

# Havering Council budget consultation 2023/24



**Havering**  
LONDON BOROUGH

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# A message from Council Leader Cllr Ray Morgon

Dear resident,

In May this year, I was elected Leader of Havering Council to help steer our us through the next four years. One of the first things that I asked for was a detailed look at our finances, and what my colleagues and I found didn't make good reading.

Put simply, the demand for our services – particularly those services that we have to provide by law, supporting some of the most vulnerable people in the borough – keep going up whilst our income has been substantially reduced.

Contrary to popular belief that most of the Council's expenditure goes on services such as street cleaning, road and pavements and parks, the reality is that for every £1 we spend, 70p goes on statutory services for adults and children.

Although the Government require us to provide many services by law, the funding our Council receives from Government to provide these services has been decimated. This has meant that 80% of what we spend in the borough is provided by you, the council taxpayer.

Since 2010, our funding from Government has gone from £70 million a year to just over £1.5million in this current financial year. If your own household or business income took such a financial hit, you would need to take some radical measures to reduce your expenditure or increase your income. Many of you I know will have to be doing this during the current cost of living crisis given the double digit increases in inflation.

We believe that the impact of inflation may well add another £10 million to our costs next year. We can't borrow money to get around this problem like central government can. By law, each year we have to set a budget where what we spend must meet the income we think we'll have.

Over a number of years we have tried to meet the funding gap through efficiencies and we will certainly continue to do that through our root and branch review of everything that we do and how we do it, but even that isn't going to work with the size of the task we have in front of us. It is clear to me that we need now to take more radical steps if we are to maintain the levels of service that people expect from their Council Tax.



# A message from Council Leader Cllr Ray Morgon

This budget consultation makes proposals to save money that I know will have an impact right across our borough and may not be popular. It also asks your views on a rise in Council Tax of about 60p per week for an average property in the borough. Let me be clear: if we were in a different financial position there are proposals we propose in this consultation that I would not want to make. And if Government do provide more funding for Havering – in general or for social care more specifically – we may be able to stop some of our proposals from having to happen.

But we have to prepare for the worst. I need your help in telling us more about the possible impact on you, your family or your business. And if you have any ideas about how we could do things differently, use the consultation to tell us about them.

If we cannot meet the challenges and make radical proposals for change, the council's financial position will become unsustainable and the Government could be forced to take over the Council and that could mean even more punishing changes.

Please take some time to respond to the questions in our consultation, but I need you to do one more thing too: help us take our message direct to Government. Contact your local Member of Parliament, support our online petition, write to your newspaper or call in to your local radio phone-in.

I am clear that we are in this position not through poor management of the Council but because the funding other councils get from Government is denied to us because of an outdated formula that does not recognise the changing demographics and population increase in our borough. For example, in the past ten years our young person population has jumped 20%.

We need to come together as a borough and tell central Government enough is enough. Havering wants a fair deal and we want it now.

# Introduction

**Havering Council provides a wide range of services to our communities, spending over £170m every year.**

Some of those services, called statutory services, are ones which we must provide by law. Others, called discretionary services, are ones we can choose to provide. We know many of our services are highly valued by our residents but, as in recent years, we know we will have to make some difficult decisions during the setting of the budget to ensure resources continue to be prioritised and money is directed to where it is needed most.

We know that the proposals in this consultation will mean significant changes to what we do and how we do it, and that those changes will impact many residents. This consultation comes when our communities are feeling the effects of the social and economic pressures we face – some of which have been brought into sharper focus by the COVID-19 pandemic. These include rising costs, ever-increasing demand for services like health and social care, growing numbers of households, the impacts of climate change and the demographics of our borough meaning that we have the oldest population in London.



# Why are we consulting?

**This consultation is being carried out to ensure your views on how our budget proposals might impact you, the people you know and your neighbourhood inform the final decisions we make.**

This is a general consultation on the overall Council budget for the financial year 2023/24. In some areas, more detailed consultation will follow later.

Your views are important to us. Your feedback to the consultation will help us decide which services we prioritise and where we should look for savings. The consultation will start from 14 October and will end on 30 December 2022.

**There are three ways you can give us your feedback:**

- 1** Complete the online survey at <https://consultation.havering.gov.uk/>
- 2** Complete a paper questionnaire from one of our libraries and drop it into our consultation ballot boxes there.
- 3** Attend one of our consultation events (see below for details).

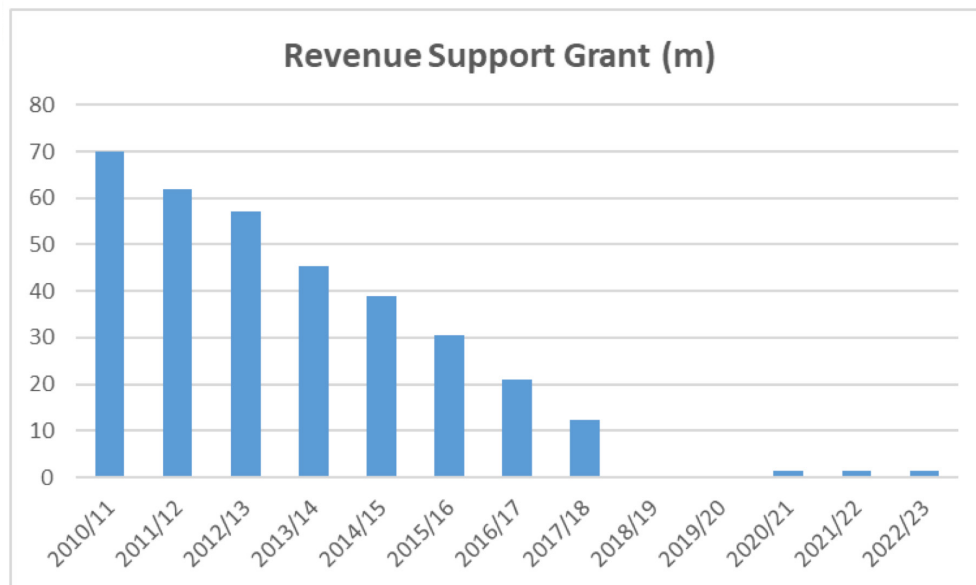
**The outcomes of this consultation will be reviewed in detail and used by the council's cabinet in its decisions for the 2023/24 budget, which will be set in spring 2023.**

## Consultation events

Location	Address	Date	Time
Town Hall, Romford	Main Road, Romford RM1 3BB	Tuesday 25 October	18.00-20.00
Rainham Library	6 Celtic Farm Road, Rainham RM13 9GP	Thursday 27 October	18.00-20.00
Hornchurch Library	44 North Street, Hornchurch RM11 1TB	Wednesday 2 November	10 00-12 00
Harold Hill Library	9A Farnham Road, Harold Hill RM3 8ED	Friday 4 November	10 00-12 00
Upminster Library	26 Corbets Tey Road, Upminster RM14 2BB	Saturday 5 November	11 00-13 00
Town Hall, Romford	Main Road, Romford RM1 3BB	Thursday 17 November	11 00-13 00
Collier Row Library	45 Collier Row Road, Romford RM5 3NR	Wednesday 23 November	11 00-13 00
Rainham Library	6 Celtic Farm Road, Rainham RM13 9GP	Thursday 24 November	11 00-13 00
Hornchurch Library	44 North Street, Hornchurch RM11 1TB	Thursday 1 December	18.00-20.00

# How we raise our funding and where we spend it

Since 2010 we have had to respond to huge reductions in the funding we get from Government. A decade ago £70m of our funding came via central Government but that has reduced right down to around £1.5m now.



That has meant we now rely almost entirely on the funding we raise locally, through Council Tax, Business Rates and fees and charges for services. At the same time we've seen an increased demand for some of our services and costs rising more than the funding available.

**To make up that shortfall we have had to do three things:**

- 1** make our services more efficient by doing things like investing in new technology, digital services and working with our communities and other local partners in different ways
- 2** take difficult decisions about whether services we have a choice in providing should be run differently or at all
- 3** raising our own income whether through Council Tax or the fees we charge for some services.

We have been successful in doing those things and running an efficient Council. Analysis of local authorities in London suggests that many if not most of our services cost less to run than in other council areas.

The proposals that we make in this year's budget consultation are designed to help meet that gap and based on our current forecast funding. When Government tells councils how much funding they will have in future (likely to be this December) we will update our plans and tell you about them.

# The changes we've seen this year

The combined effects of the recovery from the COVID pandemic and the current economic crisis has placed significant pressure on our finances.

In March 2022 we set a balanced budget for 2022/23 but since then increased demand for services helping vulnerable adults and children, rising costs and inflation mean that there is a current gap of up to £70m over the next four years between the funding we think we'll have and the funding we know we'll need.

## Rising demand and costs in helping our most vulnerable residents



### **Mrs A is in her 80s and lived with her husband.**

She was diagnosed with dementia in 2020. We saw a rapid deterioration in memory and behaviour throughout 2021 which sadly included her becoming violent towards her husband. In early 2022 she was discharged from hospital to live in a residential care home and needs 24-hour a day one-to-one care.

The cost of this care to the Council is **£210,000 a year.**

### **Young person S is at secondary school and is currently being cared for by Havering Council following a serious sexual assault by a family member.**

S has a range of special educational needs and has experienced significant trauma which has resulted in the young person trying to seriously harm them self more than once.

S sometimes requires hospital admission and also mental health support, in a specialist hospital.

As a child in our care, the Council has a legal duty to look after S and keeping just one young person like this safe, 24 hours a day, costs the local authority **£96,200 a year.**





# The changes we've seen this year

**L is a 15 year old young girl who is looked after by Havering after coming into care through police protection.** L is of high level risk, she often goes missing and was being criminally exploited and abused by adult males, in exchange for drugs. L needs the most secure care we can provide to keep her safe, and this is a very high cost to the Council. It is also some distance from where she was being exploited, for her own safety. L has helped the police to stop the same adults exploiting other children.

To keep a child like L safe, the cost to the Council is over £8,000 per week until it is safe to return her to the area and into a foster home, which in these circumstances would still cost around £1,500 per week.

In total a child like L could cost the Council **£250,000** per year to look after. The local authority has responsibilities to children in our care up to the age of 25.



The state of the world economy is causing increased costs across virtually all Council services. Rising inflation is having a significant impact on costs and cost control. We think that will account for around £10m in increased costs next year alone. Government essentially expects councils like ours to absorb those extra costs.

All of this means that the process to set a balanced budget for 23/24 is probably the most difficult challenge Havering Council has ever faced.

Our proposals are set out below. It is important to note that this is a general consultation on a set of budget proposals. In some cases, further and more targeted consultation will need to happen either by law or because it is appropriate to do so.

# Our budget proposals

## Headline budget proposals

We have picked out some headline proposals that we believe may have most impact on residents or specific groups of residents.

### Council Tax

The expectation from Government is that councils fund services primarily through local taxation, including Council Tax. Unless significant further funding is made available by Government, increasing Council Tax is an unwanted but necessary proposal to help meet our financial challenge.

We propose, out of necessity, that Council Tax would increase by 1.99% which would mean an increase of 60p per week on an average Band D property in the borough.

In recent years the Council has been able to seek a further increase in Council Tax of between 1% and 3% through an adult social care precept to support our work helping some of the most vulnerable people in the borough. If Government make this option available to councils we propose to apply it because even with this extra funding the increasing costs of adult social care in the borough are still not being met.

If the adult social care precept was to be applied, it would mean in total a Council Tax increase of 90p per week on an average band D property in the borough and would raise £4.2m to help sustain vital services.



# Our budget proposals

## Headline budget proposals

### Changes to rubbish collection and increase in charging

We propose to change how we collect waste in the borough. We propose to change collection of waste by moving to alternate weekly collections. This means that your recycling would be collected one week and the rest of your household waste the next week. We would also provide wheelie bins to most households and would not collect household waste not put in those bins. Food waste containers will also be provided and food waste will continue to be collected and disposed of every week.

Our proposals for changes to collection would save an estimated **£650,000**, with **£500,000** of future collection costs avoided and another **£150,000** directly.

We currently charge £60 per bin per year to collect garden waste (collected fortnightly). Our charge for collecting items of bulky waste is £45.50 for up to three items and £11.50 for every subsequent item.

We would seek to increase garden waste charges to £70 per year and increase bulky waste collection charges to £55 for 1 to 3 items, then £14 for each additional item. These proposals could result in increased income of **£285,000** over four years to support Council services.

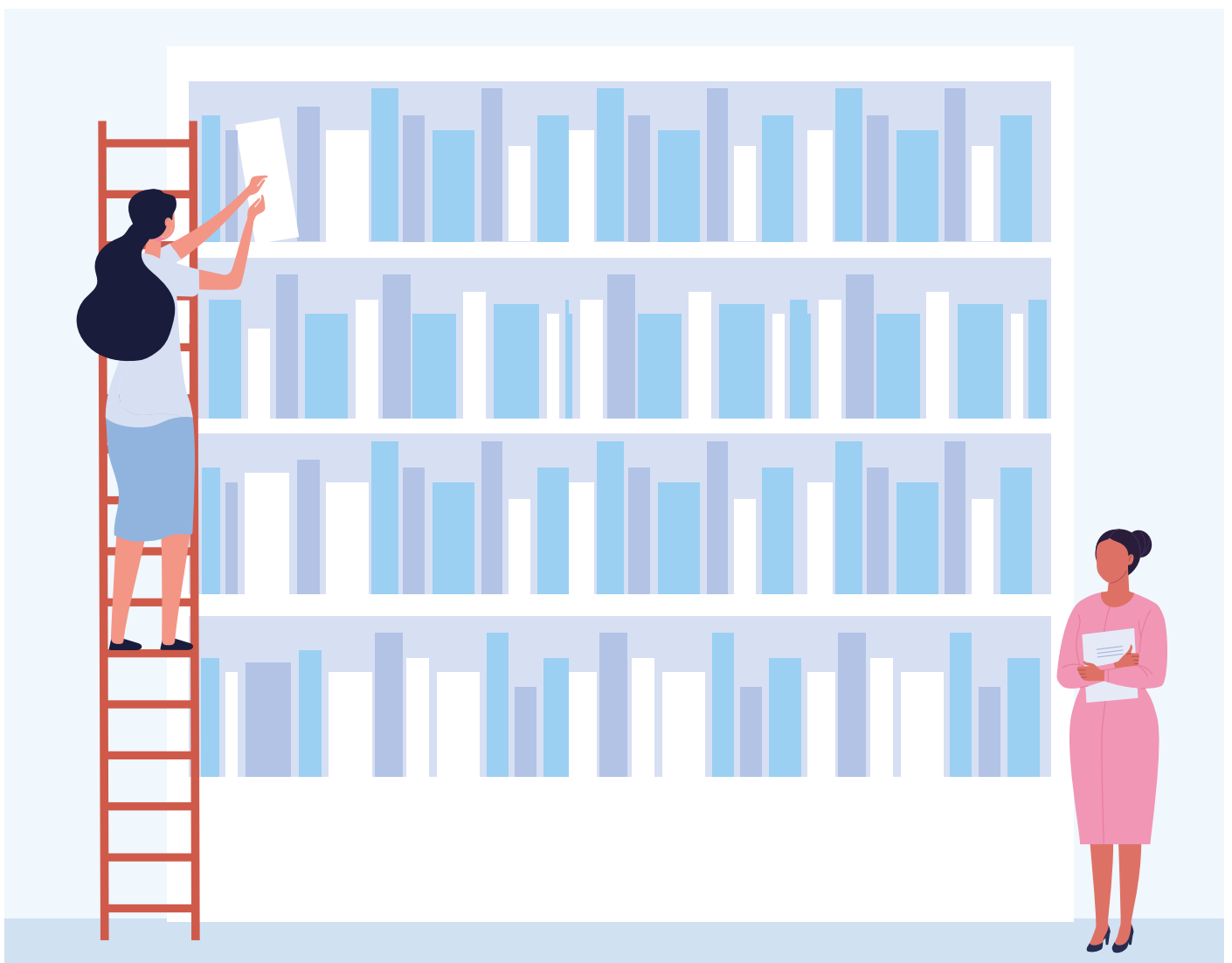


**£650,000**  
saved every year

## Rationalise early help and youth services

We propose to undertake a reorganisation of Children’s Services in order to drive efficiencies and improve pathways for children and families requiring preventative and statutory services. We also plan to permanently close Chippenham Road, Elm Park and Hildene Children’s Centres and instead deliver services that happened at those centres from other locations. We also propose to make changes to our early help offer. Under the new model, early help would have a greater focus upon the delivery of proven targeted early intervention and “edge of care” provision within a range of community settings. We will explore ways to deliver reduced targeted youth provision and support approaches to ensure the sustainability of provision, where possible.

We believe our proposals could save £1.6m over four years.



# Detailed budget proposals

## Reducing or stopping services

Title of change	Name of directorate responsible for this area	What does this mean?	How much could it save?
Rationalise early help	Children's Services	We propose to undertake a reorganisation of Children's Services in order to drive efficiencies and improve workflows and pathways for children and families requiring preventative and statutory services. We also plan to permanently close Chippenham Road, Elm Park and Hildene Children's Centres and instead deliver services that happened at those centres from other locations	£1.1m
Rationalise Youth Services	Children's Services	Review and rationalise youth service provision within the borough and maximise the commercial potential of the MyPlace building to create long term sustainability	£0.5m
Close Group Homes	Adult Social Care	These are homes where people with mental health issues live. Closure will mean finding alternate places to live. The Council will support them in finding other places to live, including providing ongoing support if needed	£0.03m
Remove school crossing patrols	Neighbourhoods	We would stop employing school crossing patrol officers	£0.063m
Reduced grounds maintenance	Neighbourhoods	Fewer floral displays at council buildings unless sponsorship or advertising opportunities can support funding	£0.015m
End community toilet scheme work	Neighbourhoods	Continue with current local arrangements around the borough in respect of Council toilet provision	£0.055m
Close Corbets Tey toilet	Neighbourhoods	Close the public toilet located near Upminster library (which itself has an accessible public toilet)	£0.024m
Reduction in Inclusive Growth non-staffing budget	Regeneration	A reduction in survey and engagement work with local businesses and businesses looking to potentially relocate to Havering	£0.088m
Reduction of CCTV Monitoring hours	Neighbourhoods	Reduction of staffed monitoring hours to focus on times and days where issues present themselves more regularly. At other times cameras will operate but on a review only basis rather than live monitoring	£0.008m
Stop providing Shared Supported Housing	Housing	We will no longer provide shared supported housing for non-statutory homeless people	£0.160m
End grant funding to Havering Citizens' Advice	Chief Operating Officer	We will end annual grant funding for Havering Citizens' Advice and support the organisation to identify alternate sources of funding	£0.129m

# Detailed budget proposals

## Changing how we fund and provide services

Title of change	Name of directorate responsible for this area	What does this mean?	How much could it save?
Better Living outcomes	Adults Social Care	Further developing our successful Better Living programme to reduce demand by improving preventative programmes and resident outcomes	£4.0m over four years
Charging for assistive technology	Adults Social Care	At present adult social care subsidises free assistive technology (such as care line) for around 1,700 residents. However only 700 of them are eligible for services. It is proposed that the subsidy be removed for anyone not eligible for services.	£0.4m
Grow Shared Lives	Adults Social Care	Shared Lives is a service that supports people, usually with someone with a learning disability, by working with residents who are able to have the vulnerable person live with them. Living with a family rather than in expensive residential care. We want to expand this scheme, to move people currently in residential care to living with families	£0.08m
Asking people to purchase some items of equipment that helps people in their homes	Adults Social Care	Some equipment currently provided by adult social care can be purchased privately, such as perching stools, toilet seats and bath seats. Residents would be provided with information on where they can purchase what they need	£0.03m
Targeted Reviews	Adults Social Care	This is an ongoing programme where adult social care undertakes targeted reviews of care packages and placements that are high cost, with the intention of providing more efficient services	£4.0m over four years
Respite recommissioning	Adults Social Care	Adult social care provides respite care for people who live with their families, and who need a break from their caring role. We are reviewing the way we provide respite, to get better value for money in the way we pay for placements and other services	£0.07m

# Detailed budget proposals

## Changing how we fund and provide services (continued)

Title of change	Name of directorate responsible for this area	What does this mean?	How much could it save?
Electronic call monitoring	Adults Social Care	For people who receive care in their home, we ask care workers to tell us electronically when they arrive and leave the residents' homes. We want to change the system we use (from an external supplier) to a new one that will be cheaper	£0.08m
Develop integrated commissioning function as to support the Havering Borough Partnership	Adults Social Care	We are seeking investment from the NHS to support the requirement to work as part of the new Havering Borough Partnership, so that we can jointly address some of the most significant health needs in the borough	£0.25m
Transition	Adults Social Care	When a young person has been in receipt of support and services from Children's Services as a child or teenager, when they turn 18, their support and care is paid for by adult social care. As our young people move into adulthood, we want to work with them to become as independent as possible, and therefore not need as much care.	£2m over four years
Review of some children's service provision	Children's Services	To better look after the children in our care, we will increase the number of Havering foster carers, and therefore reduce our reliance on costly private (independent) providers. Additionally, we will develop more quality local provision for children and young people (across a range of needs) to generate better value for money. Those children who live with independent carers will cost less by more efficient commissioning of care. Taxi use will be reduced, as we review and change passenger transport arrangements.	£1.6m
Reduce funding for sports and arts activities	Chief Operating Officer	Restructure service which may mean that some activities and support for activities changes or stops entirely	£0.105m

# Detailed budget proposals

## Changing how we fund and provide services (continued)

Title of change	Name of directorate responsible for this area	What does this mean?	How much could it save?
Complex needs service	Housing	This is a new contract to provide intensive shared housing for people with complex needs. Savings come from the reduced cost compared to expensive placements and hospital care	£0.764m for the Adult Social Care and Health budgets
Mawney Road	Housing	Shared supported housing for people with mental health problems. The saving will come from not having to use expensive mental health provision	£0.078m per year from Adult Social Care and Health budgets
Family Welcome Centre	Housing	This is a new hostel provided accommodation and support for homeless families. The saving will be made as we will not have to use expensive temporary accommodation for homeless families	£0.466m annual saving from 2025 from the housing general fund budget
Mawney Close	Housing	12 studio flats for young people leaving care and unaccompanied minors	£0.058m annual saving from 2025 for the Children's Services budget
Mowbrays Close	Housing	6 flats for people with learning disabilities. The savings will come from not having to use out of borough expensive private placements	£0.240m annual saving from ASC budget from 2025



# Detailed budget proposals

## Changing how we fund and provide services (continued)

Title of change	Name of directorate responsible for this area	What does this mean?	How much could it save?
Changes to processes and services within Neighbourhoods directorate, including:	Neighbourhoods		£0.789m over four years
• Alternate Weekly Collections & Containerisation of waste and recycling		Alternate between recycling and household waste collections each week. Provide wheelie bins or boxes for waste and recycling	
• Highway procurement -savings subject to tender negotiations		Renegotiate Highways contract	
• Review parking services delivery model		Provide the most commercially sensible operation for Parking services	
• Externalise Littering Enforcement Function to External Company		Use a third party contractor to support in house teams with environmental enforcement	
• Externalise Parks Gate Locking		Utilise an external company to provide a gates locking service for parks	
• Use technology to improve environmental enforcement efficiency		Implement a new IT system to replace paper based services	
• Deployment of AI within Licensing/Public Protection		Use new software to manage application cases	

# Detailed budget proposals

## Increasing the income we get from providing services

Title of change	Name of directorate responsible for this area	What does this mean?	How much could it save?
Commercial waste service	Neighbourhoods	Offer a paid for waste collection service to private companies	£0.025m
Increase garden waste charges	Neighbourhoods	Increase charges for collecting garden waste from £60 per year to £70 per year	£0.248m
Increase bulky waste collection	Neighbourhoods	Increase bulky waste collection charges to £55 for 1 to 3 items, then £14 for each additional item	£0.038m
Increase charge on dropped kerbs	Neighbourhoods	Increase charges for installing dropped kerbs	£0.135m
Increase deployment of CEOs	Neighbourhoods	Change the ways civil enforcement officers are deployed around the borough	£0.510m
Review of transactions and Pre-planning application promotion, including the introduction of charges where fees are not currently applied	Neighbourhoods	Change the way we provide certain planning application services including using new IT systems to replace paper-based services	£0.037m
Increase of Cremation Fee and introduction of new burial products	Neighbourhoods	Increase the cost we charge for cremations in the borough and bring in new offers for residents around burial at cemeteries	£0.068m
Yewtree voluntary sector use	Adult Social Care	Yewtree Resource Centre has bookable rooms available for external use by for example voluntary sector organisations. It is proposed to review the charging policy at the centre for existing groups and market to new groups	£0.010m

## Improving our business efficiency

Title of change	How much could it save?
Review of services including: <ul style="list-style-type: none"> <li>• Reducing Agency Costs through Permanent Recruitment</li> <li>• Restructure of services to drive out efficiencies</li> <li>• Review and deletion of vacant Posts</li> <li>• Reduction in running costs</li> <li>• Re-application of existing grants</li> <li>• Rationalisation of management structures</li> </ul>	£5.9m over four years