



MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Wednesday, 23 September 2015
(7.30 - 8.55 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

Apologies were received for the absence of Councillor Ron Ower.

Councillors Ray Morgon, Jeffrey Tucker, Keith Darvill, Raymond Best, *Jason Frost and *Jody Ganly also attended. (*for part of the meeting)

There was a member of the press and three members of the public present.

There were no disclosures of pecuniary interest.

Unless otherwise indicated, all decisions were agreed unanimously with no Member voting against.

12 MINUTES

The minutes of the meeting held on 9 September 2015 were agreed as a correct record and were signed by the Chairman.

13 **TOWNS & COMMUNITIES OVERVIEW AND SCRUTINY SUB-COMMITTEE - PRIVATE RENTED SECTOR LANDLORDS TOPIC GROUP REPORT**

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

Cabinet was informed that the report before it contained the findings and recommendations which had emerged after the Topic Group had scrutinised the subject selected by the Sub-Committee in July 2014 concerning private sector landlords and houses in multiple occupancy (HMOs).

It was explained to Members that this was an area which was of growing concern as more people moved from inner to outer London. Additional housing pressures – provided by an increase in migration into the borough (a phenomenon shared by local authorities across the country) meant that councils were having to take more direct action to ensure that their housing stock was properly managed.

This had not been apparent in Havering until relatively recently, but as the demography of the borough was now changing, the Council had to be proactively engaged in the process to ensure landlords were properly regulated and tenants protected.

Reasons for the Decision

Under the Local Government and Public Involvement in Health Act 2007, s. 122, Cabinet was required to consider and respond to a report of an Overview and Scrutiny Committee within two months of its agreement by that Committee or at the earliest available opportunity. In this case, Cabinet was required to do this by its meeting on 5 October 2015. Cabinet was also required to give reasons for its decisions in relation to the report, particularly in instances where it decided not to adopt one or more of the recommendations contained within it.

Other options considered:

There were no alternative options.

Cabinet **agreed** to:

1. Introduce a Selective Licencing Scheme in the Wards of Brooklands, Gooshays and Heaton, subject to consultation and development of a cost neutral business case.
2. Introduce a Selective Licencing Scheme covering the rest of the borough or other specific identified wards subject to consultation, development of a cost neutral business case and the Secretary of State's Approval

14 HOUSING DEVELOPMENT PLAN - STRATEGIC OVERVIEW

Councillor Damian White, Cabinet member for Housing, introduced the report

The report before Cabinet sought Members' agreement to a direction of travel that would increase the number of units of council houses built within the borough to around 544 over the next three years. The longer term plan was to deliver over 1,000 units over the next 10 years.

The Council needed to continue to build new affordable homes for local people. The recent uncertain economy had had an impact on people's ability to buy and rent homes. The current Affordable Development Programme budget approved by Cabinet on 11 February 2015 was set to deliver new homes through phases 1 and 2 and Taplow House. This was projected to deliver a total of 213 units.

Members were informed that a vision for the type of place the borough should be in ten years' time was essential to lead the implementation of the new build programme for affordable housing development. This vision would be focused on - and informed by - the borough's characteristics and the key opportunities and constraints. That vision was: *'To build new, good quality homes in Havering that we know local people need and can afford'*

Reasons for the decision:

The increased provision of housing, especially social and affordable, was required to meet well documented need/shortfall in supply.

Other options considered:

The option of not increasing provision was considered, but rejected, as it would not begin to deal with lack of housing supply.

Cabinet **agreed** to:

1. The principle of a target of homes as outlined in Appendix 2 of the report, and **agreed** to the expansion of the capital budget for the three years as follows:
 - 2015/16 Increase of £3.000m to £13.509m
 - 2016/17 Increase of £26.675m to £39.999m
 - 2017/18 increase of £19.767m to £28.714m
2. **Refer** the increase in the Capital Budget to full Council for final ratification.

15 **HOUSING SCHEME FOR THE BUY-BACK OF EX-COUNCIL PROPERTIES**

Councillor Damian White, Cabinet member for Housing, introduced the report

Cabinet was reminded that the Council was currently identifying a medium term strategy for the delivery of over 1,000 new council properties to provide affordable housing for Havering residents. At the same time, due to the new reinvigorated RTB (Right to Buy) process the Council was currently accruing significant RTB receipts which could, in part, be used to fund new build properties or the purchase of existing housing. A significant issue with the receipts was that they had to be “used” within three years otherwise they had to be passed back to Government along with interest at 4% over the current base rate. As part of the overall strategy for the delivery of new homes, the report outlined a proposed RTB Buy Back scheme, explained how the scheme would operate and be financed, and sought approval to proceed to implementation.

Members’ attention was drawn to the following points:

- The Council would only be purchasing properties with vacant possession and priority was to be given to properties that were empty to reduce the possibility of delays.
- Any sub-let properties being used for temporary accommodation of clients on the Housing Register would be excluded at this time.
- In view of the lower value of property prices and the priority housing need requirements, the initial focus would be on the repurchase of two and three bedroom properties in the south of the Borough.
- Any tenant who purchased a property under the RTB Scheme would have to repay a proportion of the discount they received if they sold that property within the first five years.

Reasons for the decision:

The scheme would have benefits for the Housing Revenue Account (HRA). The additional stock would help to sustain the HRA rental income whilst providing additional units of accommodation to house those in need. It would also allow the Council to apply some of the time-limited retained RTB receipts.

Other options considered:

The Council could choose not to operate a buyback scheme, however the Council would not then have this option available to increase the supply of affordable housing, or be able to apply some of the retained RTB receipts. The operation of the policy would be kept under review, given the potential for changes in the operation of the RTB scheme, wider housing finance regime and the state of property market.

The purchase decisions would be considered on a case-by-case basis with the benefit of full market knowledge from valuations, the impact on the HRA business plan and Medium Term Financial Strategy (MTFS).

Cabinet:

1. **Approved** the implementation of the scheme as outlined in the report;
2. **Delegated** to the Group Director, Children, Adults and Housing, authority to purchase properties, agree any necessary purchase prices and/or parameters and any other property transactions or decisions required to effectively implement the Scheme.

16 PENSIONS COLLECTIVE INVESTMENT VEHICLE

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

Cabinet was reminded that in 2013 the coalition Government in considering the future of Local government pension schemes (LGPS) expressed concern over the level of Investment fees paid by councils and suggested that by pooling schemes, funds could achieve significant savings in fees.

In an attempt to reduce pension fund investment management costs, the creation of a London LGPS Collective Investment Vehicle (CIV) had now been made through London Councils. This vehicle would allow pension fund investments to be pooled for the purpose of reducing fund managers' fees.

The report before Cabinet asked members to consider whether the Council wished to participate in joining the CIV in London. This vehicle would enable pension funds in London - including the London Borough of Havering Pension Fund - to access fund managers through this platform should the Pensions Committee decide it was appropriate to invest and participate in the cost savings and other benefits associated with this vehicle.

Reasons for the decision:

The decision was required to enable the Pension Fund to participate in the development of the CIV in order to increase collaboration amongst London pension funds and to benefit from potential savings in management fees over the longer term.

Other options considered:

Although there was no compulsion to join the CIV, Cabinet needed to be mindful of potential changes in legislation which might impact upon the structure of the Fund.

The LGPS Scheme Advisory Board (The Board) had been established under the Public Service Pensions Act 2013 to advise the Secretary of State for Communities and Local Government on the development of the Local Government Pension Scheme.

In support of its work plan for 2015-16, the Board was inviting proposals from interested parties to assist it in developing options with regard to the increased separation of LGPS pension funds and their host authorities for consideration prior to potentially making recommendations to the Secretary of State.

It was expected that the Board would make recommendations to the Secretary of State during September. The Board was likely to consider the following three options:

- A greater separation of powers of the Pension Fund under a strengthened s151 role.
- Joint Committees of two or more Pension Funds
- Complete separation of the Pension Fund from the host authority

It was too early to suggest whether any of these or alternative options would be developed further. The creation of the CIV might be viewed as a means of mitigating any further legislative measures to merge funds.

Cabinet **agreed** to:

1. Participate in the establishment of the London (LGPS) Collective Investment Vehicle (CIV).
2. Participate in the establishment of a private company limited by shares to be incorporated to be the Authorised Contractual Scheme Operator (the 'ACS Operator') of the London (LGPS) Collective Investment Vehicle (CIV), the ACS Operator to be structured and governed as outlined in the report.
3. As recommendations 1 and 2 above had been agreed, Cabinet then **agreed**:
 - a) That following the incorporation of ACS Operator, the London Borough of Havering would:
 - Become a shareholder in the ACS Operator.
 - contribute to the initial capital set up costs of the ACS Operator :
 - appoint an executive member to exercise the Council's rights as shareholder of the ACS Operator;
 - b) That Under Regulation 11 of the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012 to establish the Pensions CIV Joint Committee, pursuant to the existing London Councils Governing Agreement dated 13 December 2001 as

amended, to act as a representative body for the Local Authorities participating in these arrangements; and

- c) To delegate to this Joint Committee those functions necessary for the proper functioning of the ACS Operator including the effective oversight of the ACS Operator and the appointment of Directors.

17 **CORPORATE PERFORMANCE REPORT: Q1 (2015/16)**

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

Cabinet was reminded that the Corporate Performance Report provided an overview of the Council's performance for each of its strategic goals (Clean, Safe and Proud).

The report identified where the Council was performing well (**Green**) and not so well (**Amber** and **Red**).

Where performance was more than the '**variable tolerance**' off the quarter target and the RAG rating was '**Red**', '**Corrective Action**' was included in the report. This highlighted what action the Council would take to address poor performance.

78 Corporate Performance Indicators were measured quarterly. Of these, 75 had been given a RAG status. In summary:

- **56 (75%)** had a RAG status of **Green**.
- **19 (25%)** had a RAG status of **Red** or **Amber**.

38 of the CPIs had been given a short-term direction of travel (DOT) status. In summary:

- **24 (63%)** maintained (→) or improved their DOT (↑)
- **14 (37%)** had a worsening DOT (↓)

51 of the CPIs had been given a long-term DOT status. In summary:

- **24 (47%)** maintained (→) or improved their DOT (↑)
- **27 (53%)** had a worsening DOT (↓)

Members' attention was also drawn to Appendix 2 to the report which was a Demand Pressure Dashboard that illustrated the growing demands on Council services and the context that the performance levels set out in the report had been achieved within.

Reasons for the decision:

To provide Cabinet members with an update on the Council's performance for each of the strategic goals (Clean, Safe and Proud).

Other options considered:

N/A

Cabinet:

Reviewed performance set out in Appendix 1 to the report and the corrective action that was being taken; and **noted** the content of the Demand Pressures Dashboard attached as Appendix 2 to the report.

Chairman