



MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Wednesday, 9 August 2017
(7.30 - 7.50 pm)

Present:

Councillor Roger Ramsey (Leader of the Council), Chairman

	Cabinet Member responsibility:
Councillor Damian White	Housing
Councillor Robert Benham	Children & Learning
Councillor Wendy Brice-Thompson	Adult Social Services and Health
Councillor Osman Dervish	Environment and Community Safety
Councillor Melvin Wallace	Culture and Community Engagement
Councillor Clarence Barrett	Financial Management, Transformation & IT
Councillor Ron Ower	Housing Development Company and OneSource Management
Councillor Jason Frost	Deputy Cabinet Member for Environment, Regulatory Services & Community Safety

Apologies were received for the absence of Councillors Joshua Chapman and Keith Darvill (substituted by Councillor Denis O'Flynn).

16 DISCLOSURES OF INTEREST

There were no declarations of interest.

17 MINUTES

The minutes of the meetings held on 5th July, 2017 and 19th July, 2017 were agreed as a correct record and signed by the Chairman.

18 **BUSINESS RATES - DISCRETIONARY REVALUATION SUPPORT SCHEME**

Councillor Clarence Barrett, Cabinet Member for Financial Management, Transformation and IT presented the report of Dave Gibbs, Head of Revenues and Transactional Finance to Cabinet.

The report sets out the Council's proposals for administering the Revaluation Support Scheme (RSS) which is outside the scope of the provision of standard relief. In the March, 2017 Budget, the Chancellor announced that the Government would provide £300 million to support the businesses most adversely affected by the recent revaluation of commercial properties. The funding will be available over a period of four years.

The RSS will allow Havering to grant relief of up to £1.696 million and will be applied to fully fund the award of relief to eligible businesses across the local share (split between the Council and the GLA) and the central share. The Government have confirmed that Authorities must use their annual allocation within each year. It will not be permissible to carry over any unspent allocation.

The proposed scheme will apply an equal allocation to all accounts which:

- Have a rateable value of between £15,000 and £50,999
- Have incurred an increase of 2% or more in business rates compared to 2016/17
- are occupied; and
- are not in receipt of any Mandatory or Discretionary Relief.

Limiting the Rateable Value thresholds will ensure the maximum support for smaller businesses and independent traders.

Qualifying properties with a Rateable Value below £12,000 will already receive 100% relief under a separate relief scheme. Tapered relief is also available to business with a Rateable Value between £12,000 and £15,000.

The total assistance the Council will be able to offer for 2017/18 is limited to the funding provided of 0.989 million. An analysis of the tax base has been undertaken and it has been established that there are 1,422 properties within the Rateable Value range of £15,000 to £50,999. Within these properties 308 have either experienced a decrease in their rates charge or their charge has been limited to a maximum of 2%.

The proposal will therefore provide relief to up to 1,114 small businesses to a maximum amount of £887.79 each. Exclusions will apply including Betting Shops and Pay Day Lenders as depicted in Appendix 1 of the report.

Properties which were not on the rating list as of 1st April, 2017, will not be eligible for the relief.

The scheme and levels of funding allocation will be kept under review.

Relief will be dealt with by way of application. The Council will deal with all applications proactively; visiting premises to ensure applications are made correctly and processed expeditiously.

Cabinet:

- **APPROVED** the proposed Discretionary Revaluation Support Scheme as set out in the report to Cabinet.
- **NOTED** that the scheme will be reviewed after year 1 by the Chief Financial Officer in consultation with the Lead Member to ensure that the scheme is delivering maximum support to businesses.

Reasons for the Decision:

- The Council is required by central government to implement a Discretionary Revaluation Support Scheme. The Council does not have the ability to abstain from the implementation of the scheme.

Other Options Considered:

- There were other criteria upon which the scheme could be based. However, it was considered that the proposals outlined in the report, best seek to maximise the support to small businesses.

19 **2016/17 TREASURY MANAGEMENT ANNUAL REPORT AND PROPOSED CHANGE TO THE 2017/18 TREASURY MANAGEMENT STRATEGY**

Councillor Clarence Barrett presented the report of Stephen Wild to Cabinet detailing the London Borough of Havering's Report on the performance of the treasury management function. This report needs to go to full Council at least twice yearly (mid-year and at year end).

The final 2016/17 Treasury position is set out in Appendix 1 of the report.

The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates.

The Authority will aim to achieve the optimum yield on investments commensurate with acceptable levels of security and liquidity. The investment performance for 2016/17 was detailed as follows:

Benchmark	Benchmark Return %	Budgeted Rate of Return %	Actual Rate of Return %	Investment interest Earned* (£'m)
Quarter 1	0.58	0.60	0.77	0.237
Quarter 2	0.51	0.60	0.76	0.478
Quarter 3	0.47	0.60	0.69	0.923
Quarter 4	0.44	0.60	0.72	1.469

The UK bank rate fell to 0.25% in August 2016 keeping short term money market rates at historically low levels.

The Authority had £212.7 million of loans and £200.9 million of investments at year end.

The Authority appointed Arlingclose Limited as treasury management advisers. Officers receive specific advice on investment, debt and capital management throughout the year on a daily basis. This is augmented by a quarterly strategy review meeting with the s151 Officer and the Lead Cabinet Member for Finance. The s151 Officer has a duty of due diligence and this is part of the statutory role. All investments are considered in the light of professional advice.

Proposed changes to the 2017/18 Treasury Management Strategy Statement are set out in the report. Officers and the Treasury Adviser constantly scan the market to identify suitable investment opportunities. This is important to ensure investment income budget targets are met.

The proposed changes are requested to ensure officers have the scope to investigate investments that will bring higher returns than are currently available in the strategy.

Cabinet:

- **NOTED** the final 2016/17 Treasury Position set out in the report.
- **NOTED** the treasury and prudential indicators as set out in Appendix 3 of the report; and
- **RECOMMEND** Full Council consider this report and approve the proposed changes to the 2017/18 Treasury Management Strategy Statement (TMSS) as set out in Appendix 4 of the report.

Reasons for the Decision:

- The Chartered Institute of Public Finance and Accountancy's Treasury Management Code (CIPFA's TM Code) requires that Authorities report on the performance of the treasury management function to Full Council at year end.

Other Options Considered:

- The other option was to not report the performance of the treasury function and request approval of the amendments to the 2017/18 Treasury Management Strategy. However, as this would be in breach of CIPFA's TM Code, which was not appropriate.

Chairman

