the Waterloo and Queen Street Estate, noting that the HRA capital programme recommended by Cabinet on 17 February 2021, and approved by Full Council on 3 March 2021 includes the necessary capital funding to fund the compensation.

8. **Approve** a bid for grant funding under the GLA Care & Support Programme for Solar, Serena, Sunrise for 26 affordable rented homes, up to a value of £3.120m.
9. **Approve** a budget of up to £1.0 million to fund the purchase of properties on the Solar Serena Sunrise estate in the circumstances set out at paragraph 2.3 and delegate authority to the Director of Housing to market and dispose of the acquired property to eligible purchasers.
10. **Delegate** authority to the Director of Housing to review the properties bought from purchasers on the Solar Serena Sunrise estate, to decide whether the properties are suitable for retention, and delegate authority to the Director of Housing to dispose of properties deemed not suitable for retention at market value.
11. **Approve** a change in the profit made by the Joint Venture on Solar Serena Sunrise from 15% on the market units to 12% on both the market and shared ownership units.
12. **Approve** a requirement that the minimum equity requirement for the purchase of shared ownership units on Solar Serena Sunrise be increased from 40% to 70%.
13. **Delegate** authority to the Director of Regeneration to enter into variations of any of the existing joint venture documentation which is required to implement any of the recommendations contained in this report.
14. **Delegate** authority to the Director of Regeneration, in consultation with the Leader of the Council, the Monitoring Officer and Section 151 Officer, to accept grant funding up to the values identified in recommendations 5 and 7 and enter into any required grant agreements or variations to existing agreements.

REPORT DETAIL

1.0 Background

- 1.1 HWR has been established as a long-term development partnership to facilitate a programme of residential-led regeneration and estate renewal across an initial tranche of 12 Council-owned housing sites. The joint venture partnership enables both partners to share costs and long-term financial risk associated with development whilst retaining a degree of control, ensuring that social and economic benefits remain a focus.
- 1.2 The Council has the right to acquire any affordable housing at a pre-agreed value and allocate those properties via the Council's Housing Register in accordance with its Allocation Policy.
- 1.3 The Council's objectives for this programme have been enshrined into the Members Agreement between the JV partners as objectives for HWR. As a development company HWR will procure design, obtain planning permission, develop, market and sell/let each scheme for the best value achievable.
- 1.4 On 17th March 2021, the third review on the JV's Business Plan was reported to and approved by Cabinet. The review was reported on the basis of updated assumptions which were reflected, scrutinised and verified via updated site development appraisals and the JV's employer's agent.
- 1.5 In particular, the March 2021 report focussed on the progress made on the schemes within Work Package One (WP1) of the 12 Site Programme, which includes Napier and New Plymouth House, Solar, Serena and Sunrise Courts and the Waterloo and Queen Street Estate. Since the last business plan, work has continued to maximise the level of affordable, family sized housing across these schemes and to expedite the delivery of new homes where possible.
- 1.6 The last business plan recommended that the Farnham and Hildene estate was removed from the 12-site regeneration programme. A separate report was included on the agenda, encapsulating the masterplan combined design strategy for Farnham, Hildene and Chippenham Rd for consideration by the Cabinet. The Farnham and Hildene sites have progressed separately to the JV. An update report will inform Cabinet of progress of these sites at a later date.
- 1.7 Since the last Business plan update the JV team have gone through an extensive exercise of evaluating the viability of the Chippenham Rd site. The Regeneration Team are now working on options for a 100% affordable housing scheme. Further details will be provided to Cabinet in a separate report at a later date.

2.0 Progress – Work Package 1 (WP1)

2.1 Planning and Design Development

Good design and place making have been important considerations since the JV was established, ensuring that each scheme acts as an exemplar housing development within the borough.

2.2 Napier New Plymouth

Construction on Napier New Plymouth is advancing well with first completions anticipated for autumn 2022. Work has begun to ensure all former residents that would like to return to Napier and New Plymouth have the opportunity to view the new apartments over the coming months. Initial response from former residents has indicated that 31 of the 86 people relocated would like to return to the new development.

An estate management strategy has been compiled in collaboration with the Housing team and external consultants. The sales and marketing of the development will be led by Wates Residential. There will be opportunity for the Housing team to work closely with Wates Residential to build on internal skills within the housing team.

The Napier and New Plymouth development will set the standard for new affordable homes in Rainham, being an example of good quality apartment living. A place with public open space for meeting, resting, playing or just passing through. This development will aim to provide new housing with a community spirit bringing new and existing neighbours together, reaching out to connect to the wider neighbourhood and network of public spaces. The homes will be bright and warm with sunlit courtyards for residents to enjoy the outdoors. The central park will bring people together, through the careful design of bike and pedestrian paths and children's play space. This development will provide 100 per cent affordable homes for local people.

2.3 Solar Serena and Sunrise

Construction of our later living village commenced last autumn. This scheme is the first of its kind to be developed in London by a local authority in partnership with a developer. The scheme will be a flagship later living village with facilities, such as a shared communal lounge and thriving communal gardens that are designed to encourage independent living. The development will aspire to adopt dementia friendly design principles, through careful consideration of interior design and way finding throughout the development. The new neighbourhood has been carefully designed to create an inclusive and fully accessible environment for residents and visitors.

Given the nature of later living developments, it was agreed to reduce the number of homes offered for private sale. This was to reduce the level of sales exposure, acknowledging the market information which indicated that the rate on sales would be slower than a standard development. The scheme now

delivers a mix of 41 open market, 54 shared ownership and 80 affordable rented homes.

Purchase of Family Housing, the sales programme is underpinned by a Council offer to purchase family homes (3 bed and above) from prospective purchasers on the scheme. This was to be funded from the existing affordable housing budget on the scheme. Any purchases would count towards the overall target for the 12 Estates programme. As such, it was agreed to deduct the total from the future pipeline outputs.

In addition, given the nature of the commitment, it is likely that most of the acquisitions would be scattered across the borough, making management more challenging and costly. As such, it is proposed to put in a place a process where the Housing department would review every acquisition to determine if the acquisition is suitable for retention for letting or disposal.

Any properties earmarked for disposal would immediately be placed up for sale, yielding a capital receipt. This has the advantage of managing the Council's capital exposure and avoiding a significant uplift in capital funding or reducing the deliverables in later phases.

HWR shared ownership minimum receipt, the shared ownership is to be marketed under the older person's scheme, whereby qualifying purchasers will not pay rent if they acquire a minimum interest of 75 per cent of market value. The JV has therefore assumed a minimum initial receipt of 70 per cent, which overrides the current HWR 40 per cent target.

Vacant Homes, it is proposed that the Council would offer to buy, at market value, any homes on the estate which become vacant, in circumstances where the current owner has passed away. This would provide certainty to their relatives and avoid agency fees. The Council would seek to remarket the property to qualifying households.

HWR margin, it is proposed given the reduction in sales risk on the scheme to reduce the level of the profit made by the Joint Venture on Solar Serena Sunrise from 15% on the market units to 12% on both the market and shared ownership units.

2.4 The Waterloo and Queen Street Estate (WQS)

The Waterloo and Queen Street Estate wholesale demolition is well underway and is set to complete in spring 2022. Once demolition is complete, some areas will be assigned for meanwhile use to benefit the local community. After recently obtaining planning permission in detail for Phase 1, construction is due to begin in Winter 2022 on blocks 1 and 2 (Phase 1) of the Waterloo and Queen Street Estate. The remaining phases have an outline permission and further details will need to be submitted to the Local Planning Authority (LPA) before those phases are consented in detail.

The scheme will provide high-quality homes, with most properties benefitting from private amenity space by either a garden or private balcony. The design of the scheme will optimise the site's potential to deliver housing to meet local housing targets, including the right to return for the social-rented tenants decanted from WQS as a result of the redevelopment. The design will incorporate sustainable technologies which help reduce the carbon footprint of the development and will include Secured By Design principles to ensure the potential for crime and anti-social behaviour has been "designed out" as best as possible.

This project will enhance biodiversity by ensuring retention of water runoff via natural swale system. The scheme will benefit from the planting of 159 new trees on site (71% uplift from existing) and buildings will enjoy sustainable green and brown roofs.

Given the Council's adoption of a new Climate Change Action Plan, further consideration will be given to the possibility of additional decarbonising of the schemes energy strategy over time.

2.5 Social Value

The Council remains committed to ensuring we are bringing real, tangible benefit to the local community. The JV has continued to work with local social enterprises providing local people with jobs, apprenticeships, and work placements. To date 100 local people have been employed by the JV.

2.6 Regeneration Objectives

The JV is obliged to deliver each scheme in accordance with the Key Requirements set out in the Development Agreement. These requirements set out the parameters for a planning application and include:

- The number of units to be delivered across the development
- The housing bed size and tenure mix
- A requirement for non-residential uses such as commercial and retail.

The key requirements for each site may vary as a result of stakeholder consultation and planning policy but will always be required to meet the Council's objectives for the Regeneration Programme.

- 2.7 Since bid stage, levels of affordable housing in WP1 have increased in line with the Council's objectives to maximise the delivery of affordable housing across each site.

Table 2: Affordable housing review since bid stage

Site	Affordable Housing – Bid Stage	Affordable Housing – Year 2 review	Affordable Housing- Year 3 review	Affordable Housing- Year 4 review

Napier and New Plymouth	77.7%	64%	100.0%	100.0%
Solar, Serena, Sunrise	25.8%	76.6%	76.6%	76.6%
Waterloo and Queen Street Estate	38.5%	40.4%	40.4%	41.2%
WP1 Total	41.3%	46.4%	50.7%	51.3%

2.8 The introduction of more affordable housing across WP1 has removed significant level of cross-subsidy from the development and increased the development cost linked to the affordable housing. As a result, the development of the retirement village at Solar Serena Sunrise is supported by forward funding (approved by Cabinet in February 2021) and Phase 1 Waterloo will also be supported through forward funding, which is directly linked to the increased provision of affordable housing.

2.9 In addition to the review of the level of affordable housing, the bed size mix of affordable homes has also been a part of the review process. The Draft Local Plan requires affordable housing to be delivered according to the bed-size mix in the table below. Amongst other things, this mix has been influenced by the Strategic Housing Market Assessment, which was carried out in 2016, and provides a longer-term assessment of housing need, from 2011 – 2033.

Table 3: Borough wide Housing Mix

Bed-size	1-bed	2-bed	3-bed	4-bed +	Total
	10%	40%	40%	10%	100%

2.10 A key requirement for each site within the 12 site programme is that new homes not only meet a demonstrable housing need, but also facilitates the Right to Return for Council tenants that have been rehoused away from a regeneration site. Table 4 below demonstrates that across WP1, the highest level of demand, derived from the Right to Return, is for one bedroom homes.

2.11

Table 4: Right to Return Demand

Right to return requirement	1-bed	2-bed	3-bed	4-bed	Total	
	%	%	%	%	No.	%
Waterloo and Queen Street Estate	32%	32%	35%	1%	171*	100%
Napier and New Plymouth House	64%	30%	6%	0%	87	100%
Total	43%	31%	25%	<1%	258	100%

*no re-provision of Sheltered Housing provision at Queen Street

2.12 In addition to the Right to Return, the Council's housing register provides a reference to identify an immediate need for affordable housing provision in the

borough, based on those households that present themselves to the local authority. Data from August 2021 shows that in comparison to the Local Plan prescription, a higher proportion of one-bedroom affordable units are required to meet the demand of Havering households. Table 5 below shows bed-size need for the people on the housing register:

Table 5: Bed-size need

Housing Register demand by bed-size	1-bed	2-bed	3-bed	4-bed	5-bed	Total	
	%	%	%	%	%	No.	%
	22%	35%	37%	6%	<1%	1918	100%

- 2.13 The affordable housing demand emanating from the Right to Return and the Housing Register have been imperative in determining the bed-size mix of the affordable homes that will be delivered across WP1. Changes to the proposed housing mix as a result of the data above, are demonstrated at table 6 below.
- 2.14 Whilst this data supports the delivery of one-bedroom affordable homes across General Needs sites, the provision of affordable and oversized one-bedroom homes at the Solar, Serena Sunrise retirement village continues to be deemed the most appropriate solution to meet the housing needs of the over 55's, by providing an affordable home with the flexibility of extra care provision where required.
- 2.15 Since bid stage, levels of affordable housing in WP1 bed size mix has increased in line with the Council's objectives to maximise the delivery of affordable housing across each site. Table 6 provides a summary of the current bed size mix in comparison to the bid stage.
- 2.16

Table 6: Affordable bed size mix review

	Affordable bed size mix – Bid Stage				Affordable bed size mix – Year 4 review			
Bed size	1	2	3	4	1	2	3	4
Napier and New Plymouth	35%	50%	15%	0	44%	42%	14%	0
Solar, Serena, Sunrise	61%	39%	0	0	86%	14%	0	0
Waterloo and Queen Street Estate	43%	50%	7%	0	45%	35%	20%	0
WP1 Total	43%	49%	8%	0	51%	33%	16%	0

- 2.17 In order to secure the GLA grant and ensure work progresses within programme, it is proposed that HWR enter into a framework contract for design and construction works, whilst the parties continue to satisfy the conditions precedent which remain outstanding in order that the building lease can be granted to HWR.

- 2.18 The Waterloo and Queen Street Estate will be developed in a phased approach due to the quantum of homes on the new development as per the Members Agreement. In total, the redeveloped scheme will deliver 1,380 new homes. Phase 1 (Blocks 1 and 2) of the development will include the delivery of 370 homes.
- 2.19 A review of the development costs linked to Phase 1 WQS has been undertaken. The development cost has increased linked to the quality of design, and current market pricing, inflation and reflecting ongoing supply and labour shortages in the economy. The review has led to the changes in tenures outlined at paragraph 4.3 of this report.
- 2.20 Table 7 below shows planning and development milestones for the sites in WP1 that have been progressed since the last business plan as well as a forecast for the remaining sites in the 12 sites programme.

Table 7: Key Planning Milestones

	Submission of Planning Application	Resolution to Grant	1st Completions	Site Completions
Work Package One				
Napier and New Plymouth House	May-2019	Nov-2019	Oct-2022	Nov-2022
Solar, Serena, Sunrise	Dec-2019	June-2020	May-2023	Nov-2023
Waterloo and Queen Street Estate	Jun-2020	June-2021	Jul-2024	Mar-2030
Work Package Two, Three and Four				
Chippenham Rd	Sep-2022	Feb-2023	Feb 2025	Dec-2025
Brunswick Court	Feb-2024	May-2024	Aug- 2026	Aug-2026
Maygreen Crescent	Oct-2025	Jan-2026	Jun 2028	Sep- 2029
Delderfield House	Oct-2025	Jan-2026	Dec- 2027	
Dell Court	Oct-2025	Mar-28	Mar-2028	
Oldchurch Gardens	Oct-27	Jan-28	Jun-2030	Summer 2029
Royal Jubilee Court	Jul-27	Jan-28	Sep- 2030	Mar- 2031
Napier and New Plymouth Blue Line	Jan-28	Mar-2028	Jun-2030	Jun 2031

2.21 Vacant Possession

The 12 estate regeneration programme continues to move forward with the requirements of the existing residents being paramount. Vacant possession

across regeneration sites has been aligned with the strategy to reduce the homelessness pressure on the General Fund. Properties vacated by secure tenants and leaseholders across the regeneration programme have been used as temporary housing for homeless households.

A significant effort has been made to ensure those people moving out of their homes find suitable alternative homes that meet their needs and that they are supported through the moving process. Council tenants, leaseholders and freeholders have all received the appropriate support to assist with moves. Council Officers have continued to work with residents to either move them to a new home or purchase their property.

3.0 **Scheme Review**

The current scheme design and development financial model anticipates that 1,750 new homes will be delivered in Work Package One as per the February 2021 update. Table 8 shows existing and proposed units across all of the 12 estates.

Table 8: Existing and proposed units across all 12 Sites

	Existing		Proposed					
Site	Social Rent	Leasehold/ Freehold	Affordable Rent	LCHO	PRS	Open Market Sale	Total	% affordable Housing
Work Package One								
Napier and New Plymouth House	87	10	126	71	0	0	197	100%
Solar, Serena, Sunrise	55	0	80	54	0	41	175	77%
Waterloo	202	71	356	212	0	812	1,380	41%
Estate (and Queen Street)								
Work Package Two								
Chippenham Road	20	12	115	25	0	66	206	68%
Brunswick Court	47	0	54	0	0	0	54	100%
Work Package Three								
Maygreen Crescent	88	23	94	24	0	177	295	40%
Delderfield House	14	0	22	0	0	0	22	100%

Dell Court	29	0	29	0	0	51	80	36%
Work Package Four								
Oldchurch Gardens	64	22	122	0	0	184	306	40%
Royal Jubilee Court	79	0	53	0	0	99	152	35%
Napier and New Plymouth Blue Line	0	51	63	62	0	188	313	40%
Subtotals	775	216	1,114	448	0	1,618	3180	49%
Total	991		3,179					

- 3.1 Based on the 3,180 model, the 12 sites programme would deliver 49% affordable housing, whilst more than doubling the number of occupied affordable homes across the sites. These figures are summarised for comparison in Table 10 below:

Table 10: Affordable estimated change

	Now	Future	Change
Total number of homes	991	3,180	+221%
Occupied General Needs homes	551	927	+68%
Occupied Sheltered rented homes	224	187	-17%
Low-Cost Home Ownership	0	448	+448
RTB losses	217	0	-100%
Total occupied affordable homes	775	1,562	+102%

- 3.2 Background technical work has continued on [the remaining phases in WQS, on Work Packages 2, 3 and 4 and on additional and blue line sites.

4.0 Financial Review

- 4.1 The business case assumptions have been updated to reflect anticipated economic conditions and design development including enhanced design features and the reduction in open market housing cross subsidy due to the increased provision of affordable housing.
- 4.2 Key changes are summarised in the following text and in the exempt report at paragraphs 6.1 to 9.11.
- 4.3 **Phase 1 WQS** – given upward movement on cost, it is proposed that the tenure mix on Phase 1 WQS is reconsidered. It is proposed to swap out the homes earmarked for private sale in Block 2 to shared ownership and convert the 54

homes initially intended for affordable rent in Block 1 to open market sale. This change would increase the overall number of affordable homes by 11 on Phase 1, but would ensure that the Council minimises its exposure to an upward movement on costs. The changes are driving an increase in the forward funding commitment on WQS of £10.198 million, along with a reduction on affordable housing payment of £9.288 million. The net impact of the change of £0.910 million.

- 4.4 Price per Affordable Rented Unit** – At bid stage an average Phase 1 offer price of £172,000 per plot was made for the affordable rented units. Forward funding has effectively increased this to £230,000 per plot (down from £233,000 in March 2021) because of build cost inflation, design and development enhancements, reduction in private sale cross subsidy, the impact of providing more affordable housing and more family sized accommodation.

The financial figures identified in this report represent a point in time, and it is anticipated that as the development progresses, the housing market will revert to a period of growth in house prices, which will enhance the value of the scheme. The blended average cost to the HRA including shared ownership units is £227k per unit. This represents good value and is significantly below what can be delivered from the market, other development partners and delivery models.

- 4.5 Grant Funding Arrangements** – The Council has achieved Approved Provider status with the Greater London Authority through its strong track record of delivering affordable homes. This enables the Council to secure grant funding for our development and buy-back programmes.

It is important that opportunities are taken to secure external grant funding as this underpins the development programme, improves the viability position and protects the Council's resources. The requested changes to grant funding relating to Recommendations 4, 5 and 6 are set out in Appendix 3.

REASONS AND OPTIONS

- 5.0 Reasons for the decision:**
- 5.1** To incorporate revised assumptions and an updated programme into the Business Plan for the period 2022-23.
- 5.2** The approval of the Business Plan and related decisions will continue to secure the Council's regeneration objectives for the 12 Site Regeneration Programme.

- 5.3 The optimisation of affordable housing provision to be purchased by the HRA, on advantageous terms via a Joint Venture vehicle, to help sustain the HRA long term.
- 5.4 To maximise the level of family housing and retirement provision in the borough.
- 5.5 **Other options considered:**
- 5.6 The adoption of the Business Plan is a consent matter. Without the Council's approval, as a Member of the LLP, the revised Business Plan could not be adopted, and the current approved Business Plan would be maintained. The Council is in contract with Wates as a commercial partner for the delivery of the regeneration of sites within Work Package One and share the associated costs. These commitments will need to be upheld.
- 5.7 Not approving the revised Business Plan may have a negative impact on the Council's ability to continue funding land acquisition which in turn will have implications with delivery targets including affordable housing delivery and achieving targets agreed with GLA in the Overarching Borough Intervention Agreements.
- 5.8 Not adopting the revised Business Plan would result in a pause to the WQS scheme while the JV Partners reviewed their options. This would in effect delay the programme resulting in additional costs for both JV Partners. Suspending planned construction works at this time would adversely impact on jobs and growth in the local economy. It may also give rise to negative market sentiment with a consequential impact on the wider development market that this scheme would otherwise seek to stimulate
- 5.9 The Council could agree to reduce its ambitions for the level of affordable housing on the programme and convert some affordable units to private sale to improve overall scheme viability. This would go against the Council's stated policy aims by reducing the provision of affordable housing available to households in need. Reducing the level of affordable housing would have several indirect impacts, including an increase in the numbers on housing waiting lists and increased cost of homelessness prevention.
- 5.10 Also, given the current uncertainty in the market linked to the COVID-19 pandemic, it is not clear flipping units to private sale would achieve the desired impact. Increasing the quantity of private sale units in times of economic uncertainty could increase the levels of sale risk. As a result, this option has been discounted.
- 5.11 The Council could also consider withdrawing one or more sites from the programme and look to develop directly or with a new developer. Withdrawing the WQS Phase 1 sites has been discounted based on the significant delays and disruption that would arise. It is unlikely that withdrawing the Phase 1

development and taking it forward via a new delivery structure would yield savings accounting for the significant investment and acknowledging the advanced stage the sites have reached in terms of planning and design. As a result, this option has been rejected.

- 5.12 However, given the Work Packages 2,3 and 4 sites are at an early stage (except for Chippenham Road), the Council retains the discretion to consider alternatives, should delivery by HWR not be possible in accordance with the existing terms and anticipated level of returns enshrined in the existing JV documents.

IMPLICATIONS AND RISKS

6.0 – 9.11 are contained in the exempt report.

9.12 Financial risks & sensitivities

- 9.13 Detailed financial information (paras 6.0 to 9.3) is contained within the exempt report. The report seeks Cabinet approval to invest a maximum of £102.574m of capital expenditure gross of repayments of equity into a Limited Liability Partnership to deliver the regeneration of 12 Housing Revenue Account (HRA) sites. The end of year equity exposure is forecast to peak at £35.695 million. Some of this investment would be in the form of HRA land, the net value of which is currently estimated at £6.603m (all sites), with the remaining £29.092m as cash funding

Financial Risks

- 9.14 Scheme viability, the JV's Risk Register is included within the Business Plan attached at Appendix 2, which sets out some of the key financial risks. Mitigation measures are as set out in the business case attached to this report.
- 9.15 The build costs and revenues are derived from the latest analysis provided by Wates Construction Limited and CBRE. Cost plans for the detailed designs for Phase 1 of WQS reflect extensive consultation with the local planning authority and Council stakeholders. Both NNP and SSS have progressed to construction.
- 9.16 The next scheme scheduled to commence is Phase 1 WQS (Q3 2022). The designs for the Phase have reached a detailed design stage, with planning approval secured. The next stage is a full market tender, which is to be conducted from February 2022 over a period of six months. The outputs will determine the final construction budget.
- 9.17 Development – Construction Inflation, the relaxation of the COVID-19 pandemic restrictions has contributed to an increased demand on the

construction industry supply chain. This has led to a significant inflationary pressure in the market, adding to costs. HWR must compete with a greater volume of developers than would otherwise be the case.

- 9.18 The contractor (Wates Construction) is to put the appropriate hedging strategies in place. These would include the use of forward purchase contracts where appropriate.
- 9.19 It is anticipated that this is a short-term problem, however, there remains significant uncertainty in the market. Should costs continue to increase at levels well above historical levels of inflation, it would likely lead to a pause on activity across the sector, including HWR
- 9.20 This mechanism is facilitated by the phased approach adopted by HWR, which limits risk to pre-construction costs, while viability remains uncertain. To date SSS and NNP are under construction.
- 9.21 WQS Phase 1 scheduled to commence in Q3 2022 but would only commence if the main works contract offer from Wates Construction falls within the approved budget parameters. Should the construction cost offer exceed the budget, then it is likely the scheme would be put on pause, with both partners' investment capped to the pre-construction costs.
- 9.22 The same principle applies both to the development of later Phases on WQS and the WP234 sites.
- 9.23 Development - Delays to the programme, delays to the programme would come at a cost, linked to the demobilisation and remobilisation of specialists and the contractor's team.
- 9.24 The development manager is to ensure that the appropriate project planning is in place, identifying potential bottlenecks and strategies for resolution.
- 9.25 Government Regulations, with the increasing emphasis on mitigating against the worst impact of climate change, it is likely that future developments would face increased costs linked to the carbon neutral agenda.
- 9.26 The Government have introduced a developer's levy, which would apply to developments of high rise buildings. The precise details as to how the levy would apply are yet to be confirmed, and therefore have not been factored into the current projections.
- 9.27 PWLB borrowing rates, the current projections are based on a long-term borrowing rate of 2.0%. Currently the Council can secure borrowing at just below 2.0% (50 years). As borrowing is drawn down, the rates are effectively locked in for the loan period. In the short term, this may result in a net benefit to the HRA as rates are currently below the 2.0% target, but it is possible rates may increase over the medium to long term, potentially going above the 2.0% assumption.

- 9.28 The modelling above indicates that the Council over the life of the 12 Estates Programme should not expose itself to a weighted cost of borrowing more than 4% to ensure payback can be achieved with 40 years. Going above a weighted average of 5% would put overall programme viability at risk.
- 9.29 House prices and sales risk, private sale units are priced under a 'Red Book' methodology, which is based on an assessment of the current value of new developments in the area. No house price inflation has been applied to the scheme. It is possible that once a degree of confidence and certainty is achieved in the macro-economic environment, the scheme may begin to benefit from the impact of house price inflation.
- 9.30 Shared ownership, the financial models are underpinned by an assumption that disposals of shared ownership product yield an average receipt of 40 per cent of open market value. Should average receipts exceed the 40% hurdle, the JV would pay over the surplus to the Council.
- 9.31 The Council would benefit from a higher interest in the property, accruing net revenues over and above the current 60 per cent of OMV assumption.
- 9.32 GLA funding, the Council will continue to maximise opportunities for capital grant. However, given the current demand for affordable housing grant, it is likely that future programmes would be over-subscribed, often resulting in a lower than anticipated funding offer from the GLA.
- 9.33 Given the need for sources of capital funding, the lower throughput of grant is likely to delay the progress of the future pipeline schemes.
- 9.34 GLA 16-21 grant Phase 1 WQS, the GLA are imposing a requirement for the Council to enter an overarching build contract for all of the Waterloo and Queen Street Estate development with Wates. This is a change from the current position, where a build contract is let for each stage in the programme.
- 9.35 Appropriation and compensation claims, there is a degree of uncertainty with regards to any claims linked to the appropriation to planning. Any claims for compensation must be met from the HRA capital Programme and would be funded from the project contingency budget.
- 9.36 The Macro-economic and regulatory risks, overall, the prospect of realising the outcomes for the programme will remain subject to numerous different factors beyond the LLP's control, ranging from local, regional, and national asset price and demand fluctuations to the wider macro-economic forces such as volatility in interest rates, the value of the pound and the availability of credit and mortgages.

10. Legal implications and risks:

- 10.1 This report follows a number of previous reports to Cabinet including the reports in February 2019 and 2020 and March 2021 which considered the

first, second and third JV business plans respectively. The report in August 2020 set out the options to deliver the Napier New Plymouth development in light of the COVID-19 implications

- 10.2 The Council is being asked to approve the business plan dated February 2022, which includes a number of changes from the previous business plan that was approved.
- 10.3 The Council has entered into the joint venture LLP with Wates pursuant to a number of powers including the Housing Act 1985, the Housing and Regeneration Act 2008, the Local Government Act 1972 and the general power of competence in section 1 Localism Act 2011.
- 10.4 The Council is now contractually committed to progress the project in accordance with the agreements that have been entered into with Wates and the JV, unless variations are agreed by the parties.
- 10.5 This report seeks Cabinet approval to the inclusion of a budget of £106.5m equity for the 12 Sites and Chippenham Road scheme together with a budget of £58.3m for potential land acquisition/CPO costs within the proposed HRA capital programme, which will be considered by Cabinet in February 2022 in the annual rent setting and capital programme report and recommended to Full Council for approval in February 2022. Cabinet is also asked to approve an increased amount of forward funding of up to £10.198m in respect of the Waterloo and Queen Street Estate (bringing the forward funding total for this scheme to date to £32.960m), together with a budget of up to £1.0m to fund the offer to purchase properties on the Solar Serena Sunrise estate where the owner is deceased, and a bid for funding under the GLA Supported Housing Programme for Solar, Serena, Sunrise for 26 affordable rented homes, up to the value of £3.120m. It is noted that approval to enter into any grant funding arrangements with the GLA will be subject to a further executive decision in due course.
- 10.6 In view of the increase in affordable housing offered by the revised work package, the proposed increase in funding needs to be considered in the light of the new Subsidy control regime. Subsidies to economic actors from state resources which may affect trade or investment in between the UK and the EU are caught, and there is a currently incomplete regime which is due to be amplified following a consultation launched 3 February 2021. The base rules in force at the moment incorporate a similar exemption to the EU rules for SGEI. These are now known as Services of Public Economic Interest (SPEI), but the exemption is less clear. The basic principle is that subsidies within the definition need to be considered by grantors as to whether or not they are consistent with 6 principles, although where compliance with those principles would obstruct the performance of the relevant service an SPEI is exempt.

As detailed in the Exempt Appendix 1 these principles have been considered and the additional funding is consistent with these principles therefore the funding will fall within the Services of Public Economic Interest exemption.

- 10.7 The Council has broad powers under Part 2 Housing Act 1985 to promote or deliver housing of any tenure for the purposes of meeting housing need which permits the proposed acquisition of housing set out in this report.
- 10.8 The Council intends to use the power to override easements and other rights in section 203, Housing and Planning Act 2016 for the property to be disposed of to the JV. To do so, it must first appropriate the land for planning purposes. Once the land has been appropriated, if the Council intends to grant a build lease to the JV then this will constitute a disposal. The Council has the power to dispose of property appropriated for planning purposes in section 233 of the Town and Country Planning Act 1990.
- 10.9 If there is any HRA land that will not be appropriated, or if appropriated land is returned to the HRA before development, Secretary of State consent would be required before it could be disposed of to the JV (disposal is broadly defined and includes not only a transfer of the freehold but also the granting of a lease, as is the intention here). However, a general consent has been issued by the Secretary of State that would be relevant in these circumstances. Consent A3.2 of the General Housing Consents 2013 permits disposal of vacant land, which includes land on which dwellings have been built provided (1) they have been demolished, or (2) are no longer fit for habitation and are due to be demolished.
- 10.10 The Council has a broad power to appropriate land for the purposes of Part II housing under section 19(1) of the Housing Act 1985. This power can be used by the Council to transfer the freehold of the land back into the HRA.
- 11.0 Human Resources implications and risks:**
- 11.1 There appear to be no HR implications or risks arising that impact directly on the Councils workforce.
- 12.0 Equalities implications and risks:**
- 12.1 The public sector equality duty under section 149 of the Equality Act 2010 ("PSED") requires the Council when exercising its functions to have due regard to: (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; and (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and to foster good relations between those who have protected characteristics and those who do not. 'Protected characteristics' include: gender, race and disability, sexual orientation, age, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment. The Council is committed to improving the quality of life for all, and supports wider social and economic growth through social and physical regeneration.

12.2 Officers are due to embark on a commissioning process to update site specific EIAs to re-evaluate the need of individuals and households affected by this regeneration programme.

13.0 Health & Wellbeing Benefits:

13.1 Havering council is committed to improving the health and wellbeing of its residents. The provision of good quality and affordable housing is an important determinant of health and wellbeing as housing impacts both our physical and mental health and wellbeing.

13.2 Inadequate or poorly designed housing is associated with increased risk of ill health including cardiovascular and respiratory diseases, depression and anxiety as well as risk of physical injury from accidents.

13.3 The Havering Wates Joint Venture partnership is key to delivering Havering's ambitions to provide more good quality, genuinely affordable homes for local people.

13.4 This will impact positively on individuals and families with housing needs including those on low income by increasing access to the number of affordable, quality homes which will, in turn, reduce risk of ill health and improve their quality of life.

13.5 A health impact assessment will be undertaken for all the Joint Venture schemes.

13.6 The Joint Venture has continued to work with local social enterprises providing local people with jobs, apprenticeships, and work placements which will have positive impact on health and wellbeing of residents.

14.0 Health & Wellbeing Risks:

14.1 The proposals outlined in this report do not give rise to any health and wellbeing risks.

BACKGROUND PAPERS

Appendices

- | | |
|--|--------|
| • Exempt Report Appendix 1. Financial Implications | EXEMPT |
| • Annex 1 A HWR Spend Review | EXEMPT |
| • Annex 1B Commercial Review | EXEMPT |
| • Appendix 2. Havering Wates LLP Business Case | EXEMPT |
| • Appendix 3. GLA Funding Agreement | EXEMPT |

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CABINET

16th February, 2022

Subject Heading:

Bridge Close Regeneration LLP Business Plan Refresh 2022-23

Cabinet Member:

Councillor Damian White

SLT Lead:

Neil Stubbings
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Policy context:

The Council has entered into a delivery vehicle, Bridge Close Regeneration LLP (BCR LLP), to deliver the regeneration of Bridge Close, Romford pursuant to the Council's ambitions for regeneration as set out in the Local Plan, the Romford Area Action Plan (2008), the Romford Town Centre Development Framework (2015) and the emerging Romford Masterplan and new Local Plan (awaiting adoption).

The Bridge Close Regeneration LLP Business Plan 2019/2020 was approved by Cabinet on 13 February 2019, including funding provision reflecting 50% Council ownership of BCR LLP operated as a joint venture vehicle at the time.

This report provides an update of the Bridge Close Regeneration LLP Business Plan 2019/2020 in light of the Council having acquired full interest in BCR LLP on 29th October 2020 and the approval by Cabinet authorising the update of the Bridge Close Regeneration LLP Business Plan to reflect the approved changes to the funding and delivery arrangements set out in the 16th December 2020 Cabinet report.

Financial summary:

The Council has made provision in the financial year 2021/2022 to provide funding for the Council's capital contributions to meet financial commitments arising from the operation of Bridge Close LLP (BCR LLP) in accordance

with the project documents, the BCR LLP Business Plan 2019/2020, and the approval by Cabinet of the recommendations relating to the funding and delivery arrangements set out in the 16th December 2020 Cabinet agenda.

This report outlines proposed changes to the Business Plan, and recommends a revised budget to enable its implementation.

Is this a Key Decision?

This is a key decision because the expenditure exceeds £500,000.

When should this matter be reviewed?

December 2022

Reviewing OSC:

Overview & Scrutiny Board
Town & Communities OSC

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

Communities making Havering
Places making Havering
Opportunities making Havering
Connections making Havering

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SUMMARY

- 1.1 The Council established a joint venture development vehicle, Bridge Close Regeneration LLP ('BCR LLP', 'Joint Venture' or 'JV') to bring forward the proposed regeneration of the site known as Bridge Close (see plan with red line at Appendix A). BCR LLP was until October 2020 jointly owned between the Council and a private sector partner. On 16th September 2020, Cabinet approved the proposed acquisition by the Council of the private sector interest in BCR LLP and on 29th October 2020, the Council entered into a purchase agreement to acquire the interest in BCR LLP that it did not already own from the private sector partner.
- 1.2 In light of the Council acquiring full control of Bridge Close Regeneration LLP, on 16th December 2020, Cabinet considered a number of recommendations relating to the future funding and delivery of the scheme. Approval was granted for the Council to deliver the regeneration of Bridge Close directly, funding the development entirely through Council resources, predominantly using the Housing Revenue Account. Cabinet approved a budget with referral to and subsequent agreement by Full Council on 3rd March 2021.
- 1.3 Cabinet also authorised the Director of Regeneration to update the Bridge Close Regeneration LLP Business Plan 2019/20 ('the Business Plan') to reflect the proposed changes to the funding and delivery arrangements and new ownership structure.
- 1.4 The Business Plan forms part of a comprehensive suite of project documents, including the Members' Agreement, the Land Agreement, the Land Acquisition Strategy, the Security Agreement and the Loan Note Instruments, which amongst others, set out the strategy and the terms and conditions for provision of funding by the Council as principal Member of the Joint Venture. The Business Plan is a suite of strategy and policy documents, including a budget and financial model with detailed forecasts, which provides a management framework for delivering the vision and objectives for the regeneration of Bridge Close. The Bridge Close Regeneration LLP Business Plan 2019/2020 was approved by Cabinet on 13th February 2019 and subsequently adopted by the Bridge Close Regeneration LLP.
- 1.5 In accordance with the Members Agreement, the Board of Bridge Close Regeneration LLP must prepare, issue and agree a draft Business Plan to the Council as Member. Once agreed, the draft Business Plan would replace the then current Business Plan as the formal Business Plan adopted by the Bridge Close Regeneration LLP.
- 1.6 This report provides an update of to the Business Plan and a review of key work streams underpinning the delivery of the Council's vision for Bridge Close. It provides an update of the budget and financial model approved by Cabinet in December 2020 and recommends that the updated Business Plan be agreed, noting the significant benefits to the regeneration of Romford town centre, the contribution towards Havering's target for housing delivery, and the expected financial returns anticipated in the plan.

RECOMMENDATIONS

That Cabinet:

1. Agree the draft Bridge Close Regeneration LLP Business Plan 2022/2023 (the Business Plan) as attached at Appendix B.
2. Agree the provision of a budget to enable the funding and delivery of the regeneration of Bridge Close as required and detailed within the exempt Financial Implications and Risks section; this budget to be included within the proposed HRA Capital Programme that will be considered by Cabinet in the Housing Revenue Account Business Plan update.
3. Agree that the Leader of the Council, after consultation with the Director of Regeneration, the S151 Officer and the Monitoring Officer, approve detailed business cases, funding arrangements and legal agreements as may be required to deliver the regeneration of Bridge Close as per the Business Plan 2022-2023.
4. Authorises the Director of Regeneration, acting in consultation with the Monitoring Officer and Section 151 Officer, to negotiate, finalise and enter into all necessary legal agreements, as may be required, to bring into effect the proposed arrangements set out in Recommendations 1-3 inclusive.

REPORT DETAIL

2.0 Background

- 2.1 Bridge Close is a 3.45 hectare site currently occupied by mixed industrial, warehouse and ancillary units under multiple ownerships, an ambulance station, Islamic Cultural Centre and a number of terraced properties which front onto Waterloo Road and Oldchurch Road in Romford.
- 2.2 The Business Plan, forming part of the legal agreements adopted on establishment of Bridge Close Regeneration LLP in April 2018, sets out a suite of strategies, plans, work streams and activities designed to give effect to the implementation of the Objectives of the Joint Venture (JV).
- 2.3 Amendments to the Business Plan for the year 2019-2020 were approved by the Council as Member in February 2019 and adopted by the Board of the JV. As set out above, this Cabinet report provides an update to the adopted Business Plan and provides a draft Business Plan for the year 2022-2023 for consideration by Cabinet. The draft Business Plan is included in the exempt agenda Appendix B of this report due to the commercially sensitive nature of the information.
- 2.4 The Objectives of the JV as set out in the Business Plan are the following:

- i. To undertake the regeneration of Bridge Close, by way of housing development and other ancillary beneficial development, for the benefit of the Borough and its residents;
- ii. To secure wider social and economic benefits (including employment opportunities) for the benefit of existing and new residents of the Borough;
- iii. To incorporate land belonging to other occupiers and owners, both public and private sector, into the development;
- iv. To achieve an acceptable return for the benefit of the JV and its Members, having regard to the principal objective remains the regeneration of Bridge Close.

2.5 In pursuing these objectives through the JV, the Council aims to ensure the following:

- i. A comprehensive development, which delivers infrastructure for the residents of the new development and for the whole of Romford;
- ii. Direct control over the quality, timing, and implementation of development (separate from, and in addition to, its role as planning authority);
- iii. Direct control over the housing tenure mix and the ability to maximise the provision of affordable housing, having regard to the needs of the people of Romford and Havering;
- iv. A greater influence and control over support given to businesses, community groups and residents displaced or seeking relocation.

2.6 As such, the Council's main objective remains the regeneration of Bridge Close. The development will transform a key part of Romford town centre, delivering a comprehensive development, comprising all of the following:

- 1,070 new homes (incl. between 35% and 50% affordable homes subject to viability)
- A 3-form entry primary school with nursery and SEND provision
- A community and cultural space
- A local health facility
- Commercial floor space, including affordable work space
- Improved east-west links, including a new pedestrian and cycle bridge
- Environmental improvements to the River Rom.

2.7 Save for minor proportional changes as a result in an increase in floor area dedicated to office/work space, the scope of uses and quantum of development has remained unchanged since the last review and adoption of the Business Plan in February 2019.

2.8 Further details of the financial strategies and policies underpinning the current draft Business Plan, including a detailed budget and forecasts for funding and delivering the regeneration of Bridge Close are provided in the exempt part of the report due to the commercial nature and sensitivity of the information.

3.0 Scheme Review

3.1 In view of the practical difficulties of implementing the Business Plan under the former JV ownership structure, and being mindful of the Council's commitment to bringing

about a comprehensive redevelopment of Bridge Close, Bridge Close Regeneration LLP is progressing activity in the following key areas:

- i. Planning and Consultation
- ii. Design Development
- iii. Land assembly

3.2 This reflects the Council acquiring full control of Bridge Close Regeneration LLP in October 2020 further to the approvals granted by Cabinet on 16th December 2020.

3.3 Planning

3.3.1 The development of the proposed planning application for Bridge Close is undertaken in accordance with the Planning Strategy forming part of the Business Plan. The Planning Strategy and by extension, the planning application, takes account of existing and emerging planning policy and aligns to the vision for the regeneration of Bridge Close. It outlines the approach and scope for the planning application(s) and considers the anticipated planning obligations that will apply to the development.

3.3.2 The planning application takes the form of a hybrid planning application to be submitted for the whole site. The proposed application will seek full planning permission for an initial Phase 1 of the development and outline permission for the remainder of the site. Detailed planning permission is sought for Phase 1, comprising approximately 383 new homes, flexible commercial floor space, a three form entry primary school and nursery, a pedestrian and cycle bridge as well as new public realm works and associated infrastructure, including the revitalisation of the River Rom.

3.3.3 Outline planning permission will simultaneously be sought for the remainder of the site. The outline permission will be accompanied by detailed parameter plans and a design code to inform future detailed proposals for future phases, serving to ensure continuity and to safeguard the Council's vision and the comprehensive nature of the development.

3.3.4 Throughout 2021, the planning application suite of plans and documents have been subject to review in light of the adoption of the new London Plan in March 2021 as well as other existing and emerging planning policy and building regulations, including Havering's proposals for the ring road developed as part of the Liveable Neighbourhood project. Studies, surveys and assessments have been completed to ensure alignment and compliance. Whilst the review has been comprehensive across all relevant areas, the following have been in particular focus:

- i. Energy Strategy – focusing on communal centralised energy provision using air source heat pump technology and the opportunity to connect in the future to wider heating distribution networks as required.
- ii. Flood risk assessment – mitigating the risk of flooding by implementation of a surface water management strategy using sustainable drainage systems and the naturalisation of the River Rom in consultation with the Environment Agency.
- iii. Fire risk assessment – minimising risk to life safety through the implementation of a fire strategy for the development in compliance with planning policy, building regulation and relevant codes of practice.
- iv. Climate change and net zero carbon review – achieving net zero compliance, including reducing CO₂ emissions for both domestic and non-domestic

buildings to achieve at least a 35% on-site reduction against the baseline as set out in Building Regulations Part L 2013.

- 3.3.5 In addition to considering the impact of new and emerging policy and regulation on key physical aspects of the development, such as height and massing in the context of Romford town centre, further consideration is also being given to the long-term housing needs of local people in Romford and Havering more widely. Whilst provision of between 35% and 50% affordable housing is anticipated, further review of the appropriate tenure and unit mix will continue into the early parts of spring next year, leading to the compilation of the final suite of documents of the planning application for submission in the summer of 2022.
- 3.3.6 Recognising the regeneration of Bridge Close is subject to additional stages of design development before commencement of works, further review of proposals will take place in the future to ensure continued compliance with existing and emerging policy, building regulations, codes of practice, and importantly, the needs of local people.

3.4 Consultation

- 3.4.1 Consultation has continued in 2021 with the Local Planning Authority (LPA), Highways Authority and with other key stakeholders. This follows numerous pre-application meetings with the LPA, the Greater London Authority (GLA), the Strategic Planning Committee, the Council's Quality Design Review Panel and internal stakeholders already held in 2019. It is anticipated that further public consultation will be undertaken with all stakeholders in 2022, leading up to the proposed submission of the hybrid planning application in the summer of the same year.

3.4.2 Primary School & Health Building

- 3.4.3 Consultation also continues with key education and health economy partners in order to meet potential rising demand for services to support growth in the local community. As such, the Council will acquire a new 3 form entry primary school and a health building from the Joint Venture. The Council will fund the acquisition of the school from the Basic Needs Grant allocated by the Department for Education (DfE) and through own resources, including borrowing and where possible from S106 contributions. BCR LLP continues to consult with Children's Services and the DfE to plan ahead for the delivery of BCR LLP's proposals, having regard to the demand for pupil places as a result of the development and from adjoining communities in Romford town centre. The primary school is expected to be delivered in the initial phase of the development.
- 3.4.4 The Council continues its discussions with local healthcare authorities and partners to facilitate the delivery of a new health building on Bridge Close in accordance with integrated healthcare infrastructure capacity planning in Havering. The building will provide services from across the integrated care system, which may include primary and social care, community services and other specialist services, including enhanced diagnostics where appropriate. By bringing services together, the health building will play a vital role in improving access for members of the local community and reducing pressures in other parts of the local health economy. Funded through Council resources, a lease granted to an appropriate primary and community care provider is anticipated to secure a recurring revenue stream to the Council. The health building is expected to be delivered in phase two of the development.

3.4.5 Affordable Housing

- 3.4.6 It is anticipated that the development will provide between 35% and 50% affordable housing, subject to viability. This is in accordance with the principles underpinning existing Housing Zone funding support for 35% provision agreed with the Greater London Authority (GLA). Further to discussions with the GLA in light of the adoption of the new London Plan, affordable housing provision below 50% may be acceptable in circumstances where land has been acquired for regeneration purposes, noting furthermore the achievement of 50% affordable housing provision by the Council across its wider regeneration programme. Consultation with the GLA continues with respect to the potential for release of funding to support the provision of affordable housing through both Housing Zone funding and the Affordable Homes Programme.

3.5 Design Development

- 3.6 The design team, consisting of leading firms of architects, landscape architects, masterplanners, technical experts and engineers, has continued to progress the proposals throughout 2021 in accordance with client and planning requirements, underpinned by a design brief and development specification approved by the Board of BCR LLP.
- 3.7 Design development has been informed by the vision and objectives for the regeneration of Bridge Close, and enshrined in key proposals, plans and documents, including:
- i. The design and access statement, incorporating:
 - a. The masterplan for the site as a whole
 - b. Individual plot designs for residential and non-residential uses
 - c. Landscape and public realm design
 - ii. The design code and parameter plans
- 3.8 The Design and Access Statement describes the design process and proposals at a site-wide masterplan scale covering the entire application boundary. It deals with the landscape strategy and with the detailed proposals for the plots in the initial phase of development.
- 3.9 The masterplan for Bridge Close builds on the principles established in adopted and emerging policy, proposing a mixed-use residential-led scheme, which will include a new bridge across the River Rom, a new east-west connection to the town centre, non-residential uses to complement the town centre offer and create a well-designed, high-quality neighbourhood.
- 3.10 Detailed designs for individual plots have been brought forward as part of an initial phase to provide 383 new homes of which between 35% and 50% will be affordable tenures. Plot designs provide a balance of both traditional and more contemporary architecture with use of high quality materials and immediate access to local retail, play space, public realm and other amenities. The initial phase maintains the provision of a 3 form entry primary school with nursery and special educational needs and disability (SEND) provision. Detailed plans set out the internal design of floors and units complemented by sections and external elevations.
- 3.11 Proposals for landscape design provide for ample high-quality public realm and open space, including the provision of green space and play space for local residents as

well as the greening and revitalisation of the River Rom. It sets the parameters for a river walkway along the River Rom, a new junction to Waterloo Road and a new street through the centre of the site. More widely, it sets the strategy for the use of materials informing the initial parameters for long-term estate maintenance.

- 3.12 As set out at paragraph 3.3.4 above, the masterplan, plot designs and landscape architecture have been informed by adopted and emerging policy and regulation, having regard to key issues around energy provision, flood risk and fire risk as well as climate change and environmental impact.
- 3.13 Design Code provides strategic design guidance and place-making principles for all phases of delivery. The purpose is to ensure that the development is well designed and built to a high standard, providing a coherent framework within which architectural diversity can be achieved and where the public realm is an integrated element which provides continuity with the surrounding area. The Design Code will control development in future phases and be conditioned as part of any grant of planning approval.
- 3.14 Underpinning the Design Code are parameter plans setting out the application boundary, development plots, indicative heights, open space and illustrative ground floor uses and routes through the site. Together the Design Code and the parameter plans provide distinct guidance to ensure the comprehensive development of Bridge Close is progressed across phases consistently underpinned by high-quality design and public realm place-making principles.
- 3.15 As set out in paragraph 3.4.1 above, the masterplan, plot designs and landscaping have been informed by extensive consultation with the Local Planning and Highway Authority and the Greater London Authority, but with elected Members, the Strategic Planning Committee and the public. Importantly, a Quality Review Panel of external urban design experts was established to independently vet and inform the place making qualities of the emerging masterplan and designs. Future phases of development will be require separate planning applications (reserved matters) subject to consultation with the Quality Review Panel and Strategic Planning Committee.
- 3.16 In close consultation with the Cabinet and other stakeholders, it is anticipated that a planning application may be submitted in summer of 2022.

3.17 Land Assembly

- 3.18 Land assembly is undertaken in accordance with the Land Acquisition Strategy forming part of the Business Plan.
- 3.19 The Council and the JV continue to engage with all owners and occupiers of residential and commercial interests on Bridge Close. All commercial property owners have instructed valuations and private treaty discussions are progressing with all owners and principal occupiers at various stages of development.
- 3.20 In November 2018 the Cabinet resolved to approve the acquisition of all remaining residential interests not in Council or JV ownership to be used as temporary accommodation until such time as they may be required for development. To date, 31 out of a total of 37 residential properties have been acquired or have terms agreed. Further engagement and communication is underway with the remainder of owners and occupiers.

- 3.21 Overall, there may be some adverse impact from the redevelopment of Bridge Close, particularly as a result of the displacement and disruption caused to existing businesses, staff, residents and their families, as well as some religious groups. To reduce this impact, the Council is working closely with those affected and offering a full package of support, through access to dedicated advice and assistance, through the offer of financial compensation, by offering a range of options to help residents move to a new home and providing businesses and other groups with help in finding and relocating to new premises, as well as additional support to mitigate against any potential disturbance.
- 3.22 A number of acquisitions of commercial property have completed since the establishment of the JV and more recently, including 3 Bridge Close, 6 Bridge Close, 12A-C Bridge Close, 12C-E Bridge Close and 13A Bridge Close. Constructive private treaty discussions continue with the remaining owners and occupiers of commercial property with a number having reached the final stages of agreeing terms.
- 3.23 Relocation support continues to be provided to businesses where appropriate. Whilst the market for industrial property is buoyant, it has been possible to maintain business continuity and employment whilst completing on transactions and successfully relocating businesses to new premises.
- 3.24 Other owners of non-residential property include the London Ambulance Service and the Havering Islamic Cultural Centre ('HICC'). Whilst the London Ambulance Service has announced a pause to the implementation of its relocation from Bridge Close to enable redeployment of resources to cater for anticipated rise in demand for its services over the winter period 2021-2022, discussions continue with advisors to seek a mutually satisfactory long-term agreement. Contact to the HICC and its advisors also continues in order to consider all options for relocation within the existing development or on an alternative site where practicable.
- 3.25 With the progress being made on private treaty discussions with owners and occupiers of both residential and commercial property, the table below provides a summary of interests acquired to date or subject to contracts with a right to purchase on agreed terms.

Table 1 Indicative Property Interests Held by Havering Borough or BCR LLP (Hectares)¹			
Interest	Total (Ha)	% of Total	% Held
Residential Property	0.64	19%	87%
Commercial Property	2.34	68%	51%
Public & Other Land	0.12	3%	-
Unregistered Land with Council as Highway Authority	0.34	10%	-
Total	3.45	100%	51%

¹ Freehold interest, Ardent Management Limited, 2021

- 3.26 The potential use of the Council's Compulsory Purchase Order (CPO) powers continues to form part of the Council's land assembly strategy as a means of last resort in circumstances where private treaty discussions do not deliver the anticipated outcomes. All private treaty discussions and agreements are completed having regard to the CPO guidance and regulatory framework to ensure appropriate support as well as disturbance and compensation payments are provided.
- 3.27 The review of key work streams above reflects the pre-application planning stage that the regeneration of Bridge Close is at. As the regeneration progresses, further activity

relating to contractor procurement, construction, sales and leasing as well as estate management, amongst others, will form an integrated part of day-to-day activity.

4.0 Indicative Phasing and Delivery Programme

4.1 Bridge Close is anticipated to be developed in three phases as set out below:

- **Phase 1** is expected to deliver approximately 383 new homes of which between 35% and 50% may be affordable housing with retail and commercial units to serve the local community and provide space for local business. A new 3 form entry primary school will also be delivered, serving as vital educational infrastructure for the new communities at Bridge Close, the Waterloo Estate and Rom Valley Way, the latter two of which are in advanced stage of development with construction expected to commence in the foreseeable future. Phase 1 would also provide high-quality public realm, including a new bridge to enhance east-west links in the town centre and much needed investment and environmental upgrade of the River Rom.
- **Phase 2** is expected to deliver approximately 259 new homes of which between 35% and 50% may be affordable housing along with further retail and commercial units to serve the local community and provide space for local business, including where possible, existing businesses at Bridge Close wishing to relocate on site. A new health building would be provided, catering for families at Bridge Close and the wider community, serving to reduce pressures on acute care at nearby Queen's Hospital. A new community centre would be provided with cultural facilities and services for local people.
- **Phase 3** is expected to deliver approximately 428 new homes of which between 35% and 50% may be affordable housing, providing the final addition to a vibrant new community where families may live, thrive and contribute to the wider regeneration of the town centre.

4.2 The table below sets out anticipated dates for each of the key programme milestones underpinning the Business Plan.

Table 2 Indicative Delivery Programme			
Milestone	Phase 1	Phase 2	Phase 3
Review of Planning Policy and Design	Quarter 1 '22		
Completion of Planning Application	Quarter 2 '22	-	-
Submission of Hybrid Planning Application	Quarter 3 '22	-	-
SPC Resolution to Grant	Quarter 1 '23	-	-
Cabinet Make the CPO	Quarter 1 '23	-	-
Main Contractor Procurement	Quarter 1 '23	-	-
Planning Approval / S106	Quarter 1 '23	-	-
Main Contractor Selection	Quarter 2 '23		
Public Inquiry	Quarter 3 '23	-	-
Confirmation of CPO	Quarter 4 '23	-	-
Issue General Vesting Declaration (GVD)	Quarter 1 '24	-	-
Vacant Possession	Quarter 2 '24		
Main Contractor – Site Possession Phase 1	Quarter 2 '24	-	-
Planning Application (Phase 2 and Phase 3)	-	Quarter 4 '24	

Planning Approval (Phase 2 and Phase 3)	-	Quarter 2 '25	
Main Contractor Appointment - Phases 2 & 3	-	Quarter 4 '25	Quarter 1 '27
Start on Site	Quarter 2 '24	Quarter 4 '25	Quarter 1 '27
New Homes Completed	Quarter 4 '26	Quarter 2 '28	Quarter 3 '29
Final Sales Completed	Quarter 4 '27	Quarter 1 '29	Quarter 3 '30

- 4.3 All work streams, including planning applications for each phase, acquisition of property and any CPO activity as well as the procurement of a contractor for delivery of Phases 1, 2 and 3 fall within the Council's control.
- 4.4 As set out in paragraph 3.3.5 above, it is anticipated that the planning application suite of plans and documents will be completed in final form in spring of 2022, allowing for the application to be submitted in summer of the same year. This will allow appropriate time for the Council to consider the full implications of newly adopted planning policy in the form of the new London Plan (adopted March 2021) and to determine the appropriate housing tenure mix that best meets the long-term needs of the Council and local people.
- 4.5 As set out in paragraph 3.4.1 above, consultation with key stakeholders will continue throughout the delivery programme, including public consultation ahead of future planning submissions.
- 4.6 Land assembly will continue in parallel with the development of the planning application both through private treaty discussions with owners and occupiers, and through the preparation for the potential use of the Council's Compulsory Purchase powers. With the making of the CPO in Quarter 1, 2023 and the public inquiry in Quarter 3, 2023, it is anticipated that the CPO may be confirmed by Secretary of State in at the end of 2023, allowing for vesting declarations to be served and vacant possession to be taken in summer of 2024.
- 4.7 With start on site expected in the summer of 2024, completion of Phase 1 is anticipated at the end of 2026 with phased delivery of the scheme to completion in the summer of 2029 in accordance with circumstances prevailing at the time.

REASONS AND OPTIONS

5.0 Reasons for the decision:

- 5.1 The Council has been consistent in promoting and progressing its vision to regenerate Bridge Close, a key site on the edge of Romford town centre, and in so doing, advancing the objectives of delivering new homes and affordable housing as well as key infrastructure, including a new school, a health building, a bridge and high-quality public realm and the revitalisation of the River Rom.
- 5.2 On 16th September 2020, Cabinet resolved for the Council to take full control of Bridge Close Regeneration LLP in order to ensure the future regeneration of Bridge Close in light of the difficulties in pursuing this objective with its former private sector partners.

On 16th December 2020, Cabinet approved the recommendation for the Council to deliver the regeneration of Bridge Close funded predominantly through the HRA. Both decisions were strong statements of intent to fulfil the vision to regenerate this part of Romford Town Centre and reap the associated benefits, including the generation of long-term social value for people of Romford and the wider Borough of Havering.

5.3 The Draft Business Plan is a suite of policies, processes and operational plans, providing a path for the Council to crystallise its vision and make the regeneration of Bridge Close a reality supported by a robust risk management and governance framework.

5.4 The Draft Business Plan sets out the strategic framework to support direct delivery of the scheme by the Council in accordance with Cabinet's decision in December 2020 and would:

- Accord with the Council's vision and objectives for the regeneration of the site;
- Deliver between 35% and 50% new affordable homes, subject to viability, at a potentially relatively low net average cost per unit, providing acceptable value for money as a regeneration scheme;
- Provide additional certainty in relation to the funding of the scheme;
- Offering an acceptable payback of the Council's investment;
- Provide greater certainty for affected business and resident communities;

5.5 In summary, the approval by Cabinet of the Business Plan would enable this key regeneration scheme located at a gateway to Romford Town Centre to move forward, underpinned by a comprehensive financial model and accompanying analysis, which substantiates the delivery of regeneration outcomes at a financial return to the Council in excess of its cost of capital.

5.6 The Members' Agreement contemplates the Board of Bridge Close Regeneration LLP preparing, agreeing and issuing a Draft Business Plan as set out in Appendix B for approval by the Council as Member. The Members' Agreement provides that this be done at regular intervals. Once agreed, the Draft Business Plan would replace the then current Business Plan as the formal Business Plan adopted by the Bridge Close Regeneration LLP. Any potential approval of the Draft Business Plan as set out in this report would therefore be in accordance with the provisions of the Members' Agreement and would regularise the cycle of updating going forward, having regard to the Council now being in full control of Bridge Close Regeneration LLP.

6.0 Other Options Considered and Rejected:

6.1 **Not Approve the Draft Business Plan.** Whilst this option would not run contrary to provisions in the Members' Agreement, which in these circumstances would allow the existing adopted Business Plan to remain in force; however, not approving the Draft Business Plan would run contrary to the Council's vision and objectives of delivering both affordable housing and the regeneration of Bridge Close, a key site on the edge of Romford town centre. Whilst key work streams such as land assembly, the making of the CPO and submission of the planning application could potentially be progressed under the existing Draft Business Plan, it would be without having due regard to the latest planning, land assembly, market, cost and financial advice that would otherwise inform the strategy. Moreover, it could potentially be perceived as a statement of intent

not to progress with the regeneration of Bridge Close. Accordingly, there would be significant reputational damage and impediment to implementation of key work streams. The regeneration scheme could be either lost completely or delayed for a significant period of time. This could have reputational implications and potentially impair the Council's investment to date. This option has been rejected.

- 6.2 **Approve the Draft Business Plan and Pause the Scheme.** Whilst pausing a scheme may be standard practice for a private sector developer, it does not constitute good practice from a regeneration perspective. This is due to the lack of certainty that this strategy entails and the difficulties arising in treating meaningfully with owners and occupiers in private treaty land assembly discussions. A pause to the scheme would in the first instance prevent a planning application being made, which in turn would prevent a CPO being progressed, assuming that a CPO would be necessary to complete land assembly. No CPO Inquiry can be contemplated before the Acquiring Authority (the Council) can demonstrate that there are no insurmountable planning impediments that would prevent the scheme from being implemented. Without the grant of some form of planning permission this could not be proven. It would also be very difficult to secure meaningful engagement from potential contractors without knowing what the scheme is or is likely to be in planning terms and having a level of programme certainty. A pause would create an element of uncertainty over the scheme, with adverse impact for owners and occupiers within the proposed regeneration area and deny the Council the benefit of the significant progress on planning and land assembly that has been made since reporting to Cabinet in December 2020. There would also be a risk of reputational damage. This option has been rejected.

IMPLICATIONS AND RISKS

7.0 FINANCIAL IMPLICATIONS AND RISKS

- 7.1 The assumptions underpinning the Business Plan and related financial model have been reviewed and updated to reflect anticipated economic conditions and development in key appraisal parameters, having regard to the early stage of development and the pre-planning concept stage at which masterplans and design development are being progressed.
- 7.2 Accordingly, the financial model and related budget approved by Cabinet on 16th December 2020, has been revised with a downward adjustment to the budget as set out in the exempt Financial Risks and Implications of this report.
- 7.3 Achieving regeneration outcomes, including the provision of much needed housing, the generation of social value and the creation of a high-quality place where people want to live, work and play continues to be the Council's principal objective. The Council recognises, however, that achieving the regeneration of Bridge Close at the scale envisioned comes with some risks.
- 7.4 Whilst some risks may relate to the operational implementation of the development, such as planning risk, ground condition and construction risk, cost price inflation, sales price inflation and programme, others relate directly to the funding of the project. The Council recognises that operational risks may have a direct impact on the overall

funding envelope and that active risk management may serve to mitigate the Council's exposure by capping, sharing or transferring risks where possible.

- 7.5 The potential adverse impact of the prospect of a material increase in the longer term cost of borrowing is also a risk that requires ongoing review and management. Whilst potential increased cost of borrowing is included in the Council's contingency planning, the potential for capping interest rate risk is subject to ongoing review.
- 7.6 The Council continues to monitor and manage identified risks, having regard to each stage of development required to complete the regeneration of Bridge Close. Drawing on the expertise and capacity of an experienced team of internal and external delivery partners forms an integrated part of the Council's risk management strategy. Appropriate application of contractual structuring, insurance and financial contingency planning provides an overlay to core risk management practices.
- 7.7 The review of financial assumptions, risks and implications are exempt due to the commercial nature and sensitivity of the information.

8.0 LEGAL IMPLICATIONS AND RISKS

- 8.1 The Bridge Close Regeneration LLP Business Plan 2019/2020 was approved by Cabinet on 13th February 2019 and adopted by the Bridge Close Regeneration LLP. In accordance with clause 14 of the Members Agreement dated 29th October 2020, the Board of Bridge Close Regeneration LLP shall prepare, agree and issue a draft Business Plan to the "Approving Person", being the Council as Member. Once agreed, the further Business Plan shall replace the then current Business Plan as the formal Business Plan adopted by the Bridge Close Regeneration LLP.
- 8.2 The Bridge Close Regeneration LLP Business Plan 2022/2023 (the draft Business Plan) set out in Appendix B has been reviewed and recommended for approval by the Bridge Close Regeneration LLP Board of Nominees. Subject to the approval by the Council as Member and Approving Person, the draft Business Plan would be formally adopted by the Board of Bridge Close Regeneration LLP.
- 8.3 As an Approving Person, the Council relies on a number of powers in considering the proposed strategy and funding envelope underpinning the draft Business Plan.
- 8.4 In providing funding the Council may rely upon the General Power of Competence ("general power") provided for in Section 1 of the Localism Act 2011 to pursue the proposed development of Bridge Close. The general power is a wide power which allows the Council to do anything that an individual may do (subject to public law principles), but it is subject to certain statutory limitations.
- 8.5 In establishing BCR LLP, the general power was relied on, as well as the fact that Sections 8 and 9 of the Housing Act 1985 impose a duty on local authorities to review housing needs in their district and provides them with related powers to provide housing accommodation by building and acquiring houses or by converting other buildings into houses. These powers can include provision via third parties. The general power and Sections 8 and 9 of the Housing Act 1985 may also be relied on in the setting up of a nominee company by the Council.
- 8.6 The Council has investment powers by virtue of Section 12 of the Local Government Act 2003, but the objective of the Council in establishing BCR LLP (and in providing the proposed funding recommended in this Report) is not as an investment. The purpose was, and remains, the regeneration of Bridge Close.

- 8.7 More widely, the Council has land acquisition powers by virtue of Section 120 of the Local Government Act 1972. This Section 120 power does furthermore support the general position adopted, because it also recognises and allows acquisitions to be made for any authorised purpose “notwithstanding that the land is not immediately required for that purpose; and, until it is required for the purpose for which it was acquired, any land acquired under this subsection may be used for the purpose of any of the council’s functions.”
- 8.8 In light of the acquisition of the interest of former private sector partner, FB BCR LLP, in BCR LLP agreed by Cabinet on 16th September 2021, this report makes reference to, inter alia, the strategy to bring forward the regeneration of Bridge Close directly within the HRA with the primary objective of the scheme being to address housing need in Havering rather than generating a commercial return.
- 8.9 The Council took external legal advice on the direct delivery strategy approved by Cabinet on 16th December 2020. In summary, this confirmed that the Council has the power to deliver the scheme directly. The key statutory power is Section 9, Housing Act 1985, which is broad enough to empower the Council to provide both affordable and market sale housing where the latter is provided to subsidise the former (as could be case).
- 8.10 The Council also has the power in Section 12, Housing Act 1985 to provide other buildings, including retail and commercial uses, subject to obtaining Secretary of State (SoS) consent. The SoS has broad discretion in this respect with the criteria being whether the buildings will serve a beneficial purpose for those provided in Part II housing accommodation. There is a clear process in place to apply for consent.
- 8.11 If the Council were to rely on Sections 9 & 12 (subject to consent) to deliver the regeneration scheme directly, then relevant income and expenditure relating to residential accommodation and other buildings would be subject to the HRA ring fence under Section 74, Local Government and Housing Act 1989. On the basis of what is currently known, the Council is advised that capital expenditure to fund the regeneration scheme would be permitted under Schedule 4, Part II, Item 2 of that Act.
- 8.12 So the external legal advice indicates that it is unlikely that there would be any insurmountable impediments to prevent the HRA from delivering up to a 50:50 mix of affordable and open market sale units if that were the option to be selected.
- 8.13 The Council has also taken external legal advice on Subsidy Control (formerly known as State Aid). Given that the Council’s objective is to develop the site for regeneration purposes and not as a commercial undertaking, the strategy to deliver the scheme directly by the Council is likely to be able to comply with Subsidy Control requirements given the Council is a public undertaking.
- 8.14 The key risks are financial and commercial, as described in the preceding “Financial Implications and Risk” section at paragraph 7.0 above. In making a lawful decision, the Council should weigh up and consider these risks and whether they are acting prudently in public law terms.
- 9.0 HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**
- 9.1 There are no Human Resource implications of, or risks relating to, the proposed decision.

10.0 EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

- 10.1 The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:
- i. the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
 - ii. the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
 - iii. foster good relations between those who have protected characteristics and those who do not.
- 10.2 Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.
- 10.3 The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.
- 10.4 Whilst officers consider there are no implications or risks associated with the Council's statutory duty and the decisions recommended for approval relating to the Bridge Close Regeneration LLP Business Plan, the Council has continued to monitor and implement measures to ensure management policies and practices are aligned to the Public Sector Equality Duty.
- 10.5 The Equality Impact Assessment for Bridge Close, reported to Cabinet in November 2017, subsequently reviewed in September 2019 and November 2021, flows from the Council's Equality Impact Assessments for the Havering Estate Renewal Programme and the Local Lettings Plan. To inform the Bridge Close Equality Impact Assessment, engagement with affected residents and businesses has been undertaken, alongside a review of the wider Romford Town ward to establish a demographic profile of those affected. This broadly considered the impact of the proposal on these stakeholders, within the context of the protected characteristic. The Equality Impact Assessment will continue to be monitored and updated as part of a process of continuous engagement with stakeholders as proposals for the scheme are developed.
- 10.6 Overall, there may be some adverse impact from the redevelopment of Bridge Close, particularly as a result of the displacement and disruption caused to existing businesses, staff, residents and their families, and some religious groups. To reduce this impact, the Council is working closely with those affected and offering a full package of support, through access to dedicated advice and assistance, through the offer of financial compensation, by offering a range of options to help residents move to a new home and providing businesses and other groups with help in finding and relocating to new premises, as well as additional support to encourage business improvement and sustainability in the future.
- 10.7 The Council believes that the benefits of the Bridge Close redevelopment will outweigh some of the adverse impacts identified. The redevelopment of Bridge Close is predicted to be largely positive, presenting far reaching benefits and opportunities for Romford, Havering and its diverse communities. This includes making a significant contribution to the provision of new and high quality mixed tenure housing, which will be well managed, and sustainable, helping to reduce fuel poverty and contributing to the quality of life for people of all ages, genders, ethnicities and faiths/beliefs.

Regeneration of the area will also support economic growth and prosperity across Havering, through creating new mixed workspace and community facilities, which will support business growth, enterprise and inward investment, as well as local jobs, apprenticeships and wider employment opportunities. The development will also help to create a greater sense of place and platform for learning, creativity and culture, whilst also supporting education, health, leisure and recreation. The introduction of robust estate management services across the development will also aid in preventing crime and social disorder, whilst the new neighbourhood will encourage social inclusion, community cohesion and equality, helping to foster positive relations amongst existing and new communities.

- 10.8 The development will also improve the local environment by helping to reduce the barrier effect of the Ring Road, creating a safer and more welcoming environment. The introduction of a new east-west pedestrian and cycle bridge will provide greater access and connectivity to the town centre and rail station, encouraging use of public transport, walking and cycling. A rejuvenated public realm and enhanced River Rom will create an improved blue and green amenity, both for the enjoyment of local people and visitors alike. The development will reintegrate Bridge Close with Romford town centre and in doing so will complement the town centre and help the areas expansion as retail and residential quarter, providing more choice and opportunity for the future and new health and education facilities as well as affordable housing for local people.
- 10.9 Further to a review officers consider the existing Equality Impact Assessments for Bridge Close, as updated in November 2021, continue to be of relevance to the project and for the purpose of seeking the agreement by Cabinet of the Bridge Close Regeneration LLP Business Plan 2022-23.

11.0 HEALTH AND WELLBEING IMPLICATIONS AND RISKS

- 11.1 There are no Health and Wellbeing implications of, or risks relating to, this proposed decision.
- 11.2 In relation to the proposed development, an initial Health Impact Assessment has, however, already been undertaken. This indicates that the overall nature of the identified impacts is positive or neutral, including positive impacts on housing provision, mental health and the wellbeing of new residents. The proposed scheme provides opportunities for employment, provides community floor space and contains multiple and well connected public spaces.
- 11.3 An updated Health Impact Assessment has been undertaken in October, 2021 in preparation for the submission of the planning application in due course. The Assessment concludes that the overall nature of the identified impacts is positive or neutral including positive impacts on housing provision, mental health and wellbeing of the new residents. The proposal provides opportunities for employment, provides community floorspace and contains multiple and well connected public spaces. The proposed design is characterised by high quality, accessibility and sustainability. A minor negative impact has been estimated with regards to a small shortfall in the on-site provision of children play space and a remedy has been provided.
- 11.4 It is anticipated that the longer term benefits outweigh the short term impacts. More efficient use of land, high design standards, sustainable solutions and the provision of social infrastructure ensure that the proposed uses are the best uses of the land.
- 11.5 A further Health Impact Assessment will be carried out for the development prior to the commencement of works, covering the period during and post construction to identify

and maximise any positive impacts and also to identify and highlight how measures to mitigate against any negative impacts will be put in place to protect the health and wellbeing of residents during construction.

BACKGROUND PAPERS

None.

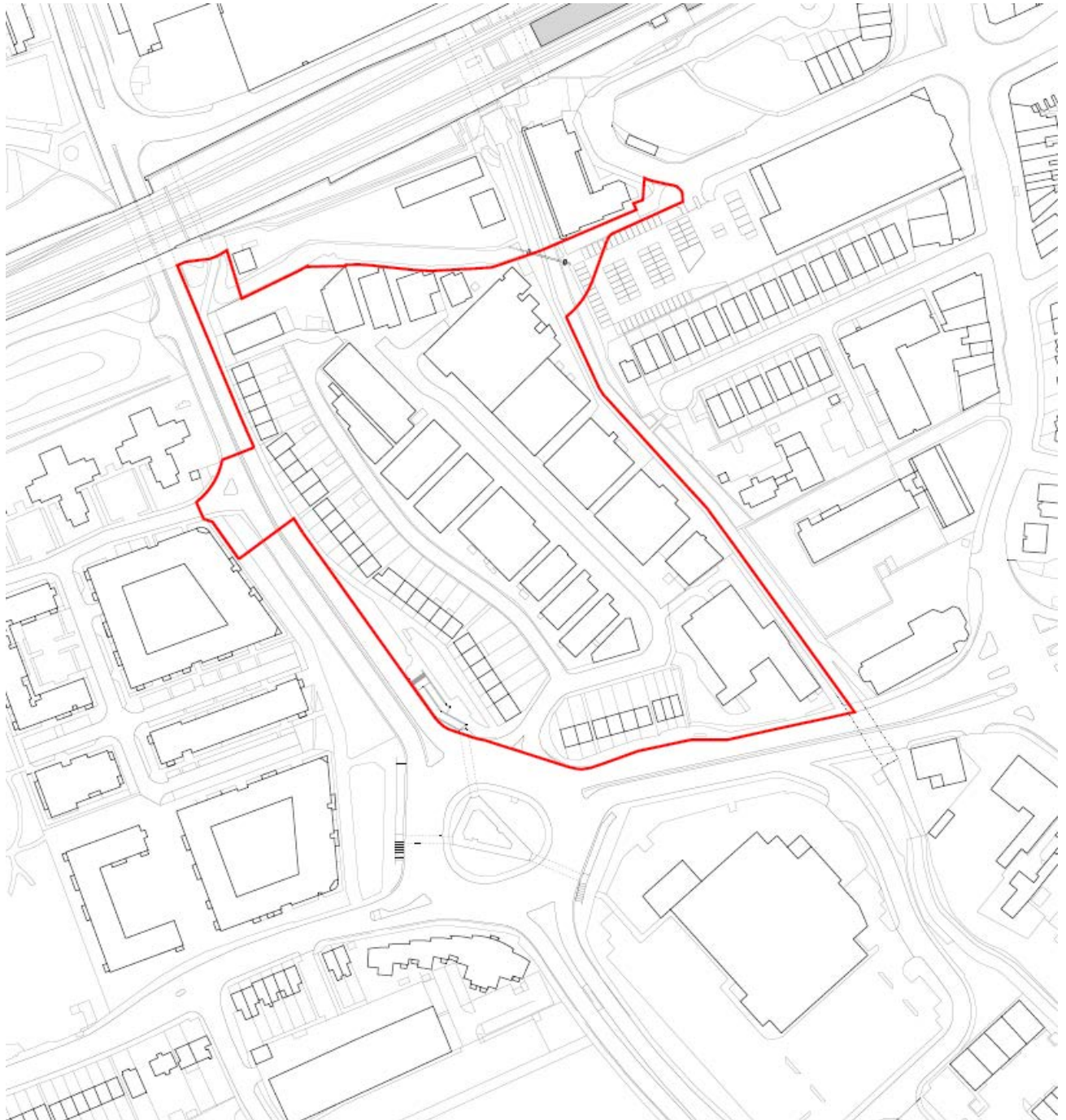
APPENDICES

Appendix A	Bridge Close Site Plan (PUBLIC)
Appendix B	Bridge Close Regeneration LLP Business Plan 2022-2023 (EXEMPT)
Appendix C	Financial Annexes (i) – (iii) (EXEMPT)
Appendix D(i)	Legal Advice Note – Subsidy Control (EXEMPT)
Appendix D(ii)	Legal Advice Note – Funding (EXEMPT)

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