

**MINUTES OF A MEETING OF THE
OVERVIEW & SCRUTINY BOARD
Havering Town Hall, Main Road, Romford
4 February 2026 (6.31 - 9.30 pm)**

Present:

COUNCILLORS

Conservative Group	Dilip Patel and David Taylor
Havering Residents' Group	Philippa Crowder, Laurance Garrard (Chairman), Robby Misir (In place of David Godwin), Bryan Vincent and Julie Wilkes (Vice-Chair)
Labour Group	Jane Keane and Matthew Stanton
East Havering Residents' Group	Martin Goode
Residents' Association Independent Group	Philip Ruck

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

18 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

Apologies were received from Councillor David Godwin, with Cllr Robby Misir attending as his substitute.

19 DISCLOSURE OF INTERESTS

There were no disclosures of interests.

20 MINUTES

The minutes of the previous meeting held on 9th October 2025 were agreed as a correct record and signed by the Chairman.

21 OMBUDSMAN COMPLAINTS 2024/25

The Board received an update on Ombudsman complaints for 2024/25.

Officers explained that there was a statutory requirement to report for HRA-funded services and social care and explained there were two separate Ombudsmen involved. Performance was in line with national rates, at around 80%, with statutory timescales largely being met. Officers highlighted that, while the estimated direct budgetary impact of Ombudsman activity was in the region of £35k–£40k, reputational impact was often greater.

Members noted that 3,420 complaints had been lodged in the 2024/25 reporting period and 3,649 had been recorded to the end of December 2025.. Housing accounted for the majority of complaints with around 80% of Housing complaints assessed as service failures. Officers explained that weekly “pre-complaints” reviews with contractors were taking place and confirmed an impending Housing inspection in the following year. Members noted that around 80% of Ombudsman-referred cases reportedly found the Council at fault. Officers outlined that reporting was going to ELT and portfolio holders and regular contractor engagement including two “deep-dive” days had also taken place. The roll-out of customer-service objectives in appraisals alongside work with the Customer Service Institute had boosted performance. The complaints system had been used to drive efficiencies and explore AI-supported improvements as, in particular, damp and mould cases were bound by the code’s strict timescales. Fines were not separately budgeted for and would be met as costs arise. The Board noted that the People OSSC received separate complaints reports on social care and children’s services.

Members queried whether Cabinet Members should attend the Board for this item in future. Officers noted prior discussions and existing regular portfolio-holder meetings had occurred and agreed it could be explored if the added value was clear.

The board recommended that the rulings of cases were included in the report. Officers explained there were attached as a link in the report but could be circulated if the Board needed them to.

22 **CONTRACTS PROCEDURE RULES**

The Board received an update on Contract Procedure Rules.

Officers briefed the Board on the changes that had arisen from the Procurement Act 2023, noting the complexity of the legislation. It was emphasised that published tender award values reflected only the values and not actual out-turn spend. The three largest contract areas were Waste, Labour and Highways, with each subject to strict governance as part of the Council constitution and internal rules. For procurements over £240k including VAT, formal legal processes commenced under legislative requirements. Contract management arrangements included scheduled performance meetings with the suppliers, dispute-resolution routes within top contracts and re-procurement of a multi-disciplinary works company to

take care of elements of a number of major contracts. Savings were both cashable and non-cashable (efficiency) in nature and a significant social-care framework was being established with potential for cost reduction.

Officers confirmed that contract management capacity had been strengthened in key teams and would be reviewed post-implementation of the new regime. Lessons had been learned and information had been gathered from members and groups. For high-value contracts, structured monthly and annual reviews were in place with under-performance routes, including remedial steps and potential termination, also in place where appropriate. Members noted a new Social Value Strategy had recently been agreed by Cabinet.

The Board **recommended** incorporating an annual performance review checkpoint for major contracts (in addition to the existing frequent reviews) with outcomes reported back to the Board

23 THE COUNCIL'S BUDGET 2026/27

The Board received an update on the 2026/27 Budget and the Medium Term Financial Strategy (MTFS)

Board members noted the Budget and MTFS was to be presented to Cabinet on 18th February 2026 with a Section 25 statement on the robustness of estimates and reserves and that the Treasury Management Strategy being presented to Audit on 24th February 2026. The Board noted the Budget and MTFS would be presented to Full Council on 4th March 2026.

Officers outlined that the Council would require a Capitalisation Direction/Exceptional Financial Support (CD/EFS) to set a balanced budget with an indicative mid-case figure being £73m and a worst-case figure of £84m . This would be in addition to the requirement for the General Fund after savings, the Fair Funding outcome and the maximum Council Tax increase. Officers explained that the Council's financial position was not sustainable on current trajectories as they had projected a £90m gap across years 2 and 3 of the MTFS, implying ongoing need for exceptional financial support. Monthly discussions with MHCLG were ongoing. Compound debt could exceed £200m by the end of the MTFS with borrowing costs roughly £28m per annum. Officers described ongoing work to reduce costs, review demographic pressures, particularly in People services and Temporary Accommodation, and pursue invest-to-save capital schemes. Members noted the Treasury Strategy would reflect CIPFA Code requirements, noting that the current level of borrowing associated with exceptional support was not sustainable and that full code compliance was therefore not achievable. A bid to MHCLG had been submitted on 13th December 2025 and a response was expected ahead of Full Council on 4th March 2026.

Officers confirmed that the MTFS was not financially sustainable beyond 2026/27 without further support and structural change. A significant high needs deficit within the school needs grant of roughly £65m by year end was forecast however the statutory override would not allow for any overspend to occur. About £18m of capital receipts were expected which was insufficient to fund the CD/EFS. The 2023/24 overspend of £18m had used capital receipts, while the 2024/25 overspend of £34m had been financed by borrowing. Members discussed separating EFS indicators from the capital programme to reflect that. It was noted that while the capital programme was affordable with risks, EFS-related borrowing was not. Regeneration, affordable housing delivery and viability were discussed, along with the wider national context of many councils seeking EFS and the limitations of the Fair Funding Review in addressing social-care pressures. Officers also updated members on the £10m proposed savings, the Assurance Board's work, and specific operational proposals. Early-help initiatives and data-sharing constraints with partners, specifically the NHS and Police were noted, as was the decision to not have fixed "trigger points" for a s114 report. Officers outlined the NI funding shortfalls of about £200k and the approach to business-rates changes within budgeting.

Further service-level points were discussed and covered areas such as pre-application planning, bulky-waste collection pilots to which members suggested a single-item, area-based approach subject to sufficient demand, Green Flag status communications with residents and exploration of alternative adult-social-care arrangements while prioritising family settings. Officers confirmed there were no current proposals to join services with other councils, noting the historic OneSource arrangements with Newham. Officers explained there was a continued pursuit of JV regeneration as a route to affordable housing with public realm benefits and members questioned if there was potential for licensed individual collectors to support fly-tipping removal, subject to proper disposal controls.

The Board **recommended**:

1. That Officers explore aligning the Improvement and Transformation Plan with the Budget and Medium-Term Financial Strategy (MTFS)
2. That Officers undertake alternative modelling on the impact of reducing street-trading licence fees
3. That Officers review the wording within the Discretionary Fees and Charges section to ensure it reflects a compassionate approach to sensitive issues
4. That the Board be provided with information on the cost implications of extending 30 minutes free parking across all areas of Havering
5. That Officers confirm to the Board the value of the shortfall created by the National Insurance increase
6. That Officers explore a pilot scheme delivering a single, coordinated bulky-waste collection within a defined geographical area given sufficient bulky-waste demand exists
7. That Officers consider the feasibility and potential benefits of introducing individually licensed fly-tipping collectors

8. That Officers explore opportunities to enhance communications with residents regarding Green Flag status and achievements within local parks.

Chairman