



COUNCIL MEETING (COUNCIL TAX)

**7.30 pm Wednesday, 21 February 2018
AT Council Chamber - Town Hall**

Members of the Council of the London Borough of Havering are hereby summoned to attend a meeting of the Council at the time and place indicated for the transaction of the following business

**Kathryn Robinson
Monitoring Officer**

**For information about the meeting please contact:
Anthony Clements tel: 01708 433065
anthony.clements@oneSource.co.uk**



Please note that this meeting will be webcast.

**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.**

Protocol for members of the public wishing to report on meetings of the London Borough of Havering

Members of the public are entitled to report on meetings of Council, Committees and Cabinet, except in circumstances where the public have been excluded as permitted by law.

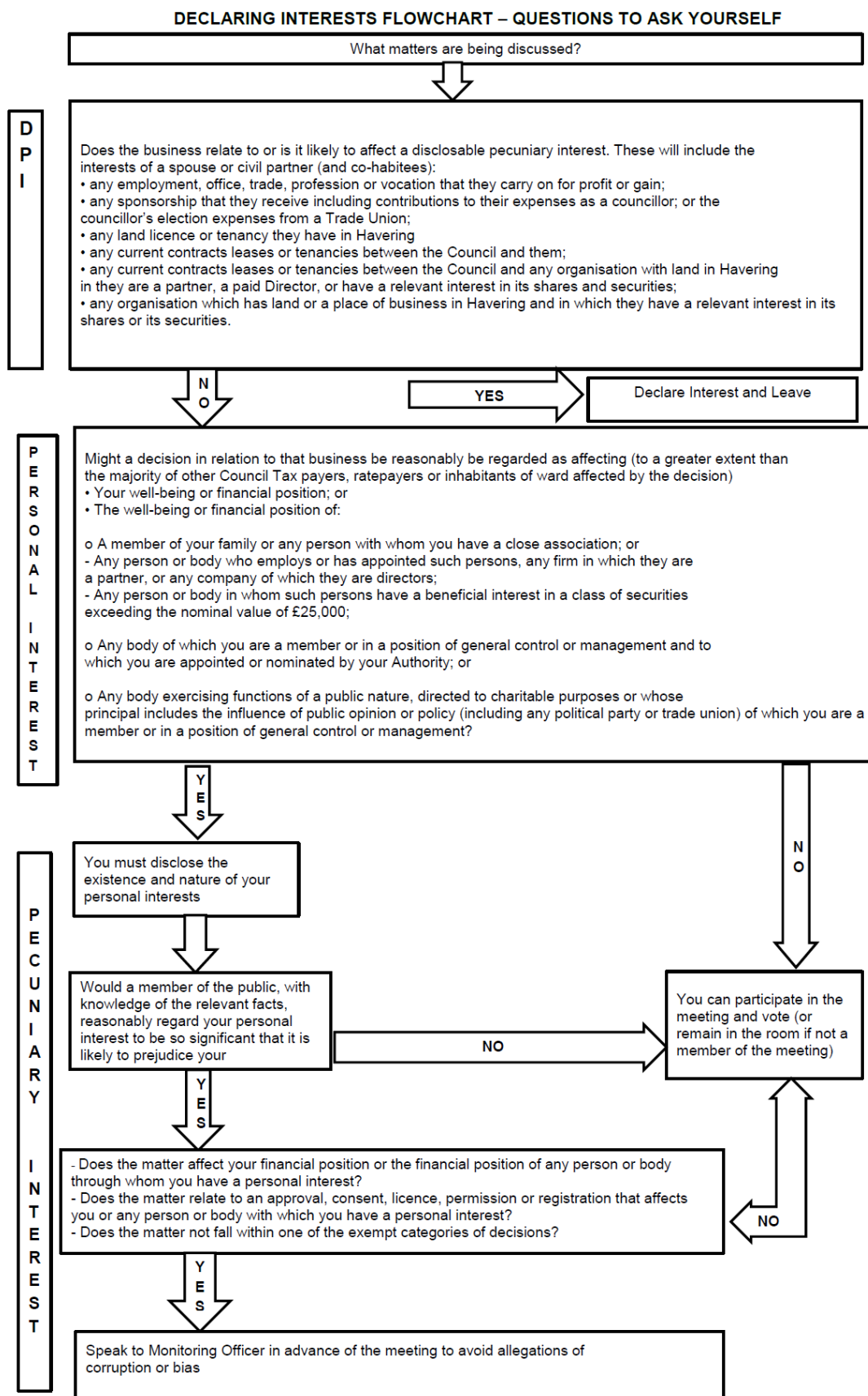
Reporting means:-

- 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.

Anyone attending a meeting is asked to advise Democratic Services staff on 01708 433076 that they wish to report on the meeting and how they wish to do so. This is to enable employees to guide anyone choosing to report on proceedings to an appropriate place from which to be able to report effectively.

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 PRAYERS

2 APOLOGIES FOR ABSENCE

To receive apologies for absence (if any).

3 MINUTES (Pages 1 - 34)

To sign as a true record the minutes of the Meeting of the Council held on 24 January 2018 (attached).

4 DISCLOSURE OF INTERESTS

Members are invited to disclose any interest in any of the items on the agenda at this point of the meeting.

Members may still disclose any interest in an item at any time prior to the consideration of the matter.

Note – please also refer to note (2) following.

5 ANNOUNCEMENTS BY THE MAYOR, BY THE LEADER OF THE COUNCIL OR BY THE CHIEF EXECUTIVE

To receive announcements (if any).

6 PROCEDURE

To consider any procedural motion in relation to the conduct of business for this meeting.

7 THE COUNCIL'S BUDGET 2018/19 (Pages 35 - 68)

A To consider the report of Cabinet of 7 February 2018 (attached):

B To note the decision of the Greater London Authority on its budget and precept for 2018/19 and the effect thereof on the Council's budget;

C To agree a budget for 2018/19 and then

D To set the Council Tax for 2018/19

NOTE: MEMBERS ARE ASKED TO BRING WITH THEM THE REPORT TO CABINET ON 7 FEBRUARY 2018 FOR REFERENCE AT THIS MEETING.

8 MEMBERS' ALLOWANCES SCHEME (Pages 69 - 80)

Report attached.

Additional Notes

- (1) The Council has a legal obligation to set a Council Tax for 2018/19.
- (2) Section 106 of the Local Government Finance Act 1992 imposes restriction on voting in respect of any Member by whom any Council Tax has remained unpaid for at least two months.

Any Member in doubt as to the position may seek advice before the meeting from the Monitoring Officer.

- (3) Regulations provide that the minutes of the meeting record how each Councillor voted (including any abstentions) when determining the Council's budget and the level of Council Tax to be levied.
- (4) The Cabinet's Report will refer to the Chief Executive's report to the Cabinet.

Members are asked to retain their copy of the Cabinet Report for this purpose.

- (5) Council Procedure Rule 3 applies to the order of business at this meeting.
- (6) By Council Procedure Rule 13.4, the speech of any Group Leader (or Member nominated to speak on behalf of a Group Leader: any Group Leader should announce any such nomination when the Mayor invites that Leader to speak) on any motion or amendment relating to the Council Tax should not exceed **twenty minutes** and participants in general debate for five.
- (7) Council Procedure Rule 11.9 governs amendments to motions and reports at this meeting. Any amendment must be such that it would, if passed, enable a robust budget to be set in the view of the Chief Financial Officer [as it is imperative that there is a level playing field, any new base information relating to or affecting Council tax that comes to light after the Cabinet has made its Council tax recommendations will be supplied to all Groups at the same time by the Section 151 Officer].

MEMBERS ARE ASKED TO RETAIN THE REPORT TO CABINET ON 7 FEBRUARY 2018 FOR REFERENCE AT THIS MEETING.



**MINUTES OF A MEETING OF THE COUNCIL OF THE
LONDON BOROUGH OF HAVERING
Council Chamber - Town Hall
24 January 2018 (7.30 - 10.40 pm)**

Present: The Mayor (Councillor Linda Van den Hende) in the Chair

Councillors Councillors June Alexander, Clarence Barrett, Robert Benham, Ray Best, Wendy Brice-Thompson, Michael Deon Burton, Joshua Chapman, John Crowder, Philippa Crowder, Keith Darvill, Ian de Wulverton, Osman Dervish, Nic Dodin, Alex Donald, David Durant, Brian Eagling, Gillian Ford, Jason Frost, Jody Ganly, John Glanville, Linda Hawthorn, David Johnson, Steven Kelly, Phil Martin, Barbara Matthews, Robby Misir, Ray Morgon, Barry Mugglestone, John Mylod, Stephanie Nunn, Denis O'Flynn, Ron Ower, Garry Pain, Dilip Patel, Viddy Persaud, Roger Ramsey, Keith Roberts, Patricia Rumble, Carol Smith, Frederick Thompson, Linda Trew, Jeffrey Tucker, Linda Van den Hende, Melvin Wallace, Lawrence Webb, Roger Westwood, Damian White, Michael White, Reg Whitney, Graham Williamson, Darren Wise and John Wood

25 Members' guests and members of the public and a representative of the press were also present.

Apologies were received for the absence of Councillors Meg Davis and Julie Wilkes.

The Mayor advised Members and the public of action to be taken in the event of emergency evacuation of the Town Hall becoming necessary.

Reverend Susannah Brasier, Rector of St Laurence Church, opened the meeting with prayers.

The meeting closed with the singing of the National Anthem.

65 MINUTES (agenda item 3)

The minutes of the meeting of the Council held on 22 November 2017 were before the Council for approval.

RESOLVED:

That the minutes of the meeting of the Council held on 22 November 2017 be approved as a correct record.

66 DISCLOSURE OF INTERESTS (agenda item 4)

There were no declarations of interest.

67 ANNOUNCEMENTS BY THE MAYOR, BY THE LEADER OF THE COUNCIL OR BY THE CHIEF EXECUTIVE (agenda item 5)

A minute's silence was held in memory of former Leader of the Council and Mayor, Councillor Eric Munday. Tributes to former Councillor Munday were paid by the Leaders of all Groups as well as by other Members from across the Chamber.

The Mayor thanked those people involved in the Havering float at the London New Year's Day Parade as well as all those who had taken part in and attended the recent Mayor's variety show. The Mayor also announced that her civic dinner was due to be held on 24 March 2018.

The text of the announcements made by the Leader of the Council is attached as appendix 1 to these minutes.

68 PETITIONS (agenda item 6)

There were petitions presented at the meeting.

69 THE COUNCIL'S FINANCIAL STRATEGY (COUNCIL TAX SUPPORT SCHEME) (agenda item 7)

A report of Cabinet asked Council to approve details of the proposed Council Tax Support Scheme 2018. It was proposed to maintain the current Council Tax Support Scheme in 2017 for 2018 and make no amendment to the current local scheme. The report had been approved by Cabinet at its meeting on 17 January 2018.

The report was **AGREED** by 44 votes to 5 (see division 1) and it was **RESOLVED**:

That the Council Tax Support Scheme 2018 (appendices A and B of the report to Cabinet of 17 January 2018) be approved.

70 SELECTION AND APPOINTMENT OF A JOINT VENTURE PARTNER TO DELIVER THE LONDON BOROUGH OF HAVERING'S ESTATE REGENERATION PROGRAMME (agenda item 8)

A report of Cabinet gave details of the outcome of the review of the procurement process for the regeneration of 12 sites that had been previously agreed by Cabinet. The report also sought approval from Cabinet

on the award of Preferred Bidder status, summarised the rationale for the venture and provided information on the consultation and procurement process. The report was agreed by Cabinet at its meeting on 17 January 2018.

A question on the report by the Residents' Group and a response by the Leader of the Council are shown as appendix 2 to these minutes.

The report was **AGREED** by 34 votes to 14 (see division 2) and it was **RESOLVED**:

To make an application to the Secretary of State, where required, for the disposal of property and land (the precise areas of land to be decided by the Lead Member for Housing after consultation with the Director of Neighbourhoods) under section 32(2) of the Housing Act 1985.

71 **SUBMISSION PROCEDURAL REQUIREMENTS FOR THE HAVERING LOCAL PLAN (agenda item 9)**

A report of Cabinet outlined progress on the Havering Local Plan since its publication and sought Member approval for a number of material modifications to the Proposed Submission Havering Local Plan in preparation for submission of the plan to the Secretary of State. These covered areas such as explicit support for the use of brownfield land for residential development apart from land that had already been protected for other uses such as industrial and explicit support for the use of the River Thames as for freight and transport. Details of all proposed material modifications were given in the Cabinet report. The report had been agreed by Cabinet at its meeting on 17 January 2018.

A question on the report by the Residents' Group and a response by the Cabinet Member are shown as appendix 3 to these minutes.

The report was **AGREED** by 32 votes to 6 (see division 3) and it was **RESOLVED** to:

- (i) Agree that the material amendments as set out in section 3.1 of this report, be made to the proposed submission documents, and to the proposed Submission Havering Local Plan**
- (ii) Delegate authority to the Director of Neighbourhoods, following consultation with the Cabinet Member for Housing, to make and approve the final wording of the material amendments to the proposed Submission Havering Local Plan, and to the proposed submission documents for submission to the Secretary of State.**

72 TREASURY MANAGEMENT MID-YEAR UPDATE (agenda item 10)

A report of Audit Committee gave a mid-year update on Treasury Management. This was as required under the Treasury Management Code of the Chartered Institute of Public Finance and Accountancy. The report covered treasury management activity and the associated monitoring and control of risk.

The report was **AGREED** without division and it was **RESOLVED**:

That the report be noted.

73 EXCEPTIONS TO THE CALL-IN PROCEDURE (agenda item 11)

As required under paragraph 18e of the Overview and Scrutiny Procedure Rules, a report of the Chief Executive gave details of decisions made which were exceptions to the call-in (requisition) procedure. The only such decision within the previous three months was the response to MOPAC's Public Access & Engagement Strategy Consultation. This was exempted from call-in as submission of the consultation had been delayed in order to incorporate all concerns raised by Councillors at an all-Member briefing on 28 September. The report was subsequently signed off by the Leader of the Council in order to meet the response deadline.

The report was **AGREED** without division and it was **RESOLVED**:

That the report be noted.

74 APPOINTMENT OF VICE-CHAIR OF ADJUDICATION AND REVIEW COMMITTEE (agenda item 12)

Following the resignation of Councillor John Mylod from the Residents' Group, a vacancy had arisen for the position of Vice-Chairman of the Adjudication and Review Committee.

The following nomination for the position had been received:

Councillor Barbara Matthews, on behalf of the Residents' Group.

Councillor Matthews was elected without division and it was **RESOLVED**:

That Councillor Barbara Matthews be elected as the Vice-Chairman of the Adjudication and Review Committee.

75 ALLOCATION OF COMMITTEE PLACES (agenda item 13)

Following a recent change of Group by a Member, a report of the Chief Executive recommended some slight changes to the seat allocation on

Committees. This was to meet political balance requirements in line with the Local Government (Committees and Political Groups) Regulations. The revised seat allocation are set out in appendix 4 to these minutes.

The report was **AGREED** without division and it was **RESOLVED**:

That the seat allocation a set out in appendix 4 to these minutes be agreed.

76 **MEMBERS' QUESTIONS (agenda item 14)**

Fifteen questions were asked and replies given. The text of all questions submitted, together with their answers, is shown as appendix 5 to these minutes.

77 **HARE LODGE DEMOLITION (AGENDA ITEM 15A)**

Motion on behalf of the Independent Residents' Group

Council regrets the Executive decision not to appeal the Inspector's decision to demolish Hare Lodge without first making public the external legal opinion on which the decision was reputedly based and now calls on the Executive to belatedly make this legal opinion public.

Amendment by the Conservative Group

This Council notes the Executive decision taken following the consideration of specialist legal advice not to proceed with a judicial review application to the High Court in respect of the Inspector's decision to allow the appeal against the refusal by the Regulatory Services Committee of the application to demolish Hare Lodge and notes further that a synopsis of the advice has already been given.

Following debate, the amendment by the Conservative Group was **CARRIED** by 30 votes to 14 (see division 4) and **AGREED** as the substantive motion without division.

RESOLVED:

This Council notes the Executive decision taken following the consideration of specialist legal advice not to proceed with a judicial review application to the High Court in respect of the Inspector's decision to allow the appeal against the refusal by the Regulatory Services Committee of the application

to demolish Hare Lodge and notes further that a synopsis of the advice has already been given.

78 CHAFFORD SPORTS COMPLEX (AGENDA ITEM 15B)

Motion on behalf of the Independent Residents' Group

Council calls on the Executive to reach agreement with Harris Academy, Rainham, and SLM to keep Chafford Sports Complex open until a new leisure centre is built in the south of the borough.

Amendment by the Conservative Group

This Council notes that its officers are currently examining with Harris Academy Rainham and SLM the legal and financial arrangements required to maintain for public use the Chafford Sports Complex following the acquisition of title to it by the School through a Land Adjudication Tribunal ruling.

This motion was withdrawn by the Independent Residents' Group and resubmitted to the March 2018 Council meeting.

79 LONDON PLAN HOUSING TARGET (AGENDA ITEM 15C)

Motion on behalf of the Conservative and East Havering Residents' Groups

This Council notes with grave concern the proposals contained in the draft London Plan recently published by the Mayor of London which proposes a housing target of 1,875 new homes per annum for Havering over the next ten years, which represents a 60% increase on the figure included in the draft Havering Local Plan (1,170). This Council further considers the target as totally unacceptable, unachievable and unsustainable to the point of changing the unique and open character of our borough for the worse. This Council therefore agrees to recommend to the Executive to respond to the consultation, which ends on 1st March 2018, in the strongest possible terms.

Amendment by the Independent Residents' Group

Council calls on the Executive to defend our high value green spaces and Conservation and Special Character Areas from the existing housing target within the Local Plan and further calls on the Executive to respond to the consultation on the new London Plan in the strongest terms to defend the Special Character of Havering from the new target proposed by the London Mayor which threatens to change our borough for the worse.

Following debate, the amendment by the Independent Residents' Group was **NOT CARRIED** by 32 votes to 18 (see division 5) and the motion on behalf of the Conservative and East Havering Residents' Groups was **AGREED** as the substantive motion without division.

RESOLVED:

This Council notes with grave concern the proposals contained in the draft London Plan recently published by the Mayor of London which proposes a housing target of 1,875 new homes per annum for Havering over the next ten years, which represents a 60% increase on the figure included in the draft Havering Local Plan (1,170). This Council further considers the target as totally unacceptable, unachievable and unsustainable to the point of changing the unique and open character of our borough for the worse. This Council therefore agrees to recommend to the Executive to respond to the consultation, which ends on 1st March 2018, in the strongest possible terms.

80 USE OF PLASTICS (agenda item 15D)**Motion on behalf of the Residents' Group**

This council recognises the serious problems caused by the large use of plastics and calls on the Executive to:

- a) Reduce the Council's own use of plastics
- b) Encourage businesses and residents to reduce their use and
- c) Provide clarity to residents on what plastics can be recycled

Amendment by the Independent Residents' Group

Replace the first sentence with the following sentence.

Council agrees the recycling regime promoted by climate change legislation has made waste disposal very expensive and led to an epidemic of fly-tipping resulting in our rivers and oceans being polluted by plastic. And further agrees the solution is the incineration of waste, reduced landfill taxes and promotion of alternatives to non-biodegradable plastic and calls on the Executive to consider the following measures to reduce the problem in a small way:-

Amendment by the Conservative Group

This Council recognises the serious ecological problems resulting from the excessive and unnecessary use of plastic and also the need to reduce the volume of all household waste generally including recycling items as a result of increasing waste disposal costs. Further it notes that officers have been reviewing the steps which can be taken to address these issues and will be reporting to the Executive once this process has been completed.

This motion was withdrawn by the Residents' Group and resubmitted to the March 2018 Council meeting.

81 VOTING RECORD

The record of voting decisions is attached as appendix 6 to these minutes.

Mayor

Full Council – Wednesday 24 January

Madam Mayor

I would like to refer to a number of matters and events since the last Council meeting

The Christmas Events

- We've taken down the Christmas trees, packed away the decorations and Christmas already feels like a long time ago. But this year, once again, residents threw themselves into the festive feast of events put on by the Council.
- It all started with the big Christmas lights switch-on, which proved to be the most successful to date with thousands packing out the Market Square in Romford, to see some great local performers and an impressive firework display. This was followed by the Christmas Cracker event in Hornchurch, and many more switch-ons across the borough. The family fun didn't stop there. Residents also enjoyed a variety of Christmas events in Romford Market, including the Kingdom of Elves, and the Winter Wonderland Experience.
- I would like to thank our staff for their hard work in making this possible.

HMD 2018

- This weekend we will mark Holocaust Memorial Day 2018. Residents will be able to join a special service in Romford on Sunday 28th January at 2pm at the Holocaust War Memorial in Coronation Gardens, in Main Road.
- This is always an extremely poignant event, as the borough pauses to remember the millions of victims of the Holocaust and Nazi persecution.
- The theme for 2018 is the 'power of words', highlighting how words can make a difference – both for good and evil

SPRING CLEAN

- The Council will be organising a borough spring clean in March. In the past these have been a great success and residents have supported our staff with their help to tidy up their streets and parks.
- We wish this year to focus in particular on regular hotspots for litter such as Romford and Hornchurch Town Centres.
- We'll be announcing more details in the coming weeks, but I hope everyone will be able to do their bit to help spruce up the borough as we head into the lighter evenings of the summer months.
- In all surveys residents tell us how much importance they place on the quality of the environment.

Dagnam Park extension

- I was invited to pay a visit last week to Dagnam Park Nature Reserve in Harold Hill to see the work being undertaken by the Friends of Dagnam Park to unearth the foundations of The Manor or Dagnam House. This was a grand house that I remember visiting as a very young child prior to its demolition in the early 1950s.
- A band of volunteers are working on the site several times a week and I was pleased to hear that they are receiving assistance from our parks and local history colleagues to enhance that area of this wonderful park.
- The site was at one time the location of the home of Samuel Pepys
Information as to the history can be found on the Friends of the park website.

Three joint ventures

- Over the last few months alone, we have secured two Joint Venture partnerships that will transform parts of the borough.
- Last week, we agreed on our preferred development partner to regenerate those 12 council housing estates.
- This is one of the most ambitious mixed tenure and social housing programmes in London, and we will look forward to announcing our successful partner for this £1billion investment next month.
- In total, £3 billion of investment in Havering has been secured for these three schemes in under a year.
- These are three major pieces of work and I'd like to thank all those who have been involved.
- The schemes will provide much needed affordable housing for our residents and their children and low cost home ownership for young people wishing to get on the housing ladder and to remain living locally.

London Plan interaction

- The Council has been progressing its Local Plan since 2015 and has been working with an adopted London Plan that sets a minimum housing target of 1,170 homes per annum
- A significant amount of work has gone into the preparation of the Local Plan and while we recognise that the new Mayor of London has published his draft London Plan, it is a draft and is still subject to consultation and an examination in public.
- All councils are under pressure from the government to get Local Plans in place as quickly as possible. We are therefore continuing to progress our Plan and will submit it to the Secretary of State in February. In line with

Counsel's advice we are required to be in general conformity with the current adopted London Plan and that is what we are aiming for. We have had a positive response to our Local Plan consultation from the GLA.

- In due course, we will need to review the Local Plan (as all authorities do) and at that point we will need to take into consideration the policies in any new London Plan.
- We will be objecting strongly to the draft London Plan housing target as it is as totally unacceptable, unachievable and unsustainable and is not based on robust evidence.

Romford Ring Road feasibility study

- We have been allocated TfL funding for 2018/19 to look at improving access into Romford Town Centre. To support development as part of the housing zone in Romford, officers are looking at improving the west side of the Romford Ring Road and a feasibility study will start in the new financial year. In this study the Council will be mindful not only of the needs of pedestrians and cyclists but also those of the vehicular traffic using our local roads.

Health devolution confirmed

- In November the Mayor of London and the Secretary of State for Health as well as health and care leaders across the capital, signed a landmark devolution deal to improve health and social care in London.
- The London deal was informed by 5 pilots across the capital including one in Havering, Barking and Dagenham, and Redbridge designed to better integrate health and social care services.
- The Council and local partner agencies will press on with our plans to improve services for local residents.
- To this end Havering Council and health commissioners from the Clinical Commissioning Group (CCG) will, from April 2018, begin to jointly plan and then commission selected services, pooling budgets where this makes sense. The Council and NHS providers, including hospital, community and GP services will work together as an alliance to provide better health and social care services in the most appropriate way for the community.
- The alliance aims to relocate resources from acute hospital services to services in the community.
- Aligning the way we work with our partners in health will allow us to deliver a local targeted service that benefits residents, improves the offer of care they receive and produces improved outcomes across the borough.
- Integrated locality teams across the borough; consisting of health and social care professionals will be central to this new model.

- Each team will support a population of around 80,000 residents, with primary care at its heart.
- The locality teams will tailor services to specific population areas in the borough, identifying people who are likely to develop serious health problems and offering early support and intervention.

Police station action position

- Late last year, we said we would look to seek a Judicial Review against the Mayor's Office for Policing and Crime (MOPAC) and the Commissioner of the Metropolitan Police Service, in respect of their decision to close police buildings.
- MOPAC and the Commissioner of the Metropolitan Police Service have been asked to reconsider the closures and withdraw the decision to close the public access points across the borough as the consultation was unacceptable.
- We have since received a response and our legal team are reviewing it. A further announcement will be made as soon as possible.

Meeting with minister/budget CT/business rate pooling

- Last week, I met with the new Local Government Minister Rishi Sunak M.P. with local M.P.s Andrew Rosindell and Julia Lopez. Andrew Blake-Herbert also attended, and we discussed the local government settlement and pressed the case again for fairer funding for Havering. The Fair Funding Review is currently under consultation, and a member briefing will be held to explain this.
- Earlier this month, we launched our budget consultation to understand residents' views on our savings proposals.
- We currently have a budget gap of £4.26m in 2018/19. The reduction in government grant funding, along with an increase demand for housing and significant increase in the number of adults and children who require council services are contributing factors to this.
- We are consulting on proposals for savings across the five- year period of 2018/19 to 2022/23, which will create total savings of around £11m and I encourage residents to have their say on Havering Council's website.
- Havering will be part of the London Business Rates Pilot Pool, which will give the Council 100% business rates retention; however, any estimated net

benefits will be shared. Taking part in this pool will allow London Councils to have greater fiscal devolution. The pilot scheme will begin in April 2018.

Sapphire Ice and Leisure

- The Sapphire Ice and Leisure in Romford will be opening on Saturday 3 February, from 9.30am – 10pm, and we welcome residents and Councillors to come along.
- This is the borough's biggest leisure regeneration project and it has been long awaited. We will be joined at the opening by Dancing on Ice champion and former Xfactor contestant, Ray Quinn, and renowned athlete – Colin Jackson, CBE.
- Guests will enjoy a day of free activities, such as ice skating sessions, family fun swims and exercise sessions – including group cycling, boot camps and much more. There will also be a figure skating exhibition as well as face paint and balloon modelling for younger children.
- The open day will also see the Raiders return to the town to play their first Ice Hockey game there since April 2013.
- This has been a lengthy and difficult project involving great fortitude and determination of both officers and members and I pay tribute to all those involved in delivering the first swimming in Romford for 25 years since the then minority Labour Administration closed the last one. There have been strident doubting and critical voices throughout. Those saying it would never happen have been proved wrong yet again.

Thank you Madam Mayor.

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Appendix 2

Council, 24 January 2018, Agenda Item 8, Question on report submitted by Residents' Group

Given concerns surrounding Carillion and other companies in the building and construction industry, does the Leader of the Council feel that it is appropriate for members to agree awarding Preferred Bidder status to a company unknown to them?

Answer by the Leader of the Council

Councillor Morgon has attended an all member briefing on the 12 Estates Joint Venture partner selection where he asked questions and was provided with information in response to those questions. At Cabinet last week, Cllr Morgon was again provided with the opportunity to ask questions regarding the selection of the JV partner. Indeed, he asked about the Carillion issue and was provided with a detailed response relating to the wide due diligence we have carried out at various stages of the tender process and will carry out during the consolidation period we are now in. We will carry out all the usual checks into our preferred bidder and we will, in addition, carry out further enquiries of the preferred bidder that go well beyond the normal checks required.

At this point I would add that the preferred bidder has already stated to us that in the light of the Carillion concerns, what additional checks do we want to carry out and they are being very open in relation to giving us all assurances we can gain.

We are therefore still in a live procurement process as we also need to finally agree the terms of the submission are properly built into the contract documentation. To prematurely release the name of the preferred bidder before we are certain that we are content to go to formal contract award could place the council at a severe commercial disadvantage were we not able to finalise the deal with the preferred bidder and had to re-open dialogue with one of the other organisations.

In addition, as this is a Joint Venture, as explained to Cllr Morgon at Cabinet last week, we will be bringing greater controls to this venture than Carillion would have required in its private sector capacity. The scrutiny and accountability on local authorities is much greater than for private sector companies. Whilst this JV will be at arms-length to the council, we will have significant additional controls than those seen in a purely contractual relationship.

Cabinet delegated the final decision to the deputy leader, and all checks will be carried out prior to that decision finally being taken to get to formal contract award. To release the name now, prior to final agreement with the preferred bidder, could result in a commercial disadvantage to us were we not to be able to agree final terms with that party.

Having however conferred with legal officers and whilst due diligence is still going on, it has been agreed that the name of the preferred bidder may be made known in confidence to all members of the Cabinet and to the Lead Member. This shows the transparency of the situation we are in.

I hope that provides some reassurance to Cllr Morgon and other parties.

Appendix 3

Council, 24 January 2018, Agenda Item 9, Questions on report submitted by Residents' Group

Given that all council members are being asked to approve the Local Plan, would the Leader of the Council confirm the following;-

- 1. Why ALL members did not have sight of all the responses from the public consultation exercise.**
- 2. Why ALL members have not seen officers views on all the responses and the Cabinet's consideration of these and**
- 3. Why ALL members did not have the opportunity to hear and raise any issues with counsel on his advice about material and non-material issues and the submission of our Local Plan.**

Answer by Councillor Damian White

Full Council agreed the Proposed Submission version Local Plan and its suite of supporting documents in July 2017. The decision tonight is not to agree the Local Plan That has already happened. Members are being asked to agree that the Director of Neighbourhoods in consultation with me, make some changes to the previously agreed Proposed Submission Local Plan. The areas of change recommended are as set out in the report. These changes DO NOT alter the fundamental strategy and approach of the Proposed Submission Local Plan as agreed by this Council in July.

The Proposed Submission Local Plan presented to members in July was drafted after public consultation in spring 2015 in accordance with Statutory Requirements and included consultation with Members, residents and other interested parties. The report to Members in July included the responses to the Regulation 18 public consultation and key issues arising so that Members could see how those views had been taken into account and reflected in the drafting of the Proposed Submission Local Plan. The Proposed Submission Local Plan was agreed by Council Members on the basis of that information.

It was explained to all Members in July that the next step required was for that Proposed Submission Local Plan to be consulted on FOR THE PURPOSE of testing whether the plan was both sound and lawful as required by the planning regulations. This second consultation, under Regulation 19, is essentially a 'verification' process to check that there are no evidential gaps, or potential legal weaknesses, before the Proposed Submission Local Plan is submitted to the Secretary of State for approval. This is a process which includes a public enquiry by a Planning Inspector and recommendations to the Secretary of State. The Regulation 19 consultation feedback was considered by senior officers and by Leading Barrister, who has been advising throughout the process, to identify any areas of the previously agreed Proposed Submission Local Plan, which, in their

professional judgement, required alteration in order to ensure that it is sound and robust. Those matters were also discussed with me as Lead Member.

Officers advise that some minor changes be made – in the form of text and format and other ‘non material’ amendments, for which Full Council in July gave authority to the Director of Neighbourhoods, in consultation with myself, without the need to report them back to Full Council. The barrister has advised on those changes which should be regarded as ‘non material’ and which can be made under delegated authority. All Members can be assured by the report before them that anything of substance has been highlighted.

During the process of considering the feedback to the Regulation 19 consultation, it became apparent that some changes, which may not be regarded as falling within the category of ‘non material’ or ‘minor’, are needed in order to strengthen the Council’s position as we move forward to the examination in public. The areas of proposed changes are explained in the report before members of the Council this evening. They include for example

- i) the inclusion of areas already used as Gypsy and Traveller sites as formal designated sites,
- ii) that further evidence be submitted to support various policies such as housing delivery and the green belt, and
- iii) alterations be made to policies, for example inclusion of support for use of the River Thames, in order that the Proposed Submission Local Plan and its supporting documents are consistent with the Statutory Framework and the requirements of the National Planning Policy framework so as to place the Council in the best position possible to have its Proposed Submission Local Plan approved.

These proposed changes DO NOT alter the fundamental strategy and approach of the Proposed Submission Havering Local Plan as agreed by this Council in July. The feedback did not give rise to the need for any other material changes to be made to the previously agreed Proposed Submission Havering Local Plan in order that it is sound. The feedback has therefore been considered and is advised upon in the report to Members. Members are asked to agree that the final detail and wording be delegated to the Director of Neighbourhoods, following consultation with me as Lead Member. The Proposed Submission Local Plan will be amended and published, and the consultation feedback from both Regulation 18 and 19 consultations together with the Council’s responses will form part of the Council’s Submission to the Secretary of State and be made publically available.

Members do not require the intricate detail of the Regulation 19 consultation responses to make the decision before them tonight, or the details of the officers’ consideration. A summary of the areas of change needed in order to make the Proposed Submission Local Plan robust and sound, which flow from that consultation, has been provided in the Report to Members.

I have instructed officers to arrange an all Member information session ahead of the submission of the Proposed Submission Local Plan to the Secretary of State, the date of which will be confirmed.

Council, 24 January 2018, Appendix 4: RECOMMENDED SEAT ALLOCATION

Having regard to the principles of political balance and of seat allocation referred to in Appendix 1, the following allocation of seats is recommended on the basis that, taking all factors into account, it shows a “reasonably practicable” allocation of seats and is therefore the default position.

		CONS	RESIDENTS	EHRG	UKIP
Governance	13	5	3	2	1
Licensing	11	6	2	1	1
Regulatory Services	11	5	2	2	1
Highways Advisory	11	4	2	2	1
Adjudication	10	4	2	2	1
Pensions	7	3	1	1	1
Audit	6	3	1	1	1
Rainham & Sth HX WP	6	2	1	1	1
O&S Board	16	7	3	2	2
Children's	9	4	2	1	1
Crime & Disorder	6	2	1	1	1
Towns & Communities	9	4	2	1	1
Environment	6	2	1	1	1
Health	6	3	1	1	0
Individuals	7	3	1	1	1
Total seats allocated	134	57	25	20	15

- Committee seats are allocated, and each Committee is balanced, as “reasonably practicably” as possible

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Appendix 5

FULL COUNCIL, Wednesday 24 January 2018

MEMBERS' QUESTIONS

Machines in Council Owned Car Parks

- 1) **To the Cabinet Member for Environment and Community Safety (Councillor Osman Dervish)**
From Councillor Jody Ganly

Would the Cabinet Member confirm what a person should do if they arrive at a council owned car park and the machine(s) are "not in use"?

Answer

Information on what to do if a pay and display machine is not working is on the Council website or alternatively a driver can also ring to report a machine being out of order on 01708 432787.

If a machine is not working, then drivers are advised to use an alternative machine within the same location, or where possible, to use the Phone and Pay facility. There is an expectation that customers will use an alternative machine that is situated within the same location which is of a reasonable distance from the broken one. In most car parks, the alternative machine locations are highlighted by "Pay here" signs which are located above every payment facility.

In the event of a machine breakdown the Civil Enforcement team will apply a degree of reasonableness in their enforcement activity and will not enforce the immediate vicinity.

All machine faults and or breakdowns are centrally logged and therefore referred to in the event of a Penalty Charge Notice appeal being received.

I have been informed by the Assistant Director for Environment that less than 7% of the 223 machines across the borough currently have faults and the vast majority of faults raised in any given day are resolved on that same day.

In response to a supplementary question, the Cabinet Member indicated that he was happy to consider any specific examples of residents whose parking appeal had failed with the Council saying that they should have paid the parking charge via the parking app.

Issue of Planning Decisions

- 2) **To the Cabinet Member for Housing (Councillor Damian White)**
From Councillor Phil Martin

Does this Council accept that it has a statutory responsibility to endeavour to issue planning decisions 13 weeks after the receipt of a planning application?

Answer

In terms of statutory responsibility, if the Council does not issue a decision on a planning application within 16 weeks (applications with Environmental Statements) 13 weeks (major applications) or 8 weeks (non-major applications), or a longer period agreed with the applicant, of submission of a valid application, then the applicant has a right to submit an appeal against the non-determination of the application. This is known as the statutory period for determination.

The Government has set designation criteria, which means that if Councils decide less than 60% of major development within 13 weeks or 70% of non-major applications then they are at risk of special measures. Havering has set itself a local target of 65% of major applications being decided within the target time, and current performance is at 85%, which considerably exceeds the target.

The Government and local targets recognise that it is not always possible to decide all applications in time, which can be for a variety of reasons including resolving issues arising during the application, negotiating complex planning obligations and waiting for further information from the applicant or statutory consultees.

In response to a supplementary question, the Cabinet Member indicated he would investigate whether the clause re the level of affordable development on the new ice rink site could be applied to other delayed planning applications and provide a response on this to all Members.

Children in Care

**3) To the Cabinet Member for Children and Learning (Councillor Robert Benham)
From Councillor Michael Deon Burton**

Freedom of Information replies from 351 councils show that 150 Vietnamese children rescued from traffickers and placed in council care have gone missing since 2015, almost 90 of whom have never been found. It is feared that they could have fallen back into the hands of slave masters. Most of those to have gone missing did so within just two days of being placed into care. Similar concerns about Albanian children have also been raised.

Minded of Baroness Butler-Sloss, chair of the all-party parliamentary group on human trafficking and modern slavery credible beliefs there are far more youngsters at risk. How many children have gone missing after being placed in Havering Council Care since January 1st 2015? Please provide an explanation of Havering Council's specific safeguards which have been put in place to stop this happening.

Answer

As at November 2017, there were five Vietnamese and five Albanian children in our care, none of whom were reported missing. 214 children in care went missing a total of 743 times in 2015. 163 children went missing 411 times in 2016. 148 children went missing 1,014 times in 2017.

Havering Council has a Coordinator who oversees all missing episodes and ensures correct procedures are followed. Missing children are tracked and an activity report provided to Senior Managers weekly.

An information pack is compiled about each child in care, including a recent photograph. If they go missing, this is shared with the provider, the council (if placed outside Havering) and the local Police Missing Persons Unit. The pack is updated each time they go missing.

Once they are located, a Return Home Interview is completed and used to review their plan. All children who go missing are reviewed by a multi-agency panel which agrees risk reduction measures. If a child goes missing for three days or more, or risks are higher, a joint plan is agreed with the Police.

The National Referral Mechanism is used to identify victims of trafficking or modern slavery and ensure they receive appropriate support.

In response to a supplementary question, the Cabinet Member added that the Council's Corporate Parenting role meant that it was responsible for every child in its care and that it took issues such as child sexual exploitation and modern slavery extremely seriously. As a point of information, the Chairman of the Corporate Parenting Panel added that these issues were on the agenda at every meeting of the Corporate Parenting Panel which was a cross-party group.

Heating and Hot Water Service Charlbury Crescent Sheltered Accommodation

**4) To the Cabinet Member for Housing (Councillor Damian White)
From Councillor Keith Darvill**

Why was there a long delay in repairing the defect in heating and hot water system at the Charlbury Crescent Sheltered Accommodation recently?

Answer

A problem was initially reported on 3 November 2017, our contractor attended and reinstated the heating system but reported concerns about the longevity of the repair. This was due to the main boiler controls not working in line with external temperature sensors, which needed to be replaced. Unfortunately, due to the age of the system, the replacement part was no longer available. An interim solution was

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put in place allowing the heating running constantly. The contractor then undertook further work to enable the heating system to be turned on and off at set times during the day and night. This work was completed on 18 November 2017.

Further adjustments were made to the system during December 2017, which meant the need to turn the system on and off was no longer required as a control solution had been found. We have had no further reports concerning the heating system since this time and will continue to monitor and adjust the system to suit the needs of residents.

The boilers and associated operating controls have been identified for renewal in the 2018/19 capital investment programme.

In response to a supplementary question, the Cabinet Member confirmed that capital resources had been brought forward to replace the heating system. A review of the heating system in sheltered blocks had also been requested and support had been given to residents of Charlbury Crescent when the heating failed.

Performance of Schools in Havering

5) To the Cabinet Member for Children and Learning (Councillor Robert Benham From Councillor June Alexander)

Havering is now considered to have the 2nd worst Secondary Schools in London. Would the Cabinet Member confirm why has this been allowed to happen and what steps are being taken to remedy this situation?

Answer

This question refers to the London regional Ofsted annual report, published in December. It is worth noting that the Ofsted report recognised that Havering's Early Years and Primary sector had the highest rate of improvement across the region in relation to school inspections judged 'good' or 'outstanding'.

Whilst it was disappointing that the secondary sector did not perform so well on the same measure, there was a big improvement in comparison to 2016. The majority of secondary schools in Havering are Academy schools; as such the local authority is working closely with these schools and the Regional Schools Commissioner, to drive improvements.

A Secondary School Improvement Board was established in 2017, and is focussed on improving the quality of teaching, the effectiveness of Leadership, and the progress outcomes for all pupils. There are already signs of improvement as whilst the overall progress 8 measure is fractionally below the national average, this has improved significantly since 2016. The average attainment 8 score is above the national average, the percentage of pupils achieving a grade 5+ in English and maths is above the national average, and the percentage of pupils being entered for and passing the EBacc is significantly above the national average.

During the 2016/2017 Academic Year there were 26 inspections. This resulted in an additional 7 schools being judged as Good or Better. As such, in total 85% of providers were judged as Good or Better as at August 2017 up from 76% in August 2016.

In response to a supplementary question, the Cabinet Member added that he felt that the Academy policy needed reviewing. The Cabinet Member was pro-choice for type of schools but this was a personal opinion.

**6) To the Cabinet Member for Children and Learning (Councillor Robert Benham)
From Councillor Ian de Wulverton**

What is Council doing to ensure that every parent is able to send their children for 30 hours free child care in Havering?

Answer

In preparation for the launch of the 30 hour offer last September, the local authority worked with local early years and childcare providers to ensure there was sufficient supply to meet demand. This included extensive consultation with parents and providers, regular briefings for local authority staff and providers, engagement with Early Implementer boroughs to share learning, and identifying premises for new place development or expansion of existing providers.

Workshops were held for providers to support new models of delivery, and to support them in undertaking their own demand assessment and business planning.

Local marketing of the 30 hour offer has been augmented with the national marketing campaign, and the application process was clearly explained to parents. Clear messages and guidance have been given to partners so they are aware of entitlements and when 30 hours will start, including through Children Centre teams, Health visitors, and other frontline staff.

Take up of places is monitored regularly and benchmarked against regional and national performance, which shows that over 1,000 parents across Havering have already accessed the 30 hours offer since its launch.

(No supplementary question asked).

Tri-Borough Policing Project

**7) To the Cabinet Member for Environment and Community Safety (Councillor Osman Dervish)
From Councillor Jeffery Tucker**

Please provide an update regarding the Executive view of and response to the Tri-borough pilot and police station and safer neighbourhood bases closures

Answer

As reported to the Council in November, the tri-borough policing model has improved collaboration between the police and social care services. After an initial reduction in response times to high priority calls to the police, performance is now better than before the merger and is better in Havering than in the two other boroughs in the East Area. The average response time to emergency calls in Havering is now within target.

Following publication of MOPAC's new Public Access and Engagement Strategy in November, the Council remains alarmed at the planned closure of 11 of Havering's 13 police buildings, and especially about the impact on residents in the south of the borough, who will have to travel up to an hour on public transport to access Romford police station. Having just one publicly accessible police base to serve more than 250,000 residents is unsustainable, particularly considering Havering's demographics. We also remain strongly opposed to plans to replace police contact points with Community Contact Sessions. The Council has now notified MOPAC and the Metropolitan Police Service of its proposed legal challenge of these decisions and, following receipt of their responses and further advice from counsel, continues to consider the situation.

In response to a supplementary question, the Cabinet Member stated that the cost of a judicial review were estimated to be £50,000 - £100,000 although these monies would be recovered if the Council's legal challenge was successful.

Planning Applications

**8) To the Cabinet Member for Housing (Councillor Damian White)
From Councillor Ray Morgon**

Would the Cabinet Member confirm how many planning applications received between September 2016 to September 2017 have not yet been determined, together with the date of the oldest application?

Answer

102 planning applications received between 1st September 2016 and 31st August 2017 have yet to be determined. The date of the oldest undetermined application received during this period is the 27th September 2016.

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During the same period, the Council issued 2579 planning decisions.

Background Information for Cabinet Member only. Please note, this information will not be included in the public document.

In terms of statutory responsibility, if the Council does not issue a decision on a planning application within 16 weeks (applications with Environmental Statements), 13 weeks (major applications) or 8 weeks (non-major applications), or such longer period agreed with the applicant, of submission of a valid application, then the applicant has a right to submit an appeal against the non-determination of the application. This is known as the statutory period for determination.

The Government has set designation criteria which means that if Councils decide less than 60% of major development within 13 weeks or 70% of non-major applications within 8 weeks, then they are at risk of special measures.

The Government recognise that it is not always possible to decide all applications in time which can be for a variety of reasons including resolving issues arising during the application, negotiating complex planning obligations and waiting for further information from the applicant or statutory consultees.

Our current planning application performance (1st April 2017 to 31st December 2017)

Major Applications Decided in Target (including extensions of time): 86%
Minor Applications Decided in Target (including extensions of time): 83%
Other Applications Decided in Target (including extensions of time): 95%

In response to a supplementary question, the Cabinet Member indicated he was happy to provide a briefing to all Members on case management of planning applications and also to investigate any examples of planning application delays if Councillor Morgon could provide these.

Improvements to Brook Street Roundabout

9) To the Cabinet Member for Environment and Community Safety, (Councillor Osman Dervish) From Councillor Patricia Rumble

What step is the council taking together with other partner agencies to minimise the disruption to the residents in Woodstock Avenue and Kenilworth Avenue when the proposed improvements to Brook Street Roundabout get underway

Answer

In early 2017 Highways England consulted on scheme options for improving capacity at Junction 28 of the M25. In August, Highways England announced their preferred option, which was to deliver a two-lane loop road connecting north bound traffic on the M25 with the A12 Eastbound in Havering. It should be noted that the A12 in Havering is part of the Transport for London Road Network (TLRN) and therefore not under the Council's control.

Highways England are currently undertaking environmental assessments to help inform the design work for the scheme. Formal statutory consultation on the proposal is not expected to take place until the end of 2018 at the earliest.

The Council made it clear in its formal response to the 2017 consultation that it would like to see further information on the traffic implications on the wider highway network, not only once the scheme is completed, but during the construction phase as well.

The Council also stressed that clear lines of communication to local stakeholders such as residents and businesses will be crucial during the construction phase.

Because Highways England is still working on the environmental assessments, there simply isn't an indication on the potential impacts on the Havering section of the A12 either during construction or in the completed state of the scheme. Officers will keep the matter under review as information becomes available and they will liaise with TfL officers who will also be interested in the impacts on the TLRN.

In response to a supplementary question, the Cabinet Member confirmed that he was happy to involve residents of Woodstock Avenue in any discussions on the roundabout proposals.

Terms & Conditions Review

10) To the Leader of the Council (Councillor Roger Ramsey) **From Councillor David Durant**

Based on 4300 employees, as a result of the review of terms and conditions how many employees, as a percentage, got contractual wage rises and wage cuts, and overall by how much?

Answer

In the July 2017 Governance Committee report, the 4300 people figure related to the headcount number of employees (including schools) who were affected by the proposals at the start of the employee consultation (September 2016). However, because many people have more than one job with the Council (especially in schools) the number of jobs in the Council will always be considerably higher than the headcount number of employees. At the end of the employee consultation there were 5099 jobs being performed by employees across the corporate organisation and in schools. Table 3 of the report shows the impact of the proposals, at that stage, on the contractual pay of those 5099 different jobs as follows:

- 12.9% would see an increase in their contractual pay - the average increase was 4.2%
- 57.0% would see no change in their contractual pay

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- 30.1% would see a decrease in their contractual pay – the average decrease was 4.4%

In response to a supplementary question, the Leader of the Council stated that he deplored the use of circularised e-mails by Councillor Durant. The terms and conditions review had brought the Council's practice into line with local government practice elsewhere. The Unions had accepted the revised terms and conditions as had nearly all staff. Councillor Durant's figures had assumed all staff reached the top of their grade which was not the case. The new scheme also protected the Council from inequality schemes and saved the Council £800,000 per year.

Residents' Complaints Procedure

11) To the Cabinet Member for Financial Management, Transformation and IT **(Councillor Clarence Barrett)** **From Councillor Stephanie Nunn**

Would the Cabinet Member confirm why residents are still being told that complaints have to be made online only?

Answer

Against a background of significant budgetary constraints, the Council is committed to provide the most cost-effective means of communicating with our customers. While the preferred method of receiving complaints is via an online form, as this is designed to capture as much information as possible to enable officers to carry out a thorough investigation and provide a trackable response to customers, the Council does recognise the Havering demographic and is mindful of the concerns expressed by some members of the public regarding the transition to electronic reporting and have therefore kept open other channels of communication.

For example, complaints can still be made by letter to COMPLAINTS, Town Hall, Main Road, Romford. RM1 3BD or telephone via the Customer Contact Centre on 01708 434343. Alternatively, customers can go to the Public Advice and Service Centre or a library where staff will help them complete a paper copy of the online form.

In response to a supplementary question, the Cabinet Member added that members of the public were not being told that complaints could only be made on-line but he was happy to look at any possible incidences of this if Councillor Nunn could provide these.

Land Development in the Borough

12) To the Cabinet Member for Housing (Councillor Damian White) **From Councillor Ian de Wulverton**

What is the council doing to enable developers to bring forward developments on derelict land and prevent land banking in the borough?

Answer

The Council is shortly due to submit its Local Plan for government approval. The draft Local Plan generally prioritises previously developed land for new housing and this should encourage developers to come forward with appropriate development to meet the Council's housing needs including affordable housing.

In relation to land banking, there are currently no effective powers that the Council has to prevent this. Government consulted on this issue as part of the Housing White Paper and may come forward with proposals in the future. This matter has also been raised with local MPs who will discuss this with the Local Government Minister.

(No supplementary question).

Parking Enforcement Officers

**13) To the Cabinet Member for Environment and Community Safety (Councillor Osman Dervish)
From Councillor Barry Mugglestone**

Would the Cabinet Member agree that following negative feedback from residents, businesses and reports in the local media, that he should revisit the training, prioritisation and deployment of permanent or temporary Parking Enforcement Officers?

Answer

The primary focus of our parking enforcement team is to act as a deterrent, keep roads free from congestion and safe for all highway users including motorists, pedestrians and public transport users.

The Council's Civil Enforcement Officers (CEOs) are suitably trained in Civil Enforcement legislation and are City & Guilds accredited. You will be pleased to hear that the deployment and training of its officers is continuously reviewed and monitored closely by the service. Resources are deployed dependent on need in areas of high non-compliance and to manage the parking in controlled parking zones in addition to responding to continual customer requests.

Robust enforcement is often required, especially around our schools at drop off and pick up times and also when there is illegal parking occurring which hinders residents and business alike.

In response to a supplementary question, the Cabinet Member indicated he would investigate the reasons for 64% of appeals being lost and report this back to Councillor Mugglestone.

Reduction of Homelessness in the Borough

14) To the Cabinet Member for Housing (Councillor Damian White) From Councillor Barbara Matthews

Would the Cabinet Member confirm what actions will be taken to reduce the level of homelessness in the borough and will he provide his backing to schemes run by charities to help accommodate those who unfortunately find themselves homeless?

Answer

Nationally there has been a marked increase in the level of homelessness which has been rising since 2011. Havering is seeing the same trend.

I can confirm that the Council is taking effective action to respond to the current homelessness demand in the borough, and the new requirements that will be introduced through the implementation of the Homelessness Reduction Act 2017, which comes into effect from 1 April this year. Although the new Act will not 'fix' the major challenges the borough faces in preventing and tackling homelessness, we are pleased that it places prevention work on a firmer statutory footing. In response, the Council has increased funding for the Homeless Service and is proactively working with statutory and voluntary agencies to provide the necessary support to homeless households.

We have therefore increased the staffing levels with the Homeless Service so that the appropriate individual and personalised response can be provided to homeless households. We are also working with a wide range of partners from the statutory, private and third-party sectors in order to provide settled housing and diverse sources of advice and support, including Shelter and Homeless Link who are both National Charity Organisations for homeless people.

The capacity of the social rented sector to meet housing needs of Havering residents will continue to be tested in the years ahead as demand outweighs supply. However, we are committed to increasing the supply of affordable housing through the regeneration programme in order to meet the growing demand.

In response to a supplementary question, the Cabinet Member added that he met regularly with stakeholders to support homeless projects. The proposed development mentioned by Councillor Matthews had not yet applied for planning permission. The development would be subject to consultation with local residents and a decision taken in due course by the Regulatory Services Committee.

New Dwellings in South End Road, Hornchurch

**15) To the Cabinet Member for Housing (Councillor Damian White)
From Councillor Reg Whitney**

Would the Cabinet Member confirm the date of completion for all the new dwellings on the former Sheltered Housing site along South End Road, Hornchurch?

Answer

The site in question, known as Albyns Close, is a development comprising 19 units of which 10 were rented and 9 were shared ownership specifically for older people and was partly funded by GLA grant. The scheme was completed on site in December 2016. As a consequence of the different funding streams, the drawing up of the leases for the shared ownership properties had to be bespoke and there has been a delay in these being finalised. I have asked the Director of Neighbourhoods to look into this and to establish processes ensuring these types of situations do not happen again.

Of the 9 properties for shared ownership

4 are occupied

3 are sold and nearing occupation

2 are sold subject to contract

In response to a supplementary question, the Cabinet Member stated that he was proud of the Administration's record of delivering affordable housing and that the Council now had one of the most ambitious regeneration and building programmes in the UK. The Cabinet Member had met with officers to amend processes. Apologies had been given to any residents who had expressed interest in properties and had their contract frustrated. Any organisational failings by the Council had now been rectified.

VOTING RECORD

<i>DIVISION NUMBER:</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
The Mayor [Cllr. Linda Van den Hende]	✓	✓	✓	✓	✗
The Deputy Mayor [Cllr. Dilip Patel]	✓	✓	✓	✓	✗
<u>CONSERVATIVE GROUP</u>					
Cllr Roger Ramsey	✓	✓	✓	✓	✗
Cllr Robert Benham	✓	✓	✓	✓	✗
Cllr Ray Best	✓	✓	✓	✓	✗
Cllr Wendy Brice-Thompson	✓	✓	✓	✓	✗
Cllr Joshua Chapman	✓	✓	✓	✓	✗
Cllr John Crowder	✓	✓	✓	✓	✗
Cllr Philippa Crowder	✓	✓	✓	✓	✗
Cllr Meg Davis	A	A	A	A	A
Cllr Osman Dervish	✓	✓	✓	✓	✗
Cllr Jason Frost	✓	✓	✓	✓	✗
Cllr Steven Kelly	✓	✓	✓	✓	✗
Cllr Robby Misir	✓	✓	✓	✓	✗
Cllr John Mylod	✓	✓	✓	✓	✗
Cllr Garry Pain	✓	✓	✓	✓	✗
Cllr Viddy Persaud	✓	✓	✓	✓	✗
Cllr Carol Smith	✓	✓	✓	✓	✗
Cllr Frederick Thompson	✓	✓	✓	✓	✗
Cllr Linda Trew	✓	✓	✓	✓	✗
Cllr Melvin Wallace	✓	✓	✓	✓	✗
Cllr Roger Westwood	✓	✓	✓	✓	✗
Cllr Damian White	✓	✓	✓	✓	✗
Cllr Michael White	✓	✓	✓	✓	✗
<u>RESIDENTS' GROUP</u>					
Cllr Ray Morgon	✓	✗	O	✗	✓
Cllr June Alexander	✓	✗	O	✗	✓
Cllr Nic Dodin	✓	✗	✗	✗	✓
Cllr Jody Ganly	✓	✗	O	✗	✓
Cllr Barbara Matthews	✓	✗	O	✗	✓
Cllr Barry Mugglestone	✓	✗	O	✗	✓
Cllr Stephanie Nunn	✓	✗	O	✗	✓
Cllr Reg Whitney	✓	✗	O	✗	✓
Cllr Julie Wilkes	A	A	A	A	A
Cllr John Wood	✓	✗	O	✗	✓
<u>EAST HAVERING RESIDENTS' GROUP</u>					
Cllr Clarence Barrett	✓	✓	✓	✓	✗
Cllr Alex Donald	✓	✓	✓	✓	✗
Cllr Brian Eagling	✓	✓	✓	✓	✗
Cllr Gillian Ford	✓	✓	✓	✓	✗
Cllr Linda Hawthorn	✓	✓	✓	✓	✗
Cllr Ron Ower	✓	✓	✓	✓	✗
Cllr Darren Wise	✓	✓	✓	✓	✗
<u>UK INDEPENDENCE PARTY GROUP</u>					
Cllr Lawrence Webb	O	O	O	O	✓
Cllr Ian De Wulverton	✓	O	O	O	✓
Cllr John Glanville	O	O	O	O	O
Cllr David Johnson	✓	✓	O	O	O
Cllr Phil Martin	✓	✓	O	O	✓
Cllr Patricia Rumble	O	O	O	O	✓
<u>INDEPENDENT LOCAL RESIDENTS' GROUP</u>					
Cllr Jeffrey Tucker	✗	✗	✗	✗	✓
Cllr Michael Deon Burton	✗	✗	✗	✗	✓
Cllr David Durant	✗	✗	✗	✗	✓
Cllr Keith Roberts	✗	✗	✗	✗	✓
Cllr Graham Williamson	✗	✗	✗	✗	✓
<u>LABOUR GROUP</u>					
Cllr Keith Darvill	✓	✓	✓	O	✗
Cllr Denis O'Flynn	✓	✓	✓	O	✗
<i>TOTALS</i>					
✓ = YES	44	34	32	30	18
✗ = NO	5	14	6	14	32
O = ABSTAIN/NO VOTE	3	4	14	8	2
ID =INTEREST DISCLOSED/NO VOTE	0	0	0	0	0
A = ABSENT FROM MEETING	2	2	2	2	2
	54	54	54	54	54

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COUNCIL, 21 February 2018

REPORT OF CABINET

SUBJECT: THE COUNCIL'S BUDGET 2018/19

The purpose of this report is to enable the Council to calculate and set the Council Tax for 2018/19.

The Localism Act 2011 made significant changes to the Local Government Finance Act 1992 ("the Act"), and now requires the billing authority to calculate a Council Tax requirement for the year, not its budget requirement as previously.

The Council has to formally resolve that it calculates certain figures, which broadly are:

- its gross expenditure, including contingency and levies (but not precepts)
- its gross income from fees & charges and other sources, specific grants, external finance from the Government, and any surplus/deficit on the collection fund
- the difference between the two, being the amount which the Council needs for its own services to be paid from the collection fund, defined as the Council Tax requirement
- the basic amount of Council Tax for the net position of all these figures, including precepts, and
- the amount of Council Tax for each other category of dwelling.

The Council is also required to formally approve the management of the Council's treasury management functions, including the Treasury Management Strategy Statement, Prudential Indicators and Minimum Revenue Provision Statement; the proposed revenue budget for both the General Fund and Schools' Delegated Budgets; the Capital Programme and the Housing Revenue Account.

Members are asked to bring their copy of the Cabinet reports including the appendices and any supplementary paper with them to the meeting, as the recommendations before Council make specific reference to these reports.

Attached to this report are:

- **Annex A** which are the draft minutes of the Cabinet meeting.
- **Annex B** to this report which provides supporting information to the resolutions.
- a revised Council Tax statement, originally provided in the Cabinet report marked as **Appendix D**, amended following the latest notification of the levies and the final Local Government Finance Settlement
- a revised Appendix C for Levies, originally provided in the Cabinet report marked as **Appendix C**, amended following the final and provisional notification of the levies.

The Treasury Management Strategy Statement and related documents were reported to Cabinet separately. The Capital Programme was originally provided in the Cabinet report marked as **Appendix I**. A separate report also covers the proposed Members Allowances scheme for 2018/19.

The HRA Major Works Capital Programme and Revenue Budget for 2018/19 were also reported separately to Cabinet and approved at the meeting on 7 February 2018. It includes a detailed HRA Major Works Capital Programme for 2018/19 - 2022/23.

In the light of the above **Cabinet recommends the Council to adopt the following resolutions as set out below.**

The effect of adopting these resolutions would be to set the Council Tax for a Band D property at £1,658.06

RECOMMENDATIONS

1. That the following as submitted in the report to Cabinet of 7 February 2018 be approved:
 - The General Fund budget for 2018/19
 - The Council Tax for Band D properties and for other Bands of properties, all as set out in **Appendix D** of the Cabinet report.
 - The Delegated Schools' Budget for 2018/19, as set out in section 4 of the Cabinet report.
 - The Capital Programme for 2018/19 as set out in section 9 and supported by Annexes 1, 2 and 3 of **Appendix G** of the Cabinet report.
 - That it pass a resolution as set out in section 11.3 of the Cabinet report to enable Council Tax discounts to be given at the 2017/18 level.
2. The Council delegate authority to the Chief Financial Officer to adjust the Corporate Risk Budget to account for any further variations that may arise from the final settlement.
3. That, in accepting recommendation 1, Council is mindful of the advice of the Chief Finance Officer as set out in **Appendix F** of the report to Cabinet.
4. That it be noted that under delegated powers the Chief Finance Officer has calculated the amount of 87,346 (called T in the Act and Regulations) as its Council Tax base for the year 2018/19 in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) made under Section 31B of the Local Government Finance Act 1992 as amended.
5. That the amount of £119,125,095 be now calculated as the Council Tax requirement for the Council's own purposes for 2018/19, with £6,645,284 of that amount being ringfenced for Adult Social Care.

6. That the following amounts be now calculated by the Council for the year 2018/19 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended:

(a)	£505,518,040	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
(b)	(£386,392,945)	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	£119,125,095	being the amount by which the aggregate at 5(a) above exceeds the aggregate at 5(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
(d)	£1,363.83	being the amount at 5(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.

7. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the amounts shown in the table below as the amounts of Council Tax for 2018/19 for each of the categories of dwellings.

Valuation Bands London Borough of Havering			
	Havering	Adult Social Care	Total
	£ p	£ p	£ p
A	858.50	50.72	909.22
B	1,001.58	59.17	1,060.75
C	1,144.67	67.63	1,212.30
D	1,287.75	76.08	1,363.83
E	1,573.92	92.99	1,666.91
F	1,860.08	109.89	1,969.97
G	2,146.25	126.80	2,273.05
H	2,575.50	152.16	2,727.66

8. That it be noted for the year 2018/19 the major precepting authority (the GLA) has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below as proposed by the Mayor.

Valuation Bands Greater London Authority	
	£ p
A	£196.15
B	£228.85
C	£261.54
D	£294.23
E	£359.61
F	£425.00
G	£490.38
H	£588.46

9. That, having calculated the aggregate in each case of the amounts at 6 and 7 above, the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2018/19 for each of the categories of dwellings shown below:

Valuation Bands	£ p
	£ p
A	1,105.37
B	1,289.60
C	1,473.84
D	1,658.06
E	2,026.52
F	2,394.97
G	2,763.43
H	3,316.12

The effect of adopting this resolution would be to set the Council Tax for a Band D property at £1,658.06

10. That Council having considered the principles approved under the Local Government Finance Act 1992 by the Secretary of State for Communities and Local Government concludes that the Council's basic relevant amount of Council Tax for 2018/19 is not excessive.
11. That any Council Tax payer who is liable to pay an amount of Council Tax to the Authority in respect to the year ending on 31 March 2019, who is served with a demand notice under Regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992 as amended and who makes payment to the Authority of the full balance of the estimated amount shown on that demand by 1 April 2018, may deduct a sum equivalent to 1.5% of and from the estimated amount and such reduced amount shall be accepted in full settlement of that estimated amount.

12. That Council approves the Housing Revenue Account (HRA) Major Works Capital Programme, detailed in **Appendix 2a** of the HRA Budget for 2018/2019 and HRA Major Works Capital Programme 2018/19 – 2022/23 report to Cabinet of 7 February 2018.
13. That Council approves the HRA Capital expenditure and financing for the 12 Sites Joint Venture, detailed in paragraphs 3.19.1 to 3.19.8 and **Appendix 2a** of the of the HRA Budget for 2018/2019 and HRA Major Works Capital Programme 2018/19 – 2022/23 report to Cabinet of 7 February 2018.
14. That Council approves the HRA Capital expenditure and financing to acquire up to 375 affordable dwellings from the Bridge Close JVLLP, detailed in paragraphs 3.20.1 to 3.20.5 and **Appendix 2a** of the HRA Budget for 2018/19 and HRA Major Works Capital Programme 2018/19 – 2022/23 report to Cabinet of 7 February 2018.
15. That Council approves the Treasury Management Strategy Statement, Prudential Indicators, and the Minimum Revenue Provision Statement for 2018/19 as shown in the separate report to Cabinet of 7 February 2018.

REPORT DETAIL

As set out in the reports to Cabinet of 7 February 2018 and the attached Annexes.

COUNCIL 21 FEBRUARY 2018, AGENDA ITEM 7

THE COUNCIL'S BUDGET 2018/19

ANNEX A – DRAFT MINUTES OF CABINET MEETING, 7 FEBRUARY 2018

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MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Wednesday, 7 February 2018
(7.30 - 9.00 pm)

Present:

Councillor Roger Ramsey (Leader of the Council), Chairman

Councillor Damian White
Councillor Robert Benham
Councillor Wendy Brice-Thompson
Councillor Osman Dervish
Councillor Melvin Wallace

Councillor Clarence Barrett

Councillor Ron Ower

Councillor Joshua Chapman

Councillor Jason Frost

Cabinet Member responsibility:

Housing
Children & Learning
Adult Social Services and Health
Environment and Community Safety
Culture and Community
Engagement
Financial Management,
Transformation & IT
Housing Development Company
and OneSource Management
Deputy Cabinet Member for Housing
Deputy Cabinet Member for
Environment, Regulatory Services &
Community Safety

35 ANNOUNCEMENTS

Announcements were made in relation to the evacuation procedure in the event of fire or other emergency.

36 APOLOGIES FOR ABSENCE

There were no apologies for absence.

37 DISCLOSURES OF INTEREST

There were no declarations of interest.

38 MINUTES

The minutes of the meeting of Cabinet held on 17th January, 2018, were agreed as a correct record and signed by the Chairman.

39 THE COUNCIL'S FINAL 2018/19 BUDGET, MEDIUM TERM FINANCIAL STRATEGY AND COUNCIL TAX PROPOSAL

The Leader of the Council, Councillor Roger Ramsey, presented the report to Cabinet.

The report followed on from various updating reports that came before Cabinet in October, December and January, all of which advised and updated on the position regarding the budget gap in the lead up to the Budget Setting Cabinet meeting.

Cabinet agreed to receive the Second Dispatch Agenda which detailed the full version of Appendix 1.

The Council is required to set an annual budget for 2018/19 and a Mid Term Financial Strategy for the five year period ending 2022/2023. The report details recommendations to Council for the formal Budget Setting process and the setting of a Council Tax increase of 1%, plus a 2% Adult Social Care precept, for the Havering element of Council Tax. The report recommends to Council the Council Tax level at band D as £1363.83 before the inclusion of the GLA precept.

The Local Government Financial Settlement (LGFS) has been confirmed and some additional funding has been allocated as a result including the Adult Social Care Supplementary Grant of £600,000 which will be placed in reserves for that sole purpose. There has also been a change in the New Homes Bonus which gives extra income of around £30,000 and some other smaller adjustments in tariffs and top ups. This is all very welcome and does not affect the budget recommendations being made to Cabinet in this report.

The Senior Leadership Team of the Council continues to work hard to develop proposals to balance the 2018/19 budget. Savings proposals and the application of the Government Grants have reduced the budget gap of £4.158 million in 2018/19 rising to £33.355 million by 2022/23 and this is demonstrated in Table 1 of the report.

The Mid-term Financial Strategy and Budget Update report went for discussion to the Overview and Scrutiny Board on 23rd January, 2018. There were no comments to be brought forward to Cabinet.

The results of the public consultation produced a wide variety of views and were satisfying in so far as 60% agreed with the Council Tax Budget Strategy.

The public engagement and budget consultation engaged to understand residents' views on 2018/19 Budgets and the Medium Term Financial

Strategy (MTFS) saving proposals and Council Tax changes began on the 5th January and closed at mid-night on Friday 2 February 2018.

There were a total of 251 responses. The top three priority services responses want to protect are:

- School and education - 55.38%
- Adult Social Care - 36.25%
- Roads and Transport - 34.66%

The top three priority services responses want to reduce are:

- Parking - 50.60%
- Council Tax Support - 45.02%
- Planning and Building control - 39.84%

When asked if there were any comments on the Budget Strategy as a whole there were 177 responses and these were grouped into themes as follows:

- **Salaries:** reducing councillor's allowances and senior staff salary
- **Council tax** (general comments)
 - Of the 40 that commented on Council tax increase,
 - 16 were in favour of an increase
 - 22 were not in favour whilst
 - 2 were neutral
- **Protecting vulnerable residents** such as the elderly and children service
- **Roads:** complaints about "unnecessary" council spending on road improvements such as the installation of speed bumps, enforcement of Yellow box junction
- **Cutting council administration costs** and back office spending
- **Waste** – introduction of bins
- **Central government cut**
- **No option in consultation for not cutting any services**

There was a particular emphasis on Yellow Box Enforcement and whether such enforcement is cost effective and whether such enforcement is correctly used to generate income.

The Local Government Financial Settlement details also the schools funding. The Government plans to introduce a national funding formula for schools starting this coming financial year. Havering will be able to move straight to this National Formula following consultation. This will mean that all schools will receive a minimum increase of 0.5% per pupil up to a maximum of 3% per pupil and this is demonstrated in Table 3 of the report.

One of the key aspects is the cessation of the Education Services Grant from September, 2017. For 2018/19 a sum of approximately £0.590 million has been included in the new Central School Services Block. This leaves a shortfall against the cost of providing LA statutory services and this is depicted in Table 6 of the report. It is intended that the shortfall will be managed as part of the ongoing transformational review of the service

which will include an investment in education traded services which will be used to supplement the £0.835 million shortfall.

Table 7 of the report depicts the forecast overspend along each directorate which is reducing. In the main, this has been due to the planned contribution from the corporate risk budget to Children's Services and further improvements in Neighbourhoods, OneSource and the Chief Operating Officer forecasts.

Demographic growth continues to impact on the level of demand for services in the Borough particularly in housing and adult social care and this is a trend that is expected to continue in the coming years.

Negotiations continue with the Government over the pay award increase. Any changes in this will be reported back to Cabinet when known and an update will be provided for the Council meeting, if available.

Fees and charges have been reviewed in order to deliver an increase in income of 3%. Government and specific grants are reducing outside of the general grant. The provisional Public Health Grant has seen a £0.289 million reduction.

The New Homes Bonus has been reduced by £2.640 million and it is anticipated that this will reduce to approximately £3.8 million by 2018/19. Levying Bodies need to be taken into account. The levies are part of the Local Government Settlement and are therefore taken into account when setting the Havering element of the Council Tax.

The estimated ELWA levy for 2018/19 is £15.992 million. If this is confirmed, this will represent an increase of 7.15% or £1.067 million and is £0.067 million more than expected. The ELWA levy is based on the weight or rubbish disposed of by residents whether in the normal waste or by way of recycling and this continues to present as a significant financial pressure.

Residents can assist here and make a substantial contribution to reducing the future levy by participating in the Council's waste management and recycling initiatives.

Payments to external bodies have seen a welcome reduction and initiatives such as the Freedom Passes project have produced a benefit.

The Corporate Risk Budget is available to support the corporate organisation to meet a range of necessary expenditure to meet financial pressures and unavoidable overspends. It was reported in the 2017/18 MTFS that the Corporate Risk Budget has reduced significantly in recent years. As margins reduce there is a greater need to balance the budget tightly.

The Greater London Authority (GLA) precept covers the services of the Metropolitan Police, the London Fire and Emergency Planning Authority, the

London Development Agency together with the core functions of the GLA and Transport for London. The precept is outside the control of the Council. It has been very disappointing for Havering to have suffered such a decrease in policing generally.

The Green Paper on Adult Social Care has been delayed until the summer of 2018 so there is real uncertainty here. This has been reflected in the assumption that the improved Better Care Fund will not continue beyond 2019/20. Cabinet will be updated as more information comes through in relation to Social Care Funding and the Fair Funding Review.

Tables 10, 11 and 12 of the report detail the Capital Programme.

There are a number of schemes which were considered by Cabinet in December. Most notably, these consist of Economic Development which includes the Bridge Close Regeneration, Mercury land Holdings Business Plan Schemes and Rainham Beam Park Regeneration. In addition the SLM Leisure Contract was considered by Cabinet in November 2017.

Mercury Land Holdings has been successful in generating a worthwhile income for the Council and it is hoped that the company will continue to flourish.

Cabinet:

1. **Noted** the forecast outturn on service directorates at period 9 and the actions being taken by SLT to manage expenditure within approved budgets set out in section 5 of the report.
2. **Approved** the income generation and savings proposals as set out in **Appendix A** of the report.
3. **Considered** the advice of the Chief Finance Officer as set out in **Appendix F** of the report when recommending the Council budget.
4. **Approved** the following budgets for 2018/19:
 - The Council's General Fund budget as set out in **Appendix D** of the report.
 - The Delegated Schools' draft budget set out in section 4 of the report
 - The Capital Programme as set out in section 9 and **Appendix G** of the report.
5. **Delegated** to the Chief Financial Officer the implementation of the 2018/19 capital and revenue proposals once approved by Council unless further reports or Cabinet Member authorities are required.
6. **Agreed** that the Chief Financial Officer be authorised to allocate funding from the Capital Contingency included within the draft Capital Programme.

7. **Agreed** that the relevant Cabinet Member, together with the Cabinet Member for Financial Management, ICT (Client) & Transformation be delegated authority to commence tender processes and accept tenders for capital schemes included within the approved programme under the block programme allocations or delegation arrangements set out in this report.
8. **Agreed** that to facilitate the usage of unringfenced resources, the Chief Financial Officer in consultation with Service Directors will review any such new funds allocated to Havering; make proposals for their use; and obtain approval by the Cabinet Member for Financial Management, ICT (Client) & Transformation.
9. **Delegated** to the Chief Financial Officer in consultation with Service Directors the authority to make any necessary changes to service and the associated budgets relating to any subsequent specific grant funding announcements, where delays may otherwise adversely impact on service delivery and/or budgetary control, subject to consultation with Cabinet Members as appropriate.
10. **Approved** the schedule of proposed Fees and Charges set out in **Appendix J** of the report, with any recommended changes in year being implemented under Cabinet Member delegation.
11. **Agreed** that if there are any changes to the GLA precept and/or levies, the Chief Financial Officer authorised to amend the recommended resolutions accordingly and report these to the next Council meeting as required.
12. **Will recommend to Council for consideration and approval:**
 - The General Fund budget for 2018/19
 - The Council Tax for Band D properties and for other Bands of properties, all as set out in **Appendix D**, as revised and circulated for the Greater London Authority (GLA) Council Tax.
 - The Delegated Schools' budget for 2018/19, as set out in section 4 of the report.
 - The Capital Programme for 2018/19 as set out in section 9 and supported by Annexes 1, 2 and 3 of **Appendix G**.
 - That it passes a resolution as set out in section 11.3 of the report to enable Council Tax discounts to be given at the 2017/18 level.

40 **THE HOUSING REVENUE ACCOUNT (HRA) BUDGET FOR 2018/2019 AND HRA MAJOR WORKS CAPITAL PROGRAMME 2018/19 - 2022/23**

The Cabinet Lead Member for Housing and Deputy Leader of the Council, Councillor Damien White presented the report to Cabinet.

The report detailed the annual process required to set the HRA rents and service charges for the financial year 2018/19 and the Capital Programme. The approach adopted has been the same since 2012, enabling the business plan to be designed to provide long term management to the Council's housing assets and services.

The report reflects the update given to Cabinet in November, 2017 and incorporates how the HRA can support the regeneration projects the Council is proud to be taking forward, most notably the 12 Estates Joint venture (JV) and the affordable housing provision on Bridge Close. It also sets out the budget requirements for the operation of services.

The Deputy Leader indicated the primary functions of the report are to:

- Approve the rents to be charged for 2018/19
- Approve the service charges and other fees for 2018/19
- Approve the overall costs of running the housing landlord services, and
- Approve the capital programme

For this year there is an additional function in that the report seeks Cabinet

- To approve the funding for 12 sites JV and the Bridge Close JV within the Capital Programme as detailed in the Cabinet reports of November, 2017 and January, 2018. For this reason the Capital Programme included in the report is a **five year programme** rather than the usual three years. It was therefore agreed that the title of the report be amended to read from **2018/19 – 2022/23** and not 2018/19 – 2020/21.

The Cabinet Lead Member and Deputy Leader of the Council went on to detail the report contents.

Rents

The Council continues into a third year of a reduction in rents by 1% as set out by the Government. This reduction will also be applied to Supported Housing, namely sheltered housing and hostel accommodation. The overall average reduction in rents is £0.97 per week.

This reduction is made when Housing Services have high rent collection rates, low vacant property levels and has made significant efficiency in operating costs over the last two to three years.

Service Charges

It is the aim of the Council to ensure that those benefiting from service provision are paying for them and to ensure the cost of each service, including overheads, can be fully recovered from service users. These

principles have been adopted for a number of years and now meet with good practice guidance.

Work has been carried out and will continue to improve the value for money of services either by reviewing the staffing and costs of the service or by renegotiation of contracts with some service providers. A limit of 25% has been placed on such increases and this has led to some decreases in charges.

Other fees and Charges

Garage charges have increased by 7% to fund repairs and upgrades. Careline and telecare charges are increasing by CPI plus 1% or 4%.

Capital Programme

Stock investment, detailed in the report will ensure that the Council's existing housing stock will be maintained at the "decent homes standard".

The investment in new build and regeneration projects supports the strategy to increase the supply of affordable homes in the Borough which are affordable at local income levels.

Cabinet agreed in January, 2018 to award preferred bidder status on the 12 estates initiative. The £63.3 million initial equity together with the £50.5 million for buy backs and rehousing costs are included within the 5 year Capital Programme.

The cabinet Lead Member and Deputy Leader pointed out that the Bridge Close JV detailed to Cabinet in November, 2017 agreed to fund 30% affordable housing with the aspiration that 35% will be achieved. Negotiations are progressing well to this figure.

Cabinet:

Agreed to amend the date in the title of the report to **2018/19-2022/23** and:

1. **Approved** the Housing Revenue Account Budget as detailed in Appendix 1 of the report.
2. **Agreed** that the average rents chargeable for tenants in general needs Council properties owned by the London Borough of Havering be decreased by 1% from the w/c 2 April 2018 in line with the indicative figures contained in paragraph 2.1.7 of the report.
3. **Agreed** that the average rents chargeable for tenants in supported housing Council properties, such as sheltered housing and hostels, owned by the London Borough of Havering, be reduced by 1% from the w/c 2 April 2018 in line with the indicative figures contained in paragraph 2.1.8 and 2.1.9 of the report.

4. **Agreed** the four rent-free weeks for 2018/19 as being: w/c 20 August 2018, the two weeks commencing 17 and 24 December 2018, and the week commencing 25 March 2019.
5. **Agreed** that service charges and heating and hot water charges for 2018/19 are as detailed in paragraph 2.2.2 of this report.
6. **Agreed** that the service charges for homeless households accommodated in the Council's hostels 2018/19 are as detailed in paragraph 2.2.3 of the report.
7. **Agreed** that charges for garages should be increased by 7.5% in 2018/19 as detailed in paragraph 2.3.1 of the report
8. **Agreed** that the service charge for the provision of security and support in sheltered housing for 2017/18 shall be as detailed in paragraph 2.4.1 of the report.
9. **Agreed** that the Careline support charge should be increased by 4% for 2018/19 as detailed in paragraph 2.5.1 of the report.
10. **Agreed** that the Telecare support charges should be increased by 4% for 2018/19 as detailed in paragraph 2.5.1 of this report.
11. **Approved** the HRA Major Works Capital Programme, detailed in Appendix 2a of the report and refer it to full Council for final ratification.
12. **Approved** the HRA Capital expenditure and financing for the 12 Sites Joint Venture, detailed in paragraphs 3.19.1 to 3.19.8 and Appendix 2a of the report and refer it to full Council for final ratification.
13. **Approved** the HRA Capital expenditure and financing to acquire up to 375 affordable dwellings from the Bridge Close JVLLP, detailed in paragraphs 3.20.1 to 3.20.5 and Appendix 2a of the report and refer it to full Council for final ratification.
14. **Agreed** to delegate to the Lead Member for Housing, after consultation with the Director of Neighbourhoods, the Monitoring Officer and the s151 Officer, authority to finalise agreement on the terms of the acquisition of affordable housing on Bridge Close referred to in recommendation 13 of the report.
15. **Agreed** to redirect both the balance in the RTB debt repayment reserve and future RTB attributable debt receipts towards the funding of the Estate Regeneration Programme and associated vacant possession costs.
16. **Agreed** to release balances and redirect the proceeds from the disposal of HRA shared ownership properties and other HRA disposals towards the funding of the Estate Regeneration Programme, associated costs of vacant possession and the HRA New Build Programme.

41 TREASURY MANAGEMENT STRATEGY STATEMENT, PRUDENTIAL INDICATORS AND MINIMUM REVENUE PROVISION STATEMENT FOR 2018/19

The report was presented to Cabinet by the Cabinet Lead Member for Financial management, Transformation and IT, Councillor Clarence Barrett.

The Council is required to formally approve the Treasury Management Strategy Statement, Prudential Indicators and the Minimum Revenue Provision Statement following the recommendation from Cabinet.

A primary objective of the Treasury Management Service is to ensure that the Authority's cash flow is adequately planned, with cash available when needed. Surplus monies are invested in counterparts or instruments commensurate with the Authority's appetite for risk and liquidity requirements as priorities before considering investment return.

The second main objective is to ensure property funding of the Authority's capital expenditure plans. The capital plans provide a guide to the borrowing need of the Council.

On 31st December, 2017 the Authority held £229.5 million of borrowing and £230.3 million of investments. Table 1 of the report is based on the proposed Capital Programme for 2018/19 which will require the Council to borrow a further £10 million in 2019/20 and a further £30 million in 2020/21.

The borrowing strategy objectives will be informed by:

- Interest rate forecasts and the shape of the interest rate curve.
- Spread of current debt maturities to avoid high concentrations in any year
- Shape of the Authority's future capital finance requirement (CFR) curve; and
- Balance of callable long term debt and non-callable long term debt in the portfolio.

The Authority's borrowing strategy continues to address the key issue of affordability without compromising the long term stability of the debt portfolio.

Appendix 4 of the report details the Authority's Debt Portfolio of the Authority's fixed term borrowing and Appendix 5 details the Authority's Minimum Credit Rating Criteria but it should be noted that investment decisions are never based solely on credit ratings and will take into account other relevant factors such as external advice. There is confidence in that investments would only be carried out through a very robust due diligence process.

The CIPFA Prudential Code and TM Code requires authorities to set treasury indicators and these are set out in Appendix 7 of the report. No breaches are likely in 2018/19.

Cabinet:

1. **Approved** the Treasury Management Strategy Statement (TMSS) 2018/19.
2. **Approved** the Treasury Management and Prudential Indicators set out in Appendix 7 of the report.
3. **Approved** the Annual Minimum Revenue Provision (MRP) Statement for 2018/19 set out in Appendix 8 of this report.
4. **Will recommend** the annual TMSS and MRP statements 2018/19 to Council for approval.
5. **Delegated** future changes required to this Strategy to the Chief Financial Officer in consultation with the Cabinet Member for Financial Management, ICT (client) & Transformation. This will provide the additional flexibility to swiftly respond to changing financial markets.

42 FINANCIAL INCLUSION STRATEGY

The Leader of the Council, Councillor Roger Ramsey presented the report to Cabinet.

There are many individuals and families in the Borough in Havering and nationally, experiencing financial difficulties and pressures due to rising living costs, welfare reforms and stagnant salaries. This impacts significantly on the general wellbeing of residents and also generates demand on the services that Councils and their partners provide.

In order to address this, the Council has developed a new Financial Inclusion Strategy which focuses on identifying, prioritising and tackling the major causes of financial exclusion whilst also promoting services that will facilitate financial inclusion.

The strategy, produced at Appendix 1 of the report seeks to help local residents access the information they need to help them manage finances and prioritise their financial commitments. In addition it helps to highlight the importance of educating children and young people to ensure they know how to access financial services both now and in the future.

The Financial Inclusion Strategy contributes to the achievement of all four thematic areas of the Corporate Plan. It is one of a number of strategies that the Council has in place to help prevent and mitigate the effects of poverty and deprivation in the Borough.

Cabinet:

1. **Agreed** the Financial Inclusion Strategy attached at Appendix 1 of the report.

43 **EMPLOYMENT AND SKILLS PLAN**

The Employment and Skills plan report was presented to Cabinet by the Cabinet Lead member for Environment and Community Safety, Councillor Osman Dervish.

The local job market in Havering is based predominantly on low skilled work and low wage levels. There are pockets of long term unemployment and economic inactivity which leads to under employment, poor career progression and in-work poverty.

The local job market is changing and as a result it is important that Havering residents are equipped with the right skills to meet demand and to adapt to future employment trends. Businesses need to be able to access a work force that can meet their requirements and prosper economic growth.

It is also important to note that the Department for Work and Pension's (DWP) mainstream programmes have been developed nationally with very limited input from Local Authorities. This Plan will allow Havering to tailor input appropriate to the local need of the Borough.

Together with the Financial Inclusion Strategy there are a number of plans and strategies in place to prevent and mitigate the effects of deprivation and poverty. The Plan should therefore be read alongside other related documents. There is not currently a strategy in place to address issues relating to unemployment and underemployment. As a result the Council commissioned consultants to develop this Plan which is commended to Cabinet for approval in draft form to return back to Cabinet in April for the final document to be considered.

Cabinet:

- 1) **Approved** the draft Employment and Skills Plan (**Appendix 1** of the report) for consultation with the local business community, Joint Venture partners and other key stakeholders.
- 2) **Agreed** that a final version of the Employment and Skills Plan be presented to the Cabinet in April 2018 for adoption.

Chairman

**BUDGET AND CORPORATE PLAN AND COUNCIL TAX 2018/19
SUPPLEMENTARY INFORMATION**

A. THE GREATER LONDON AUTHORITY AND LEVIES

The Greater London Authority (GLA) precept proposed by the Mayor was advised as being £294.23 per Band D property (a 5.07% increase compared to 2017/18). The London Assembly is due to consider this budget and precept on 22 February 2018. Any changes to the GLA position will be reported to Cabinet in due course.

The ELWA levy for 2018/19 was confirmed at its Board meeting on 5 February 2018 (After the February Cabinet papers were dispatched). Havering's ELWA levy for 2018/19 is £15.887m, an increase of 6.45% compared to 2017/18 levy of £14.925m. The provisional 2018/19 levy reported in the February Cabinet report was £15.992m, the final levy figure of £15.887m is reflected in the revised **Appendix C**.

The Environment Agencies (Thames and Anglia) 2018/19 provisional levy figure is reflected accordingly in the revised **Appendix C**.

In the absence of provisional levy figures from the London Pension Fund Authority and Lea Valley Regional Park Authority, a nominal increase of 5% has been projected and reflected in the revised **Appendix C**.

B. FINAL LOCAL GOVERNMENT FINANCIAL SETTLEMENT 2018/19

1. The Provisional Local Government Financial settlement (LGFS) was announced by the Secretary of State on 19 December 2017 and the implications for the Council's funding has been reflected in subsequent reports to Cabinet culminating in the approval of the draft budget by Cabinet on 7 February 2018.
2. The Final LGFS announced on 6 of February 2018 confirmed:
 - an extra £150 million Adult Social Care (ASC) Support Grant to be distributed on the basis of the ASC relative need formula RNF. London boroughs will receive £23.2 million (15.5% of the England total). LB Havering has been allocated £0.629m and will be held in the Business Risk Reserve earmarked for Adult Social Care.
 - LB Havering's Under-indexing compensation grant allowance has been increased from the £0.700m reported in the provisional settlement to £0.762m in 2018/19.
 - an extra £16 million for Rural Services Grant in addition to the extra £15 million found in the provisional settlement (so an extra £31 million in total) – London boroughs are unaffected.
 - final tariffs and top-ups, which have been adjusted as a result of the recent VOA data error. Overall, London is £4.6 million better off compared with the provisional settlement (boroughs collectively by £3.8 million and the GLA by

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£0.8 million). The adjustment to the VOA data error has resulted in an increase of £0.054m in LB Havering's the tariff figure presented in the February Cabinet report. The adjustment is reflected accordingly in the revised **Appendix D**.

- a minor increase to NHB allocations nationally of £1.3m. No impact on LB Havering.
- the cash threshold for deeming whether the GLA's relevant basic amount of council tax is excessive, has been increased from £12 greater than its adjusted relevant basic amount of council tax for 2017/18, to £14.21 greater. As set out in the reports to Cabinet of 7 February 2018.
- there will be a formal consultation on "fair and affordable options to address negative RSG" ahead of the 2019/20 settlement.

In summary for LB Havering, there were no major variances in the Final Settlement compared to the Provisional Settlement, other than the £0.629m allocated for Adult Social Care support Grant.

3. It is recommended that Council delegate authority to the Chief Financial Officer to adjust the Corporate Risk Budget to account for any further variations that may arise from the final settlement as more detail of the final settlement emerges. .

C. THE COUNCIL TAX (DEMAND NOTICES) (ENGLAND) REGULATIONS 2011 AND 2012

The Regulations set out the information which the billing authority must supply with the Council Tax Demand Notice, and the National Non-domestic Rate Notice as well as matters required to be contained in those Notices.

The 2011 Regulations require the following information to be provided within the Demand Notice:

Amounts of gross expenditure

The gross expenditure of—

- (a) the billing authority,
 - (b) each relevant precepting authority, and
 - (c) each relevant levying body,
- for the relevant year (i.e. the year for which the budget is being set) and the preceding year.

Amounts of council tax requirement

The council tax requirement of—

- (a) the billing authority, and
 - (b) each relevant precepting authority,
- for the relevant year and the preceding year.

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Statements concerning gross expenditure and council tax requirement

The billing authority's reasons for any difference between the amounts stated in respect of the gross expenditure and council tax requirement for the billing authority and each precepting authority for the same year.

The billing authority's opinion of the effect that its gross expenditure has on the level of council tax set for the relevant year.

Each relevant precepting authority's opinion of the effect that its gross expenditure has on the level of its precept issued for the relevant year.

In accordance with these Regulations, these calculations are as follows:

		2017/18	2018/19
		£	£
	Amounts of Gross Expenditure		
	Aggregate of the items which are attributable to the services administered by the Authority during the year	500,074,745	505,518,040
Less	allowances for contingencies;	2,000,000	1,000,000
	and contributions to/(from) financial reserves	(20,628,797)	(18,531,397)
	Gross Expenditure	518,703,542	523,049,437
	Amounts of Council Tax Requirement		
	LBH element of the Council Tax Band D for a Property	1,317.71	1,363.83
multiplied by	the Council Tax Base	86,821	87,346
	Council Tax Requirement	114,404,900	119,125,095
	Statements concerning Gross Expenditure and Council Tax Requirement		
	Gross Expenditure	518,703,542	523,049,437
Less	Council Tax Requirement	114,404,900	119,125,095
		404,298,642	403,924,342
	Reason for Difference		
	Gross income	337,707,016	345,589,819
	Retained Business Rates	24,099,835	51,623,259
	Business Rate Baseline (Tariff)	9,231,836	(10,363,832)
	Revenue Support Grant	12,283,528	0
	Council Tax (Deficit)/Surplus	2,201,000	181,000
	Business Rates (Deficit)/Surplus	146,630	(637,301)
		385,669,845	386,392,945
	Contingencies and contribution to reserves	18,628,797	17,531,397
		404,298,642	403,924,342

An additional calculation, setting out an explanatory breakdown of the statutory calculations, was required under the Local Government Finance Act 1992, but has

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been superseded by the changes brought about by the Localism Act 2011. Details of the calculation are as set out above.

The 2012 Regulations do not impact on the setting of the Council Tax but includes a requirement that:

- Demand notices refer to reductions and premiums through introduction of local council tax reduction schemes and local premiums for long term empty dwellings
- A statement should be included on a demand notice where a reduction under a local scheme or a local premium applies explaining the amount of the reduction or premium, the reasons for it and the possible consequences of failing to comply with duties to notify the billing authority of relevant changes in circumstance
- Demand notices include a statement of the procedure by which a person may request to pay their council tax in 12 monthly instalments and makes certain other consequential amendments
- Demand notices include another statement where the billing authority has published certain information which must be supplied with demand notices on its website to explain that and to give the address where that information can be found.

D. CALCULATION OF CHANGE IN HAVERING'S EXPENDITURE

The following calculation was previously required under Council Tax (Demand Notice) Regulations, known as the budget requirement, and is included here to set out how the Council's expenditure, prior to taking into account Government funding, has changed. These figures reflect the significant changes caused by the new funding system and the impact of the localisation of Council Tax support.

Change in Council's Expenditure

	£m
2017/18 Budget	162.4
2018/19 Budget	160.0
Net Decrease	<u>(2.4)</u>
Budget Pressures	18.3
Inflation	0.9
Increase in Levies	1.0
Provisions & Other Issues (including Grant & Funding Changes)	<u>(3.0)</u>
Sub Total	17.2
Efficiencies/Savings	<u>(19.6)</u>
Net Total	<u>(2.4)</u>

E. REFERENDUMS RELATING TO COUNCIL TAX RISES

Schedule 5 of the Localism Act 2011 makes provision for Council Tax referendums to be held if an authority increases its basic relevant amount of Council Tax in excess of principles determined by the Secretary of State and approved by the House of Commons.

A Council Tax referendum will be required in 2018/19 if the increase in the basic relevant amount of Council Tax set by an authority exceeds the Council Tax excessiveness principle which applies to that year. The Secretary of State has proposed that, for that year, an authority will be required to seek the approval of their local electorate if, compared with 2017/18, an increase in that amount exceeds 6% for local authorities (comprising 3% for expenditure on Adult Social Care and 3% for other expenditure).

As the Council's proposes a Council tax increase of 3.5% (comprising 2% ASC precept and 1.5% other expenditure), taking into account of all levies, the level of increase cannot be considered as excessive under the provisions of the Act. In these circumstances the Council would not be required to hold a referendum.

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COUNCIL TAX STATEMENT AND SUPPORTING INFORMATION

1. Collection Fund

The Council Tax regime covers eight bands of property. Each band has an arithmetic relationship with the other - and all bands are related to Band D for charge purposes as follows:

Band	Proportion of Band D Charge	
A	$\frac{6}{9}$	of Band D
B	$\frac{7}{9}$	of Band D
C	$\frac{8}{9}$	of Band D
D	$\frac{9}{9}$	of Band D
E	$\frac{11}{9}$	times Band D
F	$\frac{13}{9}$	times Band D
G	$\frac{15}{9}$	times Band D
H	$\frac{18}{9}$	times Band D

It is therefore, possible to work out a tax base by multiplying the number of properties in each of the bands by the relevant proportion (see **Annexe A**). Known single person discount properties and student properties are also taken into account in arriving at this figure.

Certain other factors also have to be taken into account. These are:

- Number of properties that are yet to be listed in the appropriate band for all or part of the coming year.
- Properties Eligible for the Long Term empty Premium
- A reduction for the number of properties that attract disabled relief, which for Bands B-H receive a charge relating to one band lower than the band allocated to the property. Properties in Band A are also entitled to disabled relief, thereby reducing the charge to 5/9ths of a Band D property charge.
- A reduction for the estimated number of successful appeals against the banding allocated for individual properties.
- A reduction for the estimated number of properties becoming subject to single person discount, and student discount during the year.
- A reduction for the estimated number of properties eligible for Council Tax Support

The net effect of these adjustments is incorporated in a single figure called the Band D equivalent figure. Thereafter, the estimated effect of possible non collection also has to be considered, the effect of which is to reduce the equated number of properties taken into account in setting the Council Tax and this final figure is the "Council Tax base".

2. Assessed Level of Non Collection

The estimated non collection level for 2017/18 was 1.25%. This was reviewed in 2016/17 and decreased from 1.50% to 1.25%. As at period nine, the council tax forecast is on budget and

on track for delivery. After a review of the Council Tax arrears, the collection rate is recommended to remain the same for 2018/19.

3. Detail of the Calculation of the Council Tax Base

Section 33 of the Local Government Finance Act 1992 has been expanded via an amendment to the Act to accommodate the changes to the taxbase in calculating the final taxbase figure - item T.

The manner of calculation of the Council Tax base is set out in the local Authorities (Calculation of Council Tax Base) (England) Regulations 2012

'T' is determined by the formula:

$$A \times B$$

Where: -

A is the total of the relevant amounts for that year for each of the valuation bands which is shown or is likely to be shown for any day in that year in the Council's valuation list as applicable to one of more dwellings situated in its area (i.e. the Band D equivalent).

B is the Council's estimate of its collection rate for that year.

The regulations lay down a formula for the calculation of A and these are attached at **Annexe A**.

The calculations are as follows: -

$$\begin{array}{rcl} A & = & 88,452 \\ B & = & 98.75\% \\ T & = & 87,346 \end{array}$$

4. Calculation of the Council Tax Base for 2018/19 for Part of the Area

A further calculation is needed to deal with the levies in respect of the Anglian and Thames Regions of the Environment Agency affecting part of the Council's area for Land Drainage purposes. These are derived from the above figures. The formula is shown on **Annexe B**.

TP is the amount of the Council Tax base for the relevant part of its area.

The calculations shown on **Annexe B** give rise to the following figures for TP for each of the Environment Agency regions:

Thames	81,143
Anglia	6,203

**COUNCIL TAX BASE CALCULATION 2018/19
THE BAND D EQUIVALENT**

Item A is found by applying the formula $((H+Q+J+E)+Z)F/G$ to each of the Council Tax bands and totalling the amounts calculated

	A1*	A	B	C	D	E	F	G	H	Total
Where										
H is the number of properties in the valuation list - Regulation 4(2) as at 30th November	0	5,461	10,892	27,643	35,860	15,218	6,403	3,037	322	104,836
Less										
the number of properties exempt from a charge - Regulation 4(2)	0	-125	-175	-291	-384	-178	-50	-21	-1	-1,225
Property Base - Item H	0	5,336	10,717	27,352	35,476	15,040	6,353	3,016	321	103,611
Q Is the factor to take account of discounts	-1	-768	-1,481	-2,365	-2,279	-829	-275	-110	-13	-8,121
J is the expected change to the property tax base during the year Regulations 4(6) to 4(8)										
E Is the factor to take account of premiums, if any, calculated in accordance with regulation 4 (5)	0	0	0	0	0	0	0	0	0	0
Additions	7	75	149	385	348	168	75	31	3	1,241
Reductions	0	-120	-106	-183	-260	-136	-79	-61	-20	-965
Z Is the estimate reduction in relation to claimants receiving Council Tax Support	-2	-1,435	-2,394	-3,314	-2,339	-573	-114	-27	-1	-10,199
Total tax base adjustment	5	-1,480	-2,351	-3,112	-2,251	-541	-118	-57	-18	-9,923
Total projection per band	4	3,088	6,885	21,875	30,946	13,670	5,960	2,849	290	85,567
F Is the proportion of each band in relation to band D	5	6	7	8	9	11	13	15	18	
G Is the proportion specified for band D	9	9	9	9	9	9	9	9	9	
$((H+Q+J) + Z) \times F/G =$	2	2,059	5,355	19,445	30,946	16,708	8,609	4,748	580	88,452
The Band D equivalent item A is therefore										88,452
* Band A Disability Adjustment										

December 2017: Item TP for each levy affected is calculated as follows:

$$TP = M \times \frac{N}{M + O}$$

where

	<u>Thames</u>	<u>Anglian</u>
M is the unscaled Council Tax base for a part of the authority's area, calculated according to the number of dwellings situated in that part of the authority's area (in total that is the band D equivalent figures for the Council, 88,452)	82,171	6,281
N is the authority's Council Tax base (87,346) (adjusted for 1.25% non-collection rate)	87,346	87,346
O is the unscaled Council Tax base for the remaining part of the authority's area	6,281	82,171

Thus the calculation for each region is:

Thames	82,171 x	$\frac{87,346}{6,281 + 82,171}$	=	81,143
Anglian	6,281 x	$\frac{87,346}{6,281 + 82,171}$	=	6,203
				<hr/> 87,346

Thus, the total for both regions (87,346) equates to the Council's tax base.

LONDON BOROUGH OF HAVERING
PROVISIONAL COUNCIL TAX STATEMENT – 2018/19 BUDGET

2017/18		Estimate 2018/19	
£	HaVering's Expenditure	£	
154,369,511	Service Expenditure	154,260,896	
2,000,000	General Contingency	1,000,000	
156,369,511	HaVering's Own Expenditure	a 155,260,896	
	Levies		
14,925,000	East London Waste Authority	15,887,000	Final
182,971	Environment Agency (Thames)	184,161	Provisional
20,341	Environment Agency (Anglia)	20,971	Provisional
228,007	Lee Valley Regional Park Authority	239,407	Estimated
311,127	London Pensions Fund Authority (LPFA)	326,683	Estimated
15,667,446	Sub Total – Levies	b 16,658,223	
(9,669,228)	Unringfenced Grant	c (11,990,898)	Final
162,367,729	Sub Total – Total Expenditure	d=a+b-c 159,981,981	
	External Finance		
(12,283,528)	Revenue Support Grant	0	Final
(9,231,836)	Business Rates Top-up	10,363,832	Final
(24,099,835)	National Non Domestic Rate	(51,623,259)	Final
(45,615,199)	Sub Total – External Finance	e (41,259,427)	
(2,201,000)	Council Tax Deficit/(Surplus)	f (181,000)	Final
(146,630)	Business Rates Deficit/(Surplus)	g 637,301	Final
114,404,900	HaVering's Precept on the Collection Fund	h=d+e+f+g 119,125,095	

2017/18		<u>The Collection Fund</u>		Estimate 2018/19	
£	£ p	Expenditure		£	£ p
110,087,292	1,267.98	Precepts			
4,317,608	49.73	London Borough of Havering		112,479,811	1,287.75
		Adult Social Care		6,645,284	76.08
114,404,900	1,317.71	Total London Borough of Havering	h	119,125,095	1,363.83
24,311,616	280.02	Greater London Authority (Provisional)		25,699,814	294.23
24,099,835	277.58	London Borough of Havering Retained Business Rates		51,623,259	591.02
29,723,130	342.35	Greater London Authority - Retained Business Rates		29,038,083	332.45
26,509,819	305.34	Central Government - Retained Business Rates		0	0.00
268,121	3.09	Cost of NNDR collection		272,140	3.12
219,317,421	2,526.09	Total Expenditure	i	225,758,391	2,584.64
		Total Income			
(80,600,905)	(928.36)	National Non-Domestic Rate			
		NNDR receivable	j	(80,933,482)	(926.58)
138,716,516	1,597.73	COUNCIL TAX per Band D property	k=i-j	144,824,909	1,658.06
86,821		Council Tax Base		87,346	

Council Tax percentage change 3.78%

Council Taxes Per Property Band				Change
Valuation as at 1/4/91	£	p	£	p
Under £40,000	1,065.15		1,105.37	40.22
£40,000 - £52,000	1,242.68	Band A	1,289.61	46.93
£52,001 - £68,000	1,420.21	Band B	1,473.84	53.63
£68,001 - £88,000	1,597.73	Band C	1,658.06	60.33
£88,001 - £120,000	1,952.77	Band D	2,026.52	73.75
£120,001 - £160,000	2,307.83	Band E	2,394.97	87.14
£160,001 - £320,000	2,662.88	Band F	2,763.43	100.55
Over £320,000	3,195.46	Band G	3,316.12	120.66
		Band H		

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LEVIES

The levies are as follows:

	2017/18 £m	2018/19 £m	% Increase (Decrease)	Estimated/ Provisional/ Final
East London Waste Authority	14.925	15.887	6.45%	Final
Environmental Agency (Thames)	0.183	0.184	0.65%	Provisional
Environment Agency (Anglian)	0.020	0.021	3.10%	Provisional
Lee Valley Regional Park	0.228	0.239	5.00%	Estimated
London Pension Fund Authority	0.311	0.327	5.00%	Estimated
	15.667	16.658	6.32%	
<p>Note 1 : the ELWA levy was approved by board at its meeting on 5 February 2018. The provisional 2018/19 levy was amended from £15.992m as advised to Cabinet to £15.887m.</p> <p>Note 2 : all other levy figures are either provisional sums or estimates calculated using the same percentage figure pending confirmation from the levying body.</p> <p>Note 3 : all levies will be affected by the change in calculation of the Council Tax base.</p>				

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COUNCIL, 21 FEBRUARY 2018

REPORT OF THE CHIEF EXECUTIVE

SUBJECT: MEMBERS' ALLOWANCES

SUMMARY

The Council is obliged to make a Members' Allowances scheme annually, before the 1st of April each year.

This report proposes no changes to the existing scheme as agreed at Council on 22 February 2017.

In reviewing the scheme due regard was given to the January 2018 report of the Independent Remuneration Panel of London Councils and the allowances in the scheme were set with regard to their bands of recommendations.

RECOMMENDATIONS

It is recommended:

1. That the Members' Allowances scheme becomes effective from 1st April 2018 and the existing scheme be revoked with effect from the same date.
2. That there is no proposed increase in the basic allowance or SRAs.

REPORT DETAIL

1. BACKGROUND INFORMATION – THE CURRENT SCHEME

- 1.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 provide that a Local Authority shall make a scheme in accordance with these Regulations in respect of each year. Regulation 10 provides that such a scheme shall be made before the beginning of each year

commencing on 1st April. Such a scheme may be amended during the year, but only revoked and replaced with a new scheme with effect from the beginning of a year. Members will be aware that the Council's Overview & Scrutiny arrangements are currently being reviewed by a cross-party group. In the event that changes to the scheme are required, a report will be prepared in accordance with Regulation 10.

- 1.2 Under Regulation 19 of the 2003 Regulations, before an authority amends a scheme, it shall have regard to the recommendations made in relation to it by an independent remuneration panel.
- 1.3 The Council uses the London Council's Independent Review Panel in this regard and that panel has published a report, "*The Remuneration of Councillors in London 2018*", in January 2018. This report discusses the role of councillors and sets out recommended allowance levels. This includes special responsibility allowances.
- 1.4 The current level of allowances was agreed at Council on 22nd February 2017.
- 1.5 The proposed list of members' allowances is detailed in the table below, alongside the recommended allowances as suggested in the London Council's Independent Review Panel report:

Category of Allowance	Amount Per Member £	Minimum London Scheme (where applicable)
<u>Basic Allowance</u>	10,208	11,045
Special Responsibility Allowances:		
Leader of the Council	45,048	57,085
Deputy Leader of the Administration	31,420	43,460
Cabinet Members	28,780	36,917
Deputy Cabinet Member	14,390	
Leader of Principal Opposition	14,418	16,207
Leader of Minority Opposition Groups	4,000	2,582
Mayor	12,000	16,207
Deputy Mayor	4,000	2,582
Overview and Scrutiny Board Chairman	14,418	16,207 - 36,917
Overview and Scrutiny Sub-Committee Chairmen	7,650	2,582
Licensing and Regulatory Services Committee Chairmen	14,418	16,207

Regulatory Services Committee Vice-Chairman	2,000	2,582
Licensing Committee Vice Chairmen	*117	n/a
Audit, Pensions, Highways and Governance Committees Chairmen	7,650	9,397
Adjudication & Review Committee Chairman	2,000	2,582
Rainham & South Hornchurch Working Party Chairman	7,650	2,582

*- the standard rate of allowance per licensing sub-committee meeting chaired.

Financial Implications and Risks:

The cost of the proposed scheme on the basis of existing occupancy of SRA positions is £997,560. This can be contained within the existing budget for members' allowances. Should there be any significant fluctuation in the occupancy of positions which give rise to an increase in costs beyond that which can be contained within the existing budgets, an application for a virement from the Corporate Risk Budget will be made to the s151 officer.

Human Resource Implications and Risks:

None arising directly.

Legal Implications and Risks:

The 2003 Regulations provide for an allowance scheme to be made each year prior to, and with effect from, 1st April and the revocation of a scheme with effect from the same date.

The Regulations set out various detailed requirements in respect of:

- Publicity
- Categories of special responsibility allowances
- Basic allowances being the same for all members
- Co-optees allowances etc.

In addition, the Regulations provide that an Independent Remuneration Panel's report shall, as soon as reasonably practicable after it is received, be made available for public inspection and the main features of the report be published in one or more newspapers circulating in its area.

Regulation 19 provides that before a local authority makes or amends a scheme, the authority shall have regard to the recommendations made to it by an independent remuneration panel. This does not mean that a local authority has to adopt only those recommendations but it does mean that if an authority is going to depart from those recommendations it should objectively justify those departures and the rationale for them so that if the decision making

of the authority is called in to challenge there are both reasoned and reasonable grounds for its decision taking into account all the material factors in issue.

Background Papers

None

Members' Allowances Scheme

Agreed at the meeting of the Council on 21 February 2018:

The new Scheme is agreed with effect from 1st April 2018 and the revocation of the Members' Allowance Scheme (2017) is effective from 31st March 2018.

The Council of the London Borough of Havering in exercise of the powers conferred by the Local Authorities (Members Allowances) (England) Regulations 2003 hereby makes the following scheme:

- 1 This scheme may be cited as the Havering London Borough Council Members' Allowance Scheme. The new scheme shall have effect from 1st April 2018.
- 2 In this scheme, "councillor" means a councillor of the London Borough of Havering and "year" means the period ending on 31st March 2019 and any period of 12 months ending on 31st March in any year after 2019.

3 Basic allowance (Schedule 1)

Subject to paragraphs 7 and 11, for each year a basic allowance of £10,208 shall be paid to each councillor.

4 Special responsibility allowance (Schedule 1)

- (a) For each year a special responsibility allowance shall be paid to those councillors who hold the special responsibilities in relation to the Council that are specified in schedule 1 to this scheme.
- (b) Subject to paragraph 7, the amount of each such allowance shall be the amount specified against that special responsibility in that schedule.
- (c) When a councillor would otherwise be entitled under the scheme to more than one special responsibility allowance, then the entitlement shall instead be only to one of them, being the one attracting the higher rate.
- (d) Where a Member is also a member of another authority, that Member may not receive allowances from more than one authority in respect of the same duties.

5 Child and dependent care allowance

These expenses are expected to be met from the Basic Allowance.

6 Renunciation

A Councillor may, by notice in writing given to the Chief Finance Officer, elect to forego any part of his/her entitlement to an allowance under this scheme.

7 Part-year entitlements

- (a) The provisions of this paragraph shall have effect to regulate the entitlements of a councillor to basic and special responsibility where, in the course of a year, this scheme is amended or that a councillor becomes, or ceases to be, a councillor, or accepts or relinquishes a special responsibility in respect of which a special responsibility allowance is payable.
- (b) If an amendment to this scheme changes the amount to which a councillor is entitled by way of a basic allowance or a special responsibility allowance, then in relation to each of the periods:
 - (i) beginning with the year and ending with the day before that on which the first amendment in that year takes effect, or
 - (ii) beginning with the day on which an amendment takes effect and ending with the day before that on which the next amendment takes effect, or (if none) with the year.

The entitlement to such an allowance shall be to the payment of such part of the amount of the allowance under this scheme as it has effect during the relevant period as bears to the whole the same proportion as the number of the days in the period bears to the number of days in the year.

- (c) Where the term of office of a councillor begins or ends otherwise than at the beginning or end of a year, the entitlement of that councillor to a basic allowance shall be to the payment of such part of the basic allowance as bears to the whole the same proportion as the number of days during which his/her terms of office subsists bears to the number of days in that year.
- (d) Where this scheme is amended as mentioned in paragraph 7(b), and the term of office of a councillor does not subsist throughout the period mentioned in paragraph 7(b)(i), the entitlement of any such councillor to a basic allowance shall be to the payment of such part of the basic allowance referable to each such period (ascertained in accordance with that paragraph) as bears to the whole the same proportion as the number of days during which his/her term of office as a councillor subsists bears to the number of days in that period.

- (e) Where a councillor has, during part of, but not throughout, a year such special responsibilities as entitle him or her to a special responsibility allowance, that councillor's entitlement shall be to payment of such part of that allowance as bears to the whole the same proportion as the number of days during which he or she has such special responsibilities bears to the number of days in that year.
- (f) Where this scheme is amended, as mentioned in paragraph 7(b), and a councillor has, during part, but does not have throughout, the whole of any period mentioned in paragraph 7(b)(i) of that paragraph any such special responsibilities as entitle him or her to a special responsibility allowance, that councillor's entitlement shall be to payment of such part of the allowance referable to each such period (ascertained in accordance with that paragraph) as bears to the whole the same proportion as the number of days in that period during which he or she has such special responsibilities bears to the number of days in that period.

8 Travelling and Subsistence (Schedule 2)

- (a) Members can claim travelling expenses for travelling outside of the Borough on official Council business as set out in Schedule 2.
- (b) Members can claim subsistence expenses on official Council business when outside of the Borough as set out in schedule 2.

9 Claims and payments

- (a) Payments shall be made in respect of basic and special responsibility allowances, subject to paragraph 8(b), in instalments of one-twelfth of the amount specified in this scheme on the last working day of each month.
- (b) Where a payment of one-twelfth of the amount specified in this scheme in respect of a basic allowance or a special responsibility allowance would result in the councillor receiving more than the amount to which, by virtue of paragraph 7, he or she is entitled, then payment shall be restricted to such amount as will ensure that no more is paid than the amount to which he or she is entitled.
- (c) Payments in respect of Travel and Subsistence shall be made to the councillor on receipt of a claim form with supporting receipts/vouchers. Claims must be made within three months of the claim arising.

10 **Pension Scheme**

No Member in the scheme is entitled to apply for inclusion in the Pension Scheme.

11 **Financial Limits**

The Chief Finance Officer will arrange for the budget for members allowances to be monitored to ensure that budgetary issues are reported to Members.

(a) Increases in Allowances

Basic Allowances as quoted will be updated for 2018/19 by any 2018/19 increases as agreed under the annual Local Government Pay Settlement of the Joint Negotiating Committee for Chief Officers of Local Authorities or its replacement under the local pay agreement. The amounts so calculated are to be rounded up to be divisible for payment purposes.

The amended basic allowance will be found on the Internet once any annual % uplifts have been agreed.

The Travelling and Subsistence allowances will be increased in line with the increase in officer rates.

(b) Suspension of Basic and Special Responsibility Allowance

Where a Member is suspended, or partially suspended, from his/her responsibilities or duties as a Member of the Authority in accordance with Part III of the Local Government Act 2000, or Regulations made under that part, the part of Basic and Special Responsibility allowance payable to him/her in respect of the period for which he is suspended or partially suspended will be withheld by the Authority..

12 **Mayor and Deputy**

The Mayor and Deputy Mayor's allowance covers the cost of all Mayoral activities such as clothing, personal expenses and sundry expenses – including items such as attendance at dinners, raffle tickets, sponsorship and donations.

The Mayor and Deputy Mayor will be responsible for all such payments via the SRA, which will be taxed. The Council will meet the cost of:

- Havering Civic receptions, award pins and certificates at the civic award ceremony;

- Medals, certificates and frames in the event of there being any ceremony associated with Honorary Alderman/Freeman of the Borough awards;
- Gifts given on behalf of the Council in reciprocation or gifts initiated by the Council for promotional purposes;
- Maintaining and provisioning the beverage machine in the Parlour;
- Postage costs and all costs associated with the Mayoral transport, robes etc.

13 **Co-Optees and Independent Persons' Allowances**

The standard rate of allowance for statutory co-optees is £117 per meeting attended.

The Independent Person for standards of Members' Conduct will be paid an annual allowance of £1,000, in monthly instalments.

Co-optees and Independent Persons will be reimbursed for all travel costs in accordance with the above, whether the travel is within or outside the Borough, but will not be paid subsistence.

14 **Note**

- (a) The Council is required to keep a record of the payments made by it in accordance with this scheme.
- (b) The record is required to be available for inspection at all reasonable times free of charge by any local government elector for the borough who may make a copy of any part of it.
- (c) The Council is also required to arrange publication of the total sums paid in each year to each member in respect of basic and special responsibility allowances.
- (d) The Council is required to arrange publication of the Scheme when approved.

Schedule 1: Members' Allowances

Category of Allowance	Amount Per Member £
<u>Basic Allowance</u>	10,208
Special Responsibility Allowances:	
Leader of the Council	45,048
Deputy Leader of the Administration	31,420
Cabinet Members	28,780
Deputy Cabinet Members	14,390
Leader of Principal Opposition	14,418
Leader of Minority Opposition Groups	4,000
Mayor	12,000
Deputy Mayor	4,000
Overview and Scrutiny Board Chairman	14,418
Overview and Scrutiny Sub-Committee Chairmen	7,650
Licensing and Regulatory Services Committee Chairmen	14,418
Regulatory Services Committee Vice-Chairman	2,000
Licensing Committee Vice Chairmen	117+
Audit, Pensions, Highways and Governance Committees Chairmen	7,650
Adjudication & Review Committee Chairman	2,000
Rainham & South Hornchurch Working Party Chairman	7,650

+ Per meeting chaired

NOTES: The basic allowance will be uplifted each year in accordance with paragraph 11.

Schedule 2: Travel and Subsistence

Travelling expenses can only be claimed for travel outside of the borough on official Council business. The rules and entitlements for reimbursement of travel outside the Borough are the same as those for officers.

Subsistence allowances are only payable for official Council business outside the borough where the duties entail an overnight stay or working outside 'normal office hours'. Members will be reimbursed actual expenditure incurred up to the maximum of the rates set for officers.

Allowances are payable on the basis of expenditure incurred and receipts must be submitted to support claims for subsistence allowances and travel costs.

Travel and subsistence arrangements for key events will be set in line with the above. Taking account of the practicalities of arrangements however, these will

be set out and documented by the Chief Finance Officer, prior to each event and be agreed with the Cabinet Member for Financial Management.

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