
OVERVIEW AND SCRUTINY

Subject Heading:

Update on delivery of 2024/25 Savings

Cabinet Member:

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Policy context:

The report provides an update on the progress towards delivering the Savings set out in the 2024/25 budget

Financial summary:

This report includes:

- Update on the 2024/25 budget Savings
- Tables setting out progress on each saving

Is this a Key Decision?

No

1. Executive Summary

- 1.1. This report provides an update on progress towards delivering the savings agreed at Council in February 2024 when setting the 2024/25 budget. The budget for 24/25 included £15.349m of savings to be delivered in 24/25. The Council however was unable to balance its budget in the normal way even with this level of savings, a 4.99% Council Tax increase and increased government grant. The budget was balanced using a £32.5m capitalisation direction provisionally agreed with the Government on Feb 27th 2024
- 1.2 The Council is doing everything it can to minimise costs despite years of underfunding from central Government. An important part of the budget process is to deliver the savings set out in the budget. This report sets out progress on the delivery of the savings to date.

2. RECOMMENDATIONS

- 2.1. Overview and Scrutiny members are asked to note the progress towards delivering the 2024/25 savings as set out in this report and Appendices

3. BACKGROUND

- 3.1. Havering is an efficient Council with low unit costs for most services compared to its neighbours. The Council has in recent years experienced financial difficulties due to underfunding from central Government in comparison to the pressures the Council is facing. It is nationally recognised that national funding for Social Care has fallen significantly behind the rising demand and costs local authorities are experiencing. For Havering this is compounded by the failure of the previous Government to update its distribution formula resulting in Havering receiving up to £10m less grant a year than it should have received with a fairer distribution
- 3.2 This position resulted in Havering setting its 2024/25 budget including a £32.5m capitalisation directive. As part of the budget process the Council reviewed all its services to identify efficiencies, savings and areas where increased fees could be applied. This process produced savings totalling £15.349m which were applied to the budget to reduce the gap to the level agreed in the capitalisation order
- 3.3 These savings underpin the 2024/25 budget and so have been closely monitored throughout the year as part of the budget monitoring process. The Councils budget position is reported to cabinet on a quarterly basis including progress on savings. This report provides more details on those savings for review at Overview and Scrutiny Committee.

4. UPDATE ON THE 2024/25 SAVINGS

- 4.1. The Council agreed £15.349m of savings for 2024/25 as part of the budget setting process in February 2024. The tables attached to this report provide an update on the current status of all those savings. The table below summarises this by department.

Table 1: Summary Savings Position

Savings Delivery	Green (M)	Amber (M)	Red (M)	Total (M)
Corporate	4.936	0.300	0.000	5.236
Resources	0.969	0.000	0.280	1.249
People	2.828	1.651	1.422	5.901
Place	1.431	0.782	0.750	2.963
TOTAL	10.164	2.733	2.452	15.349

- 4.2 The table shows that the majority of savings are on track with over £10m rag rated green as either on track or already fully delivered. There are £2.452m of savings rag rated red as unlikely to be delivered. Departments have been asked to identify alternative budget containing measures in place of these savings.
- 4.3 The Council is aiming to deliver as many of the savings as possible but prudently as part of the budget process included a £3.0m provision against non delivery. The provision was put in place as a recognition that the Council services already are efficient with low unit costs and therefore some savings inevitably would be difficult to fully achieve. It is hoped that the majority of this provision will not be needed and that services can largely mitigate any undelivered savings

5. FINANCIAL IMPLICATIONS OF NON DELIVERY OF SAVINGS

- 5.1 Non delivery of savings will lead to an in year overspend and where the saving is stopped a pressure to be built into the following years MTFs. The Council's budget does include a provision of £3m for non delivery of savings which will be applied where necessary.

Summary of Savings Delivery - CORPORATE PERIOD 6 2024-2025

Saving	Saving £m	Actions Taken/Required
Redirection of Agency Levy	1.500	An agency levy has been applied to staffing costs for a number of years. This was historically passed to the pension fund but is now re-directed to support the general fund position. At month 6 this is on track to deliver the savings target.
Business Rate Pool with Thurrock and LBBD	1.000	This saving is through the pool resulting in a £4m saving in Government levy costs across the three boroughs. Havering's share is currently estimated at £1.2m which will fully deliver this saving
Insurance fund contributions	0.900	This saving relates to stopping the general fund contribution to the insurance fund for a year. The saving will be fully delivered for 2024/25. This saving was for one year only and the level of reserves and provision required for the insurance fund are under review for future years
Review of recharges to Capital and HRA	0.300	Recharges to the HRA and Capital are reviewed annually as part of the central recharge process. In 2024/25 this review identified that recharges to the HRA and Capital could increase principally as a result of inflationary and pay pressures on the support costs. This saving is therefore fully delivered
Increase empty homes premium	0.116	This was implemented in April and was reflected in the Council's taxbase assumption. A review of those who received the additional charge showed the majority had paid with others returning the property to occupation
Managing events in Parks	0.020	Saving fully achieved – Service within budget
Review of Taxbase, Freedom pass eligibility and SPD	1.100	The Council annually reviews all those entitled to single person discounts on Council Tax and also those who qualify for freedom passes to ensure these concessions are given to the write people. This saving also reflects growth in the taxbase and is fully achieved through reductions to the concessionary fares settlement in December 2023 and the agreed taxbase in the budget
Sub Total Of Green RAG Rated Savings	4.936	

Identification of alternative funding for the S92 Officers	0.300	It has been identified that around £70k of funding is available through the CIL. The Council continues to be committed to the benefit of these officers and so is reviewing the most appropriate way to fund them
Sub Total Of Amber RAG Rated Savings	0.300	
Total of Budgeted Savings - CORPORATE	5.236	

Summary of savings delivery - RESOURCES Period 6 2024-2025

Saving	Saving £m	Actions Taken/Required
Reduce or cancel buying new/replacement book stock for all our libraries. One year only	0.161	Saving fully delivered. Book fund reduced for one year – Ongoing saving to the fund is 30k
Additional income generated via weddings/ceremonies	0.050	Saving fully on track to be delivered
Review of utilisation of the eligible Public Health Grant expenditure and Reserve	0.500	Review taken place of eligible general fund expenditure. This will be charged to the public health grant at year end. Net result will be a planned reduction in the PH Reserve for next two years
Pause recruitment of Assistant Director of Innovation post	0.100	Post has been deleted as part of the resources restructure
Review income from advertising opportunities – boards/fleet	0.050	New JCD street advertising signed - with sign on fee and additional income
Remove Christmas festivities budget	0.108	Funded removed from budget; discussion with local businesses about alternative funding/sponsorship
Sub Total of Green RAG Rated Savings	0.969	
Consult on principle of reducing the number of public libraries in the Borough – based on review of public need and change in usage	0.150	Consultation has been completed. Members are now considering next steps and options but any saving is unlikely to be until the latter part of the financial year
Review of funding to the HVS and CAB	0.130	Saving will no longer proceed in 2024/25. Alternative funding being sought
Sub Total of Red RAG Rated Savings	0.280	
Total of Budgeted Savings RESOURCES	1.249	

Summary of savings delivery - PEOPLE Period 6 2024-2025

Saving	Saving £m	Actions Taken/Required
Reablement and Ward based enablement pilots	0.785	Reablement and ward based enablement pilots ongoing and delivering expected savings
Capitalisation of Telecare equipment	0.180	Telecare costs will be capitalised where possible in accordance with capital guidelines
Merge welfare rights function into oneSource	0.015	Teams merged and saving fully delivered
Pay to stay – paying families to keep people in their homes	0.055	Saving delivered but in effect is cost avoidance reducing what otherwise would have been a larger pressure. Forecast is to deliver up to £150k
Better Living (Ageing Well)	0.500	This saving uses a strength based approach when reviewing care to increase independence and reduce reliance on care - this has been implemented for many years now and will deliver a minimum of this value. YTD delivery £430k. Projected £750k which will be applied to the “Review of social care provider services” which will not be delivered
Grow Shared Lives	0.020	On target to achieve by growing the shared lives offer
Voluntary Sector preventative contracts review	0.188	Reviewing of floating support and Havering Safe at Home contract
Assistive Technology - review ASC subsidy (funded by BCF)	0.100	Consultation has been undertaken and this will be implemented in November
Targeted Reviews - Adult Services (Ageing Well)	0.600	Review of high cost placements is ongoing. YTD delivery £421k. Projected £750k which will be applied to the “Review of social care provider services” which will not be delivered
Shared Supported Housing Saving	0.090	This is on track to be delivered to date £77k delivered
Review of Home to School Transport	0.200	New policy adopted, impact to be monitored but delay in policy being finalised may mean not fully achieved in year. Will need further review for 25/26 but we believe new policy will deliver cost avoidance. Increased demand is being seen in this area; however, the unit costs are expected to reduce as new applications move to the shared transport and personal travel budgets
Education Administrative Savings	0.041	Budgets and costs reduced and savings delivered

Summary of savings delivery - PEOPLE Period 6 2024-2025

Saving	Saving £m	Actions Taken/Required
Reprovision of Youth Services	0.054	Budgets and costs reduced and savings delivered
Sub Total Of Green RAG Rated Savings	2.828	
Better Living (Living Well)	0.500	This saving uses a strength based approach when reviewing care to increase independence and reduce reliance on care - this has been implemented for many years now – Classified as partly Amber partly green as still ongoing through second half of the year. YTD delivery £101k. Projected £300k
Targeted Reviews - Adult Services (Living Well)	0.500	Review of high cost placements is ongoing. YTD delivery of £150k. In Learning Disabilities, supported living scheme based reviews are starting from November. It is anticipated this will enable full delivery of this savings.
Acquisition of land and buildings from Notting Hill JV (decision on acquisition already agreed at Cabinet)	0.131	Delay in acquisition of Nottinghill properties – agreement has now been reached to proceed Forecast to deliver £51k
Review of agency social workers to convert to permanent	0.520	New TOM now in place will offer more specialised attractive roles in Starting Well reducing dependence on agency. Staffing restructure underway but delayed go live so may not be achieved in year. There were 10 new permanent Social Workers started in September. Permanent AD's and HOS appointed to start in September /October. Expect to deliver £250k
Sub Total Of Amber RAG Rated Savings	1.651	
Review of social care provider services (Adults)	0.500	This was linked to building/buying residential care settings and commissioning a provider to deliver services - this is no longer achievable and a replacement saving is being sought Saving assumed cost reductions in Living Well ASC clients, the plan is in development. Unachievable 24/25 - replacement saving is being modelled – through overachieving on Better Living/Targeted Reviews

Summary of savings delivery - PEOPLE Period 6 2024-2025

Saving	Saving £m	Actions Taken/Required
Review of transition cases (Adults)	0.500	Saving assumed cost reductions in Living Well ASC clients, the plan is in development. Unachievable 24/25 - replacement saving is being modelled – through overachieving on Better Living/Targeted Reviews
Full review of Early Help Provision	0.422	Saving proposal not continued following the recent Ofsted report
Sub Total Of Red RAG Rated Savings	1.422	
Total of Budgeted Savings - PEOPLE	5.901	

Summary of savings delivery - PLACE Period 6 2024-2025

Saving	Saving £m	Actions Taken/Required
Increase Highway Licence Fees	0.050	Fee increase implemented – additional income on track
Traffic Schemes Reductions, only essential Health and Safety to be completed	0.025	Achieved - Budget removed and spend kept within revised budget
Reduce street lighting on main roads by 30%, after midnight to 5am (invest in automation)	0.030	Action implemented and saving fully achieved through reduced energy costs.
P & D increase to approximately 20%	0.650	Fee increases implemented - slight pressure of 50k on revised budget
Increase Garden waste fees by 20% to £84 (£70)	0.397	Fee increase implemented – Small decrease of around 300 in the numbers of users (around 28000 in total) – resulting in a current shortfall on the total of around 60k
Increase bulky waste fees by 20%	0.023	Fee increases implemented – additional income on track to be achieved
Gully Cleansing, re-profiling of the programme based on need. Reactive works will still be maintained	0.075	Work Schedule reprofiled to meet new budget – fully on track to be achieved
Highways reactive maintenance based on essential Health and Safety works	0.100	Work Schedule reprofiled to meet new budget – fully on track to be achieved
Restructure planning applications team and improve processes including the deletion of vacant posts	0.038	Restructure complete and saving fully achieved
Deployment of automated Inspection Forms within Public Protection	0.005	Saving permanently taken from the budget and the savings has been delivered.
Reduce Capital Programme by £1.5m revenue impact £38k per annum	0.038	Capital programme has been reduced by £1.5m so the revenue saving is fully delivered. The condition of highways are subject to regular reviews to ensure this saving is embedded and will not impact on future years
Sub Total Of Green RAG Rated Savings	1.431	

Summary of savings delivery - PLACE Period 6 2024-2025

Saving	Saving £m	Actions Taken/Required
Expansion of Controlled Parking Zones and Pay and Display Areas, subject to resident engagement	0.100	Design and consultation ongoing, £0.050 pressure
Voluntary and Community Sector to pay a higher proportion of their rental costs, subject to a case by case basis	0.027	Scheme development underway fully impact yet to be fully assessed
Cease trading at Romford Market on Sundays	0.125	Saving implemented and market closed on Sunday. Market costs and income being reviewed to ensure full saving is achieved
Increase Romford market trading fees 10%	0.030	Trading fees increased – Saving only classified as amber awaiting full impact analysis of new fees
Increase parking permits between 12 AND 16% impact on Residents permits : £40-£45, £80-£90, £120-£140	0.200	Fee increases implemented – permit numbers are down resulting in approximately £0.100m pressure
PCN appeals - Removal of discount for failed appeals	0.300	More data required to assess impact of policy change
Sub Total Of Amber RAG Rated Savings	0.782	
Acquisition of property jointly to relieve Temporary Accommodation Pressures	0.300	Market conditions are impacting on the level of adequate supply resulting in delays to acquisitions
Parking Services	0.150	Budget has been removed but the action to achieve this Saving has not been completed.
Highways Procurement	0.125	Delayed procurement has impacted in year delivery. Full impact should be realised next year so this is an in-year pressure only.
Commercial waste service	0.025	Will not be achieved.
Alternate Weekly Collections & Containerisation	0.150	Existing from last year. Options are still being explored requires full stakeholder consultation.
Sub Total Of Red RAG Rated Savings	0.750	
Total of Budgeted Savings - PLACE	2.963	

