



2024-25 SAVINGS TEMPLATE

Council Ward(s)
All

Directorate	Description of Directorate
Resources Director Lead	Corporate
Kathy Freeman – Strategic Director of Resources	

Current Forecast Position	
<p><i>Current Forecast position as reported to EMT for period 5. Include the cost centre(s) original and revised budget and forecast variance.</i></p> <p>The Council currently has about £20m of agency staff. The overhead is applied on agency costs. Clearly if the agency costs for the Council reduced significantly this would impact on the overhead payable. Whilst this would reduce the benefit in the centre this would be far outweighed by the service benefit of reduction in agency costs through either projects ending or success in recruiting permanent staff</p>	
Staffing: <i>Number of FTE in area</i>	0.0

Main Savings Item Description	
<p>Havering currently has around £20m of Agency costs. Some years ago an overhead was agreed on service budgets for two reasons</p> <ol style="list-style-type: none"> To encourage service managers to try and recruit to permanent roles rather than holding expensive agency staff To compensate the pension fund for the reduced contributions caused by having agency staff instead of permanent staff <p>The actuary when calculates our cashflow is based on payroll and the expected contributions as set out in the valuation and therefore the 8% surcharge is not factored into their cashflow projections.</p> <p>The Council does its own internal cash projections but given our current cash flow position (£21.8m as at Aug 23) then there is scope for the 8% payments to be ceased for 2024/25. The pension cash flow position will change over time as cash is used to fund investments or capital drawdowns so this position would need to be reviewed annually based on the cash position of the pension fund</p>	
Anticipated reduction in FTE as a result of proposals	None

Savings Proposals

Savings Details	Value of Saving and Year(s)			
<p><i>Gross savings</i></p> <p>As above. This is a one off saving which would be subject to renewal each year based on the cash position of the pension fund</p>	24/25	25/26	26/27	Total
	1.500	0.0	0.0	0.0

Associated Costs

Costing Details	Value of Costs and Year(s)			
<p><i>Description of related costs e.g. Re-provisioning Costs (if stopping a service)</i></p> <p>Assumed yield is based on an assumed agency level of £18.8m – This has been exceeded for the last three years but as stated above a lower figure is actually financially beneficial to the authority</p>	<p>TOTAL: £m's</p> <p><i>Incremental value</i></p>			
	24/25	25/26	26/27	Total
	0.0	0.0	0.0	0.0

Savings Net Value

Savings Details	Net Value and Year(s)			
<p>Saving based on an assumed agency level of £18.8m – Not this will need to be reviewed annually so is assumed as one off initially</p>	<p>TOTAL: £m's</p> <p><i>Incremental value</i></p>			
	24/25	25/26	26/27	Total
	1.500	0.0	0.0	0.0

Proposed Benefits

Services already include the overhead in their budget forecasts so retaining the levy centrally will generate a saving of approximately £1.5m

Identified Risks and Dependencies

There are no risks. The consequence of a shortfall in the saving would be a greater saving across the authority through reduced agency levels

Analysis/Commentary

Recommendation

It is recommended that the 8% is retained in the general fund for 24/25 and is reviewed annually. It should be noted that there is also an element of the agency levy relational to the HRA. For continuity it would be sensible for the HRA to retain their element aswell although as there is no legislation surrounding this that can be an independent decision

Submitted by

Signature	Print Name	Date
	Richard Tyler	12.10.23



2024-25 SAVINGS TEMPLATE

Council Ward(s)

All

Current Forecast Position

Current Forecast position as reported to EMT for period 5. Include the cost centre(s) original and revised budget and forecast variance.

The Business Rate budget is forecasted to be on budget

Staffing: *Number of FTE in area*

0.0

Main Savings Item Description

E.g. 15 agency staff across Strategic Directorate

The proposal is to join a business rate pool with Thurrock and Barking and Dagenham – The expected annual benefit would be £1m based on the 2022/23 NNDR1 Returns

The main aim of the pool is to maximise the retention of locally generated business rates and to ensure that it further supports the economic regeneration of the pooling area.

Tariff authorities are required to pay a levy to the Government each year. Pooling allows the 3 authorities to combine their top up and tariff values and if this is a net top up then no levy is payable by the pool

Thurrock's tariff of £25.9m would be completely offset by the top ups of Havering and Barking & Dagenham This would mean a 0% levy and therefore all of Thurrock's levy due would be retained by the pooling partners. This would be split on a 50/25/25 ratio between the three boroughs with Thurrock as the tariff authority gaining most benefit.

The only risk would be if the three authorities fell below the safety net at which point a payment would need to be made. All three boroughs are currently well above their respective safety nets with further growth forecasted

Havering was previously in a Londonwide Pool. Westminster as the main tariff authority are still currently below their safety net and so the pool is not reforming for 2024/25. This may change in future years.

The agreement is for one year only and would need to be renewed each year. Havering therefore has the option of exiting the pool or continuing on an annual basis.

Anticipated reduction in FTE as a result of proposals

None

Savings Proposals

Savings Details	Value of Saving and Year(s)			
<i>Gross savings</i>				
As above. Additional retained income from Business Rates of £1m – This is a one off saving which would be subject to renewal each year	24/25	25/26	26/27	Total
	1.000	0.0	0.0	0.0

Associated Costs

Costing Details	Value of Costs and Year(s)			
<i>Description of related costs e.g. Re-provisioning Costs (if stopping a service)</i>	TOTAL: £m's <i>Incremental value</i>			
None.	24/25	25/26	26/27	Total
	0.0	0.0	0.0	0.0

Savings Net Value

Savings Net Value	Net Value and Year(s)			
Assumed saving based on the initial pooling papers and the current levy payable by Thurrock – This will need to be reviewed when the settlement comes out and revised top-ups and tariffs are known	TOTAL: £m's <i>Incremental value</i>			
	24/25	25/26	26/27	Total
	1.000	0.0	0.0	0.0

Proposed Benefits

The benefit is that Thurrock will no longer pay a levy over to the Government and the benefit (estimated at £4m) will be shared between the three boroughs with Havering standing to gain £1m

Identified Risks and Dependencies

The only real risk is that if borough's yield falls below the safety net then the pool (3 boroughs) would have to meet the deficit

Analysis/Commentary

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Recommendation

Havering has expressed interest in joining the pool. A final decision does not have to be made until 28 days after the publication of the provisional local government finance settlement. It is recommended that the benefit is reviewed following the settlement and provisional NNDR1 papers

Submitted by

Signature	Print Name	Date
	Richard Tyler	12.10.23



2024-25 SAVINGS TEMPLATE

Council Ward(s)	
All	

Current Forecast Position	
<p><i>Current Forecast position as reported to EMT for period 5. Include the cost centre(s) original and revised budget and forecast variance.</i></p> <p>The Council has a centrally held budget of £900k to make contributions into an Imprest account to enable Zurich to settle insurance claims on behalf of the Council. It is proposed to stop contributions until April 2025. This would save £900k for 24/25 although the base budget would need to be retained in the medium term</p>	
Staffing: <i>Number of FTE in area</i>	0.0

Main Savings Item Description	
<p>The Council has a centrally held budget of £900k to make contributions into an Imprest account to enable Zurich to settle insurance claims on behalf of the Council. Zurich hold the funds and re-imburse the Council for any interest earned on the account.</p> <p>There is currently around £2m in the Imprest fund. The Council has paid out less than £1m every year for the last 5 years and so based on that expectation the Council can take a holiday from making further contributions to the fund.</p> <p>This will be closely monitored and if the fund falls significantly then a decision would need to be made about a top up. Based on the current payment levels and associated risk this is very unlikely before April 2025. It is proposed to review the imprest level next year to take a decision on when contributions would need to be resumed</p> <p>As such the saving is initially for one year only</p>	
Anticipated reduction in FTE as a result of proposals	None

Savings Proposals				
Savings Details	Value of Saving and Year(s)			
<i>Gross savings</i>	24/25	25/26	26/27	Total
As above. Saving through not contributing to the Imprest account in 24/25. This saving is initially for one year only	0.900	0.0	0.0	0.0

Associated Costs					
Costing Details		Value of Costs and Year(s)			
<i>Description of related costs e.g. Re-provisioning Costs (if stopping a service)</i>		TOTAL: £m's			
		<i>Incremental value</i>			
		24/25	25/26	26/27	Total
		0.0	0.0	0.0	0.0

Savings Net Value					
		Net Value and Year(s)			
Saving based on current imprest level but will need to be closely monitored through 24/25		TOTAL: £m's			
		<i>Incremental value</i>			
		24/25	25/26	26/27	Total
		0.900	0.0	0.0	0.0

Proposed Benefits				

Identified Risks and Dependencies				
<p>This is low risk. It is important to retain the base budget for future contributions. In the event of a large number of payments in 24/25 it is possible a top up will be needed to the fund but this is very unlikely based on the payments made in settlements over the last 5 years.</p>				

Analysis/Commentary				

Recommendation				
<p>It is recommended that the £900k budget centrally for payments to the imprest account is retained but a one off saving is applied to 24/25 but a planned holiday on contributions to the Zurich account.</p>				
Submitted by				
Signature	Print Name			Date
	Richard Tyler			12.10.23

2024-25 SAVINGS TEMPLATE

Council Ward(s)
All

Current Forecast Position	
<p><i>Current Forecast position as reported to EMT for period 5. Include the cost centre(s) original and revised budget and forecast variance.</i></p> <p>The Council already recharges values to the HRA Pension Fund and Capital. This is largely based on historical formulae developed as part of the central support process. There is an opportunity for a review of these charges to more accurately reflect appropriate charges to these different funds.</p>	
Staffing: <i>Number of FTE in area</i>	0.0

Main Savings Item Description	
<p>It is recognised that there are opportunities to review IT expenditure in particular to increase the proportion of costs chargeable to the pension fund and capital. The pension fund element is correctly reflecting systems and licencing costs which relate to the fund rather than the general fund.</p> <p>There is also an opportunity to review all posts within the organisation (not just support posts) that have an element that supports Housing</p>	
Anticipated reduction in FTE as a result of proposals	None

Savings Proposals				
Savings Details	Value of Saving and Year(s)			
	24/25	25/26	26/27	Total
<p><i>Gross savings</i></p> <p>It is expected that the reviews described above will generate increased recharges to other funds of £500k</p>	0.300	0.0	0.0	0.0

Associated Costs

Costing Details	Value of Costs and Year(s)			
<i>Description of related costs e.g. Re-provisioning Costs (if stopping a service)</i>	TOTAL: £m's <i>Incremental value</i>			
There are no costs associated with this proposal	24/25	25/26	26/27	Total
	0.0	0.0	0.0	0.0

Savings Net Value				
	Net Value and Year(s)			
NOTE THIS IS THE SAVING EXCLUDING THE PROPOSALS ON pe18 AND pe19	TOTAL: £m's <i>Incremental value</i>			
	24/25	25/26	26/27	Total
	0.300	0.0	0.0	0.0

Proposed Benefits
Assumed benefit to the general fund of £500k - This will need to be ratified and exemplified

Identified Risks and Dependencies
No risks as long as the charges can be transparently identified

Analysis/Commentary

Recommendation		
Submitted by		
Signature	Print Name	Date
	Richard Tyler	19.10.23

2024-25 SAVINGS TEMPLATE

Council Ward(s)	
All Wards	

Current Forecast Position

Not applicable. Current full year cost of Section 92 Officers is £0.296m. In 2023-24, this has been met from the Corporate Risk Budget.

Staffing:	0.0
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Main Savings Item Description

Identification of alternative funding source for Section 92 Police Officers

Anticipated reduction in FTE as a result of proposals	0.0
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Savings Proposals

Savings Details	Value of Saving and Year(s)			
Extent of saving will depend upon alternative funding source being a) available and b) to what value annually. Range of figures provided	TOTAL: £m's			
	24/25	25/26	26/27	Total
	£0.0 to £0.296			£0.0 to £0.296

Associated Costs

Costing Details	Value of Costs and Year(s)			
None	TOTAL: £m's			
	24/25	25/26	26/27	Total
	0.0	0.0	0.0	0.0

Savings Net Value

Savings Net Value					
		Net Value and Year(s)			
		TOTAL: £m's			
		24/25	25/26	26/27	Total
		£0.0 to £0.296			£0.0 to £0.296

Proposed Benefits

Corporate Business Risk Reserve monies are released for other purposes.

Identified Risks and Dependencies

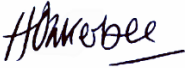
Alternative funding source isn't identified or fully available, retaining the need to deploy Corporate Business Risk Reserve monies

Analysis/Commentary

Recommendation

Efforts are made to identify an alternative funding source to fully fund the cost.

Submitted by

Signature	Print Name	Date
	Helen Oakerbee	20 October 2023



2024-25 SAVINGS TEMPLATE

Council Ward(s)
All

Current Forecast Position			
Income from council tax empty homes premium is currently forecast as follows:			
	2024/5	2025/6	2026/7
	183,987	272,616	349,413

Staffing: NA	0.0
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Main Savings Item Description
<p>There is an option to increase the empty homes premium for council tax which is currently at 100%. This was implemented in April 2019.</p> <p>Our policy aligns with the latest permissible national policy save for two areas.</p> <ol style="list-style-type: none"> 200% premium for empty properties between 5-10 years empty; and 300% for properties empty for 10 or more years. <p>Currently there is circa 80 empty properties that have been empty for more than 5 years and 28 properties that have been empty for more than 10 years.</p> <p>These changes would have to be consulted on to introduce the additional premiums.</p>

Anticipated reduction in FTE as a result of proposals	Additional resources may be required to monitor the scheme
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Savings Proposals				
Savings Details	Value of Saving and Year(s)			
Gross savings n/a	TOTAL: £m's Incremental value			
	24/25	25/26	26/27	Total
	0.232	0.329	0.419	0.981

Associated Costs					
Costing Details		Value of Costs and Year(s)			
<i>Description of related costs e.g. Re-provisioning Costs (if stopping a service)</i> n/a		TOTAL: £m's			
		<i>Incremental value</i>			
		24/25	25/26	26/27	Total
		0.0	0.0	0.0	0.0

Savings Net Value					
		Net Value and Year(s)			
<i>Add savings and costs together for each year. Value to be added to MTFS if approved</i> n/a		TOTAL: £m's			
		<i>Incremental value</i>			
		24/25	25/26	26/27	Total
		0.0	0.0	0.0	0.0

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Identified Risks and Dependencies				
<p>The increase in council tax income is estimated in the table below. However, the majority of the estimated income is unlikely to be realised as taxpayers will endeavour to occupy, sell or demolish these properties to avoid the increased council tax. This can be seen from the lower number of empty and unfurnished properties in earlier years. It is very unlikely the potential income from premiums mentioned above will be realised as a result.</p> <p>As a control measure, every empty property that would become occupied after 2 years (and so avoid a premium) will be inspected to ensure there is actual occupation. This may require additional resources.</p>				

Analysis/Commentary					
<table border="1" style="width: 100%;"> <tr> <td style="text-align: center;">Estimate of income from empty Property Premiums</td> </tr> </table>					Estimate of income from empty Property Premiums
Estimate of income from empty Property Premiums					

		2024/5	2025/6	2026/7	2027/8	2028/9	2029/30	2030/31	2031/33
	No. of Properties	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
		300.00							
		%							
2013 Extra Income	28	144,777	144,777	144,777	144,777	144,777	144,777	144,777	144,777
		96,518	96,518	96,518	96,518	96,518	96,518	96,518	96,518
		200%	300%						
2014 Extra Income	5	16,705	25,057	25,057	25,057	25,057	25,057	25,057	25,057
		8,353	16,705	16,705	16,705	16,705	16,705	16,705	16,705
		200%		300%					
2015 Extra Income	8	26,913	26,913	40,370	40,370	40,370	40,370	40,370	40,370
		13,457	13,457	26,913	26,913	26,913	26,913	26,913	26,913
		200%			300%				
2016 Extra Income	36	112,759	112,759	112,759	169,138	169,138	169,138	169,138	169,138
		56,380	56,380	56,380	112,759	112,759	112,759	112,759	112,759
		200%				300%			
2017 Extra Income	16	62,179	62,179	62,179	62,179	93,269	93,269	93,269	93,269
		31,090	31,090	31,090	31,090	62,179	62,179	62,179	62,179
		200%					300%		
2018 Extra Income	15	52,899	52,899	52,899	52,899	52,899	79,348	79,348	79,348
		26,450	26,450	26,450	26,450	26,450	52,899	52,899	52,899
			200%					300%	
2019 Extra Income	49	0	177,259	177,259	177,259	177,259	177,259	265,888	265,888
			88,630	88,630	88,630	88,630	88,630	177,259	177,259
				200%					300%
2020 Extra Income	43	0	0	153,593	153,593	153,593	153,593	153,593	230,390
				76,797	76,797	76,797	76,797	76,797	153,593
					200%				
2021 Extra Income	121	0	0	0	532,705	532,705	532,705	532,705	532,705
					266,353	266,353	266,353	266,353	266,353
						200%			
2022 Extra Income	292	0	0	0	0	1,244,524	1,244,524	1,244,524	1,244,524
						622,262	622,262	622,262	622,262
							200%		
2023 Extra Income	596	0	0	0	0	0	£2,316,429	£2,316,429	£2,316,429
							1,158,215	1,158,215	1,158,215
Totals Total Extra Income	###	416,232	601,843	768,893	1,357,977	2,633,591	4,976,469	5,065,098	5,141,895
		232,246	329,227	419,481	742,212	1,395,564	2,580,228	2,668,857	2,745,654

Recommendation

Implementing the additional premiums will encourage these empty properties to be put back into use or sold which will help with the housing shortage.

Submitted by		
Signature	Print Name	Date
<i>Chris Henry</i>	Chris Henry	17.10.23



2024-25 SAVINGS TEMPLATE

Council Ward(s)
All

Current Forecast Position	
<i>Current Forecast position as reported to EMT for period 5. Include the cost centre(s) original and revised budget and forecast variance.</i>	
On budget for P5	
Staffing:	
Main Savings Item Description	
Anticipated reduction in FTE as a result of proposals	0

Savings Proposals				
Savings Details	Value of Saving and Year(s)			
Managing events in parks is moving to communications. Current income is approx. £30,000 a year. The proposal is to increase this year on year. This will be picked up by the events team. If we continue with the Christmas plans then capacity will need to be considered which will impact income.	TOTAL: £m's <i>Incremental value</i>			
	24/25	25/26	26/27	Total
		0.050	0.070	0.120

Associated Costs				
Costing Details	Value of Costs and Year(s)			
Staffing time if Xmas events continue	TOTAL: £m's <i>Incremental value</i>			
	24/25	25/26	26/27	Total
	0.000	0.000	0.000	0.000

Savings Net Value

	Net Value and Year(s)			
This is an income target	TOTAL: £m's			
	<i>Incremental value</i>			
	24/25	25/26	26/27	Total
	0.050	0.070	0.120	

Proposed Benefits
Reduce cost of communications budget.

Identified Risks and Dependencies
<p>This is a conservative estimate. However, it also depends on resource to help do the work. Secondly, it also on attracting more events to our parks. We will also look at creating our own which should generate income.</p> <p>Finally, it also depends on the views of residents and members where issues arise from parking, road closures etc due to running the events.</p>

Analysis/Commentary
The new marketing and commercial manager post would compliment this work as they will help market our parks and other venues.

Recommendation		
We proceed with plans, however, resource will need to be considered as part of this.		
Submitted by		
Signature	Print Name	Date
Marcus Chrysostomou	Marcus Chrysostomou	20/10/23