



CABINET

7.30 pm	Wednesday 21 January 2015	Council Chamber - Town Hall
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Members 9: Quorum 4

Councillor Roger Ramsey (Leader of the Council), Chairman

Cabinet Member responsibility:

Councillor Damian White

Housing

Councillor Robert Benham

Environment

Councillor Wendy Brice-Thompson

Adult Social Services and Health

Councillor Meg Davis

Children and Learning

Councillor Osman Dervish

Regulatory Services and Community Safety

Councillor Melvin Wallace

Culture and Community Engagement

Councillor Clarence Barrett

Financial Management

Councillor Ron Ower

Housing Company Development and
OneSource Management

**Andrew Beesley
Committee Administration Manager**

**For information about the meeting please contact:
Grant Soderberg tel: 01708 433091
e-mail: grant.soderberg@onesource.co.uk**



Webcast

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Members of the public who do not wish to appear
in the webcast will be able to sit in the balcony,
which is not in camera range.**

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Reporting means:-

- filming, photographing or making an audio recording of the proceedings of the meeting;
- using any other means for enabling persons not present to see or hear proceedings at a meeting as it takes place or later; or
- reporting or providing commentary on proceedings at a meeting, orally or in writing, so that the report or commentary is available as the meeting takes place or later if the person is not present.

Anyone present at a meeting as it takes place is not permitted to carry out an oral commentary or report. This is to prevent the business of the meeting being disrupted.

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Members of the public are asked to remain seated throughout the meeting as standing up and walking around could distract from the business in hand.

AGENDA

1 ANNOUNCEMENTS

On behalf of the Chairman, there will be an announcement about the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 APOLOGIES FOR ABSENCE

(if any) - receive

3 DISCLOSURES OF PECUNIARY INTEREST

Members are invited to disclose any pecuniary interests in any of the items on the agenda at this point of the meeting. Members may still disclose a pecuniary interest in an item at any time prior to the consideration of the matter.

4 MINUTES (Pages 1 - 8)

To approve as a correct record the minutes of the meeting held on 10 December 2014, and to authorise the Chairman to sign them.

5 THE COUNCIL'S FINANCIAL STRATEGY (Pages 9 - 76)

6 COUNCIL TAX SUPPORT SCHEME 2015 (Pages 77 - 122)

7 ESTATE IMPROVEMENTS - HIGHFIELD ROAD (Pages 123 - 128)

8 BETTER CARE FUND SECTION 75 AGREEMENT (Pages 129 - 142)

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MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Wednesday, 10 December 2014
(7.30 - 8.25 pm)

Present:

Councillor Roger Ramsey (Leader of the Council), Chairman

Cabinet Member responsibility:

Councillor Damian White	Housing
Councillor Robert Benham	Environment
Councillor Wendy Brice-Thompson	Adult Social Services and Health
Councillor Meg Davis	Children and Learning
Councillor Osman Dervish	Regulatory Services and Community Safety
Councillor Melvin Wallace	Culture and Community Engagement
Councillor Clarence Barrett	Financial Management
Councillor Ron Ower	Housing Company Development and OneSource Management

Councillors Ray Morgon, David Durant and Ray Best, also attended.

There were two members of the public present.

There were no disclosures of pecuniary interest.

The clerk, on behalf of the Chairman, announced the evacuation procedures in the event of an Emergency

Unless otherwise indicated, all decisions were agreed unanimously without any Member voting against.

23 MINUTES

The minutes of the meeting held on 15 October 2014 were agreed as a correct record and were signed by the Chairman.

**24 FORMAL VARIATION LONDON COUNCILS TRANSPORT &
ENVIRONMENT COMMITTEE GOVERNING AGREEMENT**

Councillor Robert Benham, Cabinet Member for Environment, introduced the report

Cabinet was informed that the report sought its approval for the Council to expressly delegate to London Councils Transport and Environment Joint Committee (TEC) the exercise of section 1 of the Localism Act for the sole purpose of providing a parking on private land appeals service (POPLA) for the British Parking Association (BPA) under contract.

POPLA provided an independent resolution for non-statutory parking charges issued by companies to motorists for alleged unauthorised parking on private land such as, for example, car parks in retail parks. Its establishment was mandated by central government as part of the Protections of Freedoms Act 2012 and the BPA were asked to provide it. POPLA should not be confused with the Parking and Traffic Appeals Service (PaTAS) which was mandated to provide independent adjudication in respect of Penalty Charge Notices (PCNs) issued by councils under the Traffic Management Act 2004.

Cabinet was reminded that POPLA had been established in October 2012 by London Councils using the delegated authority conferred upon it by all London Borough Council's under London Councils TEC Governing Agreement. Since its inception POPLA had been provided on a cost recovery basis with therefore no financial burden falling upon London Borough councils and it was proposed that it would continue in that way until the end of the current POPLA BPA contract in October 2015.

London Councils auditors, PWC, had recently raised a concern as to whether or not London Councils TEC Governing Agreement provided it with the specific delegation authority required to initiate and administer a POPLA service in contract with the BPA. London Councils considered that its delegation authority was not deficient and so the POPLA BPA contract was sound. London Councils believed however, that a reaffirmation of the Governing Agreement, (and its delegation authority), by all London Borough councils would confirm - for the avoidance of any doubt - that the existing POPLA BPA arrangements were, and have been, delivered appropriately and that London Councils TEC Governing Agreement had been formally varied accordingly.

The Cabinet Member for Environment added that a legal challenge raised by an individual concerning an outstanding issue in relation to an objection to London Councils 2012/2013 accounts, had been effectively countered by the London Councils' auditors, PWC and that it was now accepted that the scheme was legitimate. The Leader added that this was the case and that the scheme could continue.

Reasons for the decision:

1. To expressly clarify and ensure the avoidance of any doubt in relation to the level and scope of the delegated authority of London Councils TEC Governing Agreement conferred upon it by the London Borough of Havering.
2. To ensure that the London Borough of Havering was professionally and ethically maintaining its responsibilities towards the London Councils TEC Governing Agreement by ensuring that delegated decisions were made transparently, legally and were able to withstand public scrutiny.
3. To facilitate London Councils' in satisfying its auditors in respect of an objection raised by an interested member of the public in relation to London Councils consolidated accounts for 2012/13
4. To ensure that London Councils TEC were able to continue to deliver the POPLA service on a full cost recovery basis without therefore burdening the public purse

Other options considered:

The option of the Council not taking the actions recommended by London Councils had been rejected as being potentially unethical. Additionally, not taking the recommended actions could bring the Council into disrepute and isolate it from a core operational and strategic partner.

Cabinet:

1. **Confirmed** that the exercise of functions delegated to London Councils TEC to enter into the arrangement with the British Parking Association to deliver the Parking on Private Land Appeals service were and continue to be delivered pursuant to Section 1 of the Localism Act 2011;
2. **Delegated** the exercise of Section 1 of the 2011 Act to London Councils TEC joint committee for the sole purpose of providing an appeals service for parking on private land for the British Parking Association under contract; and
3. **Agreed** to take all relevant steps to give effect to the matters set out in **1** and **2** above through a formal variation to the London Councils TEC Governing Agreement

25 **HAVERING LOCAL PLAN - INITIAL CONSULTATION**

Councillor Osman Dervish, Cabinet Member for Regulatory Services and Community Safety, introduced the report

Cabinet was reminded that the Council was required to prepare a Local Plan for the Borough. A Local Plan was the statutory Development Plan for

an area which set out the long-term strategic planning priorities and objectives, opportunities for development and clear policies on what would or would not be permitted and where. Local Plans were introduced by the Town and Country Planning (Local Planning) (England) regulations 2012 and replaced the previous system of Local Development Frameworks (LDF).

The report sought Cabinet approval for the first statutory stage of public consultation which was required in order to start the process of progressing a new Local Plan for the borough.

The report set out further detail on the reasons for preparing a Local Plan, the statutory process that must be followed and the individual elements of work that were needed to feed into the Plan.

The report also sought Cabinet approval to publish the Local Development Scheme (LDS) which was a statutory document setting out the plans and policy documents that would be prepared and a timetable for their delivery. The LDS was not subject to consultation.

The report noted that the preparation of the new Havering Local Plan would be closely linked to the preparation of the Havering Community Infrastructure Levy.

Reasons for the decision:

The decision to prepare a new Local Plan for Havering had been taken for the following reasons:

- The Local Development Framework (LDF) was published in 2008 and was now due for review
- There had been significant changes to the planning system and national and regional policy since adoption of the Havering Local Plan 2008. This included publication of the NPPF 2012 and London Plan 2011.
- To aid decision making and further improve the quality and appropriateness of development in the Borough
- To retain control over local decision making
- To support progression of the Community Infrastructure Levy (CIL)
- To provide clarity for the business sector and stimulate investment
- To increase/ enhance funding opportunities
- To respond to any pressure that arises for a neighbourhood plan(s)
- To respond to recent planning legislation changes

Other options considered

The option of not taking forward a new Local Plan and continuing to rely on the Local Development Framework had been considered and rejected for the following reasons:

- It was a statutory requirement for every local planning authority to have a Local Plan

- Over time the Local Development Framework would become increasingly out of date and eventually would not provide sufficient policy support for refusing inappropriate development within the Borough.
- Progression of the Havering CIL Community Infrastructure Levy was dependent on progression of the Local Plan.

Cabinet **approved**:

1. The preparation of a new Local Plan for Havering which will replace key documents within the Local Development Framework.
2. The Local Plan Consultation Questionnaire (attached as Annex 1 to the report) for public consultation.
3. The Local Development Scheme for publication (attached as Annex 2 to the report)

26 **HAVERING COMMUNITY INFRASTRUCTURE LEVY (CIL) - APPROVAL OF PRELIMINARY DRAFT SCHEDULE**

Councillor Osman Dervish, Cabinet Member for Regulatory Services and Community Safety, introduced the report

Cabinet was informed that the Community Infrastructure Levy (CIL) was a new system of planning charges which local authorities could levy on nearly all new building projects to help fund a wide range of infrastructure to support development across their respective areas.

In parallel, the Central Government had 'tightened' the use of Section 106 agreements so that they could only be used for site-specific impacts.

In light of this, if the Council wished to maximise developer contributions for contributing towards infrastructure costs, it needed to support and progress the introduction of a Havering CIL.

The report sought Cabinet approval to proceed with the preparation of the Havering CIL and, as the first step in that, approval to publish the London Borough of Havering Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule (PDCS) and its supporting documents for public consultation.

A copy of the draft PDCS was attached as **Appendix 1** to the report.

The draft PDCS was the first stage in the Council setting out its intentions regarding CIL charges. The PDCS had to be underpinned by an infrastructure evidence-based report and a supporting viability report which both needed to be the subject of public consultation. These were included as **Appendices 2 and 3** to the report.

Consultation on the Preliminary Draft Charging Schedule and supporting documents would be followed by a further statutory consultation and then an Examination to determine whether the CIL can be adopted.

It was explained that this was very much a preliminary step and that concerns about the best appropriate use of the borough's land would be carefully evaluated during the consultation stage. It was also noted that Havering's charging had to be broadly commensurate with its neighbours whilst still seeking to minimise any funding gap and that CIL would be one of a number of funding 'streams' which may be used to reduce that gap.

Reasons for the decision:

Improved infrastructure provision was necessary to support development in Havering and to ensure that it continued to be a place where people wanted to live and businesses wanted to invest.

The Council had to look at every opportunity to secure funding towards the cost of infrastructure given the constraints on resources.

A Community Infrastructure Levy scheme provided the opportunity for the Council to secure funding towards the cost of infrastructure.

Other options considered:

The option of not progressing a Community Infrastructure Levy scheme for Havering was rejected because of the importance of the Council being able to secure funding from developers towards the cost of infrastructure needed to support Havering's development and regeneration.

Cabinet approved:

1. The preparation of a Community Infrastructure Levy (CIL) for Havering ; and
2. The London Borough of Havering Community Infrastructure Levy Preliminary Draft Charging Schedule (attached as Appendix 1 to the report) and the supporting documents on the infrastructure evidence base and viability (attached as Appendices 2 and 3 to the report, respectively) and **authorised** their publication for public consultation in accordance with Regulations 15 and 16 of the Community Infrastructure Levy Regulations 2010 (as amended).

27 ANNUAL TREASURY MANAGEMENT REPORT 2013/14

Councillor Clarence Barrett, Cabinet Member for Financial Management, introduced the report

Cabinet was reminded that the Authority's treasury management activity was underpinned by CIPFA's Code of Practice on Treasury Management

("the Code"), which required authorities to produce annually, Prudential Indicators and a Treasury Management Strategy Statement on its likely financing and investment activity. The Code also recommended that members were informed of treasury management activities at least twice a year.

The report before Cabinet fulfilled the Authority's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the CLG Investment Guidance.

The Authority had borrowed and/or invested substantial sums of money and was therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk were therefore central to the Authority's treasury management strategy.

Cabinet was informed that the Authority's underlying need to borrow - as measured by the Capital Financing Requirement (CFR) - at 31/03/2014 was £238 million. The 2013/14 capital expenditure plans and treasury strategy did not imply a need to borrow over the 3-year forecast period as capital receipts, grants and revenue contributions were used to finance the capital programme rather than prudential borrowing. The only movement in the CFR for 2013/14 was a reduction of £1.4m as a result of the statutory MRP repayment.

Reason for the Decision

By approving the final 2013/14 prudential indicators and recommending the annual treasury management report to full Council the Authority was fulfilling its legal obligations under the Local Government Act 2003 to have regard to both the CIPFA Code and the CLG Investment Guidance.

Other Options Considered

There were no other options considered.

Cabinet:

1. **Approved** the final 2013/14 prudential and treasury indicators in this report
2. **Recommended** the annual treasury management report for 2013/14 to full Council.

28 CORPORATE PERFORMANCE REPORT - QUARTER 2 (2014/15)

Councillor Clarence Barrett, Cabinet Member for Financial Management, introduced the report

The report set out the performance of the Council's Corporate Performance Indicators for Quarter 2 2014/15 (July to September 2014), against the five Living Ambition Goals of the Corporate Plan (Environment, Learning, Towns & Communities, Individuals and Value).

The report identified where the Council was performing well (Green) and not so well (Amber and Red). The variance for the 'RAG' rating was:

- **Red** = more than 10% off the Quarter 2 Target and where performance had *not improved* compared to Quarter 2 2013/14¹
- **Amber** = more than 10% off the Quarter 2 Target and where performance had *improved or been maintained* compared to Quarter 2 2013/14.
- **Green** = on or within 10% of the Quarter 2 Target

Where the RAG rating was 'Red', a 'Corrective Action' box had been included in the report. This highlighted what action the Council was taking to address poor performance, where appropriate.

Also included in the report was a Direction of Travel (DoT) column which compared performance in Quarter 2 2014/15 with performance in Quarter 2 2013/14. A green arrow (↑) meant performance was better and a red arrow (↓) signified performance was worse. An amber arrow (→) meant that performance was the same.

60 Corporate Performance Indicators were measured quarterly and 52 of these had been given a RAG status. In summary:

- **45 (87%)** had a RAG status of **Green**; compared to 75% in Q2 2013/14.
- **7 (13%)** had a RAG status of **Red** or **Amber**; compared to 25% in Q2 2013/14.

Cabinet reviewed the report and **noted** its contents

Chairman

¹ With the exception of 'Percentage of National Non-Domestic Rates (NNDR) collected' and 'Percentage of council tax collected' where the tolerance is 5%



Havering
LONDON BOROUGH

CABINET
21 JANUARY 2015

Subject Heading:	The Council's Financial Strategy
Cabinet Member:	Cllr Roger Ramsey
CMT Lead:	Andrew Blake-Herbert Group Director Communities and Resources
Report Author and contact details:	Mike Board Corporate Finance & Strategy Manager 01708 432217 mike.board@Onesource.co.uk
Policy context:	The Council is required to approve an annual budget and this report provides information to enable Cabinet to make recommendations to Council in February 2015
Financial summary:	There are no specific financial issues, this report deals with the overall budget position and associated issues
Is this a Key Decision?	No
Is this a Strategic Decision?	No
When should this matter be reviewed?	December 2015
Reviewing OSC:	Scrutiny Board

The subject matter of this report deals with the following Council Objectives

Ensuring a clean, safe and green borough	[X]
Championing education and learning for all	[X]
Providing economic, social and cultural activity in thriving towns and villages	[X]
Valuing and enhancing the lives of our residents	[X]
Delivering high customer satisfaction and a stable council tax	[X]

SUMMARY

Cabinet received reports in May and September 2014 that provided an update on developments at the national level and the consequential impact on local government funding and set out information on the financial position within Havering.

The September report set out the Council's long term financial strategy to manage the implications of funding reductions and cost pressures over the next four years. It contained specific proposals to bridge the funding gap for the next two years, with further proposals that would move the Authority towards a balanced four-year budget.

This report updates Members on the Local Government financial settlement and the progress of the corporate budget and the proposed financial strategy for the coming financial year, the latest in year financial monitor, feedback on the public consultation to the proposals affecting services which were included in the September report and the proposed capital programme.

The provisional Local Government Financial Settlement has now been announced, and relevant details are included in this report, together with a summary of the key elements of the Autumn Budget Statement.

The report also sets out the Council's capital spending position.

RECOMMENDATIONS

Cabinet is asked to:

1. Note the progress made to date with the development of the Council's budget for 2015/16 and the Council's intention to increase council tax by no more than to 2%.
2. Note the outcome of the Autumn Budget Statement and the likely impact on local authorities.
3. Note the outcome of the local government financial settlement announcement, and that arising from the settlement, there are reductions in mainstream Government funding 2015/16 of £10.02 m.
4. Delegate authority to the Cabinet Member for Adult Social Services and Health and The Leader to approve an annual spend plan for the Public Health grant.
5. Delegate to the Group Director for Children Adults and Housing to agree inflation rates with social care providers for 2015/16.

6. Note the extensive consultation responses set out in Appendix D.
7. Note the financial position of the Council in the current year.
8. Note that a report will be made to Cabinet on 4th February to consider any possible changes to the budget strategy following this cabinet meeting and requests officers to consider whether the savings proposals in respect of libraries and youth services, along with any others identified at the meeting that should be reconsidered in the light of consultation responses.
9. Agree the adjustments to the budget assumptions set out in paragraphs 2 and 3 in respect of assumptions about council tax base, un-ring-fenced grants, demographic growth, inflation and the risks in terms of new legislation.
10. Note the proposed Capital programme for the two years of the budget strategy.
11. Agree that any future underspends from the Corporate Contingency Fund, from the Transformation budget, and from any service revenue underspends, are allocated to the Strategic Reserve.
12. Note the summary of the GLA's consultation budget and the expected date for the publication of the final proposals.

REPORT DETAIL

1. INTRODUCTION

- 1.1. Cabinet has previously received two reports on progress with the Corporate Budget, in May and September 2014. This report sets out the position in respect of developing the Council's budget for the coming financial year, the announcement of the Autumn Budget Statement, and the subsequent announcement of the local government financial settlement.
- 1.2. At the September meeting Cabinet agreed an approach for managing its financial position over four years and establishing specific proposals designed to balance the Council's budget over the next two financial years.
- 1.3. The budget proposals set out in this report will provide for an increase of no more than 2% in Council Tax: the first increase in five years. This proposal should be seen in the context of the overall financial strategy and the pressures faced by the Council to reduce expenditure and the consequential pressure on service priorities.
- 1.4. Specific budget proposals were included in the September report which have been the subject of public consultation. The responses to the consultation are

set out in detail in the Appendix D to this report and need to be acknowledged and considered by members when making or changing any of the proposals.

- 1.5. The draft settlement has resulted in the Council losing just over £10m of central Government funding which is in line with the assumptions that were included in the draft budget.

2. THE AUTUMN BUDGET STATEMENT, THE SETTLEMENT AND GENERAL FINANCIAL PROSPECTS

Autumn Budget Statement (ABS)

- 2.1. The Chancellor of the Exchequer presented his Autumn Statement to the House of Commons on 3rd December 2014. The ABS has had considerable national exposure since its announcement, through the national press and from various national organisations. The underlying message of deficit reduction continues however recent reports from the Office for Budget Responsibility (OBR) indicate that to meet a surplus position by 2019/20 additional cuts on top of those already announced, will have to be found.
- 2.2. The announcement contained no details of cuts from 2016/17 however the OBR's report which was released prior to the Autumn Statement shows that the pace of spending reductions in 2016-17 and 2017-18 would appear to be faster and steeper than previous thought. It is anticipated that another £10bn will have to be found in departmental cuts for 2016/17 and 2017/18 in order for the government to meet its surplus target by 2019/20. Appendix A shows the changes in resource Departmental Expenditure Limits post 2015/2016 as well as the potential percentage reduction to non-ring-fenced departments.
- 2.3. In addition, to put the austerity to date into perspective, the OBR announced that since 2010/11, only 40% of the cuts have been found to date, roughly 60% will have to come in the next parliament.
- 2.4. The key points of the ABS impacting on local government were as follows:
 - Further reductions public sector expenditure expected in the new parliament.
 - There are a range of measures to reduce the tax burden on business rate payers, including capping the business rates multiplier at 2% in 2015-16; extending Small business rates relief; and increasing retail relief.
 - Government will also conduct a long term review of the structure of business rates.
 - The Government is committing to give local authorities and CCGs indicative multi-year budgets as soon as possible after the next Spending Review.
 - Restrictions on public sector pay will inevitably be reflected in future funding levels

Local Government Financial Settlement (LGFS)

- 2.5. Details of the provisional settlement were announced on 18th December 2014, which was as expected but, as Cabinet has been made aware, is very late in the context of the Council's budget-setting process, for the third year running.

- 2.6. There were fundamental changes to the funding system introduced in April 2013. The new system is now bedding down, although there have been further changes, with those mainly affecting the new business rates system but also impacting on the way the basic RSG is determined. It has therefore again been necessary for officers to review the details, working in conjunction with colleagues elsewhere, to assess the impact of the settlement on the current budget strategy.
- 2.7. In a similar manner to the previous two years, the Government's headlines focus on comparative figures concerning a local authority's "revenue spending power". Local authorities will face an average reduction in spending power of 1.8%; and that no authority would experience a decrease of more than 6.9%. Havering's comparable is an increase of 0.6%. These figures mask the actual change in mainstream revenue support grant, as they includes changes in Better Care and Adult Social Care funding which brings additional burdens to the authority.
- 2.8. The Local Government settlement funding for 2015/16 has been adjusted to £20.7bn, down from £23.9bn. This scale of reduction is expected to continue into the next parliament especially if the NHS and Education departments continue to be protected. These figures reflect Government announcements as part of the 2014 Autumn Budget Statements as well as the outcomes from technical consultation in the summer.
- 2.9. The consultation period for the LGFS runs until 15th January, a week prior to the Cabinet meeting where this report is being considered. It is anticipated that the final settlement will be announced around 2 weeks after consultation closes, in common with earlier years, though a definitive date has yet to be confirmed. This is potentially too late for inclusion in the 11th February Cabinet report. It will therefore be necessary to update Cabinet at the Special Cabinet meeting on the 4th February if there are any material changes to Havering's settlement, or simply to confirm the position as set out in the provisional settlement.

Havering's Grant Funding

- 2.10. The provisional funding allocation is used to determine both Havering's Revenue Support Grant (RSG) and Business Rate Baseline (BRB). Havering's provisional allocation for 2015/16 is £61.6m compared to a 2014/15 equivalent of £69.667m. A reduction of £8.1m, although this is not a like for like comparison.
- 2.11. The figures as stated included both RSG and BRB. The equivalent figures for RSG alone, which forms the core mainstream grant to the Council, shows a reduction from £38.9 in 2014/15 to £30.2m in 2015/16. These figures do not include changes to the treatment of the local welfare provision or the transfer of the 2014/15 Council Tax Freeze Grant. Once these are included, the actual like for like reduction increases to £10.4m.
- 2.12. The reduction in core RSG grant is mainly due to the reductions placed on local authorities through the Autumn Statement in 2012 and the Spending Round in 2013. The funding figures now include the rolling in of Council Tax

freeze grants for 2011/12, 2013/14, & 2014/15 adjustments relating to the treatment of New Homes Bonus, and further reductions to the element of RSG relating to Early Intervention Grant and government reduction in funding from schools in relation to the Carbon Reduction Commitment.

- 2.13. Havering's grant funding remains one of the lowest grant-per-head allocations despite being one of the largest boroughs in London with the highest proportion of elderly population. With the basis of calculation of RSG now effectively frozen, there is little prospect of any significant change in this position at least not in the short-term.
- 2.14. The settlement announcement is the last one of the current parliament and there is strong evidence to suggest that further significant decreases in funding, more than previously announced, will hit local authorities from 2016/17 regardless of the make-up of the government after the elections in May. At this stage it is too early to assess the level of reductions to local authorities post 2015/16 however based on the OBR funding forecast, local authorities can expect further and higher front loaded reductions than previously estimated.
- 2.15. A breakdown of the settlement and grant announced can be found in appendix B.

Business Rates

- 2.16. The local Government Financial Settlement also released details of Havering's Funding and Business Rate baseline. The table below shows Havering's figures.

	2014/15 £m	2015/16 £m
Funding Baseline	30.8	31.4
Business Rates Baseline	21.6	22.0
Top-up	9.2	9.4

- 2.17. Havering's actual yield will not be available until late January however it's expected that Havering's yield will be in line with the business rate baseline. Havering's assessment of Business Rates, verses its actual share of what is collected means that Havering receives a top up of approximately £9m.
- 2.18. As indicated above, as part of the ABS, a package of measures was announced relating to business rates; this included a cap on the annual rise, with the limit being set at 2%, rather than applying the increase in RPI, which stood at 2.3%. As per last year an un-ringfenced grant will compensate for the cap on business rates. The Government has set the provisional small business and main non-domestic multipliers for 2015/16 as 48.0p and 49.3p (these are currently 47.1p and 48.2p respectively). Havering has no influence on the multiplier used to determine the business rate charge as this is based on September's RPI figure, or as is now the case, the cap set by Government.
- 2.19. There is still a large amount of uncertainty over the impact of appeals. Currently there still several hundred outstanding appeals left with the valuation

office which can date back to the last revaluation in 2010. Again, Havering has no influence on the valuation appeals process.

Council Tax Base

- 2.20. The estimated base for next year has been set at 83,110. The calculation has been affected by the changes relating to Council Tax Support, Long term empty properties and a general rise in the number of properties within the borough.
- 2.21. This is higher than previously assumed, and gives an increase of 1% in the tax base compared with the assumed level of 0.5%. This should result in an additional £480k of income.

Un-ring-fenced Grants

- 2.22. On the 16th of December, Government announced the provisional New Homes Bonus allocation which allocates Havering £4.8m. As previously reported to Cabinet, the New Homes Bonus will be top-sliced in 2015-16 to finance the London Local Enterprise Partnership (which will be overseen by the Mayor). At this stage we are awaiting confirmation of the top-slice however it is believed to be in the region of £1.4m. This leaves Havering with approximately the same level of New Homes Bonus funding compared to last year however bids have been put forward to the London Enterprise Partnership (LEP) to reclaim some of this funding for specific projects, which have been successful, although they have to spend on the specific projects.
- 2.23. One area where there has been a further reduction in funding is the funding for the administration of the Housing Benefits and Council Tax Support. Havering is expected to see an overall reduction in funding of over £90k in 2015/16 on top of the £150k the council was asked to find last year. In addition new burdens funding in relation to the administration of Local Council Tax Support has also seen reductions. This funding has been reduced by 63% from 119k to 45k.
- 2.24. During the Government's summer consultation, alternative funding distributions in relation to adult social care were released. Havering, since the provisional allocation was released, has been lobbying over the grant allocation. The previous allocations was significantly lower than other authorities as it used the previous Relative Need Formulae (RNF) which is out of date and does not reflect the demographics / needs of the borough. The summer consultation provided authorities with updated RNF formulae which placed more weight on population instead of perceived deprivation. As a result Havering provisional grant funding has increased from £1.194m to £1.531m, an increase of 28%. This alternative distribution, although it increases Havering's allocation, results in London as a whole losing significantly.
- 2.25. A list of grants announced to date is attached in appendix C.

Overall Impact on Havering

- 2.26. The current funding system introduced with effect from April 2013 has, as Cabinet is aware, proved to be extremely complex, difficult to understand and

interpret, and the fact that the announcement and the associated documentation were again released extremely late in the budget-setting process means setting a budget is becoming extremely difficult. Whilst the new system is gradually bedding down, there have already been changes in the way business rates will be determined, and a further change in the treatment of New Homes Bonus as well as changes to existing grant. All of which continue to emphasise the volatility of the system for funding local authorities, and the need for final prudence and cautious planning.

- 2.27. In broad terms, the settlement indicates a funding reduction of £10.02m in 2015/16, as reflected in Appendix C. This is in-line with previous expectations and broadly in-line with the budget strategy; however, it is believed that the biggest reductions in funding are still ahead regardless of the parliamentary make-up after the election in May next year.

Dedicated Schools Grant & Schools Funding

- 2.27. The Government's school funding reforms were introduced in 2013-14 to address inconsistencies in the formula used by the DfE (Department for Education) to allocate funding to LAs for schools and the formula used by LAs to allocate funding to schools and academies. The arrangements for the two year period 2013-2015 were intended as a step towards a national funding formula to ensure that similar pupils attract similar amounts of funding no matter where they go to school in the country. The introduction of a national formula has, however been delayed so 2015-16 is the third year of the current funding arrangements.

- 2.28** The funding for schools and some central provision is funded through the Dedicated Schools Grant (DSG) in four "blocks". These are Early Years, High Needs, Schools and Additions (for the training of Newly Qualified Teachers).

- 2.29 The DSG allocations to LAs were announced on 17th December 2014. Havering's allocation is £193.897m compared to £193.664 in 2014-15. The funding for each block compared with 2014-15 is set out below.

Year	Schools Block		Early Years Block		High Needs Block	Additions and cash floor	Total DSG
	GUF per pupil (£)	Allocation (£m)	GUF per pupil (£)	Allocation (£m)	Allocation (£m)	Allocation (£m)	Allocation (£m)
2015-16	4,726.54	165.705	3,979.94	8.978	19.161	0.052	193.897
2014-15	4,726.54	163.122	3,979.94	8.513	18.875	3.154	193.664

Notes:

1. The increase in the schools block reflects the increase in pupil numbers in Havering as the funding rate per pupil is unchanged and a transfer of grant for Elutec University Technical College (which will be recouped by the DfE)
2. The Early Years allocation per in 2015-16 includes the new pupil premium grant for 3 and 4 year olds of £195,000. The Early Years block will be recalculated based on the January 2015 and 2016 early years census and will also increase in June to reflect the additional funding for 2 year olds. In 2014-15 funding for 2 year olds was included in the Additions block.

3. The only funding remaining in the Additions block in 2015-16 is for the training of Newly Qualified Teachers.
- 2.30 The majority of the Schools Block is allocated through a funding formula to schools for the financial year April to March and is used to calculate the amount that is recouped by the DfE for academies which are funded direct from the EFA for their financial year September to August. The formula is based on a limited number of factors prescribed by the DfE. Any reductions in the funding to schools through this formula are protected at -1.5% per pupil against 2014-15 funding.
- 2.31 The amount available for allocation to schools through the formula is after deducting an amount that is centrally retained for LA responsibilities such as: a contingency for supporting pupil growth and schools with falling rolls, school admissions administration, national licensing arrangements and the servicing of the schools funding forum. After consultation with schools the total amount been agreed for central retention is £4.274m. All funding allocations follow consultation with the Schools Funding Forum and all schools will be consulted once the final figures for school budget shares have been calculated.
- 2.32 In addition to the funding provided to schools from the DSG, they receive additional funding through the Pupil Premium to address low attainment of pupils from low income families and areas of high deprivation. For financial year 2015-16, the Pupil Premium the rates are as follows:
- | | |
|---|--------|
| Primary age pupils: | £1,320 |
| Secondary age pupils: | £935 |
| Looked After Children:
and children who: | £1,900 |
- Have been looked after for 1 day or more
 - Are adopted after leaving care
 - Leave care under a Special Guardianship Order or a Residence Order.

Public Health

- 2.33 This function transferred to local authorities with effect from 1st April 2013. Havering's allocation is £9,716,700 for 2014/15 and remains unchanged for 2015/16. The funding allocated is a specific, ring-fenced grant, and therefore these funds can only be expended for the purposes of public health services.
- 2.34 The terms and conditions relating to the grant were reviewed by officers as the extent to which this grant funding could be applied. The process included discussions with other authorities over the approach they are now taking with this funding.
- 2.35 With this in mind, a draft spending plan is being developed for the 2015/16 grant, for consultation with the Health & Wellbeing Board, with authority to approve the final plan being delegated to the Cabinet Member for Adult Social Services and Health and Value. Cabinet is therefore asked to agree this approach.

3 CONSULTATION

- 3.1 The public consultation on the budget proposals launched on 29th September 2014 and ran for three months, closing on 29th December. Simultaneously, the Council undertook three specific statutory consultations on proposals related to the Library service, to Parking and to the Council Tax Support Scheme.
- 3.2 The consultation showed broad support for the priorities identified by the Council for protection – by 52% agreeing to 25% against. When asked to choose their own priorities, the respondents selected crime reduction and public safety; rubbish and recycling collections; road and pavement repairs; cleaning the streets and social services for adults as their top five. However, there were many comments and issues raised in relation to specific proposals.
- 3.3 A detailed summary of the consultation activity and outcomes can be found at appendix D.

4. CURRENT FINANCIAL POSITION

- 4.1. As part of its standard business processes, a robust system of budget monitoring is in place to ensure the Council's financial stability. As part of this process, both variances and potential risks are identified and action plans developed to counteract any adverse variances. Reports are considered up the management chain, from cost centre managers through to Heads of Service, and then CMT, individually and collectively, as well as Cabinet Members. Monthly reports appear on the Council's intranet site. Full reviews of the financial position are undertaken quarterly, with high risk areas being reviewed monthly. Reports are on an exception basis.
- 4.2. The most recent full forecast for period 6, which is a full quarterly budget review, indicates that the overall revenue position is currently projecting a £2.0m overspend. The main elements of this are:

Service	Issue	Variance £000
StreetCare	A range of cost reduction controls and improved income positions in Borough Roads & Parking have improved the forecast	(267)
CRM	Forecast underspend mainly attributed to difficulty in recruiting to vacant posts.	(140)
Grounds Maintenance	The overall budget position is mainly as a result of improved performance by the GM DSO	(102)
Regulatory	Underspend reflects balance of income achievement in Building Control and Crematorium	(128)
Adults	The overspend is due to placement activity in Learning Disabilities and Adult Community Team	839

Learning & Achievement	The number of children and the complexity of cases have led to an increase in wheel chairs, escorts and possibly routes.	643
Children's	Placement costs have increased due to a need to place some high need young people in expensive residential placements.	1,476

- 4.3. A further update, setting out the main changes in the forecast position as at period 7 is provided below and has increased to £2.5m. This only highlights changes greater than £100k, there are further changes that contribute to the overall outturn position. A further update will be included in the February Cabinet report. Where an assessment will be undertaken of whether any of the current variances are likely to have a sustained impact beyond the current year:

Service	Change in Forecast	Variance £000
Exchequer	Mainly due to the drop in the recovery of overpayments, which is on the increase	500
SEN	Demographic Growth funding released	(602)
Prevention & Intervention	Additional staff in triage and assessment	289

- 4.4. As Cabinet will be aware the demographic growth built into the budget is held corporately until it is demonstrated that it is needed. This will now be released to help manage the pressures in Adults and Children's services. Members will remember that the provision for demographic growth in the budget assumptions was reduced as part of lowering the budget gap from £60m to £45m. However, the levels of demand in Children's services have required us to review the previously reduced demographic growth build into the budget forecast. It is recommended to increase the demographic growth back up to £1m in light of these pressures, an increase of £500k.
- 4.5. As Cabinet will be aware, the budget includes a Contingency Fund. This is to ensure the Council's budget is robust, and to provide financial stability to enable adverse in-year variances to be overcome. The level of the Fund is reassessed annually as part of the budget-setting process. Allocations from the Fund are generally only made once other measures have been considered, and during the latter part of the year. This is in accordance with practice of previous years. Allocations made later in the year cover those items that cannot be contained within departmental spend, and are generally beyond their local control. The Fund is designed to enable the Council to resolve any in-year issues that cannot otherwise be contained within approved budgets. It is not however available to fund permanent, ongoing changes; these need to be resolved as part of the formal budget-setting process.

5. OTHER KEY MATTERS

Impact of Inflation

- 5.1. As Cabinet will be aware, inflation levels have remained at their lowest point in

many years. The 2009 local government pay award saw a rise of around 1%, and further restraint in pay rises, given the economic climate, has continued, with no pay rise at all for 2010, 2011 and 2012. A rise of 1% has been agreed for 2013 and it has been made clear the Government expects similar restraint in future years. With that in mind a further provision for a 1% rise was made in the 2014/15 budget. However on the 14th November 2014 a 2.2% pay award was accepted. The award will not be back-dated and the deal runs until 31st March 2016. The full year effect (excluding the lump sums) has been allocated to the 2015-16 budget presenting a further £200k pressure.

- 5.2. Provision is being made for increases in major contracted services. The proposed increases for contracted services – which mainly relate to contracts based on an RPI index – are broadly in line with that level, but subject to the specific circumstances applicable to each individual contract. For social care, negotiations are underway with providers, within the broad parameters set for the overall budget, and these are likely to be agreed prior to the start of the financial year. To enable these negotiations to progress, it is recommended that Cabinet delegates authority to the Group Director for Children, Adults and Housing to agree inflation rates with social care providers.
- 5.3. A review of fees & charges has been undertaken as part of the budget setting process and any rises being proposed will be reflected in the schedule submitted to Cabinet in February. However, it is not proposed to increase fees & charges in a number of areas, where these are set by the Council. There are a number of areas where it is not felt appropriate to introduce any rise, and this will be reflected in the detailed budget.

Interest Levels

- 5.4. Interest rates have remained at historic lows for some considerable time. The Council's budget strategy originally assumed that there would be a recovery in interest levels during 2010/11. This has not happened, and therefore the originally planned increase was delayed until 2013/14.
- 5.5. There is no immediate sign of rates rising, although economic factors have continued to improve, suggesting there will inevitably at some point be a change in this position. As historic investments come to an end, the overall level of interest generated has fallen. The financial strategy assumes an increase in rates in 2016/17; although the income target may now be achieved through prudent financial management of the Council's cash flow position rather than an increase in rates.

Concessionary Fares and Taxicard Scheme

- 5.6. This item has been a major factor in previous years. Havering's contribution to the freedom pass scheme currently stands at £7.869 m. We are currently awaiting confirmation of the Council's contribution for 2015/16 and the final figures will be included in the Budget report. This area remains a financial risk to all London boroughs as future rises could well be at a similar level, and therefore continues to be covered in the Council's longer term planning.

- 5.7. The Council's contribution to the London Taxicard scheme, which is also funded through London Councils, currently stands at £172k. The 2015/16 contribution level will be reflected in the final budget report.

Pension Fund

- 5.8. The difficulties experienced nationally by pension funds in general, and the Local Government Pension Fund in particular, have been well publicised. A variety of changes to the local government pension scheme were implemented in April 2014.
- 5.9. The level of contribution rates included in the financial strategy are those which were agreed with the actuary following the last triennial review. The next review will take place in 2016 with an implementation date of April 2017.

Levying Bodies

- 5.10. The levies are part of the Settlement and therefore need to be taken into account when setting the Havering element of the Council Tax. There are a number of levies, but the predominant levy relates to ELWA. The current overall levy budget is around £12.4 million, of which ELWA accounts for £11.7 million. At this stage, no account has been taken of any changes in the distribution of levies arising from the changes in Council Tax base referred to earlier in this report.

ELWA

- 5.11. Provision has broadly been made within the council's financial strategy for increases in the ELWA levy of around £1m per annum over the budget window the Council now operates.
- 5.12. At this stage, whilst officers are awaiting the final budget report, which is subject to deliberations by ELWA, the forecast levy has been included as part of the overall budget build process. At the point at which ELWA approves its final budget, due account will need to be taken of this in the Council's own budget setting process.

Other Bodies

- 5.13. Of the remaining levying bodies, for planning purposes, a prudent approach has been taken to the level of increase that might be expected, pending notification of the planned rises.

London Councils Subscription and London Boroughs Grants Scheme (LBGS)

- 5.14. The core subscriptions are to be held at existing levels for 2015/16, being £143k, which includes a one off rebate for all contributing authorities, at a level of £25k for Havering. The contribution to the LBGS is marginally reduced by £1k to £258k.

Transformation Funding

- 5.15. Cabinet will recall that, as part of the Council's approach to delivering its transformation programme, a reserve was established to finance a wide range

of activity, for example the Internal Shared Services programme. These reserve funds supplemented a base budget sum created several years ago of £1m. It was originally planned that this sum would be removed from the budget in 2013/14. However, given the inevitable continuation of the Government's austerity programme, it is highly likely that local authorities will be engaged in transformation activity for a considerably extended period, possibly for the remainder of the decade. As part of the last budget-setting process, Cabinet agreed to retain this budget.

- 5.16. Whilst activity has continued with most of the original transformation programmes during 2013/14, these are now effectively winding down. The main ones being the customer services programme, shared service programme with Newham, alongside the One Oracle project.
- 5.17. As part of the report to Cabinet in September, the financial prospects for the four year period, starting in 2015/16, were set out. Cabinet were advised that, based on officers' assessment of the impact of further funding cuts, coupled with the potential impact of demographic growth and inflation, the forecast budget gap was in the region of £45m. Delivering further savings will therefore require a considerable level of support, with the financial consequences this would give rise to.
- 5.18. Alongside the base budget sum, it is also likely that additional, one-off funds will be needed. This will enable the Council to finance any further projects and to ensure funds are available for any further redundancy costs, should these arise, beyond the current programme. With this in mind, it is proposed that any underspends are allocated to the Strategic Reserve. Cabinet is asked to endorse this approach.
- 5.19. As previously advised to Cabinet, it is intended to develop a four year budget strategy over the coming months. This will be brought to Cabinet for approval and onward recommendation to Council during the Summer of 2014. This will include an assessment of the resources – financial and otherwise – needed to deliver a new programme of savings and service transformation.

Better Care Fund

- 5.20. The Better Care Fund (BCF), will come into effect from 2015/16. This will underpin health and social care integration, providing opportunity to transform local services leading to better outcomes. The fund will also help manage pressures to enable longer term sustainability. The June 2013 spending round set out that £3.8 billion is to be deployed in 2015/16, to be spent locally on health and social care.
- 5.21. Havering's total pooled budget totals £18.9m, of which £16.9m is recurring funding, which represents Havering's minimum contribution. Of this £16.9m, £4.6m is the Local Authority revenue allocation, and £1.4m is the Local Authority capital allocation. There is also £590k Local Authority non-recurrent revenue funding and £850k contribution from base budget. CCG elements are £10.9m recurring and £590k non-recurrent. The fund includes an element of performance related funding with regard to hospital admissions, totalling £875k.

- 5.22. The BCF includes some funding for costs to councils resulting from care and support reform (£50m capital and £135m revenue). This money is covered off in our BCF submission, dated 19 September 2014. The local BCF plan was considered by the Health and Wellbeing Board at its meetings on 12 February 2014, 19 March 2014 and the 10 September 2014 BCF plans were submitted in accordance with the Government's time-table. Following the initial submission of the draft BCF plan on 4 April 2014, the Government confirmed nationally that it required further work and assurance from the parties before the BCF plans were approved. This led to revised plans being produced in accordance with revised technical and planning guidance over the summer for submission on 19 September 2014.
- 5.23. The BCF will form a pooled fund from 1 April 2015. A section 75 agreement is currently being drawn up with the partners being Havering Clinical Commissioning Group and the Council. There are seven BCF schemes that will be subject to appropriate governance to ensure the BCF plan is achieved. There is a separate Cabinet Report on this Cabinet agenda that details this arrangement in more detail.

Care Act 2014

- 5.24. The Care Act 2014 is a major piece of legislation that consolidates existing legislation and rewrites statute dating back to 1948. The Act will be law from April 2015, with financial reforms following from April 2016.
- 5.25. The Act is in three parts; Care and Support, Care Standards, Establishing non-departmental public bodies. The main financial implication for the Local Authority are:
- All local authorities will have to provide a universal information and advice service to the local population, including advice about how to access independent financial advice.
 - Everyone with care and support needs who is assessed will be informed of support available to prevent or reduce care needs and support whether or not they meet the eligibility threshold.
 - A cap is expected to be set at £72,000 for the maximum contribution anyone will make to adult social care. People in residential care will pay a contribution of around £12,000 yearly towards general living expenses. The upper capital threshold for means-tested support will rise to £118,000 (less for non-residential care) from 2016/17. There will be a zero cap for people who turn 18 with eligible care and support needs.
 - A national minimum eligibility threshold is introduced from April 2015. Care assessments are portable, although financial assessments are still subject to local policy.
 - Local authorities will be required to provide, review and update a "care account" for people who have eligible care needs but do not meet financial criteria. This "meter" will allow the individual to progress towards the care cap. It will be based on the amount that the local authority would pay for care – not the amount the self funder might choose to pay.
 - The 'deferred payments' scheme, whereby the cost of care is offset by the future sale of the client's home, will be cost neutral to local authorities and

therefore interest and administrative fees will be allowed, under a national scheme from April 2015.

- Where a client receives care outside the home borough, the second borough will be required to take the original care and support plan into account and to provide a written explanation if it differs.
- Carers will for the first time be entitled to care and support in the same way as those they care for, from April 2015.
- There are one off implementation costs in 2014/15 and 2015/16, as well as on-going infrastructure costs.

5.26. The Council has been modelling the potential financial implications and risks arising as a result of the Care Act. Local implications will be largely driven by demography in the borough. There is some funding to support the Care Act, notably new burdens funding in 2015/16, and some funding within the BCF (£1.2m plus £609k due to the BCF Care Act ready reckoner). It is currently felt that funding will be insufficient to offset the new duties arising from 2016/17. Managing demand and targeting services will be vital to budget strategy moving forward. It should be noted that Care Act pressures fall outside the current MTFS. The Government have not yet announced on-going funding with regard to the financial reforms, as this fall outside the current spending review period. The funding formula in relation to the costs of the cap and the extension of the means test limits is currently being developed and will be subject to consultation.

Children & Families Bill

5.27. The intention of the legislation is to create a more family friendly SEND (Special Educational Needs and Disabilities) process which draws together the support a child requires across education, health and care (EHC). Statements of Special Educational Needs, which are mainly education documents, will be replaced by a single plan called an Education, Health and Care plan. The draft regulations and Code of Practice (COP) have now been published and have a September 2014 implementation date. The following address some of the financial implications arising from the Bill.

5.28. Local Authorities must publish a **Local Offer** to enable parents to understand what is available and how it can be accessed. By publishing core entitlements and making it clear how the services can be accessed, the uptake of services is likely to increase. It is critical that universal services are well publicised through the Local Offer in order to ensure that families utilise these services and do not migrate to tier two and three services when they are not essential. This may require training and support for services like Children's Centres but this would prove cost effective in the medium term. On the plus side having a good comprehensive and well publicised Local Offer may mean that out of borough services are not requested. A good Local Offer may mean that parents do not request personal budgets to purchase private sector services.

5.29. There must be a means by which to offer **personal budgets** to families which includes direct payments for health and education as well as social care. This is a flagship proposal by the Government and it is clear that they will be pushing for the development of a private market so that parents can purchase

services which are not readily available through the Local Offer. It is not yet clear whether parents will have to be offered what the service costs to purchase or the equivalent of what is spent at the moment but given the lack of sufficient therapy provision this could prove costly for health unless sufficient service can be provided through the Local Offer.

- 5.30. In Pathfinder areas there have been issues with the viability of block contracts as parents have chosen to purchase services themselves. This has led in some cases to the need for double funding for example providing a direct payment for a family to purchase a therapy service but not reducing the cost of the block contract.
- 5.31. On the plus side some Pathfinders have found that when parents understand the cost of the services provided for their children they can bring about better value for money. For example on discovering the cost of a therapy service, which was provided at best intermittently, parents chose to forgo the service in favour of some additional short break hours. Additionally funding a home education programme through a direct payment gives the LA more control over the service than would otherwise be possible.
- 5.32. The Bill requires the setting up of an **independent mediation service** for when agreement cannot be reached. The providers of this service must not be employed by the local authority. Parents must be offered the service where there is a disagreement about the content of the plan although if the disagreement is purely about the school parents can opt for tribunal.
- 5.33. There must be **joint commissioning arrangements** between education, health and social care in order to ensure that sufficient resources are provided to assess children and then provide for their needs. There must also be a formal mechanism for resolving complaints and difficulties between the agencies.
- 5.34. There is currently no joint commissioning for SEND children's services. The therapy services provided by NELFT are not sufficient for the needs of the SEND children. It is essential that the most senior officers in the LA and Health Commissioners work together to improve the level of therapy services. Entering into joint commissioning arrangements and pooling budgets whilst essential also has the potential to be costly for the LA. Whilst the Bill is fairly robust in insisting that health must provide the services required by the child to implement the EHC plan it will still ultimately be the responsibility of the LA to ensure that those services for example speech therapy required to implement a child's education programme are provided.
- 5.35. On the plus side once a joint commissioning system is in place it may indicate areas of service in which there is duplication or where inefficient commissioning has led to poor value for money both in the LA, health and voluntary sector.
- 5.36. The draft Code of Practice (COP) says that there must be a **single assessment procedure** (involving parents and children) on which health, social care and education agree so that families do not have to repeat their story and appointments are kept to a minimum. It is the LA's responsibility to provide this support through key workers or similar a similar mechanism. A

single Education, Health and Care (EHC) plan document draws together the support and resources required across education, health and social care as well as leisure and voluntary sector activities as appropriate. The plan lasts from 0-25.

- 5.37. The Pathfinders have used multi agency meetings to draw up the plan but have found this very costly in staff time. Some Pathfinders have used staff already working with the child as key workers but have found especially for very young children that the work is very emotionally draining as well as time consuming and cannot always form part of a wider role. Finally the plan can last until a young person reaches 25 and here the issue is the raising of expectation that young people who would not previously have received a service once they reach adulthood will now have an entitlement. This does not appear to be the case as the entitlement only continues to 25 if the young person remains in education or training. There are enormous implications for the funding of higher level educational needs up to 25 when currently many young people cease education at 19 and almost all at 23.

Transfer of 0-5 Commissioning to local authorities

- 5.38 The transfer of 0-5 year old commissioning responsibilities will take place on 1 October 2015. This completes the public health transfer to local authorities. The scope of the transition includes the 0-5 Healthy Child Programme, specifically:

- Health Visiting services (universal and targeted services)
- Family Nurse Partnership services

5.39 Mandation

The Department of Health will mandate local authorities so that they will be obliged to provide certain universal elements of the Healthy Child Programme, those are:

- antenatal health promotion review
- new baby review, which is the first check after the birth
- 6-8 week assessment
- 1 year assessment
- to 2 and a half year review

Mandation is subject to Parliamentary approval and regulations have not yet been finalised and are expected to have a 'sunset clause' at 18 months.

- 5.40 Whilst welcoming this service to local government, the transfer with mandation represents additional risks for the council. Historically Havering has been poorly funded through the NHS for these services and there are concerns that the money to be transferred will not be sufficient. An initial proposal from the Department of Health to transfer the costs of the existing contract (with North East London Foundation Trust) was robustly challenged and this has resulted in Havering benefitting from the Department introducing a floor below which local authorities' funding cannot fall. The initial offer to Havering to cover this service was £1.856m. After applying the floor our allocation has been raised by £0.858 to £2,714m. Whilst the increase is welcomed and should allow some development of the service offer, there are still concerns that this leaves Havering in the position, along with several other London boroughs protected

by the floor, of having one of the lowest funding allocations in London to deliver this important service. It is not yet clear that we will be able to deliver the mandated services within the allocation provided.

- 5.41 Along with the LGA and London Councils we are continuing to lobby to ensure that the mandate does reflect that funding may not allow the mandated services to be 100% delivered in all areas. In terms of the council's overall financial strategy it is proposed that when the transfer happens, no further council funding should be put into this service other than that transferred from the NHS unless this is considered to be the right thing to do as part of Havering's overall children's services commissioning strategy. In other words Havering's budgets will not be used simply to deliver the mandate and supplement the inadequate funding received from the Department of Health. In the meantime Havering, along with other low funded councils will continue to lobby for additional resources.

Changes in Demography

- 5.42 Cabinet will be aware from previous reports that social care services in particular have been impacted by changes in demography. In particular, the aging population demographic is expected to lead to an increase in demand for adult social care. This issue has been reflected in the Council's budget for the past three years, and due to the fluid nature and high risk will continue to be closely monitored. This financial requirement is difficult to predict, however, with continuing changes in demand, the increased financial pressures facing local authorities, changes in funding streams referred to elsewhere, and shifts in population as well as properties, this issue now potentially has a broader impact.
- 5.43 Elsewhere in this report, changes in the Council's property base – as measured through the Council Tax base and the New Homes Bonus – are highlighted. This also needs to be considered in the context of increased demand for schools places.
- 5.44 These factors, taken together, suggest a significant change in demography within Havering. What is extremely difficult to assess is what impact this change will have on demand for services, and thus in turn, the associated resources and costs. As a guide, the potential consequences are set out in the table below:

Factor	Impact	Financial Impact
Properties	Increase in waste produced by households Increased traffic leading to more road/footway damage	Higher costs for refuse collection, street cleaning, waste disposal Higher costs for highways maintenance
School places	Increase in demand for places leading to need for more classrooms	Capital investment in additional classrooms Revenue impact falls directly on schools budgets

General population	Increase in special educational needs	Increase in resource needs and thus service costs
	Increase in residents requiring learning or mental disability support	As above
	Increase in demand for parks, leisure, arts, culture, etc	As above
	Change in population mix, eg nature and make up of families	Potential capital investment, e.g. new facilities, vehicles As above

- 5.45 At this stage, it is not possible to determine the financial impact of potential changes. Clearly, there will be an increase in Council Tax receipts, and this is factored into the base calculation. What is much more difficult to assess is the cost impact these changes might have, as this depends on the actual nature of the shift in demand, rather than any notional model. It is however a fact that such changes now represent a significant area of risk, both financial and otherwise. It is therefore proposed to increase the budget by £500k in order to provide for the impact of these pressures. This will be included in the draft budget strategy brought forward in the next two budget reports to Cabinet.

6. EXPENDITURE RESTRICTIONS AND BUDGET ROBUSTNESS

Expenditure Restriction by Government

- 6.1 The Government has previously stated that it will use its capping powers where necessary. As part of the settlement announcement last year, following on from previous announcements, a referendum process was introduced. The broad level at which this would be triggered was set at 2%. This has been confirmed at 2% or above for 2015/16.

Budget Robustness/Reserves Position

- 6.2 The Local Government Act 2003 sets out requirements in respect of Financial Administration, and in particular to the robustness of the budget and the adequacy of reserves. The Act requires the Chief Finance Officer (CFO) to report to an authority when it is making the statutory calculations required to determine its council tax or precept.
- 6.1. In line with the requirements of the Act, the formal report of the CFO on budget robustness will be included in the February Cabinet report. The authority is required to take the report into account when making the calculations.
- 6.2. The General Fund Balance at 31 March 2014 was £11.8m. Prior to making a final recommendation to Council, there will also be a need to further consider the current financial position for 2014/15. The revenue budget strategy

statement, as agreed by Council, sets out that the minimum level of reserves held will be £10m. There is an opportunity cost of holding reserves, in particular the alternative use that these balances could be put to and the benefits that might accrue as a result. Equally, the importance of retaining sufficient reserves has been emphasised by the position within social care services during previous financial years, and particularly so now, with the Council suffering an ongoing reduction in grant funding from Government.

6.3. The Council's revenue budget strategy statement requires that:

- While addressing its priorities and setting a balanced and prudent budget, the Council will seek to keep any increase in the Council Tax to the lowest possible level and in line with its stated aspirations whilst maintaining reserves at the minimum level of £10m
- And as part of that process, the Council will not utilise those reserves, or any reserves earmarked for specified purposes, to subsidise its budget and reduce Council Tax levels as this is neither a sustainable nor a robust approach.

6.4. In addition to its general reserves, the Council also holds a number of earmarked reserves. At 31 March 2014, the total value of reserves stood at £45.1m. This sum includes:

- a) £8.7m relating to previous NHS and social care integration funds not fully spent. Given the level of financial and operational risk associated with the Care Act and SEND legislation and in particular assessing all who apply and are eligible for services, these funds are being held to support this implementation of new legislation and integration with the NHS.
- b) £15.9m earmarked for the corporate transformation programme, which is required to support the delivery of savings agreed by the Council. Over the last four years, over £20 m has been spent on delivering transformation including nearly £5m on severance payments. Given the level of redundancies contained within the proposals currently under consideration, significant budget provision is likely to be required for further severance payments.
- c) £8.6 m being sums earmarked towards the funding of capital schemes included within the approved capital programme.
- d) £4.4 m set aside for the Insurance reserve to meet potential claims and the cost of self insurance based upon actuarial advice.

6.5. The current advice of the Group Director Communities and Resources is that the existing level of general reserves can be considered to be adequate. However, the recent and expected future reductions in grant funding, coupled with the need to resource major change programmes, emphasise the need for prudence with the management of reserves. Without a sufficient level of reserves, such investment would only be possible from base service budgets. A full assessment will be brought in the February Council Tax setting report.

6.6. The Council's external auditor has in the past emphasised the need for the Council to strengthen its financial health and to build in protection against unforeseen circumstances and to seek advice from the Chief Finance Officer on the adequacy of its working balance level. The advice of CIPFA also

needs to be borne in mind, as they have emphasised that it is important to stress the risks which arise should councils decide to draw down reserves to help fund their budgets. This is due to the fact that most council services require recurring funding to meet staff and other running costs year after year. Reserves are however a one-off, finite source of funding; they can cover a shortfall in recurring funding for a specific period but, after reserves are exhausted, the underlying shortfall will still be there. Due account is taken of this advice in assessing the need for reserves and their potential utilisation.

7. FINANCIAL STRATEGY

- 7.1. At the meeting of 3rd September 2014 Cabinet approved its long term financial strategy for the four year period commencing from 2015/2016.
- 7.2 Included within the strategy were savings totalling £17.519 million over two years which have been the subject of public consultation. Feedback from the consultation, which closed on 29 December 2014 is covered in section 3 of this report, the overarching feedback suggesting that the broad strategy can remain intact and any adjustments required are unlikely to have a material impact upon 2015/16 budget setting process.
- 7.3 The outcome of the Local Government Financial Settlement as discussed in paragraph 2 above does not have a material impact upon the financial model on which the Council's financial strategy is based. The impact of the settlement does not therefore have a material impact on the council's financial strategy agreed at Cabinet on 3rd September 2014.
- 7.4 There have been a few areas where adjustments are required, Council Tax base as reference in section 2.21, inflation as referenced in section 5.1, children's services as referenced in section 4.4.
- 7.5 In November full Council approved the senior management changes, resulting in permanent on going savings of £125k and a subsequent saving on stationary procurement of £100k has also been identified.
- 7.6 There were substantial responses to several aspects of the consultation. Though the majority of respondents were in favour of the overall strategy, a considerable number of representations were received about particular areas.
- 7.7 Substantial responses were received on the libraries proposals, and in the light of these and the fact that libraries is an important statutory service the proposals are being reviewed to consider whether adjustments should be made. This was a statutory consultation.
- 7.8 Considerable response was also received about the youth service proposals. In addition to consultation responses, the demographic area showing most change is around children's services, particularly around increases in looked after children and an increased number of troubled adolescents. The Council recently received good feedback from a peer review on the way we are tackling serious youth violence - though the feedback did recognise that the Council needs to commission new services for a challenging group of young people as part of our preventative work. Crime and safety was also given the

highest priority within the overall consultation responses received. Consequently the proposals around youth service reductions will be reviewed.

- 7.9 Parking will also be considered to review whether any changes to the strategy are required as this was also a statutory consultation.
- 7.10 Responses received to the specific consultation on the Council Tax Support Scheme are considered in a separate report to this meeting.
- 7.11 Given the changes highlighted in this report, there is currently about £500k of headroom within the overall budget strategy for cabinet to consider in light of the consultation feedback, and the specific matters raised in the paragraphs above.

8. CAPITAL PROGRAMME

Background to Current Programme

- 8.1 The Council's overall approach to its Capital Programme has been based on an assumption that a gradual move towards the use of prudential borrowing will be required to meet long term capital spending need. In more recent years, the duration of the planned programme has been kept relatively short, in recognition of the need to maximise the use of receipts, and to avoid additional pressure on the revenue budget.
- 8.2 Since that time, there has been a continued hold on interest rates, so borrowing remains relatively inexpensive. However, it remains the case that the Council's ability to generate receipts has continued to reduce. It is therefore an increasing risk that receipts will continue to tail off, which means the programme needs to be kept under constant review to respond to any material change in circumstances.
- 8.3 For the longer term, financing any form of capital programme will almost certainly be heavily reliant on borrowing, although external financing and Section 106 receipts, through either Section 106 or the new Community Infrastructure Levy (CIL) are expected to remain available, if unpredictable. This therefore potentially brings an additional revenue pressure.
- 8.4 For the immediate short term, borrowing will only be used as a last resort. The exception to this will be where a specific business case can be made to finance investment through borrowing, for example where savings or additional income can be generated. Longer term, the Council will be faced with an increasing dependence on borrowing, with the consequent revenue impact this has. Existing forms of external funding, such as TfL grants, are expected to continue, although their longer term existence is uncertain.
- 8.5 Given the ongoing need for austerity in the public sector, and the very real threat of future reductions in funding, it is not felt prudent to consider any expansion to the existing capital programme. The programme now proposed therefore covers a two year period commencing 2015/16. Schools capital funding continues to be based upon the governments grant allocations and reflects recent announcements.

- 8.6 The block allocations set out in the table below are based upon a prudent view of available capital receipts covering a two year period commencing 2015/16. A more detailed report will be brought to cabinet in February with a view to approving the new programme.

Description	2015/16	2016/17
Parks, Libraries, Leisure & Cemeteries	1000	1000
Street Environment	2000	2000
Protection of Assets and Health and Safety	500	500
IT Infrastructure	1000	1000
Regeneration	100	100
Disabled Facilities Grant (Council element only)	300	300
Total	4900	4900

9. SUMMARY OF FINANCIAL POSITION

- 9.1 Based on the factors that are set out in this report, the Council is in a good position to proceed with the financial strategy that it agreed on 3rd September 2014.
- 9.2 The financial strategy included an assumption that the Council will increase Council Tax by no more than 2% per annum in 2015/16 and 2016/17. The budget for 2015/16 is being developed with that assumption in mind.
- 9.3 As indicated elsewhere within this report, the Council has maintained a Contingency Fund and also has sums held in reserves and balances that could be deployed to address specific in-year issues, should the risks highlighted in this report materialise. These risks will be carefully monitored in parallel with the consultation process, but these funds would provide a cushion for the immediate future should the need arise. The final budget proposals will be drawn up in the light of responses to the consultation process, the developing position around the settlement, and the assessment of the risks facing the Council.

10. HOUSING BUDGET

- 10.1. The HRA budget, together with the proposed housing rent levels, and the HRA capital programme, will be presented to Cabinet in February.

12. GREATER LONDON AUTHORITY (GLA)

- 12.1 The announcement of the Mayor's draft budget proposals were made on 19th December. This indicated an intention to make a slight reduction in the GLA's Council Tax level, from the current £299 to £295 – a reduction of £4, or around 1.3%. Consultation on the budget proposals ends on Wednesday 14th January. The final draft budget proposals will be considered by the London Assembly on 28th January and the budget is due to be approved by 28th February.

- 12.2 The Mayor's draft budget consists of – Mayor's Office for Policing and Crime, Transport for London, London Fire and Emergency Planning Authority, the London Legacy Development Corporation and core Greater London Authority. The total budget (capital and revenue) is £16.7billion.
- 12.3 The Mayor's 2014/15 draft net revenue spend is £5,283 million. Under the proposal the total GLA precept will be cut from £299 a year to £295 (for a Band D household). The Mayor's proposed council tax precept draft budget comprises of £214.52 to support the Mayor's Office for Policing & Crime (principally the Metropolitan Police), £52.42 for the London Fire Brigade, £20 for the 2012 Olympic and Paralympic Games and £8.06 for transport and other services.
- 12.4 The Mayor's 2015/17 and 2017/18 budget assumptions assume the removal of the Olympic Levy (£20 for Band D equivalent) to £12 and £8 respectively.

REASONS AND OPTIONS

Reasons for the decision:

This enables the Council to develop its budget as set out in the constitution.

Other options considered:

None. The Constitution requires this as a step towards setting its budget.

IMPLICATIONS AND RISKS

Financial implications and risks:

The Council's budget-setting process will ensure that financial implications and risks are fully met. Any financial implications or risks are covered in this report as necessary. There are significant risks associated with the delivery of the new four year financial strategy and with the continuing degree of uncertainty over the future of local Government funding, and the general economic environment, but the steps already taken by the Council should mitigate much of this. However, it will also be necessary to continually refine the financial forecasts underpinning the Council's financial strategy to ensure that any necessary actions can be taken at the appropriate times, allowing for consultation as appropriate.

Legal implications and risks:

There are no direct legal implications or risks from this report. The corporate business planning process will need to take account of new and existing statutory duties and responsibilities that are imposed on the Council by central government

even if there are inadequate or no commensurate increases in government funding to finance them. Failure to do so will put the Council at risk of legal challenge by affected residents or businesses.

Human Resources implications and risks:

There are no direct HR implications arising from this report, however, if proposals that require staffing reductions are to be considered, as a result of the budget position, these will be managed in accordance with Council policy and procedure

Equalities implications and risks:

Detailed proposals will need to be assessed as part of the business and service planning process. Equalities impact assessments are produced as standard as part of the detailed budget process.

BACKGROUND PAPERS

The Financial Strategy report Cabinet 3 September 2014.

APPENDICES

- A AUTUMN BUDGET STATEMENT
- B LOCAL GOVERNMENT FINANCIAL SETTLEMENT
- C SCHEDULE OF GRANTS
- D CONSULTATION FEEDBACK

Government Spending Projections

Government spending projections (Budget

	2016-17	2017-18	2018-19
Resource DEL (incl. dep)	326.2	314.8	311.8

Government spending projections (Autumn Statement 2014)

	2016-17	2017-18	2018-19	2019-20
Resource DEL (incl. dep)	321.8	310.6	305.6	302.5

Additional cuts to be found

	2016-17	2017-18	2018-19
Resource DEL (incl. dep)	4.4	4.2	6.2

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PROVISIONAL GRANT SETTLEMENT

	Settlement 2014/15	Adjusted 2014/15 Settlement	Provisional Settlement 2015/16
Bal B/f	£000		£000
Scaling	57,888	57,888	51,260
	(6,628)	(6,628)	(8,895)
Included as part of the Settlement funding Allocation	51,260	51,260	42,365
Council Tax Freeze Funding	3,766	4,849	4,839
Early Intervention Funding	6,131	6,131	5,584
Homelessness Prevention	394	394	392
Lead Local Flood Authorities Funding	130	130	130
Learning Development and Public Reform	7,896	7,896	7,866
Returned Capitalisation	90	90	0
Transfer In			
Local Welfare Provision (Previously unringfenced grant)		721	543
Transfer Out			
Carbon Commitment			(119)
Total Transfers	18,407	20,211	19,235
Provisional Grant	69,667	71,471	61,600
Of which relates to Business Rates	30,777	31,365	31,365
Payment via Revenue Support Grant	38,890	40,106	30,235

Funding announced as part of the Local Government Financial Settlement

Spending Power Components	2014-15	2015-16	Adj	Difference	Notes
Settlement Funding Assessment	71,470,875	61,600,514		(9,870,361)	Includes Business Rate Baseline
Section 31 grants for business rates initiatives	326,721	457,410		130,689	
Lead Local Flood Authorities	77,528	51,685		(25,843)	
Community Right to Challenge	8,547	0		(8,547)	
Community Right to Bid	7,855	0		(7,855)	
New Homes Bonus	3,413,763	4,842,280	(1,365,000)	63,517	Include top-slice to the GLA
New Homes Bonus: returned funding	104,263	103,210		(1,053)	
Council Tax Support New Burdens Funding	119,933	44,959		(74,974)	
Local Council Tax Support and Housing Benefit Admin Subsidy	1,290,477	1,214,551		(75,926)	
Social Housing Fraud	100,000	0		(100,000)	
Department of Health Revenue grant	181,635	135,478		(46,157)	
Public Health Grant (Ring-fenced)	9,717,000	9,717,000		0	
Adult Social Care New Burdens	0	1,531,025	(1,531,025)	0	New burdens associated with this funding
Better Care Fund	4,609,381	15,495,000	(10,885,619)	0	New burdens associated with this funding

Reduction in Government Funding (10,016,511)

Budget Consultation analysis – overall budget consultation and the statutory consultations on Libraries, Council Tax Support and Parking

Introduction

The public consultation on the 2015 – 18 budget proposals launched on 29th September 2014 and ran for three months, closing on 29th December. Simultaneously, the Council undertook three specific statutory consultations on proposals related to the Library service, to Parking and to the Council Tax Support Scheme - all four strands were presented to the public as a linked suite of consultations (note the library consultation was extended to 5th January owing to a technical issue with the online form). Further statutory consultations will take place on other aspects of the savings proposals, e.g. youth services, in due course.

The consultation process was publicised and informed through Havering's own communication channels, with the processing of responses contracted to an independent company. Analysis of that data was completed by Council officers.

Consultation activity

The consultation took a number of forms:

Online

The online element of the consultation was hosted on the Havering Council website, at www.havering.gov.uk/yoursay. This URL was publicised consistently throughout the consultation period as the single gateway to all four consultations.

The supporting information provided online for each individual consultation also encouraged the public to 'have their say' on each of the other three strands, to ensure that respondents were made aware of the four separate, but linked, consultations.

When participants had been given a chance to read relevant information, they were directed to an online questionnaire hosted by the company providing the data processing service.

By post

The public also had the opportunity to respond to the consultation in writing, using pre-paid questionnaires available through libraries and other public buildings. A hard copy of the main budget questionnaire was delivered door-to-door throughout the Borough with a special 'budget' edition of Living in Havering, published in mid-October. In addition, all current recipients of Council Tax Support were sent a hard copy of the relevant pre-paid questionnaire and users of the Library Housebound

Service were sent the relevant pre-paid questionnaire, draft Library Strategy and Equality Impact Assessment.

Users of the Housebound Service with visual impairments were also sent an audio version of the covering letter, draft Library Strategy and Equality Impact Assessment.

A number of letters and emails have also been received from members of the public and from stakeholder groups and organisations. When members of the public wrote in directly, they were encouraged to also view the website and respond to the consultation online.

Public Meetings

There were a number of public meetings held, allowing attendees to ask questions and make comments to relevant officers and Members of the Council. Some of these were informal in nature, such as the 'meet the Leader' sessions held at various locations around the Borough and attended by various Cabinet Members. Three formal budget consultation meetings were held at Elm Park Primary School, the myplace centre in Harold Hill and Romford Baptist Church. These were chaired by the Leader of the Council, supported by the Council's Chief Executive and Directors, as well as Cabinet Members.

There were five meetings held to discuss the library proposals - at Rainham, Hornchurch, Romford and Upminster Libraries, as well as myplace in Harold Hill - attended by the Head of Service, with the Cabinet Member also in attendance at several meetings. A record of the questions and answers from these meetings was made available online throughout the consultation period. A stakeholder meeting was also held at Romford Library where residents were able to raise questions, which were recorded by a member of staff. This meeting was attended by the Head of Service. An additional meeting took place at Romford library where a member of staff recorded questions which were later responded to by the Head of Service and made available online.

A meeting was held on the Fairkytes Budget Proposals, and this was attended by the Cabinet Member, Head of Service and Service Managers. A stakeholder meeting was also held on the Queens Theatre budget proposals.

Publicity and information

The consultation was well supported with publicity, including:

- A 'Budget Special' Living in Havering, setting out the main thrust of the proposals
- Posters, press and radio advertisements across Havering
- Online promotion through the website, social media and e-bulletins
- Regular coverage of the proposals and the consultation process in the local press

- The winter edition of Living in Havering providing a further update and a reminder to comment.
- A supplementary letter was sent to all council tax support claimants in December, (approximately 10,000 people) enclosing a hard copy of the council tax support questionnaire encouraging them to respond to the council tax consultation and also making recipients aware of the wider budget consultation. Attention was drawn to the range of council tax support options initially considered by Councillors (which were available to view on the website) and views were sought on the preferred option, which was considered to be the fairest to residents in the circumstances.

The information provided to inform the consultation included draft strategy documents where appropriate, draft Equality Impact Assessments, a summary guide to the budget proposals and relevant cabinet papers.

This information was updated over the period to include new material, such as presentations from the public meetings and minutes of the library meetings.

Responses to the consultation

What follows is a summary report of the responses received to the four consultations (the overall budget Consultation and three specific statutory consultations). In each case data is provided relating to the 'closed' questions asked – those that required a yes/no, or multiple choice answer.

The report also summarises the comments made in response to the 'open' or verbatim questions asked, as well as summarising correspondence and the comments and questions raised at the public meetings. While these summaries aim to be comprehensive, Cabinet Members have also been provided with files of verbatim comments, for their perusal.

Overall response rate

The overall response rate was approximately 4000 responses (including attendances at public meetings), together with a number of letters, emails, a petition and responses on social media, which are listed below:

Overall budget consultation	1987 responses
Library consultation	898 responses
Parking consultation	364 responses
Council tax	396 responses

Public meeting attendances (estimated):

Romford	30
Elm Park	40
Myplace	<u>100</u>
Total	170

Library meetings attendances (estimated)

Rainham	12
Hornchurch	24
Romford	13
Upminster	120
Harold Hill	<u>22</u>
Total	191

An online petition to stop the reduction in hours at Upminster library received 266 signatures.

Around 160 pieces of direct correspondence were also received by the Leader's office. There were also comments and campaigns utilising social media.

Significance of the consultation

The results of this consultation are one element which the Council needs to take into account when setting priorities and making decisions. Other factors which should be given consideration include:

- The demographic makeup of the Borough and of changes taking place which impact upon demand for services
- Policy changes which impact on the Council such as the Care Act, the Children and Families Act and the SEND reforms
- Priorities of partner agencies
- Local political priorities
- Current performance and
- Results of other consultation exercises undertaken, for example, the 2013 'Your Council, Your Say' Borough wide survey, which has informed the direction taken by the Council, and had 7,252 responses and the key priorities then identified by residents which were:
 1. Reducing crime and anti-social behaviour
 2. Maintaining roads and pavements
 3. Keeping Havering clean and tidy
 4. Supporting local businesses and jobs
 5. Reducing traffic.

Overall Budget consultation

There were in total 1987 formal responses provided to the overall budget consultation, either in hard copy, or through the online portal. Of the respondents that disclosed gender information, approximately 48 per cent were male and 52 per cent were female, which is representative of the gender profile of the borough.

From the postcode data completed by respondents it is possible to provide a breakdown of responses according to the Ward respondents reside in. There were a total of 1420 respondents who provided full postcode data, which is illustrated in Figure 1 as a thematic map of Havering. Approximately, 61 per cent of respondents came from the Wards shaded darkest blue, towards the East and West of Havering borough (each of these 11 Wards contributed approximately between 6 to 7 per cent of total surveys). Wards with the lowest levels of responses were in Rainham and Wennington, South Hornchurch and Heaton, where each Ward contributed 4 per cent or fewer towards the total surveys.

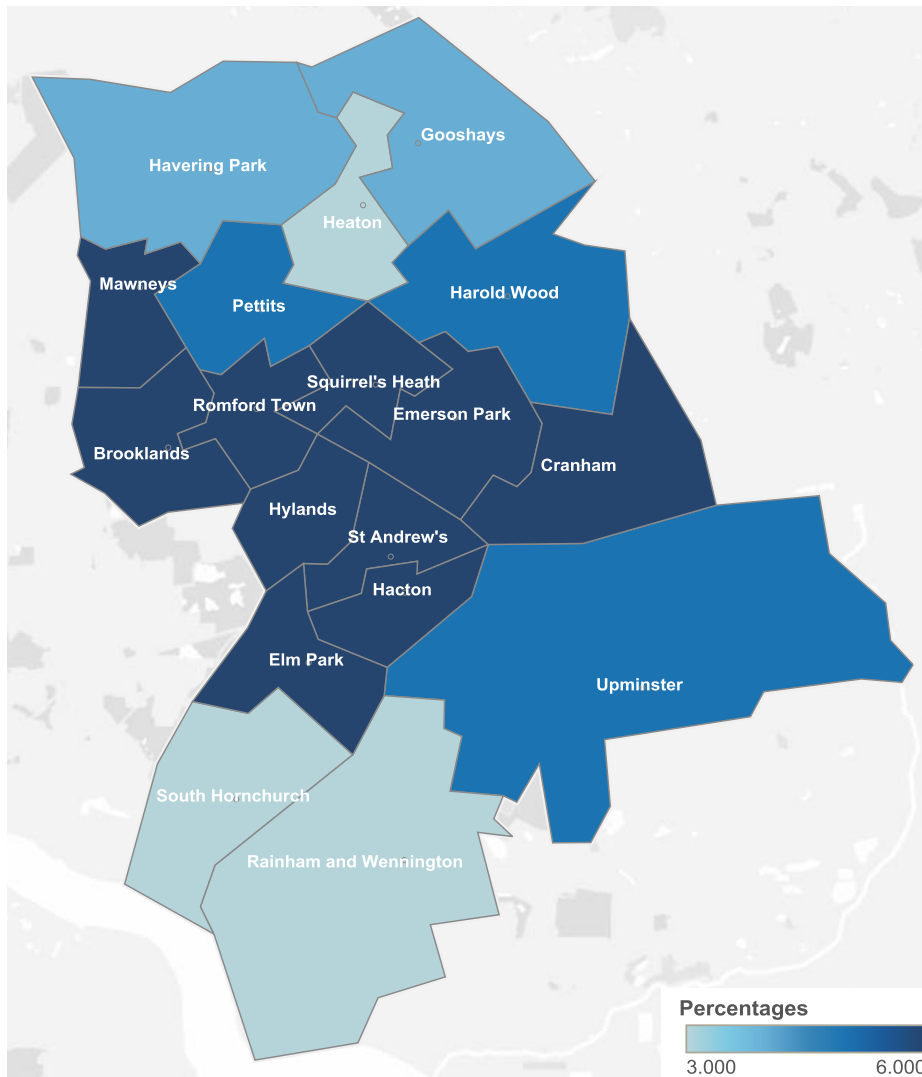


Figure 1: Thematic Map to illustrate the percentage of respondents according Havering Ward.

The age profile of respondents is displayed in the table below:

Last Birthday	Count	Percentage
13-24	36	2%
25-44	317	16%
45-64	614	31%
65+	919	46%
Unanswered	101	5%
Total	1987	100%

Using the most up-to-date population estimates for Havering borough (2013 Mid-year population estimates, Office of National Statistics), it was found the population categorised between 10 to 24 years contribute approximately 17 per cent of Havering's total population. 51 per cent of Havering's population is categorised within

the age band 25 to 64 years and finally, approximately 19 per cent of the population are above the age of 65 years. The proportion of working age population respondents (47 per cent) is broadly comparable to the percentage of working age residents living in Havering (51 per cent) but the proportion of respondents 65 and over is significantly over-represented compared to the proportion of 65+ residents living in Havering.

Referring to the table below which displays both the Ethnic group breakdown of respondents and for Havering borough (data from the 2011 census), it was found 84 per cent of respondents identified themselves as White, compared to a Borough-wide profile of 88 per cent. However, the percentage of Black and Minority Ethnic respondents (4 per cent) is significantly lower than the proportion of BME residents living in Havering (13 per cent): only 1 per cent of respondents were identified as Black or Black British, 1 per cent as Asian or Asian British, 1 per cent as Mixed ethnic group and 1 per cent as belonging to another ethnic group.

Survey Ethnic Group	Count	Percentage	2011 Census Ethnic Group Count	2011 Census Ethnic Group Percentage
White	1674	84%	207949	88%
Mixed background	14	1%	4933	2%
Other ethnic group	15	1%	1324	1%
Black or Black British	25	1%	11481	5%
Asian or Asian British	29	1%	11545	5%
Prefer not to say	87	4%		
Unanswered	143	7%		
Total	1987	100%	237232	101% (numbers above are round up)

In terms of the disability profile of respondents (see table below), 17 per cent of respondents identified themselves as having a disability and this percentage is lower than the proportion of disabled residents. According to the latest Annual Population Survey (2012-13), 21 per cent (31,400 residents) of working age (16-64) people living in Havering have disclosed that they have a disability or long-term illness / health condition. It is also estimated that approximately 53% (or 22,320) of older people (aged 65 and over) in Havering have a long term limiting illness where long term illness is considered to last 12 months or longer (2011 Census). 13 per cent of respondents preferred not to answer this question.

Illness or disability	Count	Percentage
Yes	343	17%
No	1376	69%
Unanswered	268	13%
Total	1987	100%

Overall Budget Consultation Questions

The survey included two 'yes/no' questions:

- 1) Do you agree with the choice of priority services to be protected?
- 2) These proposals are based on annual Council Tax increases of not more than two per cent. Would you be willing to pay higher increases than two per cent in Council Tax to protect more services from cuts?

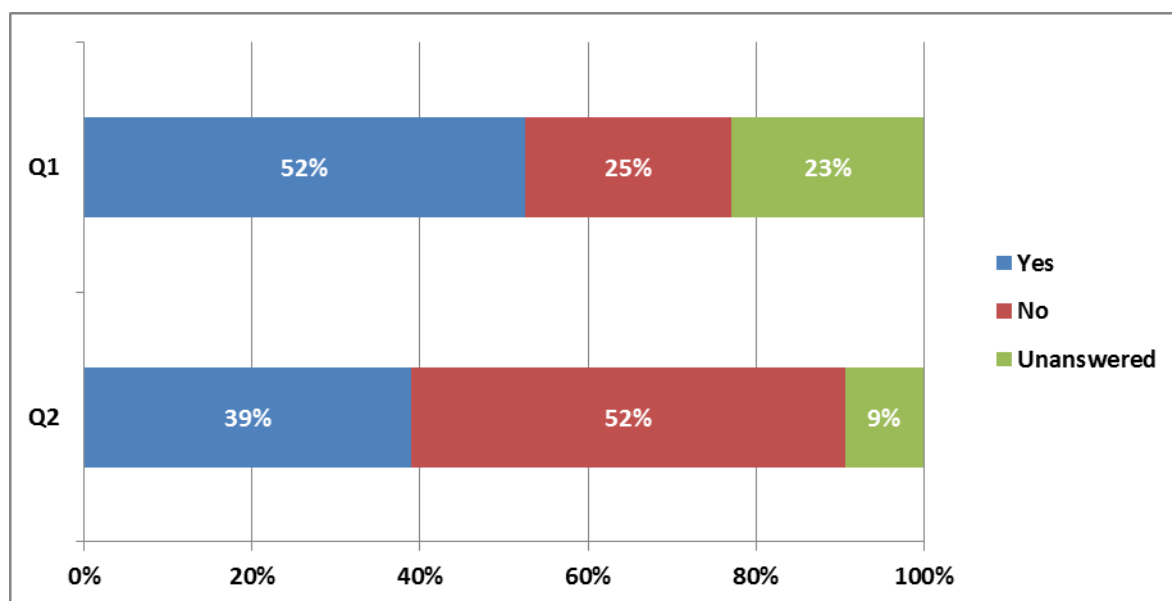


Figure 2: Bar chart illustrating the percentage of Yes/No responses for the 2 questions described above.

Respondents were asked to prioritise their top three most important services. In descending order, these were:

To clarify this, please tick your top three priority services:	Count	Percentage
Crime reduction & public safety	1007	17%
Rubbish & recycling collection	726	12%
Road & pavement repairs	682	12%
Cleaning the streets	613	10%
Social Services for adults (inc. older people)	448	8%
Parks & green spaces	405	7%
Public health	370	6%
Libraries	355	6%
Social Services for children	245	4%
Sports & leisure facilities	222	4%
Young people's Activities	212	4%
Support for schools	177	3%
Attracting businesses and jobs	131	2%
Environmental health & trading standards	125	2%

Public events & activities	98	2%
Housing services & advice	67	1%
Planning services & advice	36	1%
Total	5919	100%

“Do you have any other general comments on the budget strategy as a whole?”

Responses to this very broad question ranged across the Council’s services and the budget proposals. The following section summaries the responses collated from 29 September to 29 December 2014, when there were a total of 1987 surveys completed.

Figure 3 summarises the comments raised in Question 4, by theme. The bar chart splits the comments into those that support the proposed changes, those that disagree and those that are ‘neutral’ about the proposed changes. Figure 2 excludes the responses categorised under ‘General Budget Cut Distribution’ (including, for example, general comments on Havering’s proposed changes), ‘Survey Feedback’ and ‘Other’. The following categories presented in Figure 3 are ordered according to the volume of comments received by each theme. For example, there were 283 comments (approximately 14 per cent) which referenced ‘Public Events and activities’, (most commented theme, including the Queen’s Theatre) while 9 comments (0.5 per cent of total comments) (less commented theme) referenced ‘Public Health’.

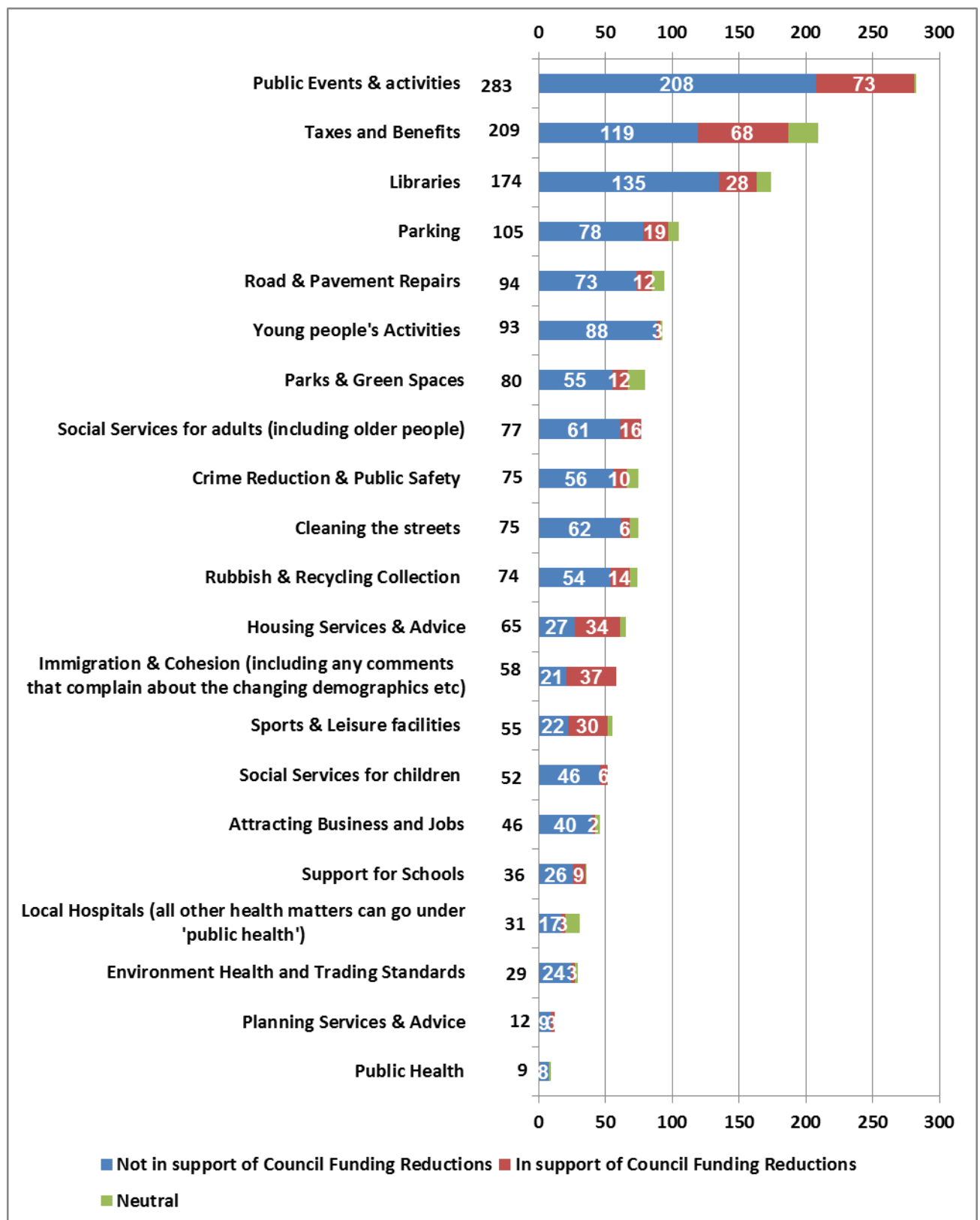


Figure 3: A Bar chart categorised according to the overall count of each category, which is further broken down according to whether responses were 'not in support', 'in support' or 'neutral' to proposed changes to Council Funding.

Please note that this breakdown quantifies the number of comments made, not the number of individuals making comments. Many respondents addressed multiple themes in their comments and these have been counted separately.

Please also note that comments have been grouped under the headings used in the consultation exercise rather than in relation to specific savings proposals. For this reason the introduction to each section lists the savings proposals covered under the broad heading.

Public events & activities:

Savings proposals – Queens Theatre, Fairkytes, Pet Cemetery, Events, Information Kiosk, Communications.

This broad theme included events and activities organised by the Council and those that received Council funding, but were delivered independently – including the Queen's Theatre and the Fairkytes Arts Centre.

Approximately 14 per cent of overall comments referred to this theme, with the bulk of these referencing the proposed reduction in funding to the Queen's Theatre, and to a lesser extent the Havering Show and Fairkytes Arts Centre. 74 per cent (208 comments) of these comments did not support a reduction in Council funding. Comments expressed shared a view that such services were important for the respective ward they are located in, as well as the borough as a whole.

Categorised under 'public events and activities', 73 per cent of comments (206 respondents) mentioned the need to specifically protect the Queen's Theatre from proposed funding cuts. This is in contrast to the 8 per cent of respondents (22 comments) which agreed to the proposed reduction in funding. Respondents considered the funding of cultural activities to be an investment into the borough that could attract people into the Havering. Comments also mentioned the potential loss to local businesses in Hornchurch where the Queen's Theatre is located.

However, over 26 per cent (73 comments) of 'public events and activities' comments supported the Council's proposed funding reduction, given the financial situation. This included the funding provided to the Queen's Theatre (8 per cent, 22 comments). Other areas raised were the funding provided to the proposed pet cemetery, as well as the Visitor Information Centre and Free Swimming Classes for over 50s. Some respondents also suggested that the 'Living in Havering' magazine ought to be provided only in electronic format in order to save money (12 comments).

The Council has also received feedback through social media, notably its Twitter feed. The tweets it received during the consultation period were primarily focussed on funding for the Queens Theatre and the work that it did in the community. Other tweets concerned the library proposals and the dates for the public meetings.

In addition a number of letters have been received in opposition to the proposed cuts which are referenced later.

Taxes and Benefits:

Savings proposals – Council Tax support options

Comments categorised under ‘taxes and benefits’, contributed approximately 11 per cent of the overall comments (209 comments) made in response to Question 4. The suggested changes in Council Tax were predominately referenced under the ‘taxes and benefits’ category. **For comments on the Council Tax Statutory consultation please see p.26.**

Approximately 33 per cent of respondents (68 comments) stated that a change to the tax and benefit system was required. While a proportion of respondents were in favour of council tax increases to offset the need for cuts, a clear majority were against Council Tax increases (57 per cent, 119 comments). The main reasons expressed were grouped in the following responses:

1. Efficient savings by the Council should mitigate the need for increases in Council Tax.
2. A rise in Council Tax would negatively impact vulnerable families and adults under financial hardship.

Libraries: The next highly topical category was ‘Libraries’, which contributed approximately 9 per cent of total comments (174 comments). **Comments on Libraries have been incorporated into the section on the Library statutory consultation – please see p.20.**

Parking: Approximately 5 per cent of total comments (105 comments) referenced ‘parking’, including street and town centre parking, as well as proposals around parking in parks. **Comments on parking have been incorporated into the section on the Parking statutory consultation – please see p.26.**

Road & Pavement repairs:

Savings proposal – street lighting

Approximately 5 per cent of the total comments (94 comments) were categorised under ‘road and pavement repairs’. Comments were predominately in support of continued Council funding of Streetcare (over 79 per cent, 73 comments). Many felt that the maintenance of road and pavements needed improvement in their local area and further investment was required for the local area to remain a pleasant place to live. Comments that suggested funding cuts to Streetcare suggest this is justified in order to protect youth services and social activities.

Young people:

Savings proposals – youth service, myplace.

Approximately 5 per cent of respondents (93 comments) commented on the suggested funding cuts to 'young people's activities'. Comments were predominately against the suggested funding cuts (95 per cent, 88 comments). Specifically, respondents felt strongly about the proposed cuts to youth services and suggested that the service helped foster the social and mental development and educational opportunities for children and young people. Respondents who commented on the proposed cuts to young people's activities felt that this would have long-term, negative implications for young people, particularly for vulnerable families and low-income households. Respondents also associated a funding cut to 'young people's activities' with a potential increase in anti-social behaviour and crime in the borough (14 comments), which would inadvertently lead to more costs in the future.

There were several comments which specifically mentioned the need to protect myplace in Harold Hill, which again is considered a vital resource for young people. Some respondents (approximately 11 comments) suggested that cuts to other services, for example in 'rubbish & recycling collection' or an increase in council tax, would be acceptable if this in turn protected 'young people's activities', the youth service and other services.

Parks & green spaces:

Savings proposal – parks (To be noted that this represents increased income from parking, income from capital investments and achieving efficiencies through reorganising grounds maintenance operations)

This theme contributed 4 per cent of all comments (80 comments). 69 per cent of comments (55 comments) on parks and green spaces wanted funding to continue, as parks were thought to promote healthy living for residents, add value to the borough and make Havering a pleasant and attractive place to live. Respondents were also concerned with construction/housing developments on remaining green spaces and the implications that this loss of green space could have for the appearance of Havering. On the other hand, comments in favour of reducing council funding (15 per cent, 12 comments) suggested the maintenance of green spaces (such as mowing green spaces) should be sacrificed in order to save money and protect other services. Recommendations also include using volunteers to maintain parks and green spaces.

There were a significant number of comments under this category relating to parking charges in parks. **For comments on parking in parks – see the section on the statutory Parking consultation – please see p.26.**

Social Services for adults (including older people):

Savings proposals – adult social care, better care, older people, Royal Jubilee Court, supporting people, catering, younger adults, disability, workforce development

Over 4 per cent of comments (77 comments) were in reference to ‘social services for adults’ and 79 per cent of these comments (61 comments) suggested that any cut to funding would be detrimental to the older and vulnerable residents of Havering. Respondents felt that investment into ‘social services for adults’ led to improved social interaction with others, prevented the elderly from feeling isolated and ensured positive mental health and wellbeing. Such responses tended to reference other services, for example the importance of maintaining funding towards libraries, the Queens Theatre and Fairkytes Centre, which it was felt, were used predominately by Havering’s older population. Thus, respondents were concerned that funding cuts could produce a negative cumulative impact upon Havering’s older population. On the other hand, approximately 21 per cent of comments (16 comments) suggested too much funding was targeted towards Havering’s elderly population (including library funding) and this funding allocation has become at the expense of ‘young people’s activities’.

Crime Reduction & Public Safety:

Saving proposal – CCTV, street lighting

The category ‘crime reduction & public safety’ contributed approximately 4 per cent of total comments (75 comments). Comments under this category were varied, however 75 per cent of comments (56 comments) generally desired continued or increased funding to ‘crime reduction’. Respondents’ main concerns were for Havering to remain a pleasant and safe place to live and where people felt comfortable walking in the Borough’s streets at any time.

Over 13 per cent of comments (10 comments) supported the reduction of council funding for this category. Such responses suggested saving Council funding by scrapping school crossing patrols and reducing the use of CCTV (on the basis that it was considered ineffective in crime reduction). There were mixed views with regards to the cost-effectiveness of the new ‘LED’ street lighting as an anti-crime measure.

Cleaning the streets:

Savings proposal – streetcare efficiencies

Approximately 4 per cent of comments referenced ‘cleaning the streets’ (75 comments). 83 per cent of these comments (62 comments) wanted to see improvements to this service and supported continued funding of Streetcare. The results of this category overlapped with several of the other categories including ‘crime and public safety’, where respondents stated they wished to see more fines for littering and that ‘road and pavement repairs’ needed further investment in order to promote public safety. Respondents considered ‘cleaning the streets’ important to

maintaining Havering as a safe, clean and pleasant place to live. Thus, for many respondents the main concern under this category was the extent of littering.

Rubbish & Recycling collection:

No savings proposal

Approximately 4 per cent of comments (74 comments) were in reference to 'rubbish & recycling collection'. The majority of comments (73 per cent, 54 comments) wanted to maintain the funding targeted towards rubbish and recycling or have further investment provided by the Council. For example, there have been comments requesting improvements to the recycling collection of glass bottles or jars and to provide residents with collection bins, which will reduce the need for street cleaning on residential roads. Respondents felt improvements to the rubbish and recycling collection will improve the standard of living in Havering and maintain Havering's image as a safe and clean place to live.

Housing Services & Advice:

Saving proposal – private sector housing

Approximately 3 per cent of total comments (65 comments) referenced 'housing services and advice'. Opinion was divided on whether to reduce or maintain council funding. This may be explained by a bringing together in the minds of respondents of housing services and house building. A number of respondents commented that there should be less council funding allocated to the building of new homes on green spaces in the borough, which it was felt led to Havering appearing overcrowded.

There was also a recommendation to increase tax on empty properties in order to raise council funds. Many respondents, who stated council funding should be maintained, felt it was important to invest in the Local Housing for Local Residents scheme (12 comments).

Immigration & Cohesion:

No savings proposal

Approximately 3 per cent of total comments (64 comments) referenced Immigration and Cohesion where there is a concern of the rise of immigration into the borough and the related impact on council services. Some of the comments (23 per cent, 15 comments) specifically mentioned the value of translation services, where it was felt this funding could instead be invested into other services.

Sports & Leisure facilities:

Savings proposal – sports and leisure management contract

Less than 3 per cent of comments (55 comments) mentioned ‘sports & leisure facilities’, with a majority of this small group arguing in favour of funding reductions (55 per cent, 37 comments). On the other hand, there was a concern, similar to public events & activities, that a funding cut to sports & leisure facilities would negatively impact on young people and adults who use these services (40 per cent, 22 comments) and could therefore increase the negative cumulative impacts on these groups.

Social Services for children:

Savings proposals – early help for troubled families, social care for children, catering and children with disabilities

Over 3 per cent of comments (52 comments) related to Social Services for children, as opposed to ‘young people’s activities’. From the responses which specifically referenced ‘social services for children’, over 88 per cent (46 comments) stated this service ought to be protected from cuts – with some expressing a view that the priority in Havering is perceived to be older people.

Others: Small numbers of comments (fewer than 50 comments, approximately 2 per cent or less) were made regarding a host of other services and issues. These included: **support for schools** where comments suggested the need for more schools (to match the increasing development of housing); **attracting business and jobs** where concerns were raised about the losses to the local economy linked to public sector cuts; concerns around the pressures on **local hospitals** of a rising population and the need to invest in mental health services; concerns around the impact of cuts to the **Trading Standards** service – particularly with reference to high profile projects such as buy with confidence and the banking protocol; very low levels of comments about **planning services** and a few regarding **public health** and the need for further investment in mental health and GPs. Comments made about the **Voluntary Sector** concerned not relying upon volunteers for libraries although there were suggestions for the increased use of volunteers in other council services e.g. parks. Also there were questions about the capacity to take on e.g. youth services, at a time when funding to the sector was being cut. A wider consultation is being undertaken with the Sector on a draft Voluntary Sector Strategy and this will be reported to cabinet in March.

In addition to the statutory consultation, trading standards officers also consulted with some of their key stakeholders on the proposals for the service. Ten responses were received from local businesses who were concerned about the implications that ending the ‘buy with confidence’ scheme would have for local businesses, and for the public. They felt in general that the scheme helped protect the public and also generate business for local firms that had been approved by trading standards. In addition, they felt that this particular scheme was advantageous over others like ‘checktrader’ because it had the trading standards approved tag. Another key stakeholder was the not for profit trade association, called the anti-counterfeiter

group, which represents rights holders in the branded goods sectors. They commented that the proposals would have implications for national and local economies, because of tax avoidance and that it could affect the safety and welfare of consumers because there would be a reduction in the trading standards service. Other views came from a buy with confidence business breakfast that was held. These views reflected those already set out in this paragraph. Further to the local business comments, other stakeholders, including the branch manager of Halifax, Cranham Police, and the Citizens Advice Bureaux all raised concerns about the preventative work undertaken, for example, the banking protocol which sought to help prevent crime and protect vulnerable residents.

Proposals for the corporate policy and community restructure, the communications staffing and structure, channel shift proposals, the music school, disabled facilities grant or the terms and conditions review, did not attract any significant level of comment.

There were other comments made about the Council's general budget and financial management – ranging from the cost of councillors and senior executives, to positive comments about the Council's approach to managing its budget and action taken to balance the books. Other comments regarded the need to lobby against the cut in government funding more vociferously.

Summary of issues raised at public meetings for overall budget consultation

The three formal public meetings to discuss the budget proposals took place in Elm Park on 12th November, Harold Hill on 17th November and Romford on 21st November. There was a presentation on the budget and the chance to ask clarification questions. A wide range of issues were raised in the three discussions.

The main themes raised at these meetings were:

1. Youth Services

There was significant support for youth services at all three meetings. At both Elm Park and Harold Hill a number of users of the services attended with families to stress the importance of the services to young people.

At Elm Park, there was a focus on the work at the Robert Beard centre – particularly working with young people who have complex needs. In Harold Hill, the focus was on myplace and its continuing role, particularly keeping young people away from crime and anti-social behaviour. In both cases, the panel stressed that there were no plans to close either centre, but more community involvement would be welcomed.

Supporters of youth services suggested that additional funding could be made available if funding to libraries or the Queen's Theatre was reduced – though these suggestions provoked debate among audience members. It was

stressed that proposals for Youth Services would be subject to a full separate statutory consultation.

2. Social Care & Education

A number of attendees raised concerns around future funding for older adults in London's most elderly Borough and information was given on the new measures enshrined in the Care Act. There was a desire expressed by several attendees to protect funding for preventative measures.

There was also concern about the future of services for people with Learning Disabilities and for SEN provision in schools. It was explained that Learning disability services would be reviewed, to help shape the future of the service around the needs of service-users.

There was a general concern that the most vulnerable shouldn't suffer most from the budget cuts.

3. Libraries

The proposals for libraries caused a good deal of debate, with many attendees voicing their concerns. Specific issues included charging for PC access, which some felt would penalise jobseekers and the poor, while also being counter-intuitive as services were increasingly being diverted online.

Others felt that the use of volunteers was a risky idea and that the reduction in hours and services would impact on the number of children who take up reading.

Others expressed the view that libraries were less vital than other services (youth services being an example given) and the move to online books meant that continued large-scale investment in libraries was unnecessary.

4. Parking

The main discussion topic around the parking proposals was more charging in parks. This was opposed by a number of attendees, with specific concerns raised on behalf of sports players and the popular walking groups who use the parks.

Others questioned whether the loss of CCTV enforcement cars was leading to an increase in charges.

5. Trading Standards

Members of staff and the public suggested that the cuts to the trading standards service would have a detrimental impact on safety in the Borough – stressing the team's work to combat rogue traders and other issues.

6. General Financial Management

A number of questions and comments concerned ways that the Council could raise or save money – a number of which were already in motion. There was a general desire for the Council to try and get more money from Government; there were questions about Icelandic Banks, to confirm that the money had all been returned; and there were questions about how the Government allocated funding and what the impact was on staffing, particularly senior staffing at the town hall.

Other Correspondence

Members and senior officers have also received separate correspondence on matters related to the budget proposals.

With very few exceptions, the correspondence has related to proposals for libraries (particularly Upminster Library), the youth service and The Queen's Theatre – from theatre supporters both within and outside Havering. The Council received a formal and detailed response to its proposals from the Queen's theatre trust which opposed the proposed budget reductions. In their response, the trust set out the contribution that Queen's make to the wider economy of Hornchurch and Havering. They also outline their education and outreach programme which helps to link young people with the national opera house, the royal national theatre and the national skills academy for the creative and cultural sectors. In their detailed response, the trust explores the benefits of having an in-house production team and the semi-resident acting community. In addition, the purpose built building means that the Queen's building can host a range of productions, from visiting tour groups such as the recent 'Return to Forbidden Planet' to in house productions, ballets, jazz and other guest performances.

There was also a letter received from the Arts Council outlining their concerns regarding the reduction in funding to the Queens Theatre.

On the whole the letters contained similar themes to those held at the public meetings and verbatim comments through the consultation. This included the importance of the summer reading challenge at the library, the high regard in which the local studies section of the library service was held and the importance of the house-bound scheme.

One letter was received from eight schools in Upminster highlighting the importance of the Upminster library to the community.

Many of the letters regarding the Queen's theatre were based on a standard template, emphasising the social and economic benefit of the theatre, in providing local jobs and about bringing business to the wider economy. This was also reflected in a series of template letters from local business. A further few letters, reflected concerns over the changes proposed to youth services and the learning disability centre of Avalon Place.

Approximate numbers of letters/emails, by subject:

100 – Queen’ Theatre (approximately half from supporters based outside of Havering)

38 – Library Service

8 - Youth Service

2 – Learning disabilities.

2 – Voluntary sector from CAB & Romford Mosque

The Citizen’s Advice Bureau stressed the role that contracting with the voluntary sector could play in meeting the challenges faced by the Council.

Tapestry (formerly Age Concern) also wrote to offer its support in the future in developing new solutions and saving public money.

Social media

A number of comments were received via Twitter and two notable campaigns were mounted on social media platforms such as Facebook and YouTube – regarding the library proposals and the Queen’s Theatre.

Statutory consultation – Libraries

Libraries Equality Data

Last Birthday	Count	Percentage
13-24	37	4%
25-44	222	25%
45-64	298	33%
65+	272	30%
Unanswered	69	8%
Total	898	100%

Illness or disability	Count	Percentage
Yes	128	14%
No	619	69%
Unanswered	151	17%
Total	898	100%

Survey Ethnic Group	Count	Percentage
White	670	75%
Mixed background	17	2%
Other ethnic group	9	1%
Black or Black British	30	3%
Asian or Asian British	25	3%
Prefer not to say	65	7%
Unanswered	82	9%
Total	898	100%

Gender	Count	Percentage
Male	292	33%
Female	523	58%
Unanswered	83	9%
Total	898	100%

Introduction

Between 29 September and 5th January 2015, 898 people completed the Library Service Budget Consultation Survey. Of these 52% were completed online.

The survey included 9 questions. Of these 6 were 'yes' or 'no' questions:

Q1) Do you agree with the Council's proposals to reduce opening hours, rather than close library buildings?

Q2) Do you agree with proposals to open four libraries (Harold Hill, Romford, Hornchurch and Rainham) for 50 hours per week and the other six libraries for at least 25 hours per week?

Q3) Would you prefer that all libraries were open for a consistent (but lower) number of hours per week?

Q4) Do you agree with the proposal to involve more volunteers to support the management of libraries, in order to extend opening hours?

Q5) The libraries' housebound service supports around 95 people at a cost of £15,000. Do you agree the Council should find more cost-effective ways to support this group of customers?

Q6) Users of computers in libraries will be charged 50p for an hours' usage under these proposals. Do you think this is a reasonable charge?

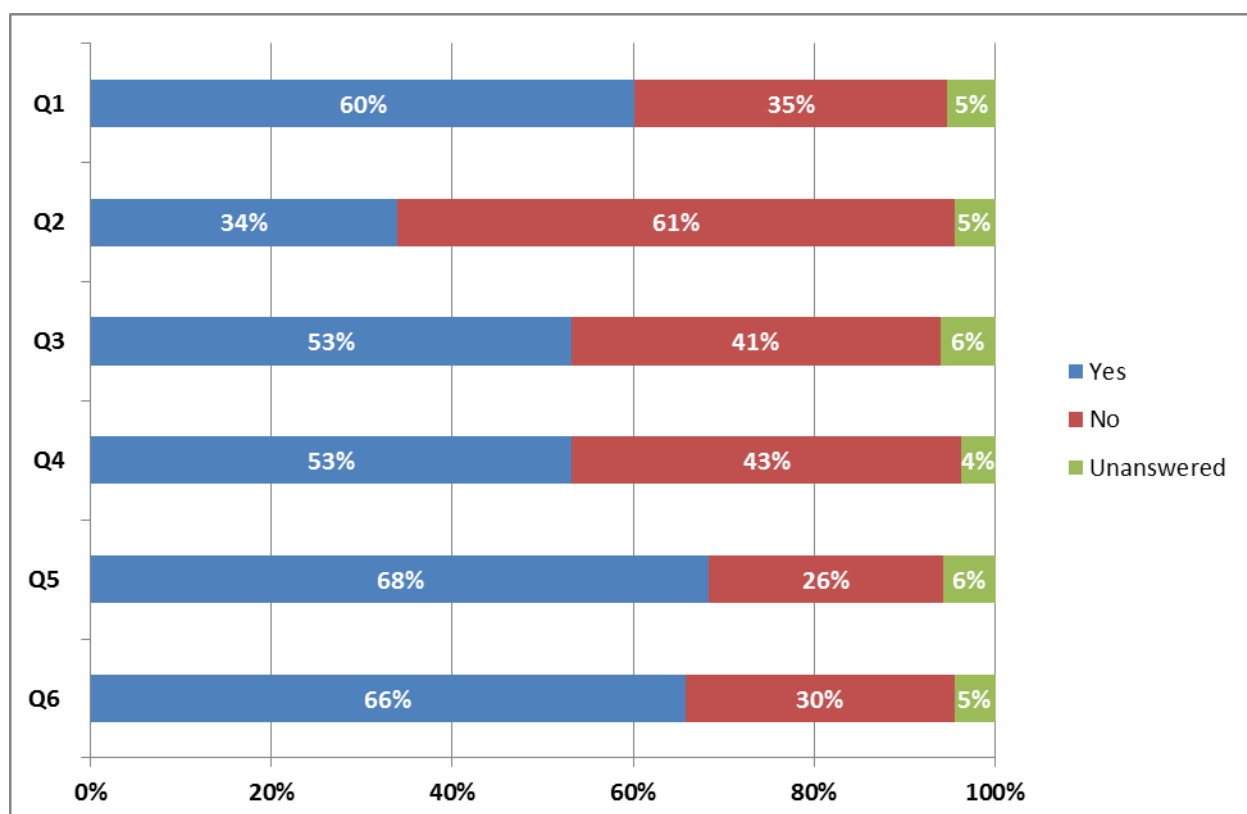


Figure 4: A Bar chart illustrating the percentage of Yes/No responses for the 6 questions described above.

The remaining questions were open ended and in total there were 2394 comments. The questions, along with a summary of the responses, are listed below.

- **Given the need to make savings, would you like to suggest alternative opening arrangements?** (Of the total comments for the Survey, 26% were in response to this question)
- **Do you have any other suggestions to save money in the library service, either by reducing costs or raising income – or other comments to make about these proposals?** (Of the total comments for the Survey, 50% were in response to this question)
- **Do you have any further comments to make about the library strategy?** (Of the total comments for the Library, 24% were in response to this question)

Whilst the first two open ended questions were quite specific, there were several themes that ran across responses to all three questions which are outlined below.

Summary of comments

In total, 27.9% of comments were in relation to Library opening hours. 8.3% (198) of comments stated that opening hours should be changed, although 5.3% (127) stated they shouldn't.

Various alternative opening arrangements were suggested, including:

- reducing opening hours in some or all of the Libraries each day - 3.5% (83), although 2.5% (60) stated opening hours should not be reduced.
- closing all Libraries for an additional day per week or having an alternate closing day – 2.3% (64)
- closing some libraries – 2.1% (51), although 2.8% (66) comments stated that no Libraries should be closed.

Throughout the survey responses, there were various suggestions to raise income. These included:

- Reducing spend (e.g. books and utilities) – 4.1% (99).
- Sharing facilities with other organisations – 4.1% (99).
- Increasing the usage and fees of meeting room hire and / or advertising them better - 3.6% (86).
- Charging for events 3.1% (75).
- Introducing a membership, usage or borrowing fee - 1.4% (34).
- Increasing fines – 0.5% (11).

10.6% (254) of comments were about volunteers. Of these, a significant number (185) were not in favour of using volunteers 'instead of' existing staff. 4.6% (111) of comments stated staff should not be reduced, although 1.1% (26) comments were in favour of this, particularly reducing managerial staff.

2.2% (52) of comments were made in favour of retaining the Housebound Service and 1.6% (38) of comments in favour of retaining the Local Studies and Family History Centre. However, we are not able to identify whether or not respondents are service users.

7.6% (183) of comments were on the introduction of a fee to use computers in Libraries. The comments were quite evenly split with 3.8% (91) who disagreed with a fee, 3.6% (85) of these comments in favour of a fee and (0.3% (7) were neutral).

In total, 20% (471) of the comments disagreed with Libraries being cut, stating that savings should be made elsewhere.

Qualitative Responses from the General Budget Strategy Consultation

Referring to Figure 3 on page 9, over 78 per cent (135 comments) of all Library comments mentioned council funding should continue to support this service. Many comments discussed the social value of libraries to local residents and the local community and thus, respondents disagreed with the proposed cuts to libraries. Such respondents felt libraries were a crucial service for the borough, an asset for vulnerable children and adults, an educational resource and provided facilities other than books, for example computers for those without access at home.

Many respondents were concerned in regards to:

- 1. Library opening hours:** Respondents desired that library hours continue as they are presently and disagreed to the proposed shortened hours of smaller libraries (18 per cent of Library comments, 32 in total). On the other hand, to a smaller extent other respondents (5 per cent, 9 in total) agreed that only the larger libraries in the borough should be open for over 50 hours per week.
- 2. Library volunteers:** Respondents felt that volunteers could not provide the consistent support that is required in order to manage library services as paid staff, nor would they have the knowledge required to complete the job sufficiently (approximately 10 per cent, 17 comments).

On the other hand, over 16 per cent (28 comments) of Library comments agreed with the proposed cuts to Library services where it was suggested, owing to the increase in resources available online, libraries were no longer a vital service.

Correspondence

In addition to the survey, 37 responses to the Library Budget Consultation were sent to the Lead Member for Culture and Community Engagement and the Head of Culture and Leisure by letter and / or email. One of these was received from a local MP who had forwarded on a residents email.

The issues raised through this correspondence were very similar to many of the comments in the survey – should or should not be closed; suggestions for different opening arrangements and how additional income could be generated, such as sharing facilities, charging for events and increasing the hire or changes for meeting room usage. Some correspondence also argued against the use of volunteers and the introduction of charges for the use of PCs.

There were other comments in favour of retaining the Local Studies and Family History Centre and the Housebound Service, and the value of these services to local residents.

One letter received was from National Archives regarding their concerns for the Local Studies and Family History Centre and the use of volunteers.

An online petition to stop the reduction in hours at Upminster Library received 266 signatures.

Library Budget Consultation Meetings

In addition to the public consultation meetings on the overall budget proposals, there were five public meetings in regard to the Library Service Budget Proposals throughout November and December 2014. . An additional meeting was held at Romford Library where residents were able to raise questions that were recorded by a member of staff. These were later answered by the Head of Service following the meeting. The purpose of these meetings was to set out the budget proposals for Library Services and answer questions from meeting attendees. All Questions and Answers from the Library Budget Consultation Meetings were made available online for the duration of the consultation.

The meetings were all well attended, in particular the meeting at Upminster Library in which approximately 120 local residents were present. There was particular depth of feeling from Upminster residents about the proposals given that it is the third busiest library in the borough but is not included as one of the four most 'strategically important' and therefore the opening hours are proposed to be reduced to 25 per week.

Various questions were asked at these meetings but there were some common themes. There were several questions about volunteers, including how the Council will recruit the number of volunteers required, how volunteers will be managed and trained, whether volunteers will get a formal qualification and how volunteers will be retained. There were also concerns about how the Council will manage the recruitment of volunteers, at the same time as making staff redundancies and what the cost of volunteer programme will be.

There were also many questions and comments about the proposal to introduce a 50p charge for the use of computers in Libraries. Many attendees were concerned about how it would work in practice and what the cost would be – for example arrangements for staff taking the money, managing a booking system, ensuring computers were always working and up to date. There were also a number of questions about whether concessions would be given for certain groups. Many felt 50p was a lot of money for those who are not working.

There were questions and comments about the future of the Local Studies and Family History Centre, including the value of this service and the knowledge of the staff currently in post. There were also concerns about current clubs and groups and if they would still be able to run. The Summer Reading Challenge was also mentioned on several occasions and people were worried about the future of this scheme.

There were various suggestions about how the Council could raise more income. These included the introduction of a charge for people to become a member of the library, increasing fines, selling books, introducing a charge for using some of the Local Studies and Family History Centre research tools and increasing the hire of rooms and/or promoting this more.

In addition there were various suggestions about how the Library Service could save money. These included reducing the amount of money spent on books, saving on utilities, increasing partnership working with other organisations and sharing resources and sharing services with other Councils.

There were lots of questions about the proposals to reduce Library opening hours and similarly lots of suggestions for how the hours could be reduced. Some meeting attendees urged the Council to keep libraries open in the evening so it's convenient for people who work, but there were also comments about keeping the Libraries open on Saturdays. There were suggestions to close some libraries one day per week and some people did suggest closing smaller libraries; although equally there was opposition to this suggestion as well.

Finally there was objection to Library Service budget reductions in principle and questions about the decision to define four libraries as strategically most important.

Alternative proposals

As part of the consultation process, the Council received alternative proposals from the staff, which have been considered as part of the review of the consultation that has taken place. Staff proposals include: increased opening hours, including retaining current opening hours at Romford and Hornchurch; the retention of more front line staff across the service; a reduction in the working hours for a number of the managers; the retention of an additional Reader Development post, the retention of the Housebound service and the retention of a post to run the Local Studies and Family History Centre. This is being considered alongside the public feedback.

Statutory consultation – Council Tax Support Scheme

Council Tax Equality Data

Last Birthday	Count	Percentage
13-24	5	1%
25-44	95	24%
45-64	232	59%
65+	27	7%
Unanswered	37	9%
Illness or disability	Count	Percentage

Survey Ethnic Group	Count	Percentage
White	306	77%
Mixed background	7	2%
Other ethnic group	5	1%
Black or Black British	17	4%
Asian or Asian British	4	1%
Prefer not to say	18	5%
Unanswered	39	10%
Total	396	100%
Gender	Count	Percentage
Male	140	35%
Female	211	53%
Unanswered	45	11%
Total	396	100%

Yes	161	41%
No	157	40%
Unanswered	78	20%
Total	396	100%

Introduction

This consultation took place alongside the wider consultation undertaken on the Councils budget proposals as a whole (as mentioned above the consultations were treated as a linked set of proposals) and respondents had the opportunity to comment on those proposals and make alternative suggestions. A letter was sent out to all claimants as part of the consultation exercise which is referenced earlier in this report. It gave respondents a hard copy of the council tax support questionnaire and encouraged them to respond to the council tax consultation and also made them aware of the wider budget consultation. Attention was drawn to the range of council tax support options initially considered by Councillors (which were available to view on the website) and asked for views on the option being consulted upon which was considered to be the fairest to residents in the circumstances. No comments were received during the consultation which suggested an alternative option was preferable to the one being put forward by the Council.

Consultation Proposals:

The consultation posed four questions:

1. Should everyone of working age pay at least 15 per cent of their council tax?
2. Should working age council tax payers with more than £6,000 savings or investments be disqualified from claiming Council Tax Support?
3. Should Second Adult Rebate be removed from the scheme for working age Council Tax Payers whose income is too high to receive Council Tax support?
4. Should people who own or rent a property which has been empty for more than two years, be charged 150 per cent Council Tax?

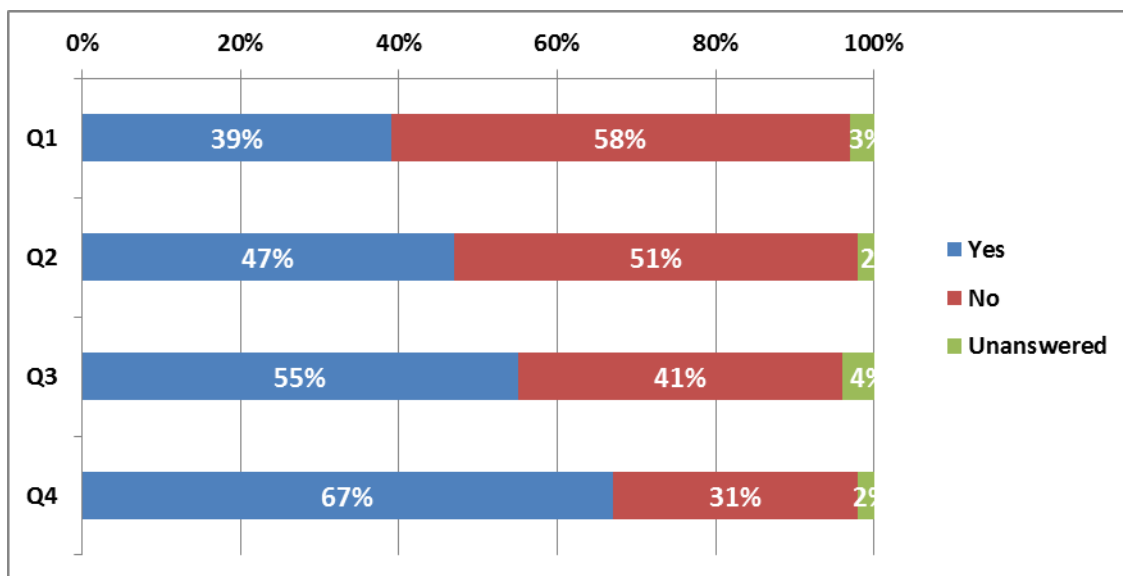


Figure 3: Bar chart illustrating the percentage of Yes/No responses for the 4 questions described above.

In relation to Q1 – whilst 58 % of respondents disagreed this represents 231 people as against 152 who agreed, so of all those responding (many of whom are likely to be council tax support claimants as there was a spike in responses after the letter went out to claimants) there was a majority of 79 who disagreed. As can be seen from the analysis of written comments some of the objections to the proposal seemed to relate to concerns about disabled people and people with long term health conditions, who receive more generous premiums and allowances in any event.

In relation to Q2 – whilst 51% of respondents disagreed this represents 202 people as against 184 who agreed, so of all those responding, there was a majority of 18 who disagreed.

Numbers responding and basic demographics

Consultation questionnaires were sent to 9,887 working-age claimants of Council Tax Support. The consultation proposals were also made available online for the general public and any interested parties to submit comments.

Between 29 September and 29 December 2014, 396 people in total responded to the Council Tax Support consultation. 309 of these responses (78%) were completed on paper by Council Tax Support claimants and represent 3% of working age claimants. The remaining 87 completed surveys (22%) came through online.

Analysis of Written Comments

Following each yes/no question, respondents were invited to make verbatim comments related to the question. The following breakdown shows the broad sentiment of the comments. Positive comments are those that supported the proposal, negative comments were against the proposal and neutral comments did not express a clear opinion either way.

The majority of respondents did not take the opportunity to make any additional comments. However, of those that did add comments, the findings were as follows:

1. 20 respondents (5%) to the survey commented that everyone should pay at least 15 per cent of their council tax compared to 126 respondents (32%) who disagreed. 63% of respondents (250 people) made no or neutral comments.

Some expressed the view that disabled people and people with long-term health conditions or those receiving disability benefits should be exempt from this change. It is worth noting that the CTS scheme does take sickness and disability into account, with more generous premiums and allowances awarded to this client group. This means that claimants with disabilities do receive higher rates of Council Tax Support.

One respondent said that they felt that 10 per cent “was high enough”. A few commented that people should pay council tax if they use council services.¹

2. 8% of people’s comments (32) agreed with the proposal that working age council tax payers with more than £6,000 savings or investments should be disqualified from claiming Council Tax Support compared to 19% of people (77) who disagreed. 73 per cent of respondents (287) made neutral or no comment regarding this question.

Comments included the view that the £6,000 proposed limit was too high². Others commented that the proposal penalised people who had saved for the future.³

3. 24 comments (6%) agreed with the proposal to remove Second Adult Rebate compared to 43 comments (11%) who disagreed. 329 people or 83% made no or neutral comments.

The comments that were in favour did so along the lines that if the higher wage earner could afford to pay the council tax, then their Second Adult Rebate should be removed.⁴

4. 18% of people (71) commented in favour of the proposal to increase the council tax to 150% where a property has been empty for more than two years. This compared to 9% or 34 people who disagreed. 73 % of people (291) gave no or neutral comment.

Most of the comments on this proposal were favourable and indicated that this would help to reduce the number of people who needed housing, encourage the return of the property into use which would benefit the local area and encourage owners to sell or let their property.

GLA Response

¹ The Council has policies in place to support people in emergency need

² Thurrock Council apply a £6,000 capital limit and maximum CTS = 75% council tax.

³ The capital limit of £6,000 is not proposed for people of pensionable age.

⁴ Less than 2% of working age claimants would be affected by the removal of second adult rebate.

The GLA was consulted regarding the draft council tax support (CTS) scheme options for 2015-16. The GLA responded on 15 December 2014, recognising that individual schemes need to be developed having regard to specific local circumstances, both in respect of the potential impact of any scheme on working age claimants (particularly vulnerable groups) and more generally the financial impact on the council and local council taxpayers.

The GLA noted Havering's preferred option recommended by London Borough of Havering officers. It also recommended that applicable amounts, personal allowances and non-dependent deductions are uprated in line with the national Housing Benefit scheme for 2015-16. The London Borough of Havering can confirm, and will advise the GLA accordingly, that it will be taking such action in relation to annual uprating in accordance with the national Housing Benefit scheme.

The GLA concluded that it had no further specific comments on the proposals at this stage as it regards them as being a legitimate matter for local determination. The full response is available on request.

Other activity

As part of the consultation, meetings were held with two stakeholder groups: the financial inclusion group (made up of staff from a number of Council departments, the DWP, MIND, several housing associations and Disability Association Barking & Dagenham). The proposals to change the scheme were not unexpected as members dealt with neighbouring authorities who had made similar changes when they introduced the scheme. Most seated around the table felt Havering had been very generous by not reducing the Council Tax Support Scheme payments in 2014 when there were additional Government reductions in funding in that year.

A presentation was also made to the Housing Benefit Landlord Forum, which represents landlords who receive Housing Benefit payments direct on behalf of their tenants - the aim of the meeting is to update Landlords on the Benefits Services performance and to brief them on any legislation changes that may affect them or their tenants. As part of the Agenda council officers discussed the Council Tax Support Proposals for 2015/16, the effect these may have on Landlords, tenants and themselves. Chris Henry invited comment from the floor but none were forthcoming. The attendees were then reminded that they could have "their say" by viewing the Councils website and completing the survey by Monday 29th December 2014.

Statutory consultation – Parking

Parking Equality Data

Last Birthday	Count	Percentage
13-24	4	1%
25-44	61	17%
45-64	125	34%
65+	142	39%
Unanswered	32	9%
Total	364	100%

Survey Ethnic Group	Count	Percentage
White	291	80%
Mixed background	3	1%
Other ethnic group	2	1%
Black or Black British	7	2%
Asian or Asian British	3	1%
Prefer not to say	15	4%
Unanswered	43	12%
Total	364	100%

Gender	Count	Percentage
Male	164	45%
Female	172	47%
Unanswered	28	8%
Total	364	100%

Illness or disability	Count	Percentage
Yes	47	13%
No	261	72%
Unanswered	56	15%
Total	364	100%

In total for the Statutory Parking consultation there were 364 total surveys completed, out of which approximately 44 per cent were completed online (159 surveys) and 56 per cent (205 surveys) were completed via a paper copy.

Questions

There were five yes/no questions asked, results of which are summarised below:

1. These proposals would allow for half an hour free parking (20 minutes free parking, plus 10 minutes 'grace' period) in on-street pay and display bays and in car parks outside Romford. We believe this would support local businesses and shoppers. Do you agree with this proposal?

2. Would you prefer no free period, but lower charges for longer stays?

3. Do you agree that parking tariffs should be set in a way that supports short term parking and deters long-stay commuters (higher charges for longer stays)?

4. Do you agree with the proposal that car parking in parks should cost less than it does in town centre car parks?

5. The 'school run' causes many issues for pedestrians, parents, children and motorists. Would you support more parking restrictions and enforcement around schools?

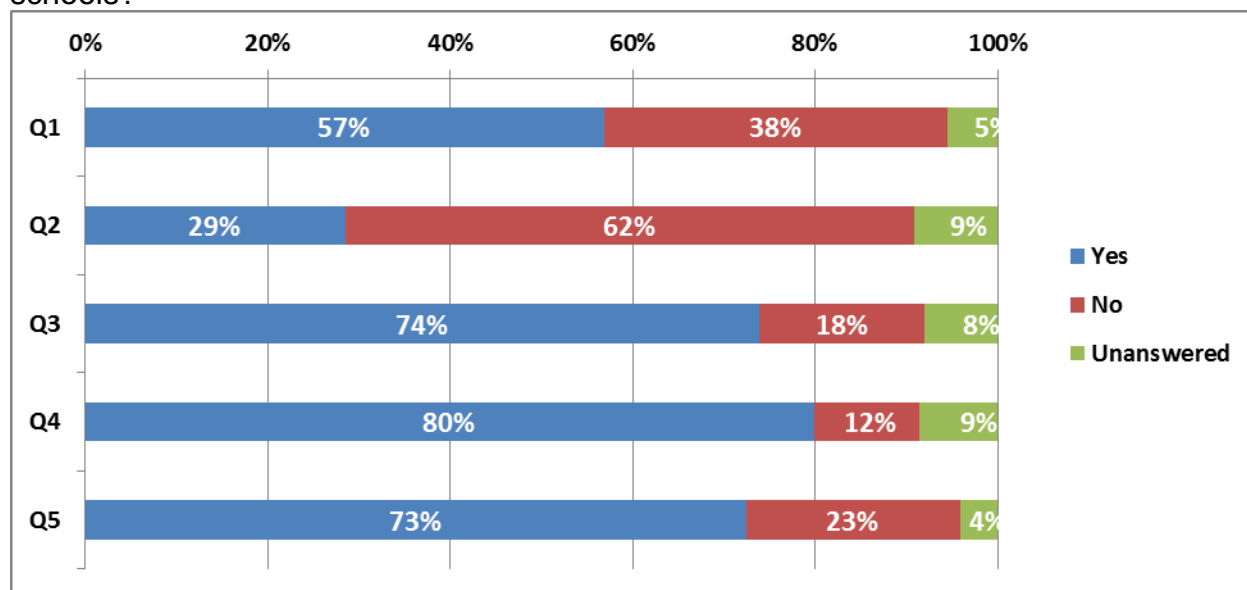


Figure 4: Bar chart illustrating the percentage of Yes/No responses for the 5 questions described above.

In relation to question 1, there was overall support for the proposal to introduce half an hour free parking to on-street pay and display bays and from question 2, the majority of respondents would prefer to have a free period of parking rather than lower charges for longer stays. The majority of respondents agreed that parking tariffs should support short term parking and deter long-stay commuters. Question 4 considered parking in parks and the majority of respondents stated that charges in parks ought to be less than the cost of town centre parking. Finally, question 5 was in

relation to the 'school run', where the majority of respondents agreed that more parking restrictions and enforcements ought to be implemented around schools.

The remaining questions, listed below were open ended:

6. The proposals would amend the arrangements for a number of parking permits used by residents and businesses in certain circumstances. Do you have any comments on these proposals?

In relation to parking permits, there were a total of 62 responses (17 per cent of total responses). Out of these responses 29 per cent (18 responses) stated there should be no increase to permit charges; 17 per cent (11) of responses thought parking permits should be free for residents; approximately 15 per cent of responses (9) suggested there ought to be no permit scheme in the borough and finally 5 per cent (3 responses) desired changes to visitor permits (to allow charging hourly or daily).

7. The Council wants to help local people park near their homes. If you have any requests for additional parking bays, residents' parking schemes or changes to parking restrictions in your local area, please list them here and we will consider them (subject to separate, local consultation).

For question 7, in total there were 104 responses, which called for a review of parking restrictions in respondent's respective local area. (This will be considered separately for further review).

8. Do you have any other comments on the parking proposals and strategy that you have not addressed in previous responses?

In relation to this broad question, there were several emerging themes, which it was found to overlap with the comments made in the general budget strategy consultation below. The main comments were categorised as:

1. Parking charges in **parks**: there were 160 comments in relation to parking charges in parks (44 per cent of total survey responses) and all responses objected to the suggested changes to parking charges. In addition to the issues raised below, for example the impact to 'Walking for Health' (43 responses, 27 per cent), there was also the concern in relation to the impact parking charges would have to Leisure Centre users (85 responses, 53 per cent). 7 comments (4%) raised the issue of the impact that the introduction of charges in parks would have on parking in residential streets. There were also suggestions to introduce a minimum charge for parking, for example 20p and a maximum free stay between 1.5 to 4 hours.
2. General **fees and charges** comments: altogether there were 48 responses (13 per cent of total survey responses) that fell under this category. 21 responses (44 per cent) under this category were in favour to have an initial free period, while 5 responses (10 per cent) were not in favour of a free period and 17 responses (35

per cent) were not in favour of increased charges or agreed only to a reduced hourly charge.

3. Parking at **schools**: in total there were 10 comments (over 2 per cent of total survey responses), which mostly comprised of suggestions to ease the pressure of parking at schools. For example, children should be encouraged to use school buses, provide specific parking for parents and finally, stricter restrictions during peak times.

Qualitative Responses from the General Budget Strategy Consultation:

From the 5 per cent of total comments (105 comments) that referenced 'parking', over 74 per cent (78 comments) were against the suggested change to parking charges, stating the need to maintain free parking or parking charges as they are. On the other hand, respondents who agreed to the suggested parking charges, agreed to only short-time parking charges and to an increase in fines which could be reinvested into other services, such as road repairs. It was also suggested the increase in parking charges might consequently encourage the use of public transport.

The 'parking' category was split into two main themes:

1. Parking charges in **parks**: comments generally opposed the introduction of parking charges in parks (35 per cent of overall parking comments, 37 comments). It was felt introducing parking charges would prevent people from enjoying Havering parks and maintaining a healthy lifestyle, for example the 'Walking for Health' scheme. It was also suggested that introducing parking charges would encourage people to park in nearby residential streets. It was recommended that the 'free' period in regards to parking charges should be extended to 60 minutes.
2. Parking charges in **shopping/business** facilities: it was felt by respondents that introducing or increasing the parking charges in shopping areas would negatively impact local businesses (over 11 per cent, 12 comments). Instead, there was concern that customers would go to the Lakeside Shopping Centre.

Stakeholder Consultation

The additional stakeholder consultation received only 5 direct responses and 3 further items of correspondence (a total of 129 surveys were provided). As stakeholders were invited to respond to the online questionnaire it is considered their responses were included in the general budget strategy consultation.

The stakeholders comments received separately to the main consultation were closely aligned to those of the main survey in that all correspondents raised concerns regarding the changes to charging in parks. Whilst generally none of the respondents wanted charging in parks to be introduced, there was the suggestion that free parking be allowed for the first hour and after 6.00pm. Other comments with regard to the

remaining areas being consulted indicated that 30 minutes of free parking may not be sufficient and that the hourly charge ought to be reduced.

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CABINET

21 JANUARY 2015

Subject Heading:	Council Tax Support Scheme 2015
Cabinet Member:	Councillor Ron Ower
CMT Lead:	Andrew Blake-Herbert Group Director – Communities & Resources
Report Author and contact details:	Chris Henry, Head of Council Tax & Benefits, Exchequer & Transactional Services, oneSource ext. 2413
Policy context:	The proposed Council Tax Support Scheme for 2015 and Empty Homes Premium seek to adjust the budget for Council Tax Support in the light of overall budgetary pressures.
Financial summary:	The proposed local scheme design reduces Council subsidy to the Council Tax Support Scheme.
Is this a Key Decision?	Yes
When should this matter be reviewed?	Full Council 28 January 2015
Reviewing OSC:	N/A as this is a Full Council decision.

The subject matter of this report deals with the following Council Objectives

Ensuring a clean, safe and green borough	<input type="checkbox"/>
Championing education and learning for all	<input type="checkbox"/>
Providing economic, social and cultural activity	<input type="checkbox"/>
in thriving towns and villages	<input type="checkbox"/>
Valuing and enhancing the lives of our residents	<input type="checkbox"/>
Delivering high customer satisfaction and a stable council tax	<input checked="" type="checkbox"/>

SUMMARY

At Cabinet on 3 September 2014, Members were made aware that a review of the Council Tax Support Scheme was being initiated due to anticipated reductions in settlement funding for 2015/16 which included the rolled in CTS grant and the consequent need for the Council to consider a range of spending reductions or realignment of budgets.

The provisional settlement which was announced in December for the 2015/16 financial year has seen a 17% reduction to the upper and lower tier funding allocations. From 2013/14, Council Tax Support was rolled into the formula and is therefore no longer separately identifiable. If the upper and lower tier reduction was to be applied to the already reduced Council Tax Support allocation, the funding would reduce by a further £1.9m. Cabinet consequently initiated consultation on a series of proposals to reduce Council spending, consider Council Tax levels. Consultation on proposed reductions to the Council Tax Support Scheme formed part of these proposals. The Council will also need to consider its use of reserves and balances in coming to a decision on the Council Tax Support Scheme.

Members at Full Council on 17 September 2014 also considered increasing the Council Tax level for properties which are empty for more than two years to 50% above the standard Council Tax rate.

This report considers responses to the consultation about the budget position overall and specifically with respect to Council Tax Support and makes proposals in relation to both the Council Tax Support Scheme and empty homes. Formal consultation with residents, persons affected and the Greater London Authority (GLA) are appended to the Council's Financial Strategy.

RECOMMENDATIONS

That Cabinet:

1. Note and consider the responses to the CTS and Empty Homes Premium consultation appended to the Council's Financial Strategy Cabinet report considered earlier on the agenda.
2. Note the financial pressure of the reduction in settlement funding considered earlier on the agenda and the potential impact on the Council Tax Support allocation.
3. Approve and recommend to Council of the adoption of the proposed revised local council tax support scheme as summarised in Appendix A with effect from April 2015.
4. Approve an increase of 50% to the standard rate of council tax for properties that have been empty for more than two years with effect from April 2015, subject to the current discounts and exemptions.

REPORT DETAIL

1. Council Tax Support Scheme Proposed for 2015

- 1.1 The Council Tax Support (CTS) Scheme has been in place since 1 April 2013. Proposals are being made to revise the scheme from April 2015 for working-age claimants as part of the Council's overall budget strategy. The CTS 2015 scheme for claimants of pensionable age does not form part of this report and remains unchanged by the Council.
- 1.2 Previously Cabinet considered several options for changing the CTS scheme before noting their preference for the preferred scheme on which to consult with the GLA and members of the public as part of a wider consultation on budget strategy and priorities. Details of the changes now proposed to the Council Tax Scheme for 2015 can be found at Appendix C.
- 1.3 An overall summary of the CTS Scheme can also be found at Appendix A. Following Cabinet Members' decision, a full version of the scheme will be available for ratification by Council on 28 January 2015 and subsequent publication.
- 1.4 In summary, it is now proposed that the current CTS scheme is amended as follows:
 - Reduce Council Tax liability for Working Age claimants by 15%.
 - Abolish Second Adult Rebate (2AR).
 - Reduce capital amount for Working Age claimants from £16,000 to £6,000.

2. Background to the Council Tax Empty Homes Premium

- 2.1 The Local Government Finance Act 2012 embedded the Technical Reform of Council Tax and gave billing authorities the discretion to increase the council tax charged on certain properties by up to 50%. The conditions for the increased council tax charge are that the property must be empty (no individual's sole or main residence) for more than two years and substantially unfurnished. This is known as the Empty Homes Premium.
- 2.2 There are limited exceptions should an authority decide to introduce the Empty Homes Premium and these are if the property is left empty by a member of the armed services or it is an annexe that forms part of the main property.
- 2.3 Current discounts and exemptions remain unaffected, for example, where a property is left empty while probate is in process, an exemption is still applicable.
- 2.4 In July 2014, there were 372 properties in the borough that had been empty for two years or more and of which 153 are Council owned. The table below reflects potential amounts of premium that could be charged based on the current year's council tax. £239,898 represents the additional council tax due above the standard rate of 100%.

Owner	No. of properties	Council Tax 2014/15	50% Premium
Havering Council	153	£160,872	£80,436
Private	219	£318,924	£159,462
Total	372	£479,796	£239,898

- 2.5 The potential net income after making provision for bad debt (at 10%) and discharging the GLA precept (at 20%) will be nearer £175,000, assuming this level of properties remain vacant.

3. Consultation with the GLA and the Public

- 3.1 The Council has formally consulted members of the public and representative groups on the proposed revisions to the CTS scheme. This Consultation formed part of a wider consultation about the Council's budgetary position, the results of which are set out in full in Appendix D to the Report on the Council's Financial Strategy, also on this Cabinet Agenda. In addition to the general consultation there was specific consultation targeted around the CTS Scheme. Consultation questionnaires were posted to just under 10,000 working-age CTS claimants, meetings were also held with representative groups and the survey was made available to everyone online and detailed information about options considered was provided on the Council's web site.
- 3.2 The specific CTS consultation posed four questions:
- Q1. Should everyone of working age pay at least 15 per cent of their council tax?
- Q2. Should working age council tax payers with more than £6,000 savings or investments be disqualified from claiming CTS?
- Q3. Should Second Adult Rebate be removed from the scheme for working age Council Tax Payers whose income is too high to receive CTS?
- Q4. Should people who own or rent a property which has been empty for more than two years, be charged 150 per cent Council Tax?
- 3.3 The consultation took place between 29 September 2014 and 29 December 2014. The full extract of consultation responses has been made available to Members and is summarised in the Consultation Outcome report appended to the main Financial Strategy Cabinet report.
- 3.4 The CTS consultation was set in the context of the Council's overall budget position including general consultation conducted about the priorities local people placed on Council services, whether they agreed in broad principal with the set of budget proposals that the Council were consulting on (which included the CTS and empty homes charges) and whether residents would be prepared to pay additional Council Tax rather than see the savings proposed being made. As the Appendix on consultation responses shows, the majority of respondents supported the overall priorities proposed in the budget strategy and opposed increases in Council Tax being made instead of spending reductions.
- 3.5 The detail of the CTS specific consultation is also set out in the appendix. It should be recalled that this consultation specifically targeted those currently in receipt of CT support and the majority of responses to this element of the consultation were received in a spike following a direct mail shot and were in the form of the completed

paper questionnaires sent to CT support clients rather than on line. Still, a relatively low 396 replies overall were received to the specific consultation, despite just under 10,000 targeted letters being sent out. Though data was made available about the other options for making changes to CTS, no respondents suggested using one of the alternatives considered by the Cabinet in its previous deliberations.

- 3.6 A summary of individual responses showed 396 people in total responded to the Council Tax and CTS consultation. Of these, 309 responses or 78% were completed on paper by CTS claimants and represented 3% of working age CTS claimants. The remaining 87 completed surveys (22%) came through online.
- 3.7 In response to Question 1, 58% of respondents or 231 people disagreed with the proposed reduction of 15% compared to 152 who agreed. There was only a majority of 79 people who disagreed of all those responding.
- 3.8 With regard to Question 2, 51% of respondents or 202 people disagreed with the reduction in the capital limit compared to 184 who agreed. A small majority of only 18 people disagreed with this proposal.
- 3.9 Generally, with regard to Questions 1 and 2 no comments were made as to how the Council could fund the grant shortfall other than to cutback other services or increase the council tax. These considerations are already being made as part of the main Financial Strategy.
- 3.10 Given the detailed consultation, though a small (in number) majority of respondents were against the proposal that everyone should pay at least 15% and an even smaller (in number) were against the £6,000 limit, it is proposed to still proceed with these changes. This is because it is felt necessary to balance the overall views of where budget reductions will be made against the specific views of those in receipt of CTS, as they are more likely to oppose any changes as they will be personally affected by them. This decision is also based on a review of the other options available to change the CTS Scheme and the consequent view that the 15% and £6,000 options are the best and fairest overall under the circumstances.
- 3.11 Generally the consultation responses were in favour of reducing the second adult rebate and in favour of 50% being charged for properties empty for more than 2 years. It is consequentially intended to proceed with these proposals.
- 3.12 In accordance with Schedule 4 of the Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012), the major precepting authority, the GLA, were consulted in advance of the publication of the draft scheme. The GLA's substantive letter of response can be found at Appendix D.
- 3.13 The GLA responded generally to the proposals and recognised that while the development of the CTS scheme is a matter for the Council to determine, it shares in any risks and potential shortfall arising from the impacts of the scheme and encourages the Council to provide an indicative council tax base forecast as soon Members approve a scheme which it shall do.
- 3.14 The proposal to remove Second Adult Rebate contained in Question 3, received an 11% majority in favour of its removal.
- 3.15 The introduction of an additional 50% council tax for homes left empty for more than two years was favourably received by respondents with a majority of 34%.

3.16 Two stakeholder groups; Financial Inclusion and Housing Benefit Landlord Forum both accepted proposals to change the scheme without major comment. The changes made by Havering were not unexpected as some neighbouring boroughs had already decreased expenditure on their schemes since April 2013.

REASONS AND OPTIONS

Reasons for the decision:

The Council has consulted on a broad package of savings and an overall budget strategy which includes changes to the CTS Scheme and this consultation has provided broad support for the strategy.

The proposed CTS scheme for 2015 will bring Havering in line with neighbouring borough schemes. The scheme itself has been designed to assist people on low income pay their council tax. Certain vulnerable groups face barriers to work which result in less earning power and entitles them to claim CTS. An even distribution of the 15% reduction does not therefore disproportionately impact any specific single vulnerable group.

A CTS bill at only 15% of the standard rate is felt to be reasonable for a CTS claimant who may also be a first time council tax payer to pay over the course of a year.

In making their recommendation officers noted that approximately 10,000 consultation questionnaires were posted to working-age CTS claimants and not to a corresponding number of residents who were not in receipt of CTS. It is possible respondents may have found it more important and convenient to fill in and return a *paper* survey rather than go online to complete the same survey.

While the consultation response has shown 363 respondents were not in favour of reducing CTS by 15% or reducing the capital limit from £16,000 to £6,000, the majority of the 2,000 people responding to the wider budget strategy supported the overall priorities contained in it, which included £1.2m savings came from the CTS scheme.

By applying the Empty Homes Premium, Havering will fall in line with other London Boroughs who have already introduced this increase in council tax and encourage owners of these empty properties to bring them back into occupation.

Other options considered:

Eight options were considered at Cabinet and reconsidered by Officers in light of the consultation responses. The CTS options can be found in the Cabinet report of 3 September 2014.

Five of these alternatives options reduced expenditure by varying degrees but not sufficiently to make significant savings and so would fall outside of the strategy and priorities set by the Council and consulted on. Two alternatives did provide the savings through the scheme but would have placed a significant burden on the CTS claimant to pay 20% or more in Council Tax. The 15% figure is considered more fair.

The option outlined in Appendix C is considered the fairest proposal to CTS claimants and council tax payers if the CTS scheme is to be included as part of the savings package.

While the Council has reserves it could use to fund the CTS scheme, it could only be used for one-off savings and schemes in future years would still need funding. The Council's overall budget strategy was consulted on and does not include use of balances or reserves. No significant responses were received suggesting the Council should not reduce spending but instead should use reserves.

The option of increasing the Council Tax is already being considered as part of the main budget strategy. Consultation with the public has shown a majority are not in favour of a higher Council Tax rise than proposed in the Strategy.

IMPLICATIONS AND RISKS

Financial implications and risks:

While the funding for CTS has been rolled into the Settlement Funding Allocation (SFA) reductions are being experienced year on year.

The provisional settlement which was announced in December for the 2015/16 financial year has seen a 17% reduction to the upper and lower tier funding allocations. From 2013/14, CTS was rolled into the formula and since is no longer separately identifiable. If the upper and lower tier reduction was to be applied to the already reduced Council Tax Support allocation, the funding would reduce by a further £1.9m. The savings put forward assume an increase in bad debt to safeguard against a drop in collection. Although nationally, collection rates have only reduced slightly, these vary between authorities.

The main operational and performance risks, consequences and counter measures connected with the proposed changes to the Local CTS Scheme are contained within Appendix E.

The Empty Homes Premium has the potential to make a saving of £173k. This however could change as the reaction of residences to this premium may change their behaviour and as a result claim residency. In the event of a reduction in empty homes premium, this will have a positive effect on the council's new Homes Bonus allocation.

Due account will need to be taken of these changes as part of the Council's budget strategy and reflected in the budget setting cycle for 2015/16. In addition, monitoring of the financial risk will need to be undertaken routinely and in the event of any significant variation, this would need to feed into the budget monitoring reporting arrangements

Legal implications and risks:

On 31 October 2012, the Local Government Finance Act 2012 amended the Local Government Finance Act 1992 ("the 1992 Act") to introduce a requirement for the local council tax reduction schemes. Section 13A of the 1992 Act and Schedule 1A to the Act require each billing authority in England to make a scheme specifying the reductions which are to apply to council tax payable in respect of dwellings situated in its area by: (a) persons considered by the authority to be in financial need; and (b) classes of persons considered by the authority to generally be in financial need.

The Council was required to have a council tax reduction scheme in place by 31 January 2013. For each financial year, the Council is required to consider whether to revise its scheme or to replace it with a different scheme. Any revision or replacement must be made by 31 January in the financial year preceding that for which the scheme is to take effect.

Under Schedule 1A paragraph 3(1), before revising or replacing its scheme, the Council must (in the following order):

- a) Consult any major precepting authority which has power to issue a precept to it,
- b) publish a draft scheme in such manner as it thinks fit, and
- c) Consult such other persons as it considers are likely to have an interest in the operation of the scheme.

There are therefore two stages to the consultation requirements. Firstly with the major precepting authority, then once the final draft scheme has been determined with the public. A consultation must be meaningful in that it must be undertaken at a stage when consultees can influence the final decision and enough time and information must be given to enable them to respond properly.

The Council has consulted with the GLA and the public as required by Schedule 1A above. The comments must be carefully considered by Members before making their determination.

Schedule 1A to the 1992 Act requires that the council tax reduction scheme address the following matters:

- The scheme must state the classes of person who are entitled to a reduction. This may be determined by reference to the income of any person liable to pay council tax, the capital of any such person or both income and capital. It may be determined by reference to the number of such a person's dependants and whether or not the person has applied for a reduction.
- The scheme must specify the reduction to which a person in a given class is entitled to and different reductions may apply to different classes. The reduction may be in the form of a percentage discount, a discount of an amount specified or calculated under the scheme, an amount of council tax or the whole of council tax.
- The scheme must specify the procedure by which a person may apply for a reduction and how a person may appeal a decision in respect of reduction or council tax.
- The scheme must contain other matters specified in Regulations made by the Secretary of State.

Pursuant to powers given in the 1992 Act, the Secretary of State has made the Council Tax Reduction Schemes (Prescribed Requirements)(England) Regulations 2012 ("the Prescribed Requirements Regulations"), which set out detailed matters that must be contained in council tax reduction schemes. The proposed scheme has been prepared in accordance with these requirements.

The Council must publish its council tax reduction scheme. It must also keep the scheme under review and decide each financial year whether to revise or replace the scheme.

Before adopting a council tax reduction scheme, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a

protected characteristic and those who don't. An equality impact analysis is attached to this report.

Section 67 of the 1992 Act specifies functions of an authority that shall be discharged only be the authority. The specified functions include making or revising a council tax reduction scheme under section 13A(2) of the 1992 Act. This means that full council has ultimate responsibility for making and revising the council tax reduction scheme.

Human Resources implications and risks:

The proposal to revise the CTS scheme will require a detailed training plan and strategy to develop staff awareness and support them through the transition from Council Tax Benefit to CTS. Staff will also require briefings throughout implementation as the options develop into a local scheme.

These considerations have been incorporated into the CTS project plan.

Equalities implications and risks:

The Public Sector Equality Duty (and *The Equality Act 2010*) requires local authorities in carrying out their functions, to have due regard to the need to:

- (a) Eliminate discrimination, harassment, victimization and any other conduct that is prohibited by or under the Equality Act 2010;
- (b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The Council must pay due regard to the three aims of the duty and consider how the CTS scheme might affect people who share a relevant protected characteristic and people who do not share it.

The proposed revisions to the CTS scheme are the subject of an Equalities Impact Assessment (EIA) which is attached at Appendix B for Members to read.

CTS is a means tested scheme available to households on low incomes. Therefore all recipients would be considered to be at a socio-economic disadvantage, particularly lone parents (most likely to be women), part-time workers (most likely to be women), and working-age households on low income, large families (more likely to be from BME backgrounds) and carers (most likely to be women).

Pension age CTS claimants will not be affected and will continue to receive similar levels of support with their council tax bills as they do at present.

The proposed changes, particularly the proposals to reduce Council Tax liability for Working Age claimants by 15% and to reduce the capital amount for Working Age claimants from £16,000 to £6,000 will have a disproportionate impact on low income working age households.

The Equality Impact Assessment will also be reviewed on a regular basis as the policy for the local scheme develops to ensure negative impacts are identified and minimised if not eliminated.

BACKGROUND PAPERS

Appendices

- Appendix A - Summary of the proposed CTS Scheme for 2015
- Appendix B - CTS Equalities Impact Assessment
- Appendix C - Preferred Option for Consultation
- Appendix D - GLA Response
- Appendix E - CTS 2015 Risk Register

Reference Documents

Cabinet Agenda, Decision and Meetings 3 September 2014

London Borough of Havering Summary of the proposed Council Tax Support Scheme for CTS 2015

Introduction

Council Tax Benefit was abolished from 1 April 2013. In its place each local authority was required by Section 9 of the Local Government Finance Act 2012 to produce its own scheme to reduce the liability of working age applicants it considers to be in financial need.

This document summarises the proposed Council Tax Support Scheme from April 2015 which the Council has produced in accordance with of Schedule 4 of the Act.

The Council adopted its own local scheme from April 2013 which has due regard to the Department for Communities and Local Government's policy intentions and unequivocally protects pensioners.

Havering's Local Council Tax Support scheme has been interpreted and applied in accordance with the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 which set out what must be included in the scheme.

Summary of Council Tax Support Scheme changes from 2015

The 2015 scheme will adopt the existing scheme as summarised in this document and subject to the following amendments:

1. Reduce Council Tax Support for working age claimants by 15%. This means that every working age household would have to pay a minimum charge of 15% of their Council Tax Bill.
2. Reduce the amount of savings and investments people are allowed to have and still be entitled to claim from £16,000 to £6,000.
3. Abolish Second Adult Rebate. Second Adult Rebate supports working age tax payers whose income is too high in their own right for Council Tax Support but who have other adults living in the household whose income is low.

The above amendments will take effect from April 2015.

In this document 'the current scheme' means Havering's existing Local Council Tax Support scheme which was adopted in January 2013 and amended with effect from April 2014.

Unless expressly stated otherwise the provisions outlined below relate solely to working age applicants under the Council Tax Support scheme.

Havering's Local Council Tax Support Scheme

This document summarises the Council's proposed Scheme for eligible working age Council Tax payers to receive council tax support.

The scheme applicable to pensioners is defined in The Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012, Part 3, Schedules 1 to 6, which is adopted within this scheme.

The procedure for the operation of the Scheme summarised below is made in accordance with Schedules 7 and 8 of the Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012.

The principles of the Local Council Tax Support Scheme are:

- Local authorities will be expected to manage significant reductions in subsidised expenditure.
- Regulations have been set to protect claimants of state pension credit age.
- Local authorities will consult on their schemes with precepting authorities and the public.
- The Council will adopt the final scheme before 31 January 2013 or the default scheme will apply.
- Local authorities should aim to protect vulnerable groups.
- In developing schemes, local authorities should consider incentivising claimants into work.

The Local Council Tax Support Scheme includes the following:

- Introduction and definitions
- Prescribed of persons
- Provisions relating to entitlement under the scheme
- Applicable amounts
- Maximum Council Tax Reduction
- Alternative Maximum Council Tax Reduction
- Amount of reduction under the scheme
- Assessment of Income and Capital under the scheme
- Students
- Applications
- Extended reductions
- Period of entitlement and changes of circumstances
- Schedules

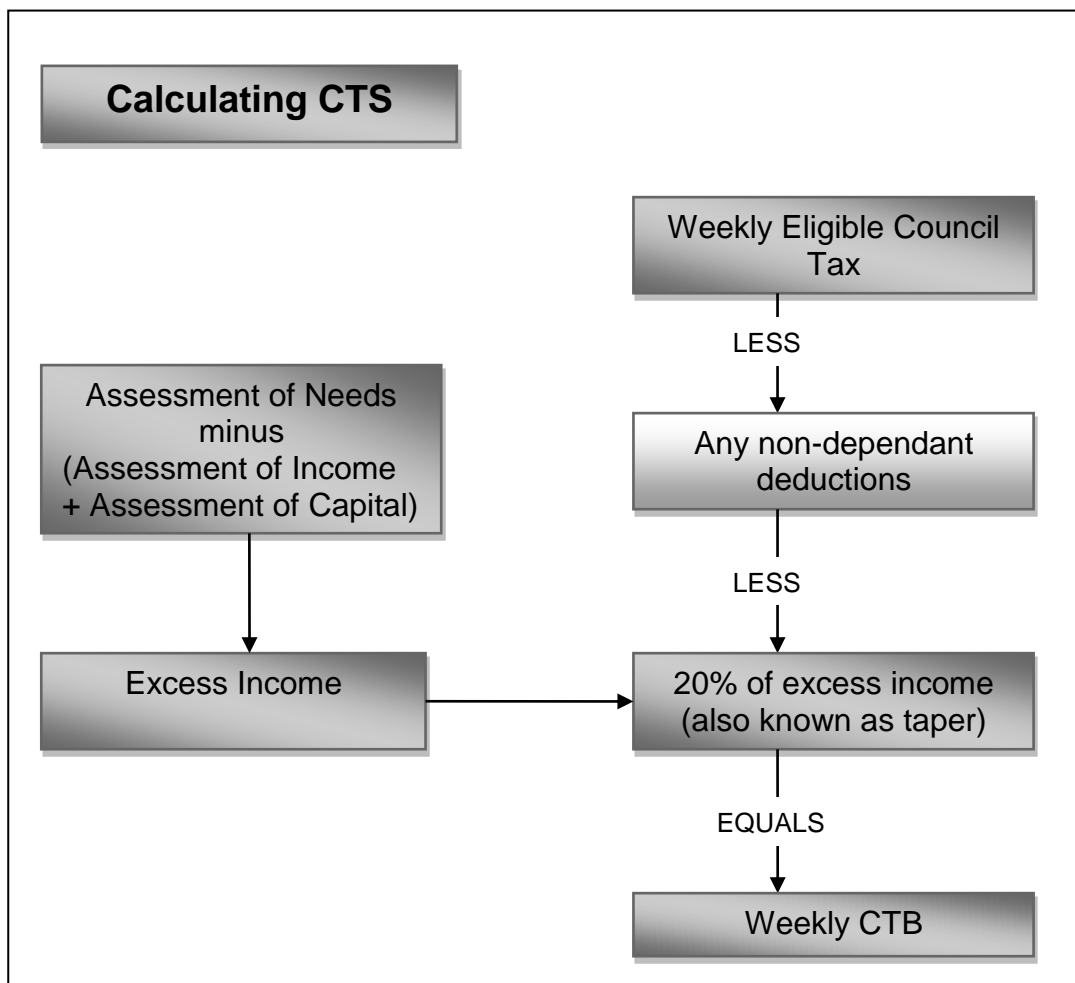
The Council Tax Support Calculation

The starting point for all calculations of Council Tax Support is the claimant's 'maximum benefit'. This is the claimant's weekly eligible Council Tax less any non-dependant deductions that apply.

Income and capital are compared to the claimant's applicable amount. Any income over the applicable amount is known as the Excess Income.

The claimant qualifies for maximum support less 20% of any excess income figure. The 20% reduction to the maximum benefit is known as a taper.

Claimants in receipt of Job Seeker's Allowance and Income Support have already been assessed by the Department for Work and Pensions (DWP) as having income lower than their applicable amount and so will receive maximum council tax support less any non-dependant deductions.



Non-dependant deductions from April 2013

Paragraph 58 in Part 6 of the Council Tax Benefit Regulations 2006 shall be taken to read as follows:

“58.

- (1) Subject to the following provisions of this regulation, the non-dependant deductions in respect of a day referred to in regulation 57 (maximum council tax benefit) shall be—
 - (a) in respect of a non-dependant aged 18 or over in remunerative work, £20.00 x 1/7;
 - (b) in respect of a non-dependant aged 18 or over to whom sub-paragraph (a) does not apply, £6.00 x 1/7.

- (2) In the case of a non-dependant aged 18 or over to whom paragraph (1)(a) applies, where it is shown to the appropriate authority that his normal gross weekly income is—
- (a) less than £183.00, the deduction to be made under this regulation shall be that specified in paragraph (1)(b);
 - (b) not less than £183.00 but less than £316.00, the deduction to be made under this regulation shall be £9.00;
 - (c) not less than £316.00 but less than £394.00, the deduction to be made under this regulation shall be £15.00.

From April 2014 onwards, restrict the maximum council tax support award to the top of Council Tax band D

That Paragraph 57 in Part 6 of the Council Tax Benefit Regulations 2006 shall be taken to read as follows:

“57.

- (1) Subject to paragraphs (2) to (5), the amount of a person’s maximum council tax benefit in respect of a day for which he is liable to pay council tax, shall be 100 per cent of the amount A/B where—
 - (a) A is the amount set by the appropriate authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; and
 - (b) B is the number of days in that financial year, less any deductions in respect of non-dependants which fall to be made under regulation 58 (non-dependant deductions).
- (2) In calculating a person’s maximum council tax benefit any reduction in the amount that person is liable to pay in respect of council tax, which is made in consequence of any enactment in, or made under, the 1992 Act, shall be taken into account.
- (3) The level of any Council Tax Support awarded shall be restricted to the level of band D
- (4) Subject to paragraph (5), where a claimant is jointly and severally liable for council tax in respect of a dwelling in which he is resident with one or more other persons but excepting any person so residing with the claimant who is a student to whom regulation 45(2) (students who are excluded from entitlement to council tax benefit) applies, in determining the maximum council tax benefit in his case in accordance with paragraph (1), the amount A shall be divided by the number of persons who are jointly and severally liable for that tax.
- (5) Where a claimant is jointly and severally liable for council tax in respect of a dwelling with only his partner, paragraph (4) shall not apply in his case.

Applications for Council Tax Support

This part applies to both pensioners and working-age applicants

The following procedure is in accordance with the Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012, referred to as 'the Regulations' below and shall be implemented in accordance with those Regulations.

Entitlement to CTS is dependent on an application being made in the following way:

An application may be made:

- (a) In writing
- (b) By means of an electronic communication or
- (c) By telephone following publication by the Council of a number for this purpose.

The form provided by the Council for this purpose must be properly completed, and the Council may require the applicant to complete the form in the proper manner, and may further require that further information and evidence is provided by the applicant.

An application will be defective if the applicant does not provide all of the information the Council requires.

Applications made by telephone will only be valid if the applicant provides a written statement of their circumstances in the format required by the Council.

The Council will provide applicants making their applications with an opportunity to correct any defects in their application.

Applications may be made by those persons set out in paragraph 6 of Schedule 8 of the Regulations.

The Government has indicated that they intend to introduce legislation to the effect that people entitled to Council Tax Benefit on 31 March 2013 will be deemed to have made an application under the new scheme.

Evidence and information

Any person who makes an application or any person to whom a reduction under the Council's scheme has been awarded shall furnish such certificates, documents, information and evidence in connection with the application or award, or question arising out of it as may reasonably be required by the Council in order to determine the person's entitlement. Where the Council requests information it shall inform the applicant or person of their duty to notify the Council of any change of circumstances and shall indicate the kind of changes of circumstances which are to be notified.

Matters related to the electronic communication of information, proof of delivery and content of information will be determined in accordance with Part 4 of Schedule 7 of the Regulations.

Where the person is a pensioner paragraph 7(4) (5) (6) and (7) of Schedule 8 of the Regulations apply which specify matters relevant to evidence and information related to pensioners.

Amendment and withdrawal of applications

Any person who has made an application may amend it at any time before a decision had been made by serving a notice in writing to the Council in accordance with paragraph 8 of Schedule 8 of the Regulations.

Decisions by the Council

The Council will make a decision in respect of any application for a reduction under this scheme in accordance with the criteria set out within the Council Tax Benefit Regulations 2006 (subject to the amendments made to paragraphs 57 and 58 and Schedule 2 referred to above), and in accordance with Schedules 7 and 8 of the Regulations.

The decision will be made within 14 days of the Council receiving at its designated office the properly completed application or the information requested to complete it or the evidence required. The date upon which the Council is deemed to have received the properly completed application shall be determined in accordance with paragraphs 6 of Schedule 1, paragraph 7 and Part 1 of Schedule 7 of the Regulations being satisfied, or as soon as reasonably practicable thereafter.

The Council will notify the applicant or any person affected by its decision under the scheme in writing forthwith, or as soon as reasonably practicable.

Any person affected to whom the Council sends or delivers a notification of a decision to may, within one month of the notification of the decision, request in writing from the Council a statement setting out the reasons for its decision on any matter set out in the notice.

Following receipt of a request for a written statement the Council will provide this within 14 days or as soon as reasonably practicable thereafter.

Where an award or payment of reduction is made the time and manner of granting the reduction under the scheme will be in accordance with Part 5 of Schedule 8 of the Regulations.

Change of circumstances

For persons who are not pensioners the date on which changes of circumstances are to take effect will be determined in accordance with paragraph 4 of Part 2 of Schedule 8 of the Regulations.

Procedure for making an appeal

Any applicant who is not in agreement with the decision of the Council taken under this scheme may service a notice in writing on the Council setting out their reasons and grounds upon which they believe the Council has made the wrong decision.

Following receipt of an appeal in writing the Council will:

- (1) Consider the appeal
- (2) Notify the applicant in writing of the following:
 - (i) Any decision not to uphold the appeal and the reasons for that; or
 - (ii) That steps are being taken to proceed with the appeal and set out what steps.

Where an applicant remains dissatisfied following receipt of any written notice sent by the Council in response to their appeal, they may within two months of the service of that notice, appeal to the valuation tribunal.

Applications for further discretionary reductions

Under Section 13A(1)(c) of the Local Government Finance Act 1992 and The Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012, the Authority will consider applications for a further reduction in Council Tax.

There will be financial implications in that the cost of any reduction will be a direct cost to the Council. The cost of any discretionary reduction will, therefore, have to be met by the rest of the council taxpayers.

Applications must be made in writing or by prescribed electronic communications.

The Council will, in making decisions for further discretionary reductions, have due regard to its duties under The Child Poverty Act 2010, The Housing Act 1996, and The Equality Act 2010.

The Council will review all relevant matters when deciding whether to award a reduction including, but not limited to:

- The circumstances of any other person with whom the applicant is jointly and severally liable for Council Tax.
- The overall financial situation of the applicant and the applicant's family.
- The effect the council believes making an award will have on the applicant and any members of the applicant's family.
- Protecting the public purse and maintaining financial budgets.

A person who applies for a discretionary reduction may request that the Council review its decision. Any such request must be made in writing and be received within one month of the date the notification of the decision.

If practicable, another more senior officer, will reconsider the decision in light of all available evidence and, if appropriate amend it. Any change may lead to either a reduction or an increase in any award.

A further right of review will be available against the decision as reviewed which will be considered by a manager but only against the legality of the decision and not the actual outcome.



Equality Impact Assessment (EIA)

Document control

Title of activity:	Proposal to amend the Council Tax Support Scheme 2015
Type of activity:	This is a scheme which provides assistance to people on low incomes to help them pay their Council Tax.
Lead officer:	Chris Henry, Head of Council Tax & Benefits, Exchequer & Transactional Services, oneSource
Approved by:	Sarah Bryant, Director of Exchequer & Transactional Services
Date completed:	January 2015
Scheduled date for review:	September 2016

Did you seek advice from the Corporate Policy & Diversity team?	Yes
Does the EIA contain any confidential or exempt information that would prevent you publishing it on the Council's website?	No

1. Equality Impact Assessment Checklist

The Equality Impact Assessment (EIA) is a tool to ensure that your activity meets the needs of individuals and groups that use your service. It also helps the Council to meet its legal obligation under the [Equality Act 2010 and the Public Sector Equality Duty](#).

Please complete the following checklist to determine whether or not you will need to complete an EIA. Please ensure you keep this section for your audit trail. If you have any questions, please contact the Corporate Policy and Diversity Team at diversity@haverling.gov.uk

About your activity

1	Title of activity	Proposal to amend the Council Tax Support Scheme 2015
2	Type of activity	This is a scheme which provides assistance to people on low incomes to help them pay their Council Tax.
3	Scope of activity	<p>Many people on low incomes can get Council Tax Support to help them pay their council tax bills. The Council Tax Support Scheme is mainly funded by the Government although the Council help pay towards the scheme as well.</p> <p>The Government plan to reduce the money to pay for the scheme from 2015/2016. The CTS grant has been rolled into the Settlement Funding Allocation which has been reduced in 14/15 in-line with core funding reduction. The Council's budget cannot cover a further shortfall in Government funding. Therefore, a proposal has been submitted for consultation to change the current scheme to help bridge the funding gap.</p> <p>The proposed scheme will continue to protect pensioners who will get the same level of council tax support as they do now.</p> <p>The proposals for 2015/2016 are to:</p> <ol style="list-style-type: none">4. Reduce Council Tax Support for working age claimants by 15%. This means that every working age household would have to pay a minimum charge of 15% of their Council Tax Bill.5. Reduce the amount of savings and investments people are allowed to have and still be entitled to claim from £16,000 to £6,000.

		6. Abolish Second Adult Rebate. Second Adult Rebate supports working age tax payers whose income is too high in their own right for Council Tax Support but who have other adults living in the household whose income is low.
4a	Is the activity new or changing?	Yes – changing Yes
4b	Is the activity likely to have an impact on individuals or groups?	
5	If you answered yes:	

Completed by:	Chris Henry, Head of Council Tax & Benefits
Date:	January 2015

2. Equality Impact Assessment

Background/context:

The Council proposes to amend the Council Tax Support (CTS) Scheme from April 2015. The scheme provides assistance to people on low incomes to help them pay their Council Tax.

The Council needs to make savings in order to balance its budget due to large reductions in government grant and changing funding regimes.

The CTS grant has been rolled into the Settlement Funding Allocation which has been reduced in 14/15 as part of the core funding reduction. The Council's budget cannot cover a further shortfall in Government funding without using reserves, increasing the Council Tax or reducing Services.

The Council has consulted on a range of options including which service to protect and which to reduce and whether residents would wish to pay increases above 2% council tax rather than see service reductions. Changes to the CTS scheme form part of the Council's overall strategy to balance the budget.

The proposed scheme will continue to protect pensioners who will get the same level of Council Tax Support as they do now.

The proposals for 2015/2016 are to:

7. Reduce Council Tax Support for working age claimants by 15%. This means that every working age household would have to pay a minimum charge of 15% of their Council Tax Bill.
8. Reduce the amount of savings and investments working age claimants are allowed to have and still be entitled Council Tax Support from £16,000 to £6,000.
9. Abolish Second Adult Rebate. Second Adult Rebate supports working age tax payers whose income is too high in their own right for Council Tax Support but who have other adults living in the household whose income is low.

At any one time, approximately 10,000 working-age claimants are in receipt of Council Tax Support.

To contextualise the changes, all working age claimants (approx. 10,000) will be affected by the 15% reduction. Currently only 89 working age claimants have capital in excess of £6,000 and 177 working-age claimants receive Second Adult Rebate.

The proposed changes will have disproportionate impact on low income working age households because Council Tax Support is designed for low income working age

households. This is with the exception of the removal of the Second Adult Rebate where the taxpayer's income is too high for Council Tax Support and a rebate is paid in respect of another low-earning adult in the household. 177 claimants are affected by the removal of Second Adult Rebate.

The proposals to change the current CTS scheme to help bridge the funding gap were subject to a three-month consultation, and formed part of a wider package of proposals.

All 10,000 working-age CTS claimants were posted a questionnaire to share their views. A corresponding number of questionnaires were not posted to other residents not in receipt of Council Tax Support. However, the public were invited to comment on the Council's proposals via an online survey.

396 responses were received of which 309 were from paper questionnaires. This represents 4% of the working-age population on CTS or 0.003% of the population in Havering. The responses are summarised as follows:

- 38.4% (152) agree everyone of working age should pay at least 15 per cent of their Council Tax. 58.3% (231) disagree.
- 46.5% (184) agree working age Council Tax payers with more than £6,000 savings or investments should be disqualified from claiming Council Tax Support. 51% (202) disagree
- 55.3% (219) agree second Adult Rebate should be removed from the scheme for working age Council Tax payers whose income is too high to receive Council Tax support. 40.9% (162) disagree

In the overall budget consultation the following results were received from 1987 responses.

To clarify this, please tick your top three priority services:	Count	Percentage
Crime reduction & public safety	1007	17%
Rubbish & recycling collection	726	12%
Road & pavement repairs	682	12%
Cleaning the streets	613	10%
Social Services for adults (inc. older people)	448	8%
Parks & green spaces	405	7%
Public health	370	6%
Libraries	355	6%
Social Services for children	245	4%
Sports & leisure facilities	222	4%
Young people's Activities	212	4%
Support for schools	177	3%
Attracting businesses and jobs	131	2%
Environmental health & trading standards	125	2%
Public events & activities	98	2%
Housing services & advice	67	1%
Planning services & advice	36	1%
Total	5919	100%

CTS changes were catered for within the package of priorities and it can therefore be seen that in general respondents were in favour of the overall priorities change and a majority of residents were not in favour of raising council tax above 2% in order not to make up reductions proposed.

<u>Council Tax Support Case Group Descriptions</u>	<u>Count</u>
Elderly - Non-Passported - Carer	165
Elderly - Non-Passported - Child Under 5	1
Elderly - Non-Passported - Enhanced Disability	2
Elderly - Non-Passported - Family Premium	6
Elderly - Non-Passported - Family Premium - 1 Child	9
Elderly - Non-Passported - Family Premium - 2 Child	2
Elderly - Non-Passported - Family Premium - 4 Child	1
Elderly - Non-Passported - Non Dependant	378
Elderly - Non-Passported - Other	2130
Elderly - Non-Passported - Severe Disability	388
Elderly - Non-Passported - War Pensioners	29
Elderly - Non-Passported - Working	92
Elderly - Passported - Carer	160
Elderly - Passported - Child Under 5	3
Elderly - Passported - Enhanced Disability	1
Elderly - Passported - Family Premium	16
Elderly - Passported - Family Premium - 1 Child	25
Elderly - Passported - Family Premium - 2 Child	4

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Elderly - Passported - Family Premium - 3 Child	2
Elderly - Passported - Family Premium - 4 Child	1
Elderly - Passported - Non Dependant	544
Elderly - Passported - Other	3120
Elderly - Passported - Severe Disability	821
Elderly - Passported - Working	11
TOTAL (Elderly) = 7,911 (43%)	
Working Age - Non-Passported - Carer	71
Working Age - Non-Passported - Child Under 5	469
Working Age - Non-Passported - Disability	211
Working Age - Non-Passported - Disabled Child Premium	20
Working Age - Non-Passported - Enhanced Disability	226
Working Age - Non-Passported - Family Premium	175
Working Age - Non-Passported - Family Premium - 1 Child	778
Working Age - Non-Passported - Family Premium - 2 Child	508
Working Age - Non-Passported - Family Premium - 3 Child	160
Working Age - Non-Passported - Family Premium - 4 Child	39
Working Age - Non-Passported - Family Premium - 5 and above	6
Working Age - Non-Passported - Lone Parent Child Under 5	470
Working Age - Non-Passported - Non Dependant	88
Working Age - Non-Passported - Other	131
Working Age - Non-Passported - Severe Disability	79
Working Age - Non-Passported - War Pensioners	4
Working Age - Non-Passported - Working	535
Working Age - Passported - Carer	314
Working Age - Passported - Child Under 5	206
Working Age - Passported - Disability	261
Working Age - Passported - Disabled Child Premium	31
Working Age - Passported - Enhanced Disability	996
Working Age - Passported - Family Premium	143
Working Age - Passported - Family Premium - 1 Child	620
Working Age - Passported - Family Premium - 2 Child	354
Working Age - Passported - Family Premium - 3 Child	120
Working Age - Passported - Family Premium - 4 Child	29
Working Age - Passported - Family Premium - 5 and Above	2
Working Age - Passported - Lone Parent Child Under 5	1229
Working Age - Passported - Non Dependant	351
Working Age - Passported - Other	1432
Working Age - Passported - Severe Disability	425
Working Age - Passported - Working	25
TOTAL (Working Age) = 10,508 (57%)	
Grand Total Working Age & Elderly)	18419

Age: Consider the full range of age groups	
<i>Please tick (✓) the relevant box:</i>	Overall impact:

Positive		<p>Whilst the proposed changes will impact negatively on working age Council Tax Support claimants, based on the findings from other London authorities who have implemented the same or higher reductions, we do not anticipate the impact to be significant. Within the scope of the scheme there is a Council Tax Discretionary policy to enable us to consider cases of hardship which will help mitigate any negative impacts.</p>
Neutral		
Negative	✓	

Evidence:

At present approximately 57% of Council Tax Support claimants are working age and 43% are pension age.

For comparison, the working age population (18 – 64 years) in Havering is 76% and the pension age population (65 and over) is 24%.

The proposed changes mean that all working age Council Tax Support claimants will have to pay at least 15% towards their Council Tax.

Sources used:

Council Tax Support caseload data

Diversity Profile for EIAs August 2014

Demographic, Diversity and Socio-economic Profile of Havering's Population March 2014

Disability: Consider the full range of disabilities; including physical mental, sensory and progressive conditions

Please tick (✓) the relevant box:

Positive		<p>Overall impact:</p> <p>If the proposals are approved, disabled people who are of working age will also be negatively affected This is because they are disproportionately represented amongst working age claimants who will receive a reduction in Council Tax support.</p>
Neutral		
Negative	✓	

	<p>Support is in place through the Council Tax Discretionary policy for those who suffer hardship as a result of these proposals in order to mitigate any negative impacts.</p> <p>Pension age Council Tax Support claimants are not affected by these proposals.</p>
<p>Evidence:</p> <p>In terms of Council Tax Support, disabled household are those where the claimant (or any partner, or child) receives a state disability benefit payment or is seriously sick or disabled.</p> <p>Approximately 24% of working age Council Tax Support claimants meet the above definition compared with 21% of the working age population of Havering.</p> <p>The Council recognizes the barriers disabled people face and seek to assist address them by disregarding Disability Living Allowance and Attendance Allowance in the calculation of Council Tax Support. This often increases the amount of Council Tax Support a disabled person is entitled to. Havering has also chosen to disregard all Armed Forces compensation income from Veterans and Members of the Armed Forces.</p> <p>In addition to the above, the Council seeks to maximize Council Tax Support for disabled people by increasing the applicable amount for them through premiums. Currently, there are premiums for severe disability, enhanced disability and a disabled child rate. Such premiums are granted when Council Tax Support applicants receive a relevant disability related benefit granted and administered by the Department of Work & Pensions.</p> <p>Disabled people are historically disadvantaged and face greater barriers when accessing (information about) services and therefore disabled households are considered to be more vulnerable than other households. Disabled people who are unable to work receive higher levels of state benefits and while based on the proposals they will be subject to the 15% liability reduction, disabled working age claimants are likely to have a higher income than other unemployed, working age claimants whose council tax support will also be reduced.</p>	
<p>Sources used:</p> <p>Council Tax Support caseload data</p> <p>Diversity Profile for EIAs August 2014</p> <p>Demographic, Diversity and Socio-economic Profile of Havering's Population March 2014</p>	

Sex/gender: Consider both men and women

<i>Please tick (✓) the relevant box:</i>		Overall impact:
Positive		<p>It is difficult to fully consider the implications the proposals will have on this protected characteristic due to the fact that only one claim is submitted per household.</p> <p>However, equalities monitoring indicates that the majority of claims (63%) are made by females (married and single titles) compared with males. We also know that lone parents, part-time workers and carers are more likely to be women.</p> <p>The proposals are therefore considered to have a disproportionate impact on women.</p> <p>Support is in place through the Council Tax Discretionary policy for those who suffer hardship as a result of these proposals in order to mitigate any negative impacts.</p>
Neutral		
Negative	✓	

Evidence:

Council Tax Support caseload data:

Title on claim	No.	Percentage
Mr Count	2153	37%
MRS Count	1327	23%
MS/Miss Count	2346	40%
Other	8	0%

From the above table it is seen that in total 63% of the household claims are made by women.

Sources used:

Council Tax Support caseload data

Diversity Profile for EIAs August 2014

Demographic, Diversity and Socio-economic Profile of Havering's Population March 2014

Ethnicity/race: Consider the impact on different ethnic groups and nationalities

<i>Please tick (✓) the relevant box:</i>		Overall impact:
Positive		There could be a negative impact of the proposals on people from

Neutral		Black and Minority Ethnic (BME) groups. As our data shows that BME claimants are slightly over-represented amongst working age claimants receiving Council Tax Support. This could imply that BME groups experience more difficulty in finding employment.
Negative	✓	

Evidence:

The tables below show the projected figures for the breakdown of Havering by ethnicity/race and for Benefits claimants where they have supplied this information. The data is difficult to compare due to the different classifications of ethnicity used.

2014 (projection)	Number	Percentage of population (%)
All ethnicities	246,269	100.00
White	211,126	85.7
Black Caribbean	3,335	1.4
Black African	9,485	3.9
Black Other	4,524	1.8
Indian	5,813	2.4
Pakistani	1,820	0.7
Bangladeshi	1,205	0.5
Chinese	1,662	0.7
Other Asian	4,467	1.8
Other	2,833	1.2
<i>BAME¹ Total</i>	<i>35,144</i>	<i>14.3</i>

Council Tax Support/Housing Benefit Claimants where Equalities information provided

	Number	Percentage of claimants who provided information
White/British	4249	72.8%
White/Irish	91	1.6%
White/Other	381	6.5%
White & Black Caribbean	66	1.1%
White & Black African	43	0.7%
White & Asian	16	0.3%
Mixed/Other	43	0.8%
Asian/Asian British Indian	71	1.2%
Asian/Asian British Pakistan	69	1.2%
Asian/Asian British Bangladesh	54	0.9%
Asian/Asian British: Any Other	32	0.6%
Asian/Other	14	0.2%
Black/Black British Caribbean	154	2.6%
Black/Black British African	381	6.5%

¹ The GLA define BAME differently to the ONS. The GLA does not include a 'White Other' Group. Instead they have one category 'White' that includes 'White British' and 'White Other'.

Black/Black British Other	53	0.9%
Chinese	8	0.1%
Gypsy/Traveller	1	0.1%
Other Ethnic Group	86	1.5%
Declined	22	0.4%
Total	5834	100%

From the data provided above, it would appear that there is a disproportionate impact on BME claimants. 85.7% of Havering's population are defined as White (including the 'White: Other' category such as Eastern Europeans), compared to 80.9% of benefit claimants who define themselves as White (including 'White: Other').

Sources used:

Council Tax Support caseload data

Diversity Profile for EIAs August 2014

Demographic, Diversity and Socio-economic Profile of Havering's Population March 2014 *

Religion/faitb: Consider people from different religions or beliefs including those with no religion or belief

*Please tick (✓)
the relevant box:*

Positive	
Neutral	
Negative	

Overall impact:

Not known

There is no information available to make an assessment on the impact of the proposals on this protected characteristic.

Evidence:

Sources used:

Sexual orientation: Consider people who are heterosexual, lesbian, gay or bisexual

*Please tick (✓)
the relevant box:*

Positive	
Neutral	
Negative	

Overall impact:

Not known

There is no information available to make an assessment on the impact of the proposals on this protected characteristic.

Evidence:
Sources used:

Gender reassignment: Consider people who are seeking, undergoing or have received gender reassignment surgery, as well as people whose gender identity is different from their gender at birth	
<i>Please tick (✓) the relevant box:</i>	Overall impact:
Positive	Not known
Neutral	There is no information available to make an assessment on the impact of the proposals on this protected characteristic.
Negative	
Evidence:	
Sources used:	

Marriage/civil partnership: Consider people in a marriage or civil partnership	
<i>Please tick (✓) the relevant box:</i>	Overall impact:
Positive	Not known
Neutral	There is insufficient information available to make an assessment on the impact of the proposals on this protected characteristic.

Negative		
Evidence:		
Sources used:		

Pregnancy, maternity and paternity: Consider those who are pregnant and those who are undertaking maternity or paternity leave		
<i>Please tick (✓) the relevant box:</i>		Overall impact:
Positive		<p>There is insufficient information available to make an assessment on the impact of the proposals on this protected characteristic.</p> <p>However, working mothers on maternity leave and women with caring responsibilities tend to have less income and/or reduced access to the labour market.</p> <p>It is perceived that there may also be equality implications for parents with young children and babies, particularly lone parents who may experience a negative impact. Support is in place through the Council Tax Discretionary policy for those who suffer hardship as a result of these proposals in order to mitigate any negative impacts.</p>
Neutral		
Negative	✓	
Evidence:		
Sources used:		

Socio-economic status: Consider those who are from low income or financially excluded backgrounds
--

<i>Please tick (✓) the relevant box:</i>		Overall impact:
Positive		Council Tax Support is a means tested scheme available to households on low incomes. Therefore all recipients would be considered to be at a socio-economic disadvantage, particularly lone parents (most likely to be women), part-time workers (most likely to be women), working-age couples on low income, large households (more likely to be from BME backgrounds) and carers (most likely to be women). Support is in place through the Council Tax Discretionary policy for those who suffer hardship as a result of these proposals in order to mitigate any negative impacts. Pension age Council Tax Support claimants will not be affected and will continue to receive similar levels of support with their council tax bills as they do at present.
Neutral		
Negative	✓	
Evidence: Please refer to breakdowns of Council Tax Support claimants available above.		
Sources used: Council Tax Support caseload data Diversity Profile for EIAs August 2014 Demographic, Diversity and Socio-economic Profile of Havering's Population March 2014		

Action Plan

In this section you should list the specific actions that set out how you will address any negative equality impacts you have identified in this assessment.

Protected characteristic	Identified negative impact	Action taken to mitigate impact*	Outcomes and monitoring**	Timescale	Lead officer
All	✓	<p>We consulted on the proposed changes in October, November & December 2014 and will report the results to Cabinet in January 2015</p> <p>All affected CTS applicants to be contacted in advance to advise of change if agreed prior to annual billing</p> <p>Monitor implication of</p>	<p>Individual households will have access to formal appeal and review arrangements should they have complaints or concerns about the assessment criteria and method used to identify the Council Tax Support they need.</p> <p>Customers will have time to adjust and make appropriate payment arrangements</p> <p>We will monitor the impact of the changes and take-</p>	<p>January 2015</p> <p>February 2015</p> <p>Ongoing</p>	<p>Chris Henry</p> <p>Debbie Wheatley</p> <p>Debbie Wheatley</p>

		<p>change in Council Tax Support.</p> <p>The Council actively supports Apprenticeships. Meetings and events are arranged with Training Providers and Apprentices to keep them up to date with new initiatives and creating</p>	<p>up of hardship funds as part of our performance and quality checking systems. The performance data collated, including satisfaction surveys and community profile monitoring will form part of regular reporting arrangements to senior management and members. Citizens' Advice Bureau commissioned to assist provides debt counselling and advice.</p>		
--	--	--	---	--	--

		opportunities and promotion of Apprenticeships. Regeneration also work with small and medium business enterprises to encourage growth and opportunities			
--	--	--	--	--	--

* You should include details of any future consultations you will undertake to mitigate negative impacts

** Monitoring: You should state how the negative impact will be monitored; how regularly it will be monitored; and who will be monitoring it (if this is different from the lead officer).

Review

In this section you should identify how frequently the EIA will be reviewed; the date for next review; and who will be reviewing it.

The EIA will be reviewed at bi-annual intervals or earlier if the Council Tax Support scheme is reviewed earlier than September 2016.

Preferred Option for Consultation

- a) Reduce Council Tax liability for Working Age claimants by 15%.
- b) Abolish Second Adult Rebate (2AR).
- c) Reduce capital amount for Working Age claimants from £16,000 to £6,000.

Net Savings £1,244, 384

GLA element £311,096

BDP £172,831

Gross Savings £1,728,311

Who is affected:

- a) All working age claimants will be affected by the 15% reduction.
6534 JSA(Job Seeker's Allowance)/Income Support claimants: £993,195
Average £152 per year/£3 p/w per claimant
3964 All other working age claimants: £610,315 Average £154 per year/£2.96 p/w per claimant
Scheme adopted by Greenwich, Barking & Dagenham.
- b) 177 working age claimants are affected by the removal of 2AR. Gross saving £44,649.
2AR is awarded to the claimant but based on the circumstances of the 'second adult' (Non Dependant).
This would be an opportunity to streamline the CTS scheme as this is a complicated calculation that affects a minimal amount of claimants.
Neighbouring boroughs Newham & Thurrock have adopted as part of their schemes.
- c) 89 Non JSA/Income Support claimants only affected. Gross saving £80,152. This option does not generate significant savings but alters the scheme so the calculation is no longer aligns with Housing Benefit. Greater complication for administering & conveying to customers.

It is fair top slice because extra income and higher premiums are already awarded for vulnerable groups.

Used by Thurrock in conjunction with 25% reduction in maximum liability.

Appendix D

City Hall
The Queen's Walk
More London
London SE1 2AA
Switchboard: 020 7983 4000
Minicom: 020 7983 4458
Web: www.london.gov.uk

Our ref: HaveringCTSRResponse

Your ref:

Date: 15 December 2014

GREATERLONDONAUTHORITY

Resources

Andrew Blake-Herbert
Group Director - Resources
London Borough of Havering
Town Hall
Main Road
Romford Essex RM1 3BB

Dear Andrew

**LONDON BOROUGH OF HAVERING
DRAFT 2015-16 COUNCIL TAX SUPPORT SCHEME
GREATER LONDON AUTHORITY RESPONSE TO CONSULTATION**

Thank you for your email dated 28 August setting out the draft council tax support (CTS) scheme options for 2015-16 which the London Borough of Havering has issued for public consultation. This letter sets out the GLA's response to the consultation.

Introduction

Firstly, the GLA recognises that the determination of council tax support schemes under the provisions of the Local Government Finance Act 2012 are a local matter for each London borough. Individual schemes need to be developed which have regard to specific local circumstances, both in respect of the potential impact of any scheme on working age claimants (particularly vulnerable groups) and more generally the financial impact on the council and local council taxpayers – and

therefore the final policies adopted may, for legitimate reasons, differ across the capital's 33 billing authorities.

This fact notwithstanding the GLA also shares in the risks and potential shortfalls arising from the impact of council tax benefit localisation in proportion to its share of the council tax in each London billing authority. It is therefore important that we are engaged in the scheme development process and have an understanding both of the factors which have been taken into account by boroughs in framing their proposals as well as the data and underlying assumptions used to determine any forecast shortfalls which will inform their final scheme design.

Framing and Publicising Proposals

The Government has expressed a clear intention that in developing their scheme proposals billing authorities should ensure that:

- Pensioners see no change in their current level of awards whether they are existing or new claimants
- They consider extending support or protection to other vulnerable groups
- Local schemes should support work incentives and in particular avoid disincentives to move into work

The GLA concurs with those general broad principles and would encourage all billing authorities in London to have regard to them in framing their schemes.

Impact of Supreme Court Judgement on London Borough of Haringey's Council Tax Support Scheme Consultation for 2013-14 and 2014-15

On 29 October 2014 the London Borough of Haringey lost its ongoing legal case concerning its council tax support scheme in the Supreme Court. The Court ruled that Haringey's consultation had unfairly prejudged that the reduction in government funding for council tax support should be passed onto working age claimants – rather than providing alternative options for residents to consider (e.g. absorbing the cuts and maintaining previous council tax benefit levels, increasing council tax to offset it etc.) Its scheme consultation for 2013-14 and 2014-15 was declared unlawful although it will not be required to repeat it. Some London Boroughs have chosen to rerun their 2015-16 scheme consultations to ensure that they are in compliance with the judgement of the Supreme Court.

The 2015-16 Scheme Options

Havering has put forward eight schemes for consultation. Set out below is the scheme option recommended by Havering officers; further details on option one and the other seven scheme options are set out in Appendix A.

Option recommended by London Borough of Havering officers:

- a) Every working age household to pay a minimum of 15% of their council tax bill.
- b) Abolish the Second Adult Rebate.
- c) Reduce the amount of savings and investments allowed under the CTS claimant eligibility criteria from the current £16,000 to £6,000.

In regards to their 2015-16 council tax support schemes, some London local authorities are consulting on or have chosen to introduce revised applicable amounts, personal allowances and non-dependent deductions in line with the uprated amounts for the national Housing Benefit scheme. The effect of this will be that the applicable amounts and personal allowances within 2015-16 council tax support schemes will increase in line with Housing Benefit increases. Where these uprated amounts are introduced, council tax support claimants will be protected from a real terms cut in the level of support they receive, notwithstanding other reductions that may be made to their entitlement due to other amendments to the scheme. It is not clear from your consultation material whether you intend to uprate allowances and applicable amounts and we would encourage your Council to also consider whether it would be appropriate to uprate these amounts before finalising its 2015-16 scheme.

The GLA has no further specific comments on the proposals at this stage as it regards them as being a legitimate matter for local determination, notwithstanding the need for the Council to consider the equalities impact of its final decision and the potential impact on vulnerable groups.

Financial Implications of the 2015-16 Scheme Option

We note Havering's forecast that the changes to the CTS scheme set out in the option above would reduce the cost of CTS by £1.7 million, of which £311,000 is the GLA element. Forecast cost reductions for the other seven options put forward for consultation are set out in Appendix A.

It would be helpful for the GLA's planning purposes if Harrow could provide us with an updated forecast cost for each of the eight options based on its forecast 2015-16 caseload taking into account any developments since the public consultation was launched.

Technical Reforms to Council Tax

The GLA considers that in formulating its council tax support scheme each billing authority should both consider and address the impact of the additional revenue it is expecting to raise from the technical reforms to council tax introduced in the Local Government Finance Act 2012, which provide greater flexibility in relation to discounts, exemptions and premiums for second and empty homes. The additional revenues from the technical reforms could be used to reduce any shortfalls and thus the sums which need to be recovered from working age claimants via any changes to council tax support.

The GLA notes that in 2014-15 Havering had the following policies in place:

- For properties requiring or undergoing major repairs or structural alterations (former class A): 0% discount
- For properties unoccupied and substantially unfurnished (former class C): 0% discount
- For second homes: 0% discount

- For long-term empty properties: a 50% premium on properties that have been unoccupied and substantially unfurnished for a continuous period of two years is not currently levied.

We would encourage the Council to inform the GLA as soon as possible if any changes to its current second and empty homes discount policies are agreed in order to assist us in assessing the potential impact on the Mayor's funding and tax base for 2015-16 and future years.

Setting the Council Taxbase for 2015-16 and Assumptions in Relation to Collection Rates

The Council will be required to set a council tax base for 2015-16 taking into account the potential impact of the discounts the Council may introduce in respect of council tax support and any potential changes the Council may implement regarding the changes to the treatment of second and empty homes.

The Council will need to make a judgement as to the forecast collection rates from those claimants and council taxpayers affected by the changes to council tax support, taking into account the experience in the first two years of the council tax support arrangements. The GLA notes that across London collection rates for council tax support recipients have generally been better than had originally been forecast prior to the introduction of localised council tax support schemes.

It remains likely that in respect of claimants on low incomes, who may not be in a position to pay by direct debit or other automatic payment mechanisms, collection rates may increasingly fall below the average percentage collection rate for council tax as a whole as the proportion of the council tax liability they are required to meet grows.

The GLA would encourage the Council to provide it with an indicative council tax base forecast as soon as options are presented to members for approval in December or January (if not before) in order that it can assess the potential implications for the Mayor's budget for 2015-16. This should ideally be accompanied by supporting calculations disclosing any assumptions around collection rates and discounts granted having regard to the final council tax support scheme design.

Collection Fund and Precept Payments

By 25 January 2015 the Council is required to notify the GLA of its forecast collection fund surplus or deficit for 2014-15, which will reflect the cumulative impact of the first two years of the localisation of council tax support. The GLA would encourage the Council to provide it with this information as soon as it is available in order that it can assess the potential implications for the Mayor's budget for police, fire and other services for 2015-16.

I would like to thank you again for consulting the GLA on your proposed council tax support options for 2015-16.

Cabinet, 21 January 2015

Yours sincerely

Martin Mitchell
Finance Manager



Project Name:	Proposed changes to Local Council Tax Support Scheme	Project Ref:		Project Manager	Chris Henry
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Risk No	Risk	Possible Consequences	Impact Red/Amber/Green	Likelihood Red/Amber/Green	Counter-measures	Owner
01	Slippage in LCTS project timetable; the timetable for making the proposed changes to the Local Council Tax Support scheme is very challenging, requiring the amended scheme to be finalised by Jan 2015.	A delay modelling and/or selecting consultation options, or in the consultation process, could prevent an informed decision being made.	Red	Green	The risk is front loaded around the modelling and consultation process. This allows for slippage but would require an extraordinary cabinet/council meeting. The majority of the amendments to the scheme can be put in place prior to a final decision, and time saved by moving this part of the process forward will release resources to manage slippages arising from a delayed consultation.	Project Board
02	Scheme guidance/policy not ready for roll-out as detailed in project plan.	The parts of the Support scheme policy and guidance which have been amended and rewritten will certainly need to be checked and signed off by legal services to prevent challenge from claimants and user groups. This considerably increases costs.	Amber	Green	The outcome of the consultation will drive policy pending sign off of the published policy document.	Project Board
03	Software changes not ready; however this is unlikely as the proposed changes only require changes to the system parameters.	The changes to the system parameters will need to be tested. There is some potential for glitches and errors to occur.	Amber	Green	Changes in processes should be kept to a minimum.	Project Board
04	Managing the new administrative burdens arising from the proposed amendments	Additional resources will be needed to ensure that the necessary changes are made.	Red	Amber	Changes in processes should be kept to a minimum. Current procedures will be adapted. For forms and letters, current stocks can be used as an interim measure.	Project Board

Risk No	Risk	Possible Consequences	Impact Red/Amber/Green	Likelihood Red/Amber/Green	Counter-measures	Owner
	to the local Council Tax Support scheme. As well as reviewing performance management measures. Additionally, there will need to be amendments to notification letters, the claim form and to the information provided to residents in leaflets and on the Council's website.					
05	The proposed amendments to the Local Council Tax Support scheme will have a potential impact on collection rates.	Collection rates could drop significantly	Red	Red	Raising awareness of residents about the forthcoming changes is essential, particularly for those who are currently fully pass-ported. Ensure payment options including instalments, direct debits etc. are also widely publicised. The scheme should also link in with debt counselling and financial inclusion provision. Building a surplus into the savings will allow for a hardship fund for short term support for vulnerable families, although there will be associated admin costs	Council Tax and Benefits
06	Significant changes to caseload profile could affect the Local Council Tax Support scheme. This could undermine the savings anticipated, increase costs and reduce effectiveness.	If the numbers applying for help increase (including significant migration from other boroughs), this would increase costs to the borough which would need to be reflected in the budget.	Amber	Green	Building a surplus into the savings will allow for a hardship fund for short term support for vulnerable families, although there will be associated admin costs. The scheme should also link in with debt counselling and financial inclusion provision.	Council Tax and Benefits Finance
07	Increased life expectancy for pensioners who are	If the number of pensioners receiving Council Tax Support were to increase	Amber	Red	Although people are living longer, the age at which they start to be treated as pensioners for Council Tax Support is	Project Board Finance

Risk No	Risk	Possible Consequences	Impact Red/Amber/Green	Likelihood Red/Amber/Green	Counter-measures	Owner
	protected from the reductions.	significantly this could impact on the Council's finances. This could result in reductions having to be made to the scheme for working age claimants.			increasing. Currently it is about 62½ years and gradually increasing to 65. It will reach 66 by October 2020	
08	The impact of continuing roll out of the wider welfare reform agenda undermines the policy intentions and costs profiling of the proposed changes to the Local Council Tax Support scheme.	Efforts to protect sections of the community would be undermined and cause them to be more adversely affected than intended.	Amber	Amber	Working closely with the local community and consulting widely on the changes to the scheme will help to minimise any unforeseen outcomes.	Project Board Finance
09	Reduced or no access to DWP data as Welfare Reform changes are introduced.	If information that is currently obtained from the DWP has to be collected directly from claimants, this could increase costs and delay credits of Council Tax Support to their Council Tax account. This could potentially affect the Council's income	Green	Green	Benefits would need to put processes in place to encourage claimants to provide information quickly. There may still be limited information available from DWP. DWP has stated (DWP General Information Bulletin HB/CTB G8/2012 that the Welfare Reform Act 2012 and the implementation of Universal Credit (UC) will provide for greater data sharing between DWP and LAs. As these changes are instigated the extent to which DWP data can be shared, the circumstances in which LAs can use the data and the way data is accessed may change.	Project Board
10	No incentive for taxpayers to tell us about properties that are empty since the removal of class A & C exemptions	May not pick up on empty properties when they are vacated and therefore not be aware when they have been empty for more than 2 years which would result in a drop	Green	Red	Ensure records are updated when we are advised of empty properties. Liaise with Empty Properties Team to ensure that we make use of any information they obtain. Visits & Inspections Officers to report any long-term empty properties that come to	Council Tax

Cabinet, 21 January 2015

Risk No	Risk	Possible Consequences	Impact Red/Amber/Green	Likelihood Red/Amber/Green	Counter-measures	Owner
		in income.			their attention while carrying out other duties to ensure our records are correct	
11	Properties may be reoccupied after 2 years to prevent the premium being incurred	Would be unable to charge premium resulting in a loss of income to the Council.	Green	Amber	Where properties are only reported as occupied after the premium has been incurred (or shortly before), carry out an inspection to ensure the claim isn't fraudulent	Council Tax

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CABINET

21 January 2015

Subject Heading:

Cabinet Member:

CMT Lead:

Report Author and contact details:

Policy context:

Financial summary:

Is this a Key Decision?

Is this a Strategic Decision?

When should this matter be reviewed?

Reviewing OSC:

ESTATE IMPROVEMENTS – HIGHFIELD ROAD

Councillor Damian White

Lead Member for Housing

Joy Hollister, Group Director, Children's Adults and Housing

Sue Witherspoon
Head of Homes and Housing

The Council is committed to maintaining and improving its council housing stock

The proposals included within this report amount to £1.853m which can be contained within the HRA Capital Programme for 2015/16

Yes

No

On completion

Towns and Communities

The subject matter of this report deals with the following Council Objectives

Ensuring a clean, safe and green borough	[X]
Championing education and learning for all	[]
Providing economic, social and cultural activity in thriving towns and villages	[]
Valuing and enhancing the lives of our residents	[X]
Delivering high customer satisfaction and a stable council tax	[]

SUMMARY

This report sets out the detail of the Highfield Road estate, and a set of proposed improvements to be delivered in the course of the next financial year. The aim is that the improvements will enable a regeneration of the estate, to be completed in time to be associated with the date on which the Queen becomes the longest serving monarch – 9th September 2015. It is proposed that this should be associated with a renaming of the estate and its blocks, as part of those celebrations.

RECOMMENDATIONS

That Cabinet:

1. Agrees to establish a Residents' Steering Group to oversee the improvement deliver programme, and comment on the proposals
2. Agrees to consult the residents on the possibility of renaming the Highfield Road estate and the individual blocks to names which reflect the celebrations due to take place on 9th September 2015.
3. Approves the expenditure of £1.853m from the HRA capital programme of 2015/16 to carry out the improvements detailed in **Appendix 1**. This approval will be subject to Council ratification (see financial implications).
4. Authorises officers to invite tenders from appropriate building firms to carry out the proposed works.

REPORT DETAIL

1. The housing estate in Collier Row owned and managed by the Homes and Housing Department consists of 339 units of accommodation. These consist of one high rise block of 76 flats (Highfield Towers) and 33 other blocks of low and medium rise flats. There are also 16 houses of the Cornish type, which are built of non-traditional materials, and therefore require extensive recladding work to bring them up to a mortgageable standard.
2. The estate has never had a coherent identity or name, or a community association. The properties have been brought up to Decent Homes standard as part of the Council's overall programme of Decent Homes work, but there has not been a great deal of expenditure on the environment, or

communal areas which do not form part of the Government's Decent Homes standard.

3. This estate, as all properties have been brought up to the Decent Homes Standard. However, the Decent Homes standard is limited to the elements of the properties inside (such as bathrooms, kitchens, electrical and gas works, heating systems and the state of repair.). The estate has had only limited other investment in the environment, including
 - Tower block cladding in 1998
 - Overcladding of Cornish Blocks 1999/200
 - Decorations of low rise blocks 2005/6

4. Following an extensive survey of the estate by the capital works team within Homes and Housing, a programme of communal improvements has been drawn up which would give the estate a facelift, and an improved appearance and better environment. These improvements and costs are set out in Appendix 1.

5. The proposed works include:

- External decorations to the blocks
- Concrete and balcony repairs and renewal of screens where required
- Decoration of block entrances and stairs
- Upgrade to the door entry systems
- Improvements to the car parking and paths
- Landscaping and planting
- External wall insulation to non traditional houses
- Improvements to the bin stores and waste disposal areas
- Improvements to the boundary walls and fencing

Full details are set out in Appendix 1.

6. On September 9th, 2015 the current Queen will become the longest serving monarch, overtaking Queen Victoria. It is proposed to take the opportunity of this anniversary to re-name the blocks on the estate, and the estate itself after countries which are part of the British Overseas Territories, dominions or where the Queen is Head of State. It is expected that this will provide a new identity for the estate, and improved community cohesion.
7. As the owner of the building, the Council has the power to name the buildings, although leaseholders, as owners also have the right to be consulted as part of the process. The application is also subject to consultation with relevant bodies, who are the police, the ambulance service, the postal service and the Fire Brigade. The Fire Brigade has the power of veto of the naming of streets, if they consider that this might cause any confusion in directing emergency services.
8. In conclusion, the proposals set out here, which can be delivered in the course of the next financial year, should make a significant impact on the identity and appearance of the estate. It will bring much needed investment to an area of the borough which is on the edge of the borough, and feels itself neglected. The improvement programme will provide a focus for

engaging with the residents, and engender a feeling of pride in the community, the estate and the borough.

REASONS AND OPTIONS

Reasons for the decision:

The proposals within this report have been brought forward as the estate based on the Highfield Road, is considered to have a poor environment and lacks a coherent identity. The investment proposed will give the estate a new lease of life and improve the quality of life for the local residents.

Other options considered:

Option 1

Do nothing, apart from essential maintenance. This option was rejected, as it is likely over time that the estate may become unpopular and difficult to let.

Option 2

Demolish and rebuild. This option was rejected as too expensive. There is an established community who would have to be rehoused during a demolition phase. There are also 83 leaseholders who would have to be bought out. This option therefore is not feasible financially.

The proposal is therefore considered the best way forward for this estate.

IMPLICATIONS AND RISKS

Financial implications and risks:

The proposals set out in Appendix 1 are estimated to cost £1,453,600 for the environmental works, and £400,000 to improve the non-traditional houses, a total of £1,853,600. It is possible to accommodate these works within the Council's overall HRA capital programme for 2015/16, by re-aligning priorities for environmental works. A full recommended HRA capital programme for 2015/16 will be submitted to Cabinet in February 2015, and then onto full Council for final approval.

Legal implications and risks:

There is a legal power for the local authority to carry out improvement work to its housing stock. Where leaseholders are involved, there is a statutory obligation to consult the leaseholders under s20 of the Landlord and Tenant Act 1985, on the

proposed works, and the tenders received. Failure to comply with these regulations may result in non-recovery of leaseholder contributions.

There is a statutory process required to be undertaken when re-naming streets or blocks. This involves the Fire Brigade, the police, the Ambulance Service and the Postal Service. The proposed changes to the block names will therefore be subject to this consultation process.

Human Resources implications and risks:

There are no direct HR implications or risks, for the Council or its workforce that can be identified from the recommendations made in this report. This project will be managed within the staffing resources of the Homes & Housing department.

Equalities implications and risks:

The proposals contained within this report are likely to have a positive impact on the community, including improved insulation and reduced energy bills for low income households. A full Equality Impact Assessment is not considered necessary.

BACKGROUND PAPERS

Stock condition information held in the Council's Asset Management system, Keystone

List of properties and proposed works and cost estimates contained within the Council's electronically held records.

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CABINET

21 JANUARY 2015

Subject Heading:

Better Care Fund Section 75 Agreement

Cabinet Member:

Councillor Wendy Brice-Thompson

CMT Lead:

Joy Hollister, Group Director: Children, Adults and Housing

Report Author and contact details:

Caroline May, Care Act Programme Lead

01708 433671

Caroline.May@Havering.gov.uk

Health & Social Care Act 2012

Care Act 2014

Havering Corporate Plan 2011-2014
(includes 'Living Ambition' agenda)

Cabinet Reports – January 2014, February 2014 and July 2014.

Policy context:

Integrated Care in Barking and Dagenham, Havering and Redbridge, 2012 (Integrated Care Coalition)

Havering Health & Wellbeing Strategy 2012-2014

Havering Market Position Statement (ASC) 2013

The fund provides £3.8bn nationally in 2015/16 to be spent on Health and Social Care.

Havering's pooled budget totals £18.9m, of which £16.9m is recurring funding, representing Havering's minimum contribution.

Financial summary:

Of this £16.9m, £4.6m is the Local Authority revenue allocation, and £1.4m is the Local Authority capital allocation.

There is also £590k Local Authority non-recurrent revenue funding and £850k contribution from base budget.

CCG elements are £10.9m recurring and £590k non-recurrent.

Is this a Key Decision?

The fund includes an element of performance related funding with regard to hospital admissions, totalling £875k.

Yes – Spending in total of £18.9m of which £7.4m (£4.6m plus £1.4m revenue and £1.4m capital) falls to the Council. Impacts across the borough in terms of joint health and social care service delivery.

When should this matter be reviewed?

Review periods shall be subject to the final section 75 agreement.

Reviewing OSC:

Individuals.

The subject matter of this report deals with the following Council Objectives

Ensuring a clean, safe and green borough	<input type="checkbox"/>
Championing education and learning for all	<input type="checkbox"/>
Providing economic, social and cultural activity in thriving towns and villages	<input type="checkbox"/>
Valuing and enhancing the lives of our residents	<input checked="" type="checkbox"/>
Delivering high customer satisfaction and a stable council tax	<input checked="" type="checkbox"/>

SUMMARY

This report seeks approval for the Council to enter into an agreement under section 75 of the National Health Services Act 2006, with Havering NHS Clinical Commissioning Group, to govern the delivery of the approved Better Care Fund Plan for 2015/2016.

The governance for this in Havering will be the Health and Wellbeing Board, with delegated authority to the Group Director Children, Adults and Housing to make executive decisions, and to the Joint Management and Commissioning Forum, which is a joint committee of the Clinical Commissioning Group and Local Authority, to undertake monitoring and scrutiny of the operation of the arrangements.

RECOMMENDATIONS

That Cabinet:

1. Agree to enter into a section 75 agreement with Havering NHS Clinical Commissioning Group, on the terms and conditions outlined in this report, to

govern the delivery of the approved Better Care Fund Plan for Havering for the period 2015/2016 and for an agreed period thereafter.

2. Delegate authority to approve the final terms of the proposed section 75 agreement to the Lead Member for Adult Services and Health, after consultation with the Leader of the Council and the Group Director for Children, Adults and Housing.
3. Delegate the function of monitoring the implementation and operation of the Better Care Fund and s75 Agreement to the Joint Management & Commissioning Forum, upon the draft terms of reference set out in the attached Appendix A.
4. Delegate authority for all necessary decisions with respect to the implementation and operation of all matters relating to the Better Care Fund and section 75 agreement, involving the Council and NHS bodies, to the Group Director, Children, Adults and Housing.

REPORT DETAIL

1. The Better Care Fund (BCF)

- 1.1 The Better Care Fund (BCF) is a highly ambitious programme announced by the Government in the June 2013 spending review. It aims to ensure a closer integration between health and social care, putting person centred care and wellbeing at the heart of decision making.
- 1.2 The BCF is a vital part of both NHS planning and local government planning. In Havering, the BCF plan supports both budget strategy and the implementation of the Care Act 2014.
- 1.3 Nationally, £3.8bn in 2015/2016 is provided, as laid out in the June 2013 spending review. Of this, £1.9bn is NHS funding, and £1.9bn existing 2014/2015 funding; comprised of £130m carers, £300m reablement, £354m capital and £1.1bn existing transfer from health to adult social care.
- 1.4 The minimum contribution to the pooled fund in Havering is £16,884,000. The actual total will be £18,914,000, as approved by the Health and Wellbeing Board on the 10 September 2014 and submitted to Government on 19 September 2014.
- 1.5 There are several BCF metrics that will be used to measure performance. One metric, related to a reduction in total emergency admissions, is linked to payment by performance. The amount of related funding within Havering's pooled fund is £875,301.

- 1.6 The local BCF plan was considered by the Health and Wellbeing Board at its meetings on 12 February 2014, 19 March 2014 and 10 September 2014. BCF plans were submitted in accordance with the Government's time-table.
- 1.7 Following the initial submission of the draft BCF plan on 4 April 2014, the Government confirmed nationally that it required further work and assurance from the parties before BCF plans were approved. This led to revised plans being produced, in accordance with revised technical and planning guidance, over the summer period for re-submission on 19 September 2014.
- 1.8 Approval of BCF plans was via a Nationally Consistent Assurance Review (NCAR) process. This put plans into one of four categories: approved, approved with support, approved subject to conditions, or not approved.
- 1.9 Havering submitted a revised BCF plan to Government on 19 September 2014. Havering's BCF plan was approved with support in October 2014. The parties are working towards approved status and feel that this is achievable.
- 1.10 The BCF vision is underpinned by four design principles:
 - 1.10.1 Individuals and communities will be empowered to direct their care and support and to receive the care they need in their homes or local community as a priority.
 - 1.10.2 The 'locality' identity will be central to organising and co-ordinating people's care.
 - 1.10.3 Services will be integrated around GP registration to simplify access and make co-ordination and integrated delivery easier.
 - 1.10.4 Our systems will enable the provision of integrated care; providers will assume joint accountability for achieving outcome goals and deliver efficiencies.
- 1.11 There are seven BCF schemes in place to support delivery of the vision. There is also some capital funding.

2 Section 75

- 2.1 Section 121 of the Care Act 2014 requires the BCF arrangements to be underpinned by pooled funding arrangements; this is best facilitated by a section 75 agreement.
- 2.2 A section 75 agreement is an agreement made under section 75 of the National Health Services Act 2006 between a local authority and an NHS body in England. It can include arrangements for pooling resources and delegating certain NHS and local authority health related functions to the other partner(s).
- 2.3 In order to secure the BCF funding minimum allocation of £16,884,000 for 2015/2016, together with the agreed local top up of £2,030,000 (total fund value £18,914,000), there is a requirement for a pooled fund to be set up

from April 2015. It is therefore necessary for the Council and Havering NHS Clinical Commissioning Group to enter into an agreement under section 75 of the National Health Service Act 2006.

- 2.4 The section 75 agreement governing the creation and management of the pooled fund must be finalised before 1 April 2015.
- 2.5 Under the BCF plan, pooled funds can be managed in a number of ways. The pooled funds need to be hosted by one 'accountable' organisation; this could either be the Council or Havering NHS Clinical Commissioning Group.
- 2.6 It has been agreed in principle by the Joint Management & Commissioning Forum that the section 75 agreement will not immediately affect current commissioning and contracting arrangements. Both parties acknowledge that it takes time to properly review contracts, so a period is needed to evaluate and agree future arrangements, and the accounting treatment thereafter.
- 2.7 It is proposed that all schemes in the BCF plan are to be run as a pooled fund, and that there will be no establishment of non-pooled funds for any schemes.
- 2.8 The proposal that the Council host the pooled fund, as set out in the BCF submission, was considered at a meeting of the Joint Management & Commissioning Forum on 8 December 2014, and it was agreed that the host shall be the Council. The matter will be further considered by the Health and Wellbeing Board at its meeting on 14 January 2015. Any comments or recommendations from the Health and Wellbeing Board will be reported to Cabinet.
- 2.9 There are potentially advantages with the Council hosting the pooled fund. These are:
 - 2.9.1 VAT provision, the Council is VAT registered whilst the Havering NHS Clinical Commissioning Group is not.
 - 2.9.2 Recognising the difference in NHS and local authority year end reporting requirements, it would appear that the local authority process better lends itself to managing the fund.
- 2.10 The final section 75 agreement will be based on a template section 75 agreement prepared by solicitors, Bevan Brittan, on behalf of the national BCF programme office. It will contain detailed provisions concerning a number of key issues, including performance, governance, fund management and risk sharing.
- 2.11 A basic principle, per our BCF plan submission, is that risk share shall be apportioned in line with the percentage of budget held by each partner. The parties are still finalising the terms of the performance element risk share.
- 2.12 Detailed provisions about the various schemes which are within the scope of the BCF plan will be included in the section 75 agreement. The agreement is

to allow flexibility for the arrangements to continue for a number of years, or to be terminated if the funding stream is discontinued.

- 2.13 The terms of the agreement are yet to be formally agreed, but will be settled pursuant to the delegated authority granted by the decision of Cabinet at Recommendation 2 above, and will be reviewed regularly thereafter.

3 Governance

- 3.1 The Health and Wellbeing Board already has delegated powers in the Constitution at Part 3 Section 2.7 (a) To advise, support and encourage (where appropriate) section 75 arrangements under the National Health Service Act 2006 in connection with the provision of health services.
- 3.2 The Joint Management & Commissioning Forum will work to the (appended) terms of reference in monitoring the operation of the BCF and s 75 agreement.
- 3.3 The Group Director, pursuant to the delegated power granted at recommendation 4, will have authority to take decisions in respect of s75 agreements generally.
- 3.4 A joint BCF performance pack is developed and will be presented to the Joint Management & Commissioning Forum on a monthly basis, so that both parties have oversight of both activity and performance measures. This information will also be presented in summarised form to the Health and Wellbeing Board, the Care Act Programme Board and the Corporate Management Team on a regular basis.

4 The Care Act 2014

- 4.1 The BCF underpins the implementation of the Care Act 2014, from a health integration perspective. A BCF national condition is the protection of social care services. The schemes will help support Care Act principles, as services are developed to be more personalised and person centred across the whole system.
- 4.2 Section 121 of the Care Act 2014 (Integration of care and support with health services: integration fund) provides for section 75 agreement with regard to expenditure on integration.

REASONS AND OPTIONS

Reasons for the decision:

There is a statutory requirement for the BCF funds to be managed via pooled funding arrangements.

The reasons for this decision are that we are required to have a section 75 in place with regard to the BCF pooled fund by April 2015. This is a statutory obligation in order for us to deliver our BCF ambition.

As part of s75 agreement governance protocol, The Joint Management and Commissioning Forum is established to ensure there is a partnership forum for monitoring and scrutiny purposes.

Other options considered:

The option of not entering into an agreement would only be feasible if we were not signing up to BCF principles and delivery, which is not a desirable option.

A Section 75 agreement with the CCG in relation to the BCF is a Government requirement. This needs to be in place before the beginning of the financial year 2015/16.

IMPLICATIONS AND RISKS

Financial implications and risks:

The funding agreements between the two bodies has been identified and agreed as per the table below into the Schemes laid out:

Scheme Name - 2015/16 BCF £'000	CCG	Local Authority	Total BCF	Source of Funding
BCF 01 - Customer Interface	79	300	379	CCG minimum contribution
BCF 02 - Integrated Care Pathway	1,992	1,199	3,191	CCG minimum contribution
BCF 02 - Integrated Care Pathway	0	1,250	1,250	Local Authority (base budget £850k & non recurrent)
BCF 03 - Integrated Localities Working	6,522	500	7,022	CCG minimum contribution
BCF 03 - Integrated Localities Working	295	0	295	Additional CCG contribution
BCF 04 - Carers & Voluntary Sector	61	920	981	CCG minimum contribution
BCF 04 - Carers & Voluntary Sector	0	190	190	Local Authority (non recurrent)
BCF 05 - Learning Disabilities	0	800	800	CCG minimum contribution
BCF 06 - Long Term Conditions	2,232	90	2,322	CCG minimum contribution
BCF 06 - Long Term Conditions	295	0	295	Additional CCG contribution
BCF 07- Integrated Commissioning	0	800	800	CCG minimum contribution
Disabled Facilities & Social Capital Grants	0	1,389	1,389	Local Authority capital
Total	11,476	7,438	18,914	

The Local Authority contribution is made up of £4.6m revenue and £1.4m capital allocation from the BCF funding

There is an additional £590k non recurrent funding and £850k contribution from the Local Authority base budget, totalling £7.4m.

The risk share arrangements shall stipulate the proportion of shared risk to both the Local Authority and the Clinical Commissioning Group once the s75 has been agreed.

It should be noted that there is a performance element totalling £875k within the pool. This is related to the non-elective admissions performance metric, which has a target activity reduction of 2.5%. Should this not be achieved the performance related funding will be reduced on a pro-rata basis. The funding will instead be transferred to health outside the pool to help offset acute pressures.

As part of the September resubmission process, a “ready reckoner” tool was issued. This is a Department of Health tool that calculates local authority allocations related to Care Act funding (nationally £135m has been allocated within the BCF for this purpose). The tool showed that £609k needed to be re-allocated from Health to the Local Authority. However, there was not sufficient time before the resubmission to adjust scheme budgets. The change will need to be reflected in the s75 agreement.

As host partner, the Council will be responsible for performance and financial reporting. The costs of hosting will be considered as part of the s75 process.

There may be added benefits to the Council hosting the s75 agreement in technical terms; the exact detail of this is being discussed between partners, as well as VAT advantages.

Legal implications and risks:

The Better Care Fund grant regime requires the Council to work jointly with the CCG. The section 75 NHSSA 2006 Agreement is the vehicle by which the services that are to be delivered; the mechanism for expenditure; and delivery of outcomes are clarified to ensure each party knows exactly how it will operate and to reduce the risk of disputes. There is no alternative but to enter into the agreement in order to prudently use and retain the grant funding. The terms of the agreement will need to be carefully considered to ensure the Council's interests are not prejudiced in any way and that the risk of disputes are minimised. Legal advice will be provided throughout this process.

The proposed governance arrangements appear to ensure that there is sufficient authority to take appropriate decisions and scrutiny of those decisions and the operation of the arrangements generally.

Human Resources implications and risks:

There are no direct HR implications or risks affecting the Council, or its workforce, that can be identified from the recommendations made in this report.

Equalities implications and risks:

This decision is to ensure that the Council has a section 75 in place by April 2015. Individual schemes and initiatives funded by the Better Care Fund will be subject to robust Equality Impact Assessments. This is to ensure compliance with the Equality Act 2010 and pay due regard to the Public Sector Equality Duty.

All identified opportunities for integrated delivery of care and effective integrated commissioning in Havering will be informed by the local population needs identified in the Joint Strategic Needs Assessment and the priorities for health improvement and wellbeing set out in the Health and Well-Being Strategy.

The programme of integration initiatives should enable partner organisations to identify more effective ways of meeting future demographic challenges in the delivery of health and social care services across Havering, such as the significant and growing proportion of older people in the borough and increasing ethnic

minority population. There will also be implications for disabled people and individuals with caring responsibilities.

BACKGROUND PAPERS

- Havering Better Care Fund Submission 19 September 2014.
- The Care Act 2014.
- Health and Wellbeing Board reports – February 12th, March 19th and September 10th 2014.
- Cabinet Reports – January 2014, February 2014 and July 2014.
- Executive Decisions - Approval of submission to NHS (England) for the Better Care Fund Programme April and September 2014.
- Integrated Care, Better Care Fund Guidance / Toolkit, NHS England.
- Bevan Brittan s75 template (on behalf of the national BCF programme office).

Joint Management & Commissioning Forum Terms of Reference

Governance

This Forum is a Committee of the Clinical Commissioning Group and Local Authority. It will function as a Joint Committee of both legal entities.

The Joint Management & Commissioning Forum will report directly to the CCG Governing Body and the Local Authority's Cabinet, as well as sitting underneath the Health and Wellbeing Board, with delegated authority in accordance January 2015 Cabinet decisions within the Better Care Fund Section 75 Cabinet Report.

Purpose

To develop and manage all agreed Section 75 Agreements, including pooled/aligned budgets.

To develop and manage the Better Care Fund.

To develop a strong and effective partnership between local health commissioning and social care commissioning in the co-terminus local borough.

To identify and commission suitable integrated health and social services, as defined in the S75 agreements, to improve patient/service user experience and use of resources.

To identify new strategic initiatives for future development of integrated health and social care services and make recommendations to each governing body.

Core business and responsibilities

To develop the 2015/16 Better Care Fund Plan so that it is approved by NHSE before April 2015.

To develop the 2015/16 s75 Agreement for recommendations to each governing body for their consideration before April 2015.

To develop appropriate risk management arrangements for each element of the Better Care Fund and other agreed s75 arrangements. To recommend to each governing body an appropriate risk sharing agreement.

To develop a comprehensive risk log for the BCF Plan and other S.75 Arrangements.

To create monthly performance metrics to manage the Better Care Fund and other s75 arrangements including appropriate finance and activity dashboard reports.

To create appropriate arrangements to manage the performance of the providers of services to the Better Care Fund and other s75 agreements.

To provide regular progress reports on the performance of the BCF and other s75 agreements to each governing body.

To provide regular monthly progress reports on the performance of the BCF (and for other s75 agreements) to the Havering Health and Wellbeing Board.

To develop financial reporting to meet both organisations requirements and make recommendations to each governing body. This will include meeting the very tight year end deadlines for financial reporting in the NHS.

To ensure that all business reporting complies with the more stringent reporting practice of the two organisations.

To identify where more collaborative working may improve outcomes through a range of performance and financial indicators.

To support the effective use of resources through a specific focus on use of the BCF to reduce emergency admissions, prompt discharge from hospital and the development of out of hospital services.

To develop and implement following approval, integrated models of service provision.

Membership

CCG BCF lead and CCG Deputy Accountable Officer is Chair.

Three persons from the Local Authority including:

- Head of Adult Social Care
- Care Act Programme Lead
- ASC Strategic Commissioning Lead

Three persons from the CCG to be:

- Lead Clinical Director
- Chief Operating Officer
- Chief Finance Officer

Voting/Deputies

Members may delegate their attendance to an appropriate person.

The members of the Forum will have equal voting rights. The voting rights are not specific to an individual, that is, when one of the above officer members is not in attendance, the voting right will be given to the person attending the Forum on their behalf as deputy.

Other attendees

The CCG members are permitted to invite up to an additional three individuals to attend a meeting.

The LA members are permitted to invite up to an additional three individuals to attend a meeting.

These persons will not have voting rights.

Chair

The Chair will be held for during a Shadow period by the BCF lead of the CCG (who is also the Deputy Accountable Officer).

Responsibilities of the Chair and members

The Chair will take responsibility for confirming the agenda of each meeting and ensuring the required administrative support is provided, as well as Chairing each meeting.

As far as possible the Joint Management & Commissioning Forum will use standard agendas.

The lead officer member for the CCG Governing Body will have responsibility for briefing the CCG Governing Body.

The lead officer Member for the Local Authority will have responsibility for briefing the Cabinet.

The HWBB will be jointly briefed by the lead officers of the CCG and Local Authority.

.Frequency of Meetings

The Joint Management & Commissioning Forum will meet each month.

Timing of meetings

Meetings shall be held at an appropriate date, which is late enough in the month to ensure that data and information is as up to date as possible, and early enough to enable reports to be prepared and available for each organisation's Governing Body.

Agendas

Members of the Forum will decide on Agenda items.

V1.2 with amendments from 4/11/14 Joint Meeting and 8/12/14 Joint Meeting

To be discussed at the JMCF meeting on 13/1/15 – this version in draft form

January Cabinet Appendix A

Agenda items should be sent to the Chair up to 7 days in advance of the meeting. If items are sent after that date, it will be at the discretion of the Chair if the item is to be on that meeting or a later meeting.

The Agenda will be produced on headed paper containing the CCG and the Local Authority's names and logos.

Accountability

The Joint Management & Commissioning Forum will be formally accountable to:

- Havering Clinical Commissioning Group
- The Cabinet of Havering Council

The Health and Wellbeing Board will provide an oversight function on behalf of the Local Authority.

Note:

- The CCG Governing Body and Local Authority will need to review their respective constitution arrangements to reflect the new Joint Management & Commissioning Forum.