



Havering

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

OVERVIEW & SCRUTINY BOARD AGENDA

7.30 pm

**Wednesday
24 November 2021**

**Havering Town Hall,
Main Road, Romford**

Members 16: Quorum 6

COUNCILLORS:

**Conservative Group
(8)**

Michael White (Vice-Chair)
Ray Best
Philippa Crowder
Judith Holt
Nisha Patel
Sally Miller
Christine Smith
Maggie Themistocli

**Residents' Group
(2)**

Ray Morgon
Barry Mugglestone

**Upminster & Cranham
Residents' Group (2)**

Linda Hawthorn
Christopher Wilkins

**Independent Residents'
Group
(2)**

Graham Williamson
Natasha Summers

**Labour Group
(1)**

Keith Darvill

**North Havering
Residents Group (1)**

Darren Wise (Chairman)

For information about the meeting please contact:

**Anthony Clements Tel: 01708 433065
anthony.clements@onesource.co.uk**

Overview & Scrutiny Board, 24 November 2021

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.

OVERVIEW AND SCRUTINY BOARD

Under the Localism Act 2011 (s. 9F) each local authority is required by law to establish an overview and scrutiny function to support and scrutinise the Council's executive arrangements.

The Overview and Scrutiny Board acts as a vehicle by which the effectiveness of scrutiny is monitored and where work undertaken by themed sub-committees can be coordinated to avoid duplication and to ensure that areas of priority are being reviewed. The Board also scrutinises general management matters relating to the Council and further details are given in the terms of reference below. The Overview and Scrutiny Board has oversight of performance information submitted to the Council's executive and also leads on scrutiny of the Council budget and associated information. All requisitions or 'call-ins' of executive decisions are dealt with by the Board.

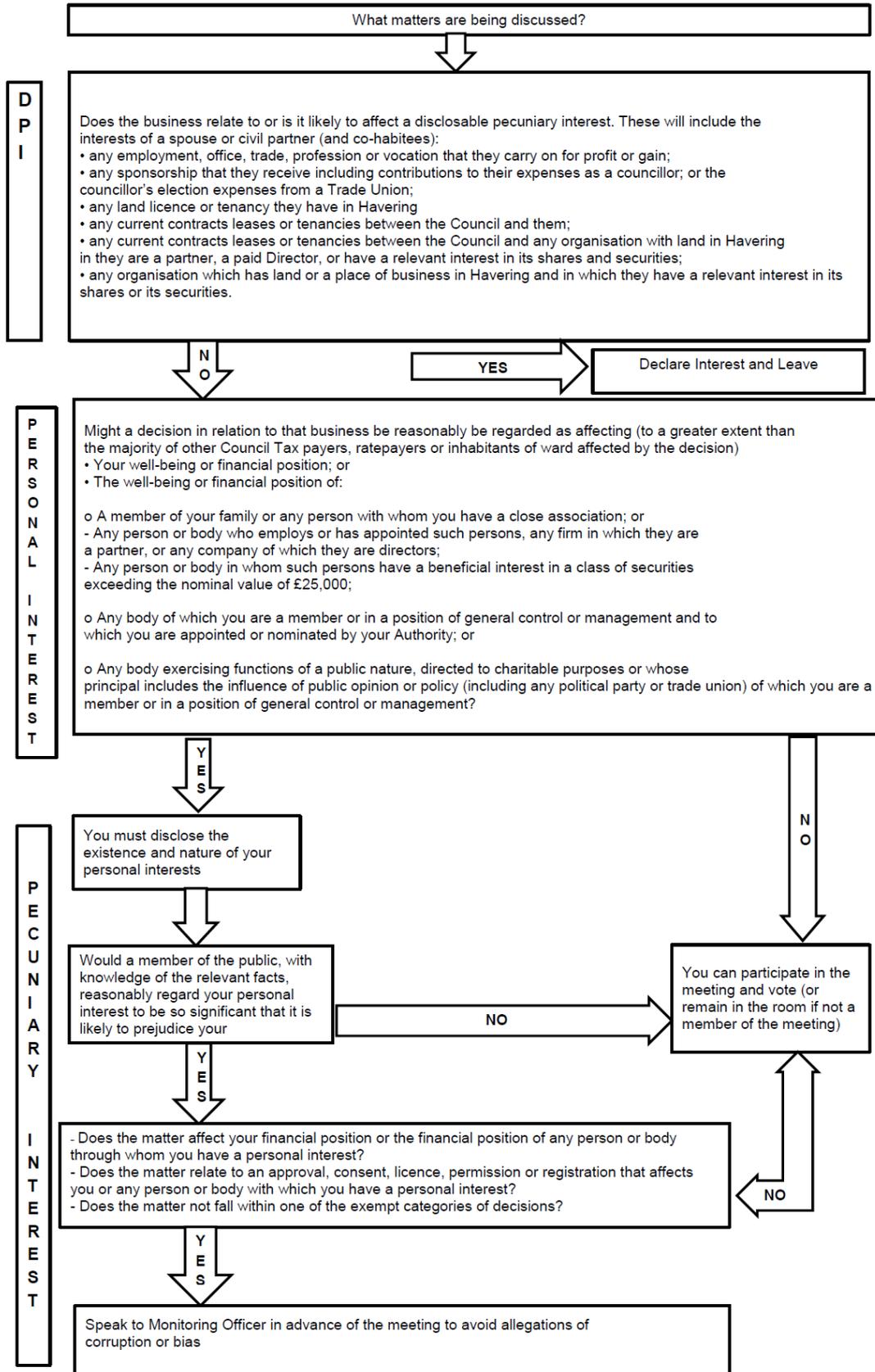
The Board is politically balanced and includes among its membership the Chairmen of the six themed Overview and Scrutiny Sub-Committees.

Terms of Reference:

The areas scrutinised by the Board are:

- Strategy and commissioning
- Partnerships with Business
- Customer access
- E-government and ICT
- Finance (although each committee is responsible for budget processes that affect its area of oversight)
- Human resources
- Asset Management
- Property resources
- Facilities Management
- Communications
- Democratic Services
- Social inclusion
- Councillor Call for Action
-

DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF



AGENDA ITEMS

1 CHAIRMAN'S ANNOUNCEMENTS

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

2 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

(if any) - receive.

3 DISCLOSURE OF INTERESTS

Members are invited to disclose any interest in any of the items on the agenda at this point of the meeting.

Members may still disclose any interest in an item at any time prior to the consideration of the matter.

4 MINUTES (Pages 1 - 12)

To approve as a correct record the minutes of the meetings of the Board held on 2 September 2021 and 18 October 2021 (attached) and to authorise the Chairman to sign them.

5 UPDATE OF THE COUNCIL'S MEDIUM TERM FINANCIAL STRATEGY (MTFS) AND BUDGET FOR 2022/23 (Pages 13 - 36)

Report attached.

6 LOCAL GOVERNMENT ASSOCIATION (LGA) INDEPENDENT RACE, EQUALITY, ACCESSIBILITY, DIVERSITY AND INCLUSION (READI) COMMISSIONED REVIEW MAY 2021: APPROVAL OF ACTION PLAN (Pages 37 - 66)

Report attached.

7 HR DATA: EMPLOYEES WHO LEAVE THE COUNCIL; EMPLOYEE COMPLAINTS (Pages 67 - 74)

Report attached for scrutiny.

Andrew Beesley
Head of Democratic Services

Public Document Pack Agenda Item 4

**MINUTES OF A MEETING OF THE
OVERVIEW & SCRUTINY BOARD
Havering Town Hall, Main Road, Romford
2 September 2021 (7.30 - 9.00 pm)**

Present:

COUNCILLORS

| | |
|---|--|
| Conservative Group | Michael White (Vice-Chair), Ray Best, Philippa Crowder, Judith Holt, Nisha Patel, Christine Smith, Maggie Themistocli and John Crowder |
| Residents' Group | Ray Morgon and Barry Mugglestone |
| Upminster & Cranham Residents' Group | Linda Hawthorn and Gillian Ford |
| Independent Residents' Group | Graham Williamson and Natasha Summers |
| Labour Group | Keith Darvill |
| North Havering Residents' Group | Darren Wise (Chairman) |

All decisions were taken with no votes against.

The Chairman reminded Members of the action to be taken in an emergency.

14 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

Apologies were received from Councillor Sally Miller (Councillor John Crowder substituting) and Councillor Chris Wilkins (Councillor Gillian Ford substituting).

15 DISCLOSURE OF INTERESTS

There were no disclosures of interest.

16 MINUTES

The minutes of the meeting of the Board held on 22 June and the open minutes of the meeting held on 3 August 2021 were agreed as a correct record and signed by the Chairman.

17 **ONESOURCE UPDATE**

The oneSource Managing Director advised that oneSource had started in 2013 as a joint partnership between Havering and Newham and covered areas such as legal services, HR, finance, ICT and procurement. This covered around 800 staff. It was emphasised that oneSource was not a private company, nor was it a separate organisation to Havering or Newham. Staff worked for both Councils as needed. The structure of oneSource allowed reduced expenditure through rationalisation, shared knowledge and efficiencies of scale. Since 2014, staff overheads had reduced by 37% and £1m less was being spent on agency staff.

A new oneSource strategy had been launched in February 2020 and key objectives included improved governance, nurturing of relationships and continuous improvement. The pandemic had meant a switch of focus to areas such as PPE procurement, food hubs, IT provision to staff and office rationalisation. Sufficient PPE supplies had been maintained throughout the pandemic and remote working had been successfully introduced. Other issues had included the removal of Bexley from the partnership, the Town Hall reconfiguration and the decommissioning of Mercury House.

As regards workforce issues, around 300 staff had been furloughed and individual risk assessments had been carried out for all staff. Support available to staff included the wellbeing hub, Thrive mental health app and the Employee Assistance Scheme. In order to facilitate working in the future, new policies were being developed on areas such as remote working, flexible working and health & safety at home.

OneSource priority projects for 2021/22 included the budgetary plan, HR restructure, recruitment to the new Strategic Delivery Unit and optimisation of Fusion in order to achieve savings. Developments such as shared procurement were only possible via oneSource and moves towards a shared IT infrastructure were also very positive. It was accepted that further progress needed to be made with budget issues.

Income was generated for Havering via oneSource areas such as enforcement and the bailiff service. There had also been significantly reduced costs achieved by the payroll service. Overall savings of £13-14m had been achieved by oneSource so far. The Managing Director could supply an accurate figure for how much of this was apportioned to Havering but this was likely to be in the region of 40%.

Bexley had recently left oneSource and had been charged an exit fee for doing so, under the terms of the Partnership Agreement. It was noted that a motion had been put forward to Council regarding staff leaving. oneSource had however seen a very low turnover of staff since the start of the pandemic. The employee proposition at oneSource was currently being reviewed. Recent vacancies had seen a lot of interest with for example 97 applications being received for the position of IT director. Some Members felt that this was not the case with those vacancies dealt with by the

Appointments Sub-Committee having seen relatively few applications received and that this could be a sign of a failing service.

In response, the oneSource Managing Director stated that people left the organisation for different reasons and it was important to ascertain these. HR could be asked to investigate the issue of staff morale. The reasons people left were not recorded on Fusion but exit interviews did cover this.

Most of the 37% reduction in staff costs had occurred at the start of oneSource operations. The remaining staff were able to cope as new, more efficient processes had been introduced. The Managing Director added that oneSource staff were a very hard working team. It was expected that savings could be derived from ethical enforcement and Members felt it was important to seek to assist people to pay and not just impose fines etc.

The asset rationalisation policy sought to reflect the new ways of working now available. It was not wished for everyone to return to the office following the pandemic and, for many staff, this would give a better work/life balance. It was anticipated that only 25% of the current office space would be needed. No buildings had yet been disposed of but the Council was likely to need less property going forward. Decisions would need to be taken over the future of certain Council buildings but the issue was not one of redundancies.

A Member felt that oneSource should have paid more attention to its growth strategy and asked if there was still potential for oneSource growth with other Councils. The Managing Director felt that this was certainly a possibility but that more expertise in commercialisation was needed. It was planned to reduce unit cost and define a proper product range.

Governance of oneSource was via the Joint Committee which held its meetings in public. The resilience of oneSource was ultimately dependent on the Councils supporting it. It was accepted that there was likely to be some reduction of income from areas such as commercial rents.

The average shared service normally saved 5-10% of costs when first set up. It was hoped to not have redundancy costs and to make staff cost savings via the deletion of vacant posts etc. It was agreed that all Councils were currently struggling with finances but efforts were continuing to develop oneSource services. It was clarified that the moving of a small number of staff from agency to permanent status was proportionate and would still lead to savings overall.

The Board noted the update.

18 **COVID-19 CARE HOMES AND THIRD SECTOR TOPIC GROUP**

The Chairman of the Topic Group – Councillor White thanked Members and officers for their support of the review. Positive discussions had been held with care homes, Havering MIND, Healthwatch Havering and other local organisations. It was agreed that wording in the report should be amended to read ‘living with dementia’.

The Board AGREED that the report of the Covid-19 Care Homes and Third Sector Topic Group should be referred to Cabinet for consideration.

19 **FORWARD PLAN OF FORTHCOMING KEY DECISIONS**

It was noted that it had not been possible to scrutinise some issues before decisions were taken.

The Board agreed that it wished to undertake scrutiny of the award of the CCTV contract, looking at issues such as the use of CCTV in town centres, estates, decommissioned systems and the relationship with the Police etc.

It was also agreed that the Board should seek to scrutinise the Cabinet reports due on the Social Value Strategy and the Housing Allocations Policy.

20 **EXCLUSION OF THE PUBLIC**

The report included in agenda item 5 contained exempt information relating to commercial issues as did the exempt section of the minutes of the meeting of the Board held on 3 August 2021.

The Board therefore **RESOLVED**:

To exclude the public and press from the meeting on the grounds that it was 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 that item there would be disclosure to them of exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972.

Chairman

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Public Document Pack

**MINUTES OF A MEETING OF THE
OVERVIEW & SCRUTINY BOARD
Havering Town Hall, Main Road, Romford
18 October 2021 (7.30 - 9.06 pm)**

Present:

COUNCILLORS

| | |
|--|---|
| Conservative Group | Ray Best, Sally Miller, Nisha Patel, Christine Smith, Maggie Themistocli and Michael White (Vice-Chair) |
| Residents' Group | Ray Morgon and Barry Mugglestone |
| Upminster & Cranham Residents' Group' | Linda Hawthorn and Christopher Wilkins |
| Independent Residents' Group | Graham Williamson |
| Labour Group | Keith Darvill |
| North Havering Residents' Group | Darren Wise (Chairman) |

Councillor Joshua Chapman was also present via videoconference.

Officers present:

Patrick Odling-Smee, Director of Housing Services
Darren Alexander, Assistant Director of Housing Demand
Kwabena Obiri, Housing Choice & Applications Manager
Sandy Hamberger, Assistant Director, Policy, Performance & Community
Anthony Clements, Principal Democratic Services Officer

All decisions were taken with no votes against.

The Chairman reminded Members of the action to be taken in an emergency.

21 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

Apologies were received from Councillors Philippa Crowder, Judith Holt and Natasha Summers.

22 DISCLOSURE OF INTERESTS

There were no disclosures of interest.

23 PRE-DECISION SCRUTINY: HOUSING ALLOCATION SCHEME (2021)

Officers advised that the current scheme framework comprised taking the housing register application and then asking for supporting information. Clients were awarded one of five bands of priority and could, in some cases, wait up to 7 years before being housed permanently. The current bands ranged from emergency priority to the lowest band of reduced priority.

The proposed new scheme would require a six-year continuous residency in Havering other than for exceptions such as members of the armed forces. The financial cap had been increased to £50k per client with £30k of savings.

The proposed new bands with examples of who would be eligible were as follows:

Band 1 – Those at risk of harm, moving as part of a decant or with severe medical issues.

Band 2a – Armed forces personnel, care leavers, disabled households

Band 2b – Foster carers, downsizers

Band 2C – Volunteers, carers

Band 3 – Homeless households, clients with moderate medical needs, clients affected by overcrowding

An Opportunities Register would also be created for unsuccessful applicants to the housing register in order to promote a wide range of alternative housing options including shared ownership, private sale and intermediate rent.

It was confirmed that the new scheme met the residency requirements of recent case law. The new application process would be on-line and be able to provide applicants with an indicative banding. The impact of the new bands had been assessed with for example care leavers likely to experience slightly longer waiting times. Clients awaiting the release of adapted properties would not be greatly impacted by the new scheme.

There would be a low impact on volunteers seeking housing although carers could see some extension in waiting times. It was hoped the new scheme would go live on 28 January 2022.

Councillor Chapman added that the new scheme represented an opportunity to build on the fairness of allocations. The impact of the pandemic on housing was now being seen but priority for housing would continue to be given to armed forces personnel, care leavers (reflecting the Council's corporate parenting role) and disabled people. Housing allocation would take place in an open and transparent way.

Officers emphasised that they had sought to include appropriate exemptions to the residency requirement and to allow applicants with levels of finances to still access the register. The income cap of £50k related to the gross

income of the household seeking accommodation. A residency requirement of 10 years was proposed in the consultation but responses indicated that this would exclude too many people. Hence the proposal was to continue with the existing 6 years residency requirement.

A Member expressed disappointment that the details of the scheme had only come to the Board shortly before the Cabinet meeting. Different views were expressed about what should be the desired length of residency. The establishment of the Housing Opportunities Register was seen as a positive development.

Officers added that the policy sought to manage applicants' expectations and sought to meet the needs of people on the waiting list. A balanced approach such as this would mean that, over time, there was likely to be sufficient supply available to meet the needs of people on the register. Whilst the allocation scheme would not solve the issue of supply of social housing, the regeneration programme would address this. Members asked for more details of how this would work.

Members also raised concerns over the lack of priority given to single parents in the policy and also felt there should be more detail given of the rationale behind the proposed changes. Officers responded that changes to the policy had been made for a variety of reasons including legal and technical reasons. Other changes were made to deal with practicalities and were not a data driven response.

The new bandings had been carefully considered and it was hoped that under-occupiers could release housing to accommodate over-crowded households. Volunteers would continue to get priority access to housing and this had been a legal requirement since 2012. The income cap of £50k applied to a family and so would cover people on lower incomes. Officers added that Council policy was to have an income test for social housing and the current income threshold excluded many people who had chronic housing needs. The introduction of a higher income threshold would address this.

Legal advice was that a residency of 5 years met legal requirements for Travellers. There were currently no housing applications from Travellers on the register.

It was expected that 3.5-4k affordable homes would be built in Havering and more details could be given of housing supply. The savings cap was lower for a couple as they were likely to have a shared bedroom space. The income and savings caps could be reviewed if necessary.

The tenant incentive scheme offered a deposit of up to £33k to people giving up a Havering tenancy in order to buy a property outside the borough. This had not seen a lot of take-up as most applicants wished to remain in the borough. An applicant's previous behaviour was considered when they applied to go on the register. Work would take place with the relevant

Council teams to determine whether for example an applicant had any history of benefit fraud. Evidence would be sought of an applicant owning shares in another property and this would be included in the assessment when applying for the register.

A joint working protocol with adults and children's services had been established from January 2021. This covered homeless applicants and safeguards for e.g. children leaving care. It was planned to expand the housing options for young people in the private sector. Work was also in progress with adult social care on housing options for people with e.g. drug and alcohol issues.

The Board agreed unanimously that the following comments on the report should be passed to the Cabinet Member for consideration:

- The Board accepted the complexity of the decision required around the length of residency in Havering required to access the register.
- Similarly, the Board also appreciated the complex issues surrounding the level of income cap that was decided upon for potential applicants to the register.
- It was felt that the report should give more information on levels of housing demand and in particular supply. The Board recommended that a Member Briefing be arranged on housing supply issues.
- The Board welcomed the Opportunities Register feeling that this was a very positive development. It was suggested that this should be widely promoted as part of the Council's housing service. Other initiatives welcomed by the Board included the downsizing initiative, local lettings plans and the issue of sensitive lettings. The Board recommended that all these should be promoted more widely with both Members and local residents.
- It was felt that the Allocations Scheme should be integrated into the Council's wider Housing Policy in areas such as new residents coming into the borough.
- Particular cases of need such as single mothers with young children should be given greater support within the Housing Allocation Scheme.

Chairman

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REPORT OF THE CHIEF EXECUTIVE

Overview and Scrutiny Board: 24 November 2021

Update of the Council's Medium Term Financial Strategy (MTFS) and budget for 2022/23

The attached update report on the Council's Medium Term Financial Strategy and budget for 2022/23 was noted by Cabinet at its meeting on 20 October.

The report provides an update on the Medium Term Financial Strategy for the period 2022/23 to 2025/26. It also sets out the process and timetable the Council will follow in order to achieve a balanced budget for 2022/23 including proposals for consultation.

Accordingly, it is **RECOMMENDED**:

That the Overview and Scrutiny Board scrutinises the report and agrees any further action it considers necessary.

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CABINET

Subject Heading:

Update of the Council's Medium Term Financial Strategy (MTFS) and budget for 2022/23

Cabinet Member:

The Leader, Councillor Damian White

SLT Lead:

Jane West
Chief Operating officer

Report Author and contact details:

Richard Tyler
Finance Strategy Manager, oneSource
01708 433 957

Richard.Tyler@oneSource.co.uk

Policy context:

The report provides an update on the Medium Term Financial Strategy for the period 2022/23 to 2025/26. It also sets out the process and timetable the Council will follow in order to achieve a balanced budget for 2022/23 including proposals for consultation.

Financial summary:

This report includes:

- the current national funding outlook
- a summary of the Council's current financial situation
- the approach to setting the Council's 2022/23 budget and MTFS for the following years
- proposed arrangements for budget consultation

Is this a Key Decision?

Yes – Significant effect on more than two wards

When should this matter be reviewed? February 2022

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 Cabinet and full Council last received a report on the Council's Medium Term Financial Strategy (MTFS) in March 2021 when the MTFS and balanced budget for 2021/22 was agreed. Since then the lockdown has ended and the Council has resumed many of its services. The post lockdown period has resulted in a significant increase in demand for Council services particularly related to Social Care. This report sets out how that increase in demand has affected the 2021/22 position and the steps the Council is taking not only to meet that demand but also to balance the 2022/23 budget.

This report updates Cabinet on the Council's current financial position. It presents an overview of the national economic and financial environment within which all local authorities are currently developing their financial plans in the medium term. It explains the continued uncertainty caused both by the pandemic and the Government's approach to financially supporting local authorities.

The report goes on to set out the Council's approach to achieving a financially balanced budget in 2022/23 and the medium term financial strategy thereafter. The report includes proposals for budget consultation during the autumn.

This report consists of the following sections:

- Background and strategic context
- Summary of the Council's current financial situation
- Update on the Medium Term Financial Strategy
- Proposals to close the funding gap

- Risks and uncertainties
- The proposed consultation process

RECOMMENDATIONS

The Cabinet is asked to:

1. Note the financial context and position set out in the report
2. Agree the proposed consultation process and associated timetable as set out in section 6.

REPORT DETAIL

1. Background

This report presents an update of the Medium Term Financial Strategy (MTFS) between 2022/23 and 2025/26 that will be developed to continue to deliver the Council's vision, objectives and priorities. The report includes an update on the current financial position as the Council continues through the recovery period following full lockdown. The Council needs to maintain tight financial control in this difficult period and the MTFS continues to ensure prudent levels of reserves and balances are maintained.

The pandemic has fundamentally changed the way the Council operates and has also presented emerging pressures particularly in increased demand for Social Care. North East London had the highest infection rates in the country and therefore had greater demand both into and out of Hospital. The number of hospital discharges to nursing homes has increased significantly in 2021. In the last six months alone there were 76 discharges to nursing homes whereas in the preceding 18 months there were 49. Whilst this rate will eventually flatten this is currently placing a huge pressure on care provision. In addition the number of cases in the learning disabilities section continues to rise and is expected to add over £2.5m in additional costs in 2021/22. These clients in general will require longer term care over many years and whilst every effort is made to both provide the appropriate care for the clients and minimise costs it is highly likely that this pressure will remain and indeed grow in the medium term

Havering is also experiencing additional pressures in Childrens Social Care following the pandemic. London went into lock down pre-Christmas before the rest of the Country resulting in a greater impact on children in the capital. The number of children with complex needs coming into the system continues to rise and there is a significant risk that there is hidden demand from the

lockdown which will only become apparent in the coming months and years. The risk extends to children with other complex needs such as learning disabilities and mental health and the numbers of new clients in the last few months indicate a significant pressure in this area. The number of Unaccompanied Asylum Seeking Children (UASC) children will swell considerably in the next few years based on the trend in the last few months and the information from the hub authorities in the south east.

The COVID pandemic has accelerated structural changes to the ways businesses operate. This has led to the decline of the High Street and town centres which is being experienced across the country including London. The pandemic has accelerated the decline of the local centres as increasingly people do their shopping online. Businesses have closed and the high streets increasingly risk being reduced to shops providing face to face services such as hairdressers, banks, bookmakers and fast food outlets. The sale of goods online has led to an increase in business in web-design, ecommerce, warehousing and logistics.

The decline of the local town centres also has a direct relationship with the level of crime and antisocial behaviour in an area. The current position has also reduced the amount of tax collectable in the system as businesses either reduce their footprint by going online or go into administration.

Leisure Centres were closed during lockdown and then had to adopt stringent social distancing measures when they were able to re-open. This had led to a reduction in footfall and whilst this is now recovering it will be sometime before the centres are operating at the levels planned before the pandemic.

These issues present pressures in the medium term financial planning process. The Council had anticipated these issues in setting the 2021 budget and medium term plan which identified a gap for 2022/23 back in March 2021. This has allowed the Council to work throughout the current financial year to close this gap and identify efficiencies and savings to balance the budget. This report sets out the updated budget and MTFs and sets out the proposed savings to close the budget gap.

The report also launches the budget consultation which will seek to gather views on these proposals from a wide range of partners and key stakeholders

2 National Update on the Government approach to the 2022/23 financial settlement

- 2.1 The Government have announced that there will be a 3 year spending review which will be presented by the Chancellor on 27th October.

SR21 will set out the following aims:

- Ensuring strong and innovative public services – making people's lives better across the country by investing in the NHS, education, the criminal justice system and housing;
- Levelling up across the UK to increase and spread opportunity; unleash the potential of places by improving outcomes UK-wide where they lag and working closely with local leaders; and strengthen the private sector where it is weak;
- Leading the transition to Net Zero across the country and more globally;
- Advancing Global Britain and seizing the opportunities of EU Exit;
- Delivering our Plan for Growth – delivering on the Government's ambitious plans for an infrastructure and innovation revolution and cementing the UK as a scientific superpower, working in close partnership with the private sector.

The Chancellor set the spending envelope for the next three years as part of the launch announcement on September 7th

The main points to note are:

- Core day-to-day departmental spending will follow the path set out at spring Budget 2021, with the addition of the net revenue raised by the new Health and Social Care Levy and the increase to dividend tax rates. The Government will make available around an additional £12 billion per year for health and social care on average over the next three years.
- This additional funding for health and social care allows the Government to announce an SR21 settlement for NHS England and Improvement rising to £160 billion by 2024-25
- In total, day-to-day spending will increase to £440 billion by 2024-25, increasing by nearly £100 billion a year in cash terms over the Parliament.

2.2 It is positive news in that public funding will not be reduced as part of any measures to balance the books following the pandemic but there still remains a distribution risk across public services. This announcement has allowed the Council to review its medium term plan assumptions which are shown later in this report. There remains significant medium term financial risk for Havering though until the distributional impact of the various reviews are announced. It is anticipated that next year's funding will remain similar to the current year's but beyond 2022/23 there is considerable continued uncertainty in respect of the following factors:

- The Fair Funding Review

The Fair Funding Review will review the formula used to distribute grant between local authorities. The formula will not be introduced before 23/24 at the earliest as further consultation will be required before proposals can be confirmed. This does not allow enough time for inclusion in the 2022/23 financial settlement to be announced at the end of this year. The early exemplifications of the review were adverse for London and the South East

and so there remains a risk that the introduction of the new formula will lose grant for Havering

- The levelling Up White Paper

The Government have promised a White Paper this year on levelling up. The result of the review is likely to be increased investment to tackle deprivation in targeted areas. It is unclear what the exact funding mechanisms will be for this investment so there is a risk that there will be a re-distributional effect away from London to support this initiative.

- Future Funding for Adult Social Care

The Government announced their plans for Health and Social Care on September 7th. The plan contained proposals for an increase in National Insurance to fund a lifetime cap on social care costs but did not address the long term funding issues faced by local government from an aging population with increased often complex demand. It is hoped that the Spending Review will fully commit to a long term funding plan for this area as well

- The 2021 Census

In 2021 there was a national census. The information from the census will be at some point introduced as source data for the distribution of the Local Government Finance settlement. This will create variance from the previously used ONS estimates and there will be a distributional effect on the grants for each authority. If the data creates a large variance in assessed need for an authority it is possible the new data will be introduced with transitional arrangements to smooth the impact over a number of years

- Business Rate Reform

The Government has promised an overhaul of the business rates system used to collect revenue primarily to fund local government. There are increasing numbers of businesses that operate remotely and service the online market. The current system based on rateable premises is outdated and need to be modernised to a fairer tax which captures revenue in a different way. It is unclear at this stage when this review will be completed and when the results will be introduced into the mechanism to fund local government.

3 The Council's Current Financial Position

- 3.1 The Council set a balanced budget for 2021/22 in March which included budgeted contributions to reserves in order for the Council to move towards its target of £20m general balances. Since then significant pressures have

emerged primarily in relation to demand and rising placement costs in Social Care.

The period 4 revenue monitoring report showed a potential overspend of £16.5m which includes both the increased demographic pressure on Adults and Children and the continued impact of the COVID pandemic on areas such as Leisure and Transport.

In Adult Services there are increases in both the numbers and complexity of cases. There are increasing client contacts to the Adult Social Care Front Door which are also indicative of current demand pressures including:

- increasing levels of complexity leading to significant increases in clients receiving one to one support or even double handed packages of care,
- increased complexity and new demand in supported living services,
- increases in homecare needs,
- and ongoing nursing care system pressure.

Demand and the unit costs for Adult Social Care is increasing which is shown in the tables below. This is reflective of the increasing complexity of placements post lockdown and the increase in nursing placements as a result of hospital discharges from the pandemic

| Total Clients and Average Weekly Costs by Service Type | | | | | | | | | |
|--|----------|--------------|----------|--------------|-----------------|--------------|------------------|--------------|--|
| Year | Homecare | | Day Care | | Direct Payments | | Supported Living | | |
| | Clients | Average Cost | Clients | Average Cost | Clients | Average Cost | Clients | Average Cost | |
| 18/19 | 1,112 | £ 215.48 | 92 | £ 261.69 | 637 | £ 284.05 | 151 | £ 970.01 | |
| 19/20 | 996 | £ 226.45 | 111 | £ 282.80 | 689 | £ 291.17 | 168 | £ 1,071.33 | |
| 20/21 | 1,034 | £ 253.83 | 102 | £ 266.25 | 681 | £ 310.86 | 188 | £ 1,075.67 | |
| 21/22 | 1,050 | £ 294.71 | 106 | £ 258.95 | 656 | £ 325.56 | 205 | £ 1,125.90 | |

| Total Clients and Average Weekly Costs by Service Type | | | | | |
|--|-------------|--------------|---------|--------------|--|
| Year | Residential | | Nursing | | |
| | Clients | Average Cost | Clients | Average Cost | |
| 18/19 | 433 | £ 828.70 | 252 | £ 601.06 | |
| 19/20 | 431 | £ 879.36 | 277 | £ 653.35 | |
| 20/21 | 418 | £ 919.51 | 247 | £ 775.90 | |
| 21/22 | 409 | £ 963.49 | 297 | £ 852.34 | |

Demand pressures are also increasing across Children's services. Havering received 824 referrals in the first quarter of 2021/22 (Apr-Jun). This equates to a rate of 558 per 10,000 children; the highest since 2017/18. The service completed 640 assessments in the first quarter of 2021/22. This equates to a rate of 434 per 10,000 children; close to the levels last seen in 2017/18. Also in the first quarter, 80 children were the subject of an initial child protection conference. This equates to a rate of 54 per 10,000 children; the highest seen since 2016-17.

Our ability to maintain a low "in care" population has been a success of the service since 2018; As a result 2020/21 saw very low numbers of children becoming looked after in Havering. However in the first quarter of 2021/22, the total number of children entering care was 34 which equates to a rate of 23 per 10,000 children; a level last seen in 2017-18. The proportion of entries to care due to Abuse or Neglect for this period has significantly increased, to 65% which is likely to relate to reduced visibility of children during lockdown measures and their needs now coming to the fore. The last four years has seen an increase in the number of young people with complex mental health needs, as well as those with learning disabilities. There are also an increasing number of young people in custody, some for the most serious of offences, alongside an increasing cohort of young people vulnerable to exploitation.

Over the last six months (Jan-Jun 2021) there has been a sharp increase in younger children (under 10) entering care. This trend, combined with the ongoing challenge of placement shortages (within Havering, across London, and nationally) made worse by the Covid-19 pandemic, is now resulting in higher placement costs.

Actions Taken to mitigate the Overspend

The Council has acted quickly to mitigate the reported overspend and has developed a robust action plan in order to control spend and minimise the impact of the increased demand in social care.

The action taken includes:

- 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
- Recruitment Panel to refer new appointments to senior management for sign off
- Major contracts approaching expiry to be reviewed
- Contain Outbreak Management Fund to be examined to ensure the Council is funding all appropriate costs to the scheme
- Review of Planning to be undertaken including new funding from s106 or the Community Infrastructure Levy (CIL)

- Managers to review all vacancies to explore the possibility of different working opportunities
- Additional Business Grant Scheme to reviewed for potential savings
- oneSource to deliver in-year savings of £1 million
- 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

These steps will continue to be actioned through the remainder of the year but have already had a significant impact on the Councils position reducing the overspend to £14.1m in the Period 5 monitor. It is fully expected that the position will continue to improve through the remainder of the year as a result of the actions taken although this must be caveated with the backdrop of further potential social care demand increases from the fallout of the COVID pandemic.

The Council is confident that the actions taken will significantly reduce the overspend for 2021/22. Services are closely reviewing the current increase in demand to ascertain how much of the pressure is likely to continue in the medium term and how much is a short term position directly relational to post pandemic factors such as increased hospital discharges to nursing care. The outcome of these projections are included in the medium term financial strategy update later in this report.

4 The Council's Medium Term Financial Position

4.1 Forecasting the medium term financial position of the Council is a challenge with so much uncertainty about future service requirements and the ongoing impact following the COVID pandemic. The Council has been proactive in addressing this task and has used the following process to firstly establish the gap for 2022/23 and then to identify savings and efficiencies to close that gap.

4.2 Process to update the Medium Term Financial Strategy to identify the financial gap

We have updated the plan to take account of the following items:-

- Reviewed all other pressures in the plan including demographic and inflationary assumptions
- Reviewed all savings assumptions already built into the medium term financial strategy for 2022/23 and assessed the likelihood of their delivery
- Considered corporate adjustments that need to be made in order to recognise the ongoing impact of the pandemic including the ongoing impact of the increase in demographic demand
- Reviewed the local government funding settlement assumptions in the plan

The Medium Term Financial Strategy at budget setting in March 2021 forecasted the following future year gaps:

| Description | 2021/22 | 2022/23 | 2023/24 | 3 Year Plan |
|--|---------------|---------------|---------------|---------------|
| | £m | £m | £m | £m |
| Corporate Pressures | 11.221 | 9.233 | 6.731 | 27.185 |
| Savings proposals unachievable in 20/21 due to COVID | 7.207 | 0.000 | 0.000 | 7.207 |
| Demographic Pressures | 3.131 | 5.026 | 4.923 | 13.080 |
| Inflationary Pressures | 3.436 | 2.537 | 2.557 | 8.530 |
| TOTAL PRESSURES | 24.995 | 16.796 | 14.211 | 56.002 |
| Projected Changes in Government Grants | -2.012 | 5.505 | 0.000 | 3.493 |
| Savings Proposals | -17.133 | -3.354 | -1.227 | -21.714 |
| Social Care Precept (3.0%) | -3.900 | 0.000 | 0.000 | -3.900 |
| Council Tax increase (1.5%) | -1.950 | 0.000 | 0.000 | -1.950 |
| NET POSITION | 0.000 | 18.947 | 12.984 | 31.931 |

The Plan is a live document and is continually reviewed by senior management to ensure the projections are based on the most up to date data available. Since March the plan has been updated to reflect the following changes:

Corporate Pressures:

- The cost of Concessionary Fares and the Freedom Pass

The numbers of people using London Transport is still significantly lower than pre-COVID levels. This is particularly the case with Freedom Pass Holders which is reflected in the latest usage data. The Concessionary Fares settlement is reflective of data from usage over the previous two years and the continued low uptake has resulted in an expected reduction of £1.7m to costs for next year

- The Revenue cost of the Capital Programme

The Capital Programme has slipped significantly in 2021/22 within regeneration resulting in a re-profiling of the programme both in 2021/22 and in later years. The Council has also reviewed its opportunities for new capital receipts in order to fund

future expenditure and as a result is able to update its forecasts for both interest payable and MRP (Borrowing repayments). The revenue cost of capital financing for 2022/23 is expected to reduce by £2.0m from previous estimates as a result.

- Update on the Local Government Finance Settlement

There is still considerable uncertainty regarding the Local Government Finance Settlement and the various reviews that the Government have proposed in recent years. The Government have stated that there will be an Autumn Budget announcement on the 27th October. At the same time there will be a Spending Review to set out the plan for public spending over the next three years. The Government has stated that the spending control totals nationally will be in line with previous budget announcements and in light of that Havering is able to remove the prudent £2.0m pressure we had included in 2022/23 for loss of central grant.

- Update on Levies

The main Levy the Council pays each year is in respect of waste disposal to ELWA. (East London Waste Authority). In 2021/22 ELWA returned £5m of unused balances which the Council has applied to general balances. In 2022/23 the Levy is expected to return to previous levels and this had been forecasted in the MTFs. A further update and indicative levy is expected in December

- Planned Contributions to General Balances

The Council's General Balances stood at £10.9m on March 31st 2021 which is higher than was anticipated in the March 2021 budget setting report. The Council has a strategic aim to increase balances to £20m and has included in its balanced 2021/22 budget further contributions of £8m to general balances. (This includes a one off reimbursement of £5m from ELWA). This position allows the additional previously planned additional contribution of £2m to general balances (on top of the current base budget contribution of £3 million) to be removed from the 2022/23 budget plans

- Public Health Grant Shortfall

The medium term financial strategy for 2022/23 included pressures for Public Health in the expectation of both reduced reserves and additional burdens. The financial position of the Public Health reserve is better than previously anticipated which allows the planned budget contributions to be deferred to 2023/24.

Demographic and Inflationary Pressures

- Adult and Children's Social Care Demographics

Adult Social Care has experienced significant increases in demand during 2021/22. Some of the increases are a direct result of post lockdown period and can be expected to stabilise in the medium term. In particular there are increased numbers of clients with Learning Disabilities requiring Council support which is a major

pressure in the medium term. The main drivers of demographic pressures for Adult Social Care are:

- Increased discharges due to increased admissions into local hospitals since COVID
- Complexity of client conditions on discharge
- Increased support needs for existing service users not addressed during last 18 months
- A rise in carer breakdown after 18 months of lockdown (across all care groups) turning into placements in care homes and supported living schemes
- NHS Discharge Guidance - brought in to support the system during COVID – this led to discharges at higher NHS rates – these become very challenging to move onto LBH's usual rate
- High-cost placements for young people transitioning from children's services to adults

Children's services have been experiencing a significant increase in demand post lockdown causing a pressure on the revenue budget. This is causing pressures in supporting Unaccompanied Asylum Seeking Children leaving care and across placements generally. The numbers of children entering the system is at its highest for 5 years and the Council is showing an in year pressure in 21/22 to meet statutory demand.

The MTFs had already provided significant additional resources for both contractual increases and increases in numbers for both Adult Social Care and Children's Services. It is recommended however that additional funds are added to next year's budget to meet this demand. It is hoped that as part of the Local Government Finance Settlement further funding will be released to help mitigate this pressure. This increase will take the overall additional demographic provision up to £7m which is expected to be sufficient to meet new demand including the current year position.

- Inflationary Pressures

The Council has included provision in the MTFs for a pay increase of 2% and contractual inflation where it is apparent it is needed. The pay settlement is set nationally and contractual inflation requirements is explained in greater length in the Social Care sections of this report. It should be noted however that general costs of other services are increasing driven by increased wage costs, shortages of supply, energy inflation and difficulty in transporting goods through driver shortages. There is a risk that current budget levels may need to be reviewed in light of these increased inflationary costs

- Increase in National Insurance Contributions

The Government has announced a 1.25% increase in National Insurance contributions to help fund Social Care reforms. This is a direct pressure to the

Council which will need to be included in the MTFs. There is an additional risk that providers will levy the additional NI cost in their fees for placements to the Council.

- Inflationary increases in fees and charges

The Council has included in its planning inflationary increases in fees and charges. All fees and charges will be reviewed over the autumn to ensure that 2022/23 rates are both in line with market conditions but also reflective of the post COVID ability of customers to pay those charges.

Extension of Medium Term Financial Strategy to 2026

The medium term financial strategy presented to Council in March 2021 provided figures only to 2023/24. This was due to the extreme uncertainty at the time of future Government funding and the speed and length of the recovery period from the pandemic.

The position has now changed with the recovery period well underway and the promise of a three year spending review on the 27th October. Accordingly it is appropriate to extend the medium term financial strategy to 2025/2026. It is sensible and prudent to assume there will be inflationary and demographic pressures across this period so these have been introduced into the new updated plan

Summary

The table below sets out the changes to the Medium Term Financial Strategy and the forecasted current gap before any new savings and efficiencies are included.

| | Movement in MTFs | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 4 Year Plan |
|--|--|----------------|----------------|----------------|----------------|--------------------|
| | | £m | £m | £m | £m | £m |
| | Opening Gap March 2021 | 18.947 | 12.984 | 0.000 | 0.000 | 31.931 |
| | Reduction in Concessionary Travel Costs in 22/23 | -1.693 | | 0.300 | 0.300 | -1.093 |
| | Updated Levy Projections (ELWA) | 0.954 | 0.109 | 0.521 | 0.555 | 2.139 |
| | Updated Capital borrowing and repayment costs | -2.000 | | | | -2.000 |
| | Updated Government Funding projections | -2.000 | | | | -2.000 |
| | Updated Capital Financing Costs | 0.059 | -0.109 | 2.690 | 0.241 | 2.881 |
| | Increase in National Insurance and other inflation | 1.007 | | 2.557 | 2.557 | 6.121 |
| | Reprofile Public Health Pressure | -1.567 | 1.567 | | | 0.000 |
| | Reduce budgetted contribution to balances | -2.000 | | | | -2.000 |
| | Updated Demographic Pressures | 0.501 | | 3.500 | 3.500 | 7.501 |
| | assumed taxbase growth | 0.000 | -0.500 | -0.500 | -0.500 | -1.500 |
| | Other adjustments | -0.350 | -0.150 | | | -0.500 |
| | Latest Gap before Savings proposals | 11.858 | 13.901 | 9.068 | 6.653 | 41.480 |

These changes result in the updated medium term financial strategy set out in the table below:

| 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 |

Proposals to close the remaining Gap for 2022/23

The Medium Term Financial Strategy presented to Council in March 2021 highlighted a significant financial gap that would need to be closed in order to set a balanced budget for 2022/23. The Council has used its four key themes (Cleaner, Safer, Prouder, Together) to review processes over the summer in order to both deliver the key strategic aims of the Council but also to identify efficiencies and savings to balance the budget.

This work has continued through the summer and has resulted in a series of areas which the Council is considering to reduce costs. A key part of this process is gathering the views of key stakeholders including our partners and the general public. The Council is launching a budget consultation process this autumn which will gather those views in order that they can be considered by Councillors before the 2022/23 budget is set next year.

The main proposed savings are shown in the table below and then described in more detail in the paragraphs that follow. The anticipated savings exceed the current gap to allow an element of flexibility in reviewing the more detailed proposals:

| Proposed Savings | Anticipated Value (£m) |
|--|-------------------------------|
| Staffing reduction through efficiency | 7.0 |
| New Models of Delivery | 4.0 |
| Prevention | 1.5 |
| Better use of data through Business Intelligence | 1.0 |
| Regeneration proposals | 0.5 |
| TOTAL | 14.0 |

Staffing reduction through efficiency reducing headcount by approximately 400 – (£7m anticipated saving)

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

- 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.
- 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

New Models of Delivery – (Anticipated saving £4m)

- Strategic review of Passenger Transport
 - A full review of Passenger Transport is expected to improve efficiency through initiatives such as updated route mapping, reviewing taxi provision and reducing out-borough placements by accommodating children more locally.
- Preparations for the retendering of the waste contract
 - Initiatives to reduce waste, increase householder recycling and reduce overall tonnages collected. In addition initiatives aimed at recycling more materials
- Review of enforcement activity
 - Enforcement of high level environmental crimes resulting in increased income
 - Efficiency across all enforcement services via a locality approach and increased use of digital solutions.

- Front Door / prevention demand in Children's Services
 - Early Help Manager now based full time within the MASH, to ensure conversations regarding support and interventions, including cases stepping up or stepping down, are timely and effective.
 - Closer engagement with primary schools, aligned to early intervention principles and consistent with Ofsted feedback

- Placements / sufficiency in Children's Services
 - Fostering Cabinet decision to increase rates and benefits to 'in-house' carers to reduce the use of Independent Fostering Agencies, generating savings against IFA placements
 - Dynamic Purchasing System (DPS) to support the commissioning of some types of short breaks; being introduced for the commissioning of Semi-Independent accommodation, this will allow us to better manage the cost and quality of provision.
 - In house/local provision has been developed in the form of Park End, Widecombe and more recently Brunswick Court to accommodate young people leaving care. These provisions are giving us greater control over costs and quality of provision.
 - Longer term plans to develop a specialist residential and 6 bed short break unit in Havering for children with additional needs.
 - Potential sub-regional with Health to develop a bid that we can then submit to the DfE for capital funds to develop a sub-regional children home.

- Housing Services
 - Convert Royal Jubilee Court old building into supported housing - 5 units
 - Open two new complex needs HMOs for mental health - 16 units.
 - Introduce price per property repairs service for Private Sector Leased accommodation.
 - Additional support for hoarder/self-neglect tenants – enable tenants to remain in their homes longer.
 - Additional investment in in telecare/assistive technology - enable tenants to remain in their homes longer.
 - Under-occupation – buying properties at the sea-side to assist people to move out of their homes – saving on PSL and ASC costs in the long run.
 - Segregated waste for recycling in tower blocks.

- Adult Services
 - Reset Better Living model of practice (impacted by COVID) to scale up cost avoidance.

- Specialist resources engaged –to review all high cost placements and contributions from Health. This improves the robustness of how we challenge decisions we don't agree with. Resources are in place to undertake the reviews with some initial success already.
- is the Health system is employing nurses to review onsite all requests for one to one support to clients
- Council to approve all hospital referrals for care home placements following discharge
- Review of young people currently in transition moving through to Adult Social Care in next 12 months – to review current costs, and opportunities to jointly commission provision across the three boroughs Havering, Redbridge and Barking and Dagenham to reduce costs as these young people turn 18.
- Current high cost Learning Disabilities and Mental Health placements to be reviewed, looking at opportunities to reduce costs with collective bargaining power of Havering, Redbridge and Barking and Dagenham.
- Short term / medium term – consider building on success of Brunswick Court in creating temporary capacity in decanted sheltered schemes for short term service offer for young adults with Learning Disabilities, Autism and Mental Health issues.

Prevention – (Anticipated Saving £1.5m)

- Reviewing opportunities that the new Borough Partnership between the Health system and the Council gives us, particularly around the prevention agenda
- Long term sustainable funding to Local Area Coordination
- NHS Investment into Council's recovery plan.

Better use of data through Business Intelligence – (Anticipated Saving £1m)

- Data matching in relation to tracking people in temporary accommodation eg Private Sector Leased properties
- Bringing properties into Council Tax
- Removing erroneous Single Person Discounts
- Removing erroneous Freedom Passes
- Improving debt collection

Regeneration proposals – (Anticipated Saving £0.5m)

- 80-84 Market Place: This property is no longer managed by the Council and therefore carries no cost to LBH. Therefore the current budget of £32k is no longer required

- 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.
- General Fund Savings by Appropriating Acquired Bridge Close Assets to the HRA. This will generate a saving in borrowing costs to the general fund
- Corporate Saving - Potential acceleration of MLH Pipeline Schemes & will increase the revenue yield back from loans to MLH and enable these schemes to progress in order to deliver longer term solutions for the Council
- Impact of reviewing the Rainham Beam Park Joint Venture: Assessment of options to examine benefits to the Council from the Rainham joint venture.
- Review of all Regeneration JVs and major schemes with a view to speeding up schemes with long term general fund benefits
- Assess whether the management of new regeneration sites could be overseen by the Council and used to create income. Most sites will have outright sales and income could accrue to the general fund.
- Acceleration of works previously planned for 2022/23 in order to maximise use of Government Grants

Land review by Director of Regeneration to identify potential disposals. This potentially will create Capital receipts which can be utilised to partly fund the Capital programme reducing the need for long term borrowing

- Increased income from telecom masts
- Income from Electric vehicle charging points
- Refurbishment of white goods/furniture and onward sale through a social enterprise
- Monetisation of government credits – carbon neutrality, research & development (SMEs), recycling, new technologies
- Income derived from letting out council office space (suitable co-location with other public services)
- Central Romford business hub offering wraparound business support

5 Risks and Uncertainties

- 5.1 There are a number of risks associated with the current MTFS position. These include significant risks in relation to:

- Continued impact of the COVID pandemic particularly in relation to additional demographic demand but also in respect of the impact of the conclusion of Government support packages such as the furlough scheme
 - Central Grant Funding uncertainty. A three year spending review is welcomed but there is still a significant risk to Havering that the Government may change the distribution mechanism of funding adversely affecting Havering
 - The current year revenue monitoring position. There is a significant overspend in 2021/22 but it is fully expected that through robust and decisive action this position will improve considerably over the second half of the year.
- 5.2 The Council maintains a finance risk register and reviews it regularly in order to ensure that it has considered all risks in setting the budget each year. Assessment of the risks is also included in the S151 statement of robustness which forms part of the Council Tax setting report in February each year. The current financial risk register can be seen at Appendix B
- 5.3 Each year part of the Council Tax residents pay funds GLA services such as transport and the police. The Council is a collection agent for the GLA and has no control over how much this element of the Council Tax increases as the rate is set by the Mayor of London and the GLA Assembly. The GLA budget like all others has faced extreme pressures and difficulties due to the impact of the COVID pandemic. There is a risk to taxpayers that the Government will allow the Mayor to increase the precept significantly to recover a proportion of these costs. Whilst this will not impact on the Havering budget it would result in a Council Tax increase for residents.

6 Budget Consultation

- 6.1 Consultation on the budget is an important part of the annual budget cycle. It is proposed to consult with residents and key stakeholders on the impact of the COVID pandemic and how this has affected Council services. This will then inform the budget setting process in the new year. This consultation will be launched on 1st November 2021 and will run until 4 January 2022 .
- 6.2 The Council will seek views from the general public, all key stakeholders and business ratepayers during this period. The Council will run both an online consultation and also face to face sessions with a cross-section of the public to gather views on the difficult decisions the Council faces.
- 6.3 During the consultation period an All Member Briefing will be held and the Overview and Scrutiny Board have requested that this report be presented to the November meeting.

REASONS AND OPTIONS

Reasons for the decision:

The Council has a statutory obligation to consult on its budget proposals. This report sets out the proposed method to be used for the 2022/23 budget and MTFS. The Council strongly values the opinion of its residents and key stakeholders and welcomes their input into the budget process.

Other options considered:

N/A

IMPLICATIONS AND RISKS

Financial Implications and Risks

The financial implications of the Council's MTFS are the subject of this report and are therefore set out in the body of this report. The consultation process set out in this report will be used to inform decision making on the budget.

Legal Implications and Risks

Under S151 of the Local Government Act 1972 a local authority has to make proper arrangements for the administration of its financial affairs.

Under S28 of the Local Government Act 2003 a local authority has to review its budget calculations from time to time during the financial year and take appropriate action if there is any deterioration in its budget.

The Council is under a duty to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness." In accordance with S3 Local Government Act 1999. As part of that process it must consult tax payers, those who use or are likely to use services and others who may have an interest in an area where the Council carries out its functions.

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.

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. The plans set out in the report in relation to the budget consultation comply with these rules.

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 and 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.

All front line proposals relating to the Medium Term Financial Strategy for the period 2022/23 to 2025/26 will be subject to an Equality and Health Impact Analysis or

assessment, which will be developed following the consultation process for inclusion in the further reports to Cabinet before the budget is finalised in February 2022. This will further highlight where the MTFs has the potential to positively impact on health and wellbeing of residents through targeted provision of services, and where any identified negative impacts may be mitigated.

BACKGROUND PAPERS

None

REPORT OF THE CHIEF EXECUTIVE

Overview and Scrutiny Board: 24 November 2021

Local Government Association (LGA), Independent Race, Equality, Accessibility, Diversity and Inclusion, (READI), Commissioned Review May 2021: Approval of Action Plan.

The attached report on the Local Government Association (LGA), Independent Race, Equality, Accessibility, Diversity and Inclusion, (READI), Commissioned Review May 2021: Approval of Action Plan was agreed by Cabinet at its meeting on 10 November 2021 and was due to be considered by full Council at its meeting on 17 November 2021. The report focusses on the Council's action plan in response to the READI review and addresses the LGA's 15 priority improvement recommendations.

Accordingly, and subject to approval of the report by Council, it is **RECOMMENDED**:

That the Overview and Scrutiny Board considers progress against the action plan on a six month basis in line with the Scrutiny function.

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CABINET

10 November 2021

Subject Heading:

Local Government Association (LGA), Independent Race, Equality, Accessibility, Diversity and Inclusion, (READI), Commissioned Review May 2021: Approval of Action Plan.

Cabinet Member:

The Leader, Councillor Damian White

SLT Lead:

Jane West

Report Author and contact details:

Sandy Hamberger, Assistant Director of Policy, Performance and Community
01708 434 506.
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Policy context:

This is the Council's high level action plan to implement the improvements requested and identified through the Independent LGA READI review priority recommendations. These improvements will help achieve the Council's promise of zero tolerance of racism and discrimination of any kind, helping the delivery of the Council's programme to be an employer of choice and achieve the Excellence Standard against the LGA's Excellence Framework for Local Government exacting criteria.

Financial summary:

A one-off investment of £250k has already been agreed for the additional programme resources to accelerate the pace of delivery. This will need to be reviewed as part of the implementation and preparation for phase two: The Borough –wide READI review.

Is this a Key Decision?

This report is a key decision as the improvements will have significant beneficial effects on two or more wards.

When should this matter be reviewed?

Given the strategic nature of the action plan, and the role of Overview and Scrutiny Board, this decision is one for consideration for scrutiny review by the Board through the progress of delivery against the action plan reviewed on at least a six monthly basis.

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

In June 2021 the Leader of the Council committed to commissioning a proactive improvement independent review of race relations initially within the Council. Whilst this retained a significant focus on Race, it was broadened out to ensure other protected groups were included, in recognition that Havering as a place is dynamic and its demographics are changing fast.

Some external press articles have said this was an Investigation, it was not, nor was the review requested by any other organisations This independent review was part of the Council's decision to hold a "mirror up", and get an honest snap-shot of the Council's internal policies and procedures, to safe-guard against complacency in its public sector equalities duties (PSED). This review was bravely undertaken during a global pandemic, and heightened awareness and sensitives raised by the heinous murder of George Floyd, which directly influenced the commitment to this review. Few other councils would have chosen to do this at such a period in our history. Havering is determined that these factors are exactly why we should tackle this now.

This report focuses on the Council's action plan, developed in response to the Council commissioning the Local Government Association (LGA) to undertake the Independent Race, Equality, Accessibility, Diversity and Inclusion (READI) Review and addresses the LGA's fifteen priority improvement recommendations.

The Council had a ten point plan to ensure it maximised the “warts and all” candour afforded through a “tell-us how it really is for you, and what do we need to change” ethos. A 400 page internal self-assessment was prepared for use by the LGA, to support its focus and enable robust exploration in confidential sessions with staff, Members and the public and key partners through the Community Cohesion and Engagement Forum.

It is proposed that the action plan in Appendix B is approved by the Cabinet and monitored on a six monthly basis to ensure the recommended improvements are implemented and any appropriate action taken to keep this on track, together with other information that can help show the impact on the ground.

Given the importance of this review and why it was undertaken, Cabinet have reiterated the Council’s stance and promise to be resolute in its zero tolerance of racism and discrimination of any kind. Given some of the misrepresentation in the press, it is an important cornerstone to reiterate and strengthen building trust and the dialogue that must be in place if things are to change. Without this we can’t grow the culture where people feel able to report, receive support, deal with and discuss the issues, however uncomfortable going forward.

As the improvements are strategic and cross-cutting in nature, and underpin the Council’s ambition to be an Inclusive employer of choice and achieve the ‘Excellence’ standard in the Equality Framework for Local Government (EFLG), a role for Overview and Scrutiny is proposed, this is in accordance with the statutory role of the Overview and Scrutiny function as set out in the Council’s Constitution. This request is one for consideration by the Overview and Scrutiny Board, who select their own areas for scrutiny.

RECOMMENDATIONS

The action plan sets out a high level “what needs to be done”, and the timescales to achieve this. It is recommended that the Cabinet:

- Agrees the high level action plan in Appendix B
- Agrees the LGA’s READI report is published in its entirety
- Reviews progress against the action plan on a six monthly basis
- Agrees this report goes to Full Council for their endorsement
- Urges all Members to support the READI Programme
- Asks Overview and Scrutiny Board to consider progress against the action plan on a six month basis in line with the Scrutiny function
- Agrees this review and subsequent programme, informs the borough- “Phase two”, Borough wide READI review planning.

REPORT DETAIL

1. Background

1.1. The Council's Equality and Diversity arrangements were last reviewed in 2010 when the new Equalities Act came into being. In 2019 the Council committed itself to voluntarily electing to work towards the Excellent Framework for Local Government ("EFLG") Standard and in 2020 to becoming an employer of choice. In June 2020, in direct response to the murder of George Floyd, the Leader of the Council asked for an independent review at the AGM, to safeguard against complacency and ensure we had the right policies and procedures in place. Initially this was going to focus on race relations, but in light of the PSED requirements, this was broadened to include other protected characteristics, whilst having a significant focus on race.

1.2. The LGA was commissioned to undertake the independent review. The LGA set the exacting EFLG standards and offered a bespoke team of Members and officers who specialise in this area. The review team, comprising a senior member and officers from other local authorities spent three days working with Havering, between 18th- 26th May 2021. The Review team considered the five EFLG standard themes:

- **Understanding of the local place and priority setting:** Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
- **Leadership of Place:** Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
- **Organisational leadership and governance:** Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
- **Financial planning and viability:** Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
- **Capacity to deliver:** Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?
- In addition, given the review's significant focus on race, a bespoke sixth theme for race equality was developed.

2. The Independent review process

- 2.1. The review was at the direct bequest of the Leader and not an investigation, it was not judged or marked and was entirely at the request and invitation of the Council. The Council engaged an independent expert review client/consultant and developed a 10 point plan to ensure the LGA were provided with a “bottom-up” all service in depth internal self-assessment, which was used by the peer team initially to prepare for the review. This was significantly more substantial than normal, due to the 27 service areas feeding into the amalgamated assessment. The plan saw actions ahead of the LGA report and recommendations. The review team used their experience and specialist knowledge to reflect on the information presented to them, and with people they met, things they saw and material that they independently read and researched.
- 2.2. The review was born out of recognition that the lived, day-to-day experience of some of our staff, the majority of whom live and work in the borough, was not as it could or should be. It was also informed by the (www.haveringdata.net/population-demographics/) knowledge that the pace of demographic change in the borough is as fast if not faster than most places nationally (11th fastest changing borough in the UK according to 2018 Campaign Company analysis). Rather than shy away from what would be said, the Council commissioned this review as an opportunity to set the right foundations and encourage people to have their voices heard in a safe and supported environment-and fed-back through the report. This was in the knowledge it would make difficult reading. Below is the 10 point plan followed to support and ensure this was thorough;

Step 1 - Nov – Dec 20 -- Recruit the independent consultant, commission review and undertake this plan.

Step 2 – Dec 2020 – Inclusion Diversity Equality and Access (IDEA) MS Networked Teams – including leadership collaboration spaces, Equality Diversity & Inclusion Committee (EDIC) spaces, and nominated leads spaces

Step 3 – Jan - April 2021 – A detailed, independent internal self-assessment, with an additional race review strand, detailed data analysis and individual service self-assessments.

Step 4 – Feb - April 2021 – A staff and community engagement programme.

Step 5 - May 18,19,26 2021 - An independent LGA review – with an experienced panel, conducting 20 interviews and focus groups and in-depth analysis, including a dedicated race equality review.

Step 6 – July 2021 – Mandatory online training for all managers

Step 7 – July 2021- draft READI strategy & how we deliver the change

Step 8 – July-August 2021: Series of lunch time sessions: Tackling racism in the workplace, reasonable adjustments, and cultural competence pilot.

Step 9 – September 2021: All Member equalities & PSED training

Step 10 – September 2021: Receive and circulate LGA report and responses to the 15 priority recommendations. To be taken to November Cabinet.

- 2.3. The review considered a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent 3 days virtually onsite at Havering, during which they:
- Spoke to more than 150 people including a range of Council staff together with Councillors and external partners and stakeholders.
 - Gathered information and views from more than 25 meetings, research and reading.
 - Collectively spent more than 250 hours to determine their findings – the equivalent of one person spending around seven weeks in LBH
- 2.4. The Review team undertook four feedback sessions at the request of the Council sharing their initial working slides. This included staff forum leads, service review leads, Trade Unions, the Cabinet and Group Leaders and others.

3 The LGA's Independent Report, Findings and Recommendations

- 3.1. The LGA's full independent report is attached in Appendix A. The report makes for difficult and uncomfortable reading in some places and highlights examples of where staff have experienced things that have no place in an inclusive organisation and will not be tolerated.
- 3.2. The review recognised the commitment of leadership and identified positive steps for the future, including *"The borough is in a good position for change. The Leader, Chief Executive and senior officers are committed to changing the reputation of the Borough and working towards being an anti-racist Borough. Senior officers recognise that there is significant work to be done to achieve this aim as demonstrated in the Council's self-assessment. The LGA review team have been asked to give recommendations to help the organisation progress towards this goal. This is an important start, as it is vital that both managerial and political leaders model the behaviours that are expected of themselves, other councillors and staff"*.
- 3.3. The review is a snapshot in time and acknowledges that some of the feedback may be about things the Council is already addressing and progressing.

4 The LGA Review Priority Fifteen Recommendations for Improvement

4.1. The following are the Review Team's priority recommendations for the Council and are addressed in the Action Plan, and recommended for approval, Appendix B:

4.2. The LGA's Fifteen Priority Actions

1. Clarify and communicate the next stage in the Council's Equality, Diversity & Inclusion review work. We understand the internal READI review is to be followed up by an external review of race relations across the borough, but this is not clearly understood across the organisation
2. Ensure councillors understand the implications of the changing demographics of the borough, including member workshops or training sessions
3. Share lived experiences with the leadership (senior officers and councillors) ensuring that this is done in a safe and supportive environment. These experiences will need to be acted upon
4. Use the self-assessment exercise as the first step in developing accessible service plans
5. Seek understanding from the staff forums as to how they see their role in the organisation and determine what the organisation wants from the staff forums
6. Develop with the EDIC group a clear and immediate EDI action plan that is SMART with clear timelines (e.g., 12 months, 36 months, etc)
7. Establish a clear operational lead for EDI, with ownership and responsibility around delivery, ensuring that this appointment is well-known across the organisation. Ensure that the member lead is also known and visible on this agenda
8. Collect, analyse and publish workforce data on protected characteristics, including pay gap data
9. Work with the staff forums and communications teams to increase disclosure rates of personal race and disability data in particular as well as across all protected characteristics
10. Improve understanding across the board of the complexity of the issues – EDI is not binary
11. Run EDI training for staff and councillors, starting with Corporate Leadership Team and Commissioning and Procurement
12. Political and managerial leaders to ensure that they are meeting their responsibilities as set out in the Public Sector Equality Duty, for example to promote EDI through their actions, and role model appropriately
13. Behavioural expectations of staff, customers and councillors to be made explicit and reinforced with appropriate support and disciplinary mechanisms
14. Review the effectiveness of the personal development review (PDR) process across the organisation

15. Adopt a communications strategy emphasising a zero-tolerance policy for all forms of discrimination, covering behaviour of Members, officers and customers. Should this policy be breached, ensure that appropriate action is taken, including police involvement if necessary.

5 Next Steps

- 5.1. The Council has developed its high level action plan for the fifteen priority recommendations and is seeking Cabinet approval through this report.
- 5.2. The new READI programme team will strengthen and take forward the detailed work plan to ensure the changes required are undertaken including working across the Council to ensure that each and every one undertakes their responsibility in making the promise of Havering being an inclusive council, with zero tolerance to racism and discrimination of any kind.
- 5.3. The Cabinet will monitor progress against the action plan on a regular basis.
- 5.4. Overview and Scrutiny Board will be asked to consider reviewing progress against the priority improvement actions.

6 The Phase Two Borough Wide READI review

- 6.1. The Terms of Reference and approach will be informed by the LGA READI review and developed by the READI programme manager and taken to Cabinet for approval and funding in due course. As this will involve other borough partners and stakeholders, wider agreement and collaboration as to what, when, who and how will need careful consideration and funding agreement.

Appendix A: LGA Independent READI Report.

Appendix B: The Council's draft action plan to implement the priority improvement recommendations

REASONS AND OPTIONS

Reasons for the decision:

The purpose of having the LGA READI review was to gain an external independent view of priority and practical recommendations to assist the Council's progress against its ambitions and achieving its promise of zero tolerance to racism and discrimination and avoiding complacency in undertaking its Public Sector Equalities Duty.

Other options considered:

This option was adopted given the LGA is the body responsible for the Excellence Framework for Local Government Standard and could provide suitably experienced review team.

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no direct financial implications arising from this report. The Council has earmarked £250k for the programme resources as part of its planning for the review.

It may be that the improvements themselves require additional funding. If so, any requirement for additional funding will be brought back for consideration and approval via the appropriate channels as and when they materialise.

Legal implications and risks

Implementation of the action plan will ensure so far as possible that the Council complies with its duties under the Equality Act 2010 including the public sector equality duty set out below.

The Scrutiny Board is responsible for its own agenda and therefore Cabinet can merely request that they consider reviewing the action plan on a six monthly basis, but they are free to decline or to review on a more frequent basis if they so decide.

Human Resources implications and risks

There are no HR implications or risks that impact directly on the Council's workforce as a result of the recommendations. Plans are in development as part of the People and Organisation Transformation Programmes to create a more strategic approach to the leadership and management of the Council's workforce, with equality, diversity and inclusion at the heart of this.

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.

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. There is no EQHIA for this stage, as all the actions are in direct support of having a positive impact on those staff with protected characteristics, and to foster better relations with those that don't-through direct action.

Health implications and risks

The Council should consider the impacts of racism and discrimination in terms of health and well-being, including mental ill health, emotional well-being, lower self-esteem and higher anxiety, stress and depression associated with discrimination and racisms as well as other impacts all of which the action plan is attempting to tackle.

The Action Plan is a positive step and sets out strategic steps to tackle racism, and to help achieve the delivery of the Council's Programme to be an Employer of Choice and Achieve the Excellence Standard. The Action plan should evolve as the programme progresses making sure the impact on health and well-being – on the work force and wider population, is inclusive.

BACKGROUND PAPERS

EFLG Standard: [Equality Framework for Local Government | Local Government Association](#)

Race at work Charter: [Race at Work Charter Signatories - Business in the Community \(bitc.org.uk\)](#)

PSED: [Public sector equality duty - GOV.UK \(www.gov.uk\)](#)

Equalities Act 2010: [Equality Act 2010: guidance - GOV.UK \(www.gov.uk\)](#)

Havering self-assessment: for the LGA only

Race Equality, Accessibility, Diversity, and Inclusion (READI) Review London Borough of Havering

18th, 19th and 26th May

Feedback Report

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1. Executive Summary

London Borough of Havering (LBH) invited the LGA to undertake the Race Equality, Accessibility, Diversity and Inclusion (READI) Review.

The borough is in a good position for change. The Leader, Chief Executive and senior officers are committed to changing the reputation of the Borough and working towards being an anti-racist Borough. Senior officers recognise that there is significant work to be done to achieve this aim as demonstrated in the Council's self-assessment. The LGA review team have been asked to give recommendations to help the organisation progress towards this goal. This is an important start, as it is vital that both managerial and political leaders model the behaviours that are expected of themselves, other councillors and staff.

Councillors are aware that they have community leadership roles, but it appears that few understand their legal responsibilities with respect to equality. Middle managers also appear to be unaware of their responsibilities, or how to address particular issues that come up in their teams. This has led to a situation where people are reluctant to report racist incidents whilst others are reported anecdotally, but not then being dealt with effectively.

There are pockets of good practice across the council: a skilled and capable Communications Team, considerable knowledge about equality, diversity and inclusion (EDI) in both Adult and Children's Social Care, and examples of the council supporting community events, such as Romford Pride, an LGBTQ+ youth group. The fact that the council has invited peers in to conduct this review is also a positive indication of a council that is keen to reflect, be challenged and improve. However, this is not consistent across the organisation, and there are few mechanisms to share internal learning.

60% of the workforce live in the borough, and 20% of residents in the Borough are disabled or have a long-term illness or impairment. It would be reasonable to assume that the workforce has a significant proportion of disabled people, although there is a low level of disability declaration amongst the council workforce. A recent wellbeing survey highlighted disability inequality being overlooked.

The review team heard the terms "casual racism" and "casual sexism" frequently during the focus groups and meetings. These terms belittle the seriousness of racism and sexism and implies that the behaviour has been somewhat normalised. Racism and sexism are not acceptable, and are damaging not only to the individuals concerned, but to the culture and reputation of the organisation.

There are wider issues which affect how staff and communities experience EDI issues. The review team suggests developing a culture of learning, with a service-based approach and council-wide strategic medium- and long-term planning. This work needs to be clearly communicated internally and externally, with clear lines of responsibility, timeframes and demonstrable actions and tangible outcomes

Poor communication was at the heart of many of the problems that the review team encountered. However, the Communications Team was one of the council's strongest

assets, having a clear strategic oversight of the borough, and the council's role in supporting its residents.

The Council has identified evidence of discrimination, poor behaviours, and structural barriers, as well as highlighting a gap in specific data. The review team is clear that the council should not wait for more detailed data to become available but acknowledge the examples of people's lived experience that have been shared and address the organisational culture as quickly as possible.

London Borough of Havering feels like an organisation in transition to reset its EDI work going forward. It could use the post-Covid recovery as a way of improving its approach to service planning and strategic oversight, building equality, diversity and inclusion issues into this work to ensure that there are clear, well-publicised mechanisms to support its staff experiencing discrimination in any work situation (including while out in the community). This change in culture may take time to embed, but there are demonstrable actions that can be taken immediately to begin to address the issues.

2. Recommendations

The review team was asked to identify practical steps for the council to take to improve the current situation. The majority of the report is therefore about recommendations, grouped into Quick Wins, and Priority, Medium-term and Long-term actions. The 'priority' recommendations are set out below:

Priority actions

1. Clarify and communicate the next stage in the Council's EDI review work. We understand the internal READI review is to be followed up by an external review of race relations across the borough, but this is not clearly understood across the organisation.
2. Ensure councillors understand the implications of the changing demographics of the Borough, including member workshops or training sessions.
3. Share lived experiences with the leadership (senior officers and councillors) ensuring that this is done in a safe and supportive environment. These experiences will need to be acted upon
4. Use the self-assessment exercise as the first step in developing accessible service plans
5. Seek understanding from the staff forums as to how they see their role in the organisation and determine what the organisation wants from the staff forums.
6. Develop with the EDIC group a clear and immediate EDI action plan that is SMART with clear timelines (e.g., 12 months, 36 months, etc)
7. Establish a clear operational lead for EDI, with ownership and responsibility around delivery, ensuring that this appointment is well-known across the organisation. Ensure that the Member lead is also known and visible on this agenda.
8. Collect, analyse and publish workforce data on protected characteristics, including pay gap data

9. Work with the staff forums and communications teams to increase disclosure rates of race and disability in particular as well as across all protected characteristics
10. Improve understanding across the board of the complexity of the issues – EDI is not binary.
11. Run EDI training for staff and councillors, starting with Corporate Leadership Team and Commissioning and Procurement.
12. Political and managerial leaders to ensure that they are meeting their responsibilities as set out in the Public Sector Equality Duty, for example to promote EDI through their actions, and role model appropriately
13. Behavioural expectations of staff, customers and councillors to be made explicit and reinforced with appropriate support and disciplinary mechanisms.
14. Review the effectiveness of the Personal Development Review (PDR) process across the organisation
15. Adopt a communications strategy emphasising a zero-tolerance policy for all forms of discrimination, covering behaviour of Members, officers and customers. Should this policy be breached, ensure that appropriate action is taken, including police involvement if necessary.

It is important to recognise that this report is not the end of the process. The LGA is keen to support LBH to develop its work in this area, and the reviewers are keen to stay in contact. However, the review team particularly recommend getting involved more in regional networks, so that LBH can make as much progress as possible quickly.

3. Summary of the READI review approach

The review team

The READI Review followed the LGA's Equality Peer Challenge approach. Reviewers (peers) were selected on the basis of their relevant experience and expertise and agreed with the council. The team who delivered the READI review at London Borough of Havering (LBH) were:

- Councillor Kam Kaur, Warwickshire County Council
- Sam Johnson, Policy and Performance Manager, BCP Council
- Yvonne Okiyo, Equalities Manager, London Borough of Croydon
- Serena Simon, Programme Director, London Borough of Westminster
- Angela Kawa, Programme Manager, LGA
- Becca Singh, Peer Challenge Manager, LGA

Scope and focus

The review team used the LGA's Equality Peer Challenge as its basic structure, which follows the themes of the Equality Framework for Local Government (EFLG). LBH

requested that Race Equality be an additional, specific focus. The themes for the READI Review were therefore:

1. Knowing and Understanding your Communities
2. Leadership and Organisational Commitment
3. Responsive Services and Customer Care
4. Diverse and Engaged Workforce
5. Race Equality

The READI review is not the mechanism to assess whether LBH is complying with its legal equality responsibilities. However, the team had serious concerns around how the council is interpreting the Public Sector Equality Duty, and how the council would be able to demonstrate that it is legally compliant if challenged.

The peer challenge and READI review process

Peer challenges and LGA reviews are improvement focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they heard and material they read.

Havering Council prepared for the READI review by conducting an in-depth self-assessment of its equality, diversity and inclusion challenges and needs. This involved 27 nominated leads, conducting 22 detailed service self-assessments, a detailed data analysis, including an in-depth EDI Staff Survey and a self-assessment report. This was modelled on the current LGA EFLG Assessment Framework, with an additional fifth strand on race equality and a series of Race Equality Workshops.

The review team prepared for the READI review by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent three days virtually onsite at LBH, during which they:

- Spoke to more than 150 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from around 25 meetings, research and reading.
- Collectively spent more than 250 hours to determine their findings – the equivalent of one person spending around seven weeks in LBH.

This report provides a summary of the review team's findings. It builds on the feedback presentation provided by the team on 26th May 2021. In presenting feedback to the council, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the review is a snapshot in time, and the review team appreciates that some of the feedback set out in this report may be about things the council have already identified through its self-assessment and are already addressing and progressing. The review team has heard how some of the recommendations were acted on immediately after the review took place.

4. Feedback

Knowing and understanding communities

There is widespread understanding amongst officers about the changed and changing nature of LBH's demography, particularly across age, disability and race. The team heard repeated references to LBH as having one of the fastest changing demographics in the country. Although officers understand the changing demographics of the borough, they need to consider what action needs to be taken as a result. In particular, how to engage with younger people and disabled people.

When change happens, it is important for community leaders and politicians to demonstrate leadership on the inclusion of diverse communities. LBH is developing engagement options with the fire service. Partners are willing to work together – we spoke to Essex FRS, the Police, and NHS partners, as well as local voluntary and community sector organisations and London Fire Brigade.

LBH strengthened relations with the voluntary and community sector (VCS) during Covid, using the Hub strategy, local area co-ordinators and the involvement of communities. The review team encourage LBH to build on these positive relationships going forward.

The Community Cohesion and Engagement Forum appears to represent a diverse cross-section of communities and organisations, and those that the review team met spoke positively about engagement with LBH. The Forum focus group commented that the council is moving in the right direction to improve community cohesion. The group also requested regular cross-sector discussions, as this would likely improve community cohesion in the borough.

The Compact Forum and the Community Cohesion and Engagement Forum both welcomed more opportunities to engage with the council to help it improve. Improving the way LBH engages with the forums would help considerably: focussing on having more two-way conversations, rather than broadcasting information. For example, the review team heard that LBH does not always feedback the results and impact of consultations.

The Equality Impact Assessments (EIAs) format includes both a health impact assessment and modern slavery, which is good practice. However, they are not consistently done or managed, and do not always consider all communities and groups. The perception from officers and community representatives is that they are seen as a tick-box exercise, rather than an integral part of planning.

The borough has good examples of supporting events which are good for community cohesion, for example the Commonwealth Day event, and support for Romford Pride.

Leadership and organisational commitment

LBH has an opportunity to lead the debate locally as a leader of place, perhaps through roadshows and cultural events in the communities. This has already started with the promotion of events such as 'Havering Changing'.

Senior officers at Senior Leadership Team (SLT) level have stated intentions on EDI, but the Corporate Leadership Team (CLT) need clearer direction on their roles and responsibilities. Different levels of management need to take responsibility across the board, including EDI responsibilities relating to managing their staff. CLT will need their own service-level responsibility and commitment to help them ensure that they are managing services and staff appropriately. The team heard several examples of how not all managers are delivering their responsibilities around their duty of care to all staff and colleagues. This includes little acknowledgement that racism has occurred. Staff reported a “culture of no consequences” and inconsistencies in the use of Personal Development Reviews (PDRs), which could be a tool to address discriminatory behaviour.

There is a system for reporting incidents (for example racism), but little knowledge of or confidence in this system. There does not appear to be any informal process for reporting and recording incidents. The team recommend that LBH learn from other councils how they record, report and deal with similar incidents, and change their processes to include informal arrangements (for example, staff equality champions) as well as formal procedures.

Councillors do not appear to understand their role in relation to EDI, particularly with respect to the Public Sector Equality Duty (PSED). Several times the team heard politicians say, “we aren’t employees, so it doesn’t apply to us”. This is not the case. The PSED applies to the council, not to individuals, and all those representing the council need to comply with it as part of their work, either as a councillor, officer, or third party. This includes those who deliver services on behalf of the council or from whom they procure services i.e., consultants. The review team therefore recommend mandatory councillor training as soon as possible to ensure no councillor is inadvertently causing the council to not comply with the PSED.

The council has demonstrated the importance it puts on the EDI agenda by having a strategic officer with responsibility for EDI (this is part of the remit of the Chief Operating Officer), and strategic member responsibility within the Leader’s portfolio. However, not all staff or external stakeholders were aware who the strategic officer and Member lead are. In order to be fully transparent, there needs to be clearer public ownership of this agenda by members and officers.

There appears to be little strategic planning corporately which has a knock-on effect on EDI work. The review team asked to see several strategic documents to see how EDI was embedded in them. The review team would expect EDI considerations to be woven through documents such as the Workforce Strategy (this was under development), the Community Engagement Strategy, the Communications Strategy, the Transformation Strategy, Theme Plans and recruitment policies. However, these did not all exist, or were not widely known about, and where they did exist, there were few references to EDI.

Senior officers acknowledge that this work is at an embryonic stage. LBH could make the most of this position by learning from others, for example from the peers on the review team, and through the LGA, and other council networks.

Responsive Services and Customer Care

LBH has a clear commitment to deliver high quality services to residents. It can build on the relationships developed during the Covid-19 pandemic to achieve this, for example, the regeneration of leisure centres supporting people to be more active. Covid-19 response meetings were reported to be well-attended by partners including local voluntary and community sector organisations.

The council takes a Theme-based approach to strategic planning to encourage cross-department collaboration in service improvement. However, there are few written plans (none were available to the team), and limited strategic oversight or leadership of service planning across the council. Data on communities that does exist was not used to shape service delivery. There was little evidence that equality analysis, such as Equality Impact Assessments (EIAs) were undertaken systematically, and even where there are good examples, such as the regeneration of the leisure centres, it is unclear how changes to provision were designed.

The PSED cannot be delegated, so it is important for LBH to be sure that any work that is commissioned or procured by a third party is compliant with its legal duties. The team heard that social value and EDI were not included in commissioning or procurement contracts. This lays LBH open to potential legal challenges about its legal obligations.

All councils are concerned with rebuilding their local economy post-Covid-19. LBH needs to be clear how its many diverse small businesses are being supported during the potentially challenging months ahead as the economy recovers from the multitude of lockdown measures.

Diverse and engaged workforce

There is an acknowledgement by senior officers and the Leader that there are issues to address internally, and a commitment to address them. These include potentially racist, sexist and homophobic incidents that have been discussed anecdotally, and lack of clarity on policies and processes. Appointing a consultant to start the process and advise on the next steps, commissioning the Wellbeing and Inclusion survey (which had a response rate of 38% and holding this READI review are all examples of delivering on that commitment.

Staff networks were established in early 2020, but it would be helpful to have more clarity around their purpose, identity and role. The Staff Networks would benefit from clear and bespoke Terms of Reference as their structures are opaque, although they do not all need to be run in the same way. The review team recommend providing clarity around how they fit into the governance and advisory processes. This would help to ensure their concerns are taken on board or addressed. The council needs to consider the value of the networks, and how they can be a positive force to assist the organisation to improve. It would also be useful to clarify the roles of the EDIC group and the Community Cohesion and Engagement Forum.

In focus groups for this review, the review team heard widespread negative views of LBH as an employer for equality. There are few support mechanisms for sharing lived experiences, and a lack of support for staff experiencing racist, sexist and homophobic

abuse from other staff or from customers. Examples were shared with us where an assault or abuse had taken place, but the police were not called, and customers were not challenged appropriately. Partly because of this type of inaction, there are a lot of demoralised Black, Asian and Minority Ethnic staff at LBH.

Disclosure rates for disability are reported to be very low. As a result, there is a risk of not addressing inequality for disabled people or making reasonable adjustments. There is reported to be a general lack of understanding of LBH's responsibilities around reasonable adjustments, at both the recruitment stage and in terms of the long-term management of disabled staff. The review team heard anecdotes that individuals tend to leave if they develop long-term conditions.

There is a perception that there are barriers to progression for different groups of staff. Staff report that they don't get feedback when they apply for a promotion and aren't successful. However, there are gaps in data on progression and development, so it is not possible to know for sure whether there are barriers or not. Where issues have been identified, there was no evidence of positive action initiatives to address them. It also appears that there is no talent management, or leadership programmes at LBH. This could be an opportunity for positive action for all under-represented groups of people. There is an apprenticeship scheme, but the details of it need to more clearly communicated.

Race Equality

Throughout the report, issues around race equality are addressed alongside other discrimination, but specific points are made below:

The review team heard from senior managers that there was a commitment to working towards being an anti-racist organisation. However, this was met with scepticism by some staff. If the organisation wants to work towards this, it needs to develop a clear plan on how it plans to achieve this, and visibly demonstrate actions to build on that commitment.

LBH is a signatory to the 'Race at Work' charter, but the team heard no-one talk about this. This could be made more prominent and linked up with the commitment to being an anti-racist organisation.

The much-repeated allegations of "casual racism" and "casual sexism" being widespread were disturbing, as were the examples of racism, sexism and discriminatory behaviour towards disabled people shared with the review team. There appears to be no consistent approach to dealing with this, and this matter should be addressed urgently.

Quick wins

The review team heard a lot of views that much work needed to be done to collect and analyse data. Whilst the review team agreed with this, they are of the view that there is a considerable amount that could be done in the meantime alongside working on improving data. These we have collated as a list of quick wins:

1. Councillors signing up to the Values and Behaviours of the borough, perhaps as part of the Code of Conduct
2. Establish a clear structure for the governance of EDI and communicate this widely
3. Set clear corporate Equality Objectives
4. Develop clear service specific equality objectives and embed these through the PDR process
5. Build on success of the council and the community working together during the Covid-19 response by learning from this and replicate the success factors
6. Ensure that Communications professionals and the staff forums are involved in shaping and driving the EDI agenda
7. Ensure the people strategy is developed in collaboration with staff forums and the wider workforce, with EDI embedded throughout as a 'golden thread'
8. Establish standardised EDI questions for recruitment
9. Ensure that all interview panels are as representative as possible (gender, ethnicity and disability etc)
10. More events to bring existing and new communities together, working with staff, forums and community organisations to create more effective cohesion
11. Ensure that Staff forums have support to be inclusive and well-run – in particular- time and resource to deliver corporate objectives
12. Work with the staff forum to establish effective informal and formal processes to report discriminatory practices (e.g., confidential hotline, safe spaces)
13. Review and refresh procurement pages
14. Encourage involvement with the regional EDI fora where good practice and ideas are shared
15. Provide corporate EDI training to all staff and councillors

Medium Term actions

1. Ensure EDI work includes looking at accessibility and discrimination in the round, e.g., socio-economic impact, neurodiversity
2. Develop the EIA process and train managers in its use and importance
3. Incorporate equality objectives within the PDR process
4. Utilise the LGA's NGDP graduate scheme which has a big drive on diversity – councils can specify some requirements
5. Ensure alignment between the People strategy and the Havering Way
6. Establish a clear staff development programme
7. Develop leadership and secondments opportunities internally and externally to address the lack of senior representation from staff with protected characteristics
8. Organisational values and behaviours need to be demonstrated, linked and monitored through the PDRs.

9. Capture all exit interview information and monitor protected characteristics of applicants to the council at all stages through to job offer and acceptance
10. Link in external expertise to work with councillors to better understand and engage with up-and-coming new communities
11. Establish a Member development programme
12. Set up a Social Value Framework for commissioning and procurement
13. Engage with partners, such as Havering Changing, voluntary groups and local communities to create personal stories as part of personal, organisational and community development
14. Consider how you can give residents more opportunities to give feedback, for example meetings/ events/ virtual opportunities
15. Learn from other organisations in this field – e.g., Croydon & Hackney, the London Leadership Programme, the LGA

Long Term actions

1. Ensure positive working relationships with all staff forums, and that they have equal and realistic operating procedures. Consider how they contribute to a positive culture at LBH and are helping the council to improve.
2. Explore how to unlock latent and overlooked talent in the organisation through positive action e.g.: talent management programme
3. Recognise that some of the outcomes are long-term and will take time. For example, changing the culture first so that people feel safe to share their experiences
4. Develop a culture of trust, responsibility, openness and understanding
5. Work with schools to explore and learn more about diversity e.g.: Black History Month work

5. Next steps

Immediate next steps

We appreciate the senior managerial and political leadership of the council, will want to reflect on these findings and suggestions, formulating an action plan in response to this report.

As part of the review process, there is an offer of further activity to support this. The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Kate Herbert, Principal Adviser for London, is the main contact between your authority and the Local Government Association (LGA). Her contact details are: Kate.Herbert@local.gov.uk

In the meantime, we are keen to continue the relationship we have formed with the council throughout the review. We will endeavour to provide signposting to examples of practice and further information and guidance about the issues we have raised in this report.

The Council's Summary Draft Action Plan to Implement the Improvement Recommendations

This action plan sets out the LGA READI review 15 priority recommendations and the Council's high level response. The READI Programme will take forward a detailed work plan that will support these and other improvements.

Date of LGA READI Review 18th / 19th and 26th May

| No. | Race Equality, Accessibility, Diversity, and Inclusion (READI) Recommendation | Comment/Key Action | Timescale | Lead SLT Officer / Comments |
|-----|---|--|---|---|
| 1 | Clarify and communicate the next stage in the Council's EDI review work. We understand the internal READI review is to be followed up by an external review of race relations across the borough, but this is not clearly understood across the organisation. | <ul style="list-style-type: none"> • Leader and Chief Executive communication underway • All staff briefing held and LGA report circulated – 23rd September 2021 and 8th September • READI programme team established • Publish LGA report in public domain • Work with partners including local public sector organisations, local businesses and the voluntary and community sector to plan for the external review of race relations | <p>Ongoing</p> <p>Completed</p> <p>End October 2021</p> <p>Cabinet October 2021</p> <p>Review approach to be agreed and in place by spring 2022</p> | Chief Operating Officer (COO) and READI Programme Manager |

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| 2 | Ensure councillors understand the implications of the changing demographics of the Borough, including member workshops or training sessions. | <ul style="list-style-type: none"> • Devise a rolling training and development programme that ensures all political leaders have the skills, knowledge, experience and behaviours to constructively engage and scrutinise and challenge potentially discriminatory decisions • All Member training on their role required by the Public Sector Equality Duty (PSED). • Group Leaders support for all Members to complete five mandatory training modules | <p>Rolling training programme to be signed off by Governance Committee by the end of 2021</p> <p>Completed 7th September</p> <p>Launched 7th September</p> | COO and READI Programme Manager |
| 3 | Share lived experiences with the leadership (senior officers and councillors) ensuring that this is done in a safe and supportive environment. These experiences will need to be acted upon | <ul style="list-style-type: none"> • Programme of shared lived experience sessions • Lunch time listening sessions • Supportive training programme • Active promotion of and participation in the extensive range of events being held as part of October 2021 Black History Month arranged by the BAME Staff Forum, the Library service and partners across the borough. • Consideration by the trade union joint consultative committee. | <p>Ongoing</p> <p>October 2021</p> | <p>COO and READI Programme Manager</p> <p>All Members and staff</p> <p>TUJCC</p> |
| 4 | Use the self-assessment exercise as the first step in developing accessible service plans | <ul style="list-style-type: none"> • Develop a READI strategy and programme of work that addresses the self-assessment and all LGA priority recommendations and others | First Draft is complete. Share plan with EDIC group | READI Programme Manager |

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| | | <ul style="list-style-type: none"> • Ensure every service develops a plan to address the improvements needed which are reviewed quarterly and updated annually | 31 March 2022 and ongoing | Senior Leadership Team |
| 5 | Seek understanding from the staff forums as to how they see their role in the organisation and determine what the organisation wants from the staff forums. | <ul style="list-style-type: none"> • Work with staff forums to establish the future role of the forums • Review resources allocated in support of this | End December 2021 | READI Workforce Programme Adviser |
| 6 | Develop with the EDIC group a clear and immediate EDI action plan that is SMART with clear timelines (e.g., 12 months, 36 months, etc) | <ul style="list-style-type: none"> • Review the officer Equality, Diversity, Inclusion and Cohesion (EDIC) Group Terms of Reference and READI Programme work plan • Review by the TUJCC | End December 2021 | READI Programme Manager TUJCC |
| 7 | Establish a clear operational lead for EDI, with ownership and responsibility around delivery, ensuring that this appointment is well-known across the organisation. Ensure that the Member lead is also known and visible on this agenda. | <ul style="list-style-type: none"> • Strategic Lead is Jane West, COO supported by Sandy Hamberger, the Assistant Director of Policy, Performance and Communities • Councillor Misir is Member Champion • Operational Lead will be the READI Programme Manager | Completed | |
| 8 | Collect, analyse and publish workforce data on protected characteristics, including pay gap data | <ul style="list-style-type: none"> • First draft of available data analysed and reported to EDIC Group. This included an Ethnicity Pay Gap report. However, the absence of staff self-declaration on protected characteristics limits the value of all reporting currently. | 29 th September 2021 Ongoing | Assistant Director of HR |

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| | | <ul style="list-style-type: none"> • Encourage take up of staff to complete their data on the Fusion HR system and improve data quality • Data to be analysed quarterly and reported to the EDIC Group | | |
| 9 | Work with the staff forums and communications teams to increase disclosure rates of race and disability in particular as well as across all protected characteristics | <ul style="list-style-type: none"> • Discussions already held at EDIC and staff forums • SLT and CLT to encourage completion by staff and explain usage • Choose Havering Roadshows to provide paper completion by staff unable to do this online • Consideration by JTUCC | Already underway and ongoing | EDIC and staff forum leads SLT and CLT Choose Havering Campaign JTUCC |
| 10 | Improve understanding across the board of the complexity of the issues – EDI is not binary. | <ul style="list-style-type: none"> • Training programme for staff • Training programme for Members • Shared lives listening sessions • Conscious inclusion training • Cultural awareness training | Already underway and ongoing | READI Workforce Advisor and SLT, EDIC Sub-Group on Training and Development, Staff Forum Leads and HR |
| 11 | Run EDI training for staff and councillors, starting with Corporate Leadership Team and Commissioning and Procurement. | <ul style="list-style-type: none"> • Mandatory online training for managers • Generic training for all members • Develop training programmes (see No. 10) | Completed – 15 th July Completed – 7 th September | READI Workforce Advisor (to advance) |
| 12 | Political and managerial leaders to ensure that they are meeting their responsibilities as set out in the Public Sector Equality Duty, for example to promote EDI through their actions, and role model appropriately | <ul style="list-style-type: none"> • Political and managerial leaders to ensure that they are meeting their responsibilities as set out in the Public Sector Equality Duty, for example to | Ongoing | READI Workforce Advisor (to advance) |

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| | | <p>promote EDI through their actions, and role model appropriately.</p> <ul style="list-style-type: none"> • Councillors signing up to the Values and Behaviours of the borough, perhaps as part of the Code of Conduct. • Senior Leadership Team to act as Strategic Sponsors for Staff Engagement Forums. | <p>Ongoing but particularly in May 2022</p> <p>Allocated and ongoing</p> | <p>All Members</p> <p>Senior Leadership Team</p> |
| 13 | Behavioural expectations of staff, customers and councillors to be made explicit and reinforced with appropriate support and disciplinary mechanisms. | <ul style="list-style-type: none"> • Training programmes in place • Programme Governance and roles and responsibilities communicated • Ensure policies, strategies and procedures clarify the organisation's expectations | <p>Ongoing</p> <p>End December 2021</p> <p>Ongoing</p> | <p>HR Advisor</p> <p>READI Program Manager</p> <p>READI Programme Team</p> |
| 14 | Review the effectiveness of the Personal Development Review (PDR) process across the organisation | <ul style="list-style-type: none"> • Through effective PDRs, ensure all staff are set meaningful behavioural and value-based expectations and specific activities, from leadership to frontline staff. | <p>End February 2022 (for 22/23 objective setting)</p> | <p>Assistant Director of HR / READI Workforce Advisor</p> <p>Senior Leadership Team and all managers</p> |
| 15 | Adopt a communications strategy emphasising a zero-tolerance policy for all forms of discrimination, covering behaviour of Members, officers and customers. Should this policy be breached, ensure that appropriate action is taken, including police involvement if necessary. | <ul style="list-style-type: none"> • Immediate communications plan is underway • Develop communication strategy in support of this • Reporting routes to be regularly communicated and monitored • Monitor and report on breaches and outcome | <p>Underway</p> <p>End of December 2021</p> <p>Ongoing</p> <p>Quarterly</p> | <p>AD Communications and READI Programme Manager / Workforce Advisor and Monitoring Officer</p> |



OVERVIEW AND SCRUTINY BOARD

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| Subject Heading: | HR data: employees who leave the council; employee complaints |
| Report Author and Contact Details: | Ben Plant Director of HR and Organisational Development ben.plant@onesource.co.uk |
| Policy Context: | N/A |
| Financial Summary: | N/A |
| Is this a key decision? | N/A |
| When should it be reviewed? | N/A |
| Reviewing OSC: | Overview and Scrutiny Board |

The subject matter of this report deals with the following council objectives:

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

SUMMARY

This report provides members with an overview of the available data associated with:

- employees who leave the council
- employee complaints

REPORT DETAIL

1 Introduction

1.1 The council is committed to being an employer of choice – an organisation that attracts, develops, and retains talented public servants who share our vision and passion for Havering. This ambition is reflected in the council’s new internal identity, *Choose Havering*, which includes our pledges to the council’s workforce – for example, to invest in their learning and development – and the pledges the council asks employees to make in return.

1.2 To support this important focus on our workforce, the HR team draws on a wide range of information to understand employees’ experience of, and commitment to, working at the council, including data about:

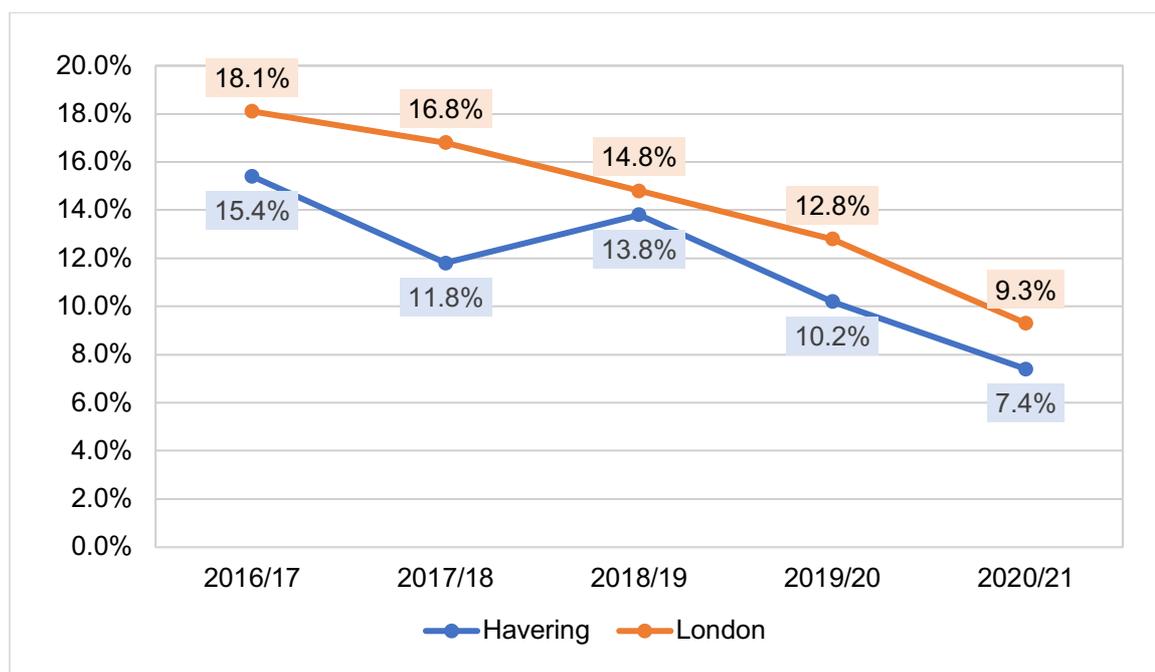
- employees who leave
- employee complaints

1.3 This report provides members with an overview of the available data associated with both of these topics.

2 Employees who leave the council

2.1 Four key measures are regularly monitored and reported, including the percentage of employees who leave each year and the reasons why. Data, including comparison with the London council average where available, is set out below.

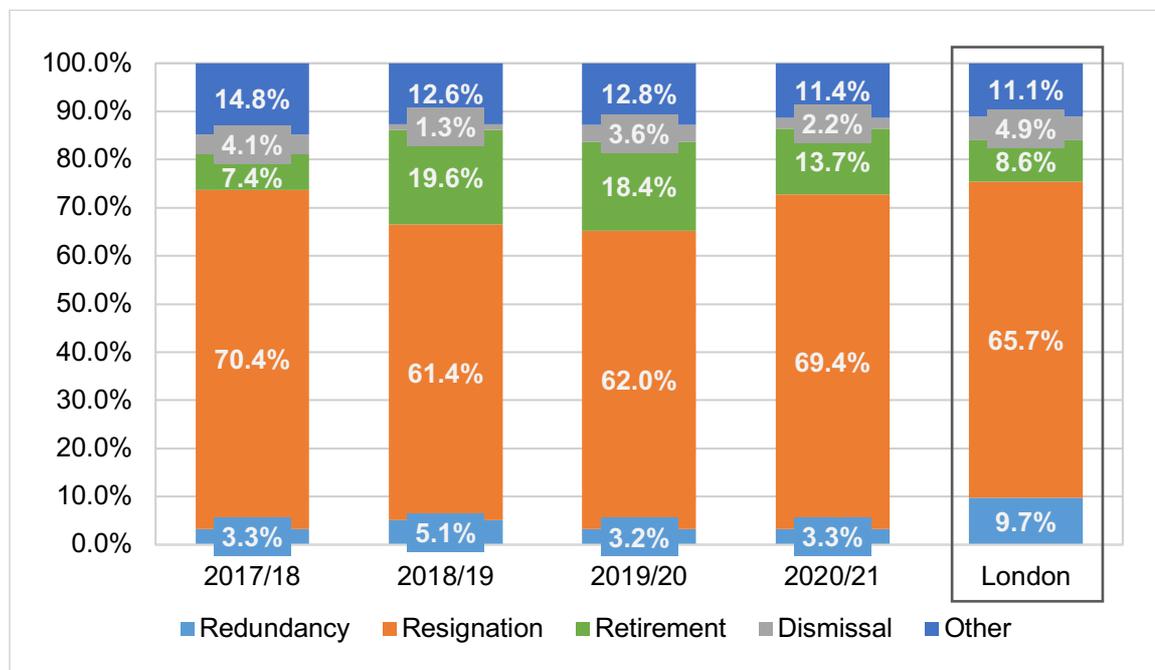
Fig. 1: Percentage of employees who leave each year



Overview and Scrutiny Board, 24 November 2021

2.2 The percentage of employees who leave each year – commonly referred to as turnover – is consistently below the London council average. Turnover fell markedly in 2020/21, both in Havering and across London, as the Covid-19 pandemic led to reduced activity in the labour market. Conversely, turnover is expected to rise this year – in Havering and across London – as the labour market recovers from the impact of Covid-19.

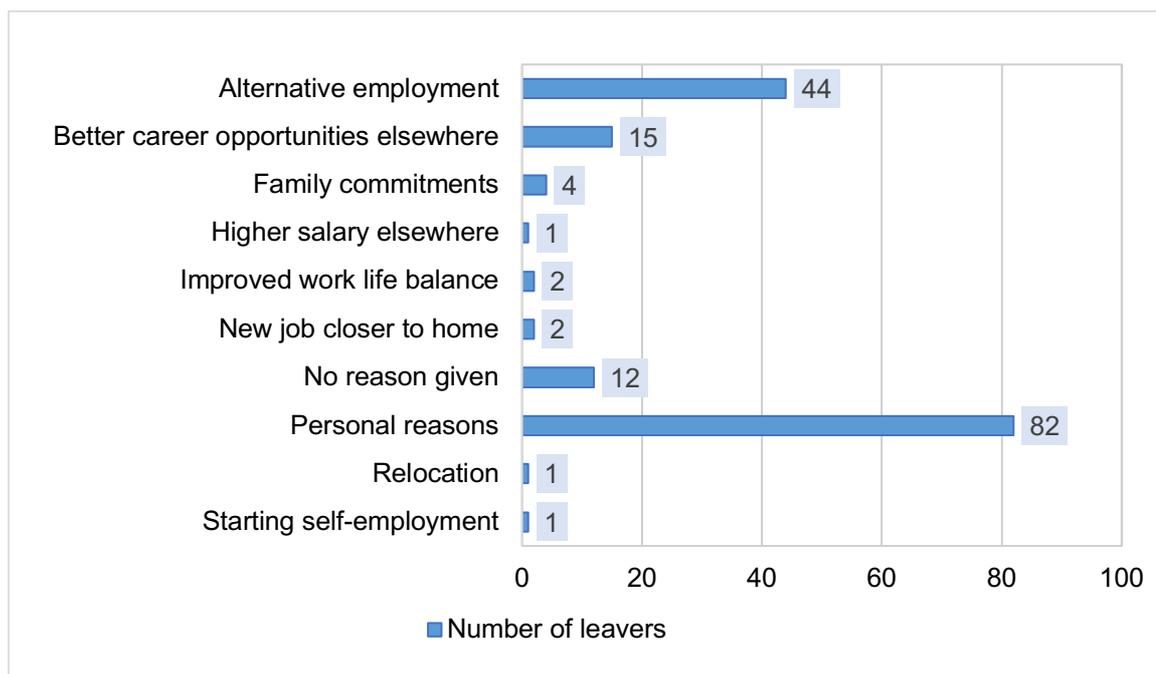
Fig. 2: Reasons why employees leave



2.3 The reasons why employees leave have remained broadly consistent over the years. Resignation is the most common reason for leaving the council followed by retirement. When comparing our data to the London council average, two features stand out:

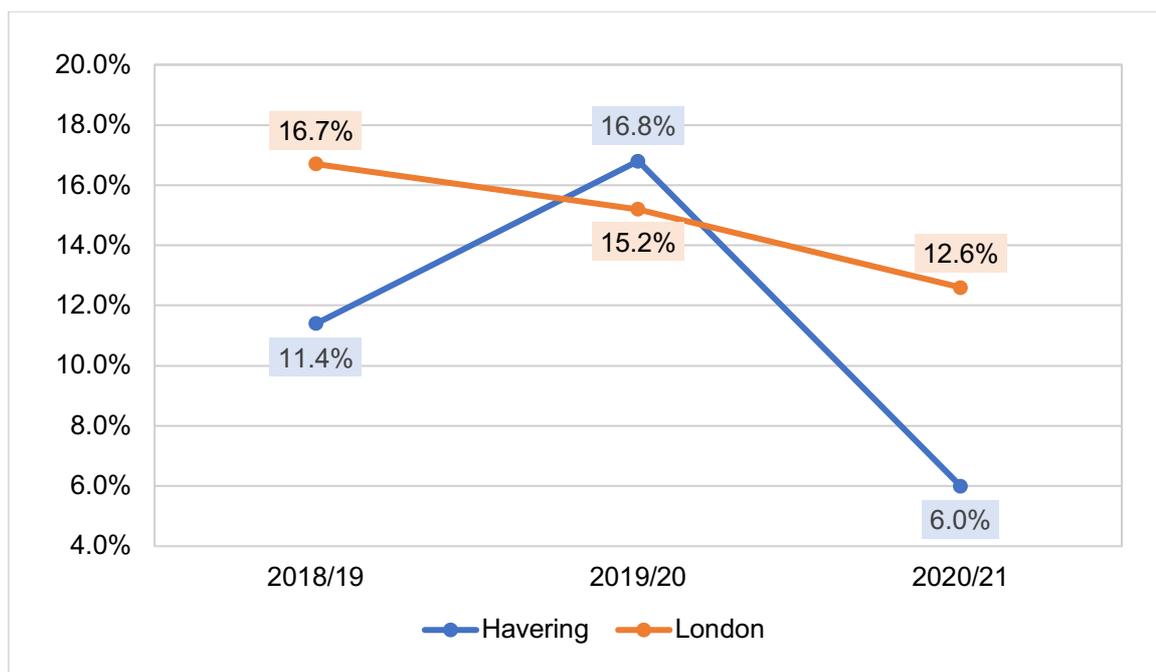
- Retirement is a more common reason for leaving Havering than it is across London councils as a whole. This reflects the demographic makeup of our workforce, which is older than the London council average.
- The percentage of employees who leave Havering as a result of redundancy is notably lower than the London council average.

Fig. 3: Reasons given by employees for resigning (Nov. 2020 – Oct. 2021)



2.4 When employees resign, the most common explanation is personal reasons. The number of employees who resign to secure a higher salary or improve their work life balance is very low. In the last year, a total of 15 employees left to pursue better career opportunities elsewhere. While this is equivalent to just 9% of all employees who resigned – and therefore does not stand out as a particular cause for concern – this is nevertheless an important indicator to track closely: a low figure may indicate that employees feel able to progress their career at Havering, while a high figure may indicate the reverse.

Fig. 4: Percentage of leavers with less than one year of service



Overview and Scrutiny Board, 24 November 2021

- 2.5 When employees leave with less than one year of service, this may indicate that working at the council has not met their expectations; it may also indicate that they were not a suitable candidate to appoint in the first place. At Havering, the percentage of leavers with less than one year of service is below or broadly in line with the London council average each year, indicating that performance against this measure is not a significant concern.

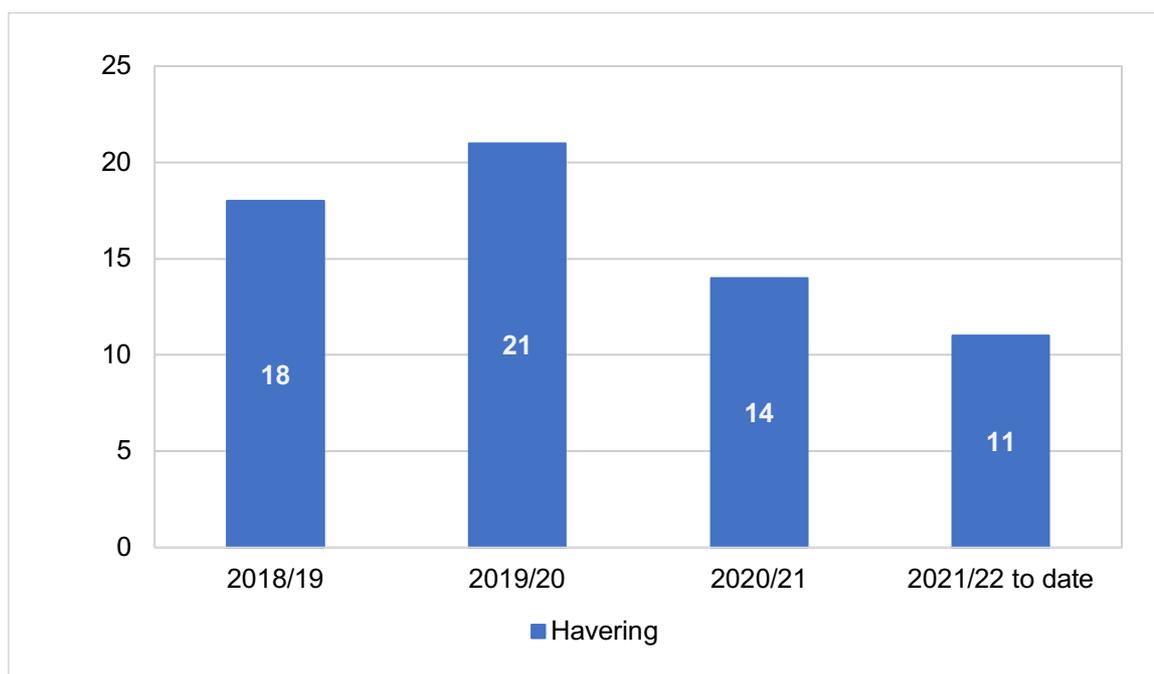
Further developing our understanding of employees who leave

- 2.6 The data set out in this report provides high-level insight into employees who leave the council. The following actions are planned or underway to further develop our understanding of these employees and their motivations:
- **Exit interviews:** When employees leave the council, they should always be invited to attend an exit interview with their manager. This is an opportunity for an open discussion about the employee's experience of working at the council and their reason(s) for leaving. These conversations can generate valuable insight, but we do not currently have a process in place for routinely collating and analysing exit interview feedback. Over the coming months, this will be addressed by asking managers to record exit interview findings on Oracle Fusion, which the council uses to store all employee-related data. This in turn will enable the HR team to sift through exit interview feedback and report on key trends, themes and learning.
 - **Analysing and reporting data by protected characteristics:** The council is committed to being an inclusive employer where everybody is treated fairly and respectfully, regardless of their age, disability, ethnicity, gender identity, religion, sex or sexual orientation. It would therefore be valuable to disaggregate our leavers data by each of these protected characteristics and identify whether any trends are apparent. However, to do this effectively, we first need to increase the number of employees who have shared their diversity data with the council. In a recent staff survey, 92% of employees said they were willing to provide this data, but the proportion who have done so is much lower. This is being addressed through regular communication to staff, including the promotion of a "how to" guide which explains how employees can record this information.

3 Employee complaints

- 3.1 In line with good practice, the council's grievance policy encourages informal resolution of employee complaints. However, where this is not appropriate or possible, an employee may make a formal complaint, which will be investigated and decided upon following a hearing.
- 3.2 As shown in the graph below, the number of formal complaints made each year has, in broad terms, remained stable.

Fig. 5: Number of formal complaints made by employees



Further developing our understanding of employee complaints

3.4 To date, the council's focus has been on tracking all formal complaints and ensuring that each one is resolved fairly, promptly, and in line with the requirements of our grievance policy. The following actions are planned or underway to further develop our understanding of employee complaints and the reasons they are made:

- **Informal complaints:** The recent review of Race Equality, Accessibility, Diversity and Inclusion (READI) undertaken by the LGA recommended the introduction of arrangements for recording and reporting informal complaints. The HR team is acting on this recommendation, prioritising arrangements for recording and reporting any informal complaints that include allegations of discrimination.
- **Analysing and reporting data by protected characteristics:** As with our data on employees who leave the council, before we can analyse and report complaints data by protected characteristics, we first need to increase the proportion of employees who share their diversity data with the council. As described above, actions are in hand to address this.
- **Learning from complaints:** Similarly to the position with exit interviews, learning from complaints is identified and addressed on a case-by-case basis; however, we do not have a process in place to routinely collate, analyse and report on the learning from all employee complaints. Over the coming months, this will be addressed and the HR team will introduce a regular report on key trends, themes and learning.

BACKGROUND PAPERS

None.

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