

Addendum to the 24/25 Budget and 2024-28 Medium Term Financial Strategy Budget papers to Cabinet

Announcements since the Cabinet papers were published

There have been 2 Government announcements as well as updates from ELWA and a continued review of the assumptions associated with the budget since the papers were published for Cabinet which will have an impact on the budget report. These changes will be introduced into the papers to be submitted to Full Council

1. The Final Local Government finance settlement was announced on February 5th 2024. The settlement increased our Core Spending Power by **£2.116m** due to a small increase of £0.021m to Havering's Service Grant and an increase in the Social Care grant of £2.095m.

As part of the settlement announcement the Government have released to authorities £100m of the Business Rates Levy reserve they have accumulated. This equates to a one off payment to Havering of **£0.289m**

The increase in the Social Care grant was confirmation of Havering's share of the £500m national additional support originally announced by the Government on January 24th.

The additional funds from the Government are earmarked for Social Care support and so it is proposed to apply this additional to further support the Starting Well and Aging Well budgets for 2024/25

2. The East London Waste Authority published their proposed levy figures for 24/25 on 1st February following a review of reserves over the last month. This has shown a reduction of **£0.523m** to the pressure reported in the cabinet paper.
3. The Council has reviewed the concession fee payable by our Leisure Contractor for 2024/25 and the forecast income is expected to exceed the current projected value by **£0.230m**.
4. The Council has also reviewed the provision set aside to meet contractual increases and recommends that the budget pressure set aside can be reduced by **£0.1m**

Cabinet have reviewed the savings proposals and the budget consultation responses and have decided that the following savings can be adjusted:

1. To undertake further reviews of the impact of Parking charges in Parks and to remove this saving to await the outcome of those reviews (Place 2)
2. To withdraw the introduction of parking charges on Sunday proposal
3. To reduce the Parking fee increases for pay and display from 40% to 20% (reduction in saving £0.600m)

The proposed revised parking increases are shown in the table below

Table 1: Revised fees for Parking Place 8 proposal

	23/24 current charge	Proposed 24/25 @20%
Monday to Saturday (Period Hours)		
0 - 30 mins	No Charge	No Charge
0 - 1	2.10	2.60
1 - 2	3.60	4.40
2 - 3	5.10	6.20
3 - 4	6.60	8.00
4 - 5	8.10	10.00
5 - 6	9.60	12.00
6 - 7	11.50	14.00
7 - 8	13.00	15.00
Over 8	14.50	15.00
Solo Motorcycles	2.10	2.50
Overnight (applies to hours as advertised on site)	1.50	2.00

Table 2: Sets out the impact of these changes together with the proposed funding streams to allow these changes to happen

Impact of change to saving proposal	2024/25 (m)	Additional Funding	2024/25 (m)
Removal of Parking in parks saving (Place 2)	0.210	Reduction to the ELWA Levy Pressure	0.523
Removal of Sunday parking charges proposal (Place 8)	0.350	Increased Services Grant	0.021
Reduction of pay and display increase from 40% to 20% (Place 8)	0.600	Levy rebate	0.289
		Increase in income projected from our Leisure contractor	0.230
		Reduction to the provision required for contractual inflation	0.100
TOTAL	1.160	TOTAL	1.163

Cabinet are asked to:

- Agree to apply the £2.095m additional Social Care Grant to support the Starting Well and Ageing Well budgets
- Agree to amend the Pay and display savings proposal to the rates set out in Table 1
- Amend the savings proposals as set out above by using the funding shown in Table 2