

London Borough of Havering
Record of Decision For CABINET on 7th February, 2018

Announcements

Apologies for absence

Disclosures of Interest

Minutes

1. **TITLE: The Council's Final 2018/19 Budget, Medium Term Financial Strategy and Council Tax Proposal**
2. **DECISION MADE BY:** Cabinet
3. **DECISION:**

Cabinet:

Agreed to receive the Second Dispatch Agenda document of Appendix 1 and:

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, in consultation 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 be 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** of the report.
- 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.

4. REASON FOR DECISION

The Council is required to set a budget for 2018/19 and, as part of that process, undertake relevant consultation in respect of the proposals included within the budget.

5. ALTERNATIVE OPTIONS CONSIDERED

There are no alternative options in so far as setting a budget is concerned. However, there are options in respect of the various elements of the budget. These are considered in preparing the budget and cover such things as alternative savings proposals, the totality of budgetary pressures and different levels of Council Tax.

- 6. DOCUMENT CONSIDERED:**
- 07 February Cabinet MTFs and budget Final
 - Appendix A Final
 - Appendix A for 2nd Dispatch
 - APPENDIX B Final
 - APPENDIX C Final
 - APPENDIX D Final
 - APPENDIX E Final
 - APPENDIX F Final

APPENDIX G Final
APPENDIX H - Legal framework 2018
APPENDIX I Final
APPENDIX J Cover note final
Fees and Charges 2018-19

1. **TITLE: The Housing Revenue Account (HRA) Budget for 2018/2019 and HRA Major Works Capital Programme 2018/19 - 2021/22**

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

Cabinet:

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 the 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.

4. **REASON FOR DECISION**

The Council is required to set the housing rent, service charges and a budget in accordance with the Local Government and Housing Act 1989.

5. **ALTERNATIVE OPTIONS CONSIDERED**

There are no alternative options in so far as setting a budget is concerned. However, there were options in respect of the various elements of the budget. These were considered in preparing the budget and covered such things as the rent and service charge increases, budget growth and major works programme proposals. The rationale for the levels of investment and levels of charges are contained within the body of the report.

6. **DOCUMENT CONSIDERED:** Cabinet - HRA Business Plan and Budget 2018

1. **TITLE: Treasury Management Strategy Statement, Prudential Indicators and Minimum Revenue Provision Statement for 2018/19**

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

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 the 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.

4. REASON FOR DECISION

The statutory Codes set out that the Council ought to approve a Treasury Management Strategy Statement, the MRP Strategy and the Prudential Indicators.

5. ALTERNATIVE OPTIONS CONSIDERED

The CLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Financial Officer, having consulted the Cabinet Member for Financial Management, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain

6. DOCUMENT CONSIDERED: TMSS CABINET 7 FEB 2018 Final

1. TITLE: **Financial Inclusion Strategy**

2. DECISION MADE BY: Cabinet

3. DECISION:

Cabinet:

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

4. REASON FOR DECISION

Through the implementation of the strategy, the Council aims to improve the financial management capabilities of residents in the Borough and, in so doing, reduce the accumulation of personal debts, which are both stressful to the individuals involved and costly to creditors, including the Council.

5. ALTERNATIVE OPTIONS CONSIDERED

Cabinet could have decided not to adopt and implement the Financial Inclusion Strategy however to do so would miss the opportunity to achieve the objectives outlined within the report.

6. **DOCUMENT CONSIDERED:** Cabinet Report
Financial Inclusion Strategy
Final EIA - Financial Inclusion Strategy - v2

1. TITLE: Employment and Skills Plan

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

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) That a final version of the Employment and Skills Plan be presented to the Cabinet in April 2018 for adoption.

4. REASON FOR DECISION

Consultation carried out as part of the development of the Plan has identified that the Borough is not currently:

- Maximising the benefit from the funding it secures;
- Making the best use of its collective resources to support people into sustainable work, or
- Working most effectively to support key and growing employment sectors that are important to the borough.

The Plan considers in detail the challenges the Council faces in delivering the proposed priorities and sets out the case for a more structured approach to service delivery based on:

- (i) Managing and developing employment and skills provision through a central jobs and skills brokerage service which co-ordinates services and offers residents a consistent response based on their assessed needs.
- (ii) A more co-ordinated approach, utilising a single, corporate Referral

Management System, which enables a coherent process of managing and tracking individual residents' access to services across the various providers both within and outside the Council. This system will also assist the Council in measuring the impact of its interventions.

- (iii) The council acting as an interface between employers and training providers to develop greater employer ownership of skills development and a training offer that is responsive to local employers' needs.
- (iv) The Council providing strong leadership in the development of strategic and operational partnerships and the development of funding bids in co-ordination with sub-regional and London partners including the Local London Partnership, the Greater London Authority (GLA), the Skills Funding Agency, and the Department for Work and Pensions (DWP).

The Plan concludes that, in order to respond effectively to these challenges, it is necessary to strengthen the existing Employment and Skills team to enable it to:

- Provide a central co-ordination and monitoring function;
- Develop and deliver a jobs and skills brokerage service;
- Work with training providers and employers to co-produce and develop customised training to meet business needs, and
- Develop support packages which maximise the leverage of existing funding, including by building on the extensive work already underway to create jobs and apprenticeships and raise local skill levels through the regeneration of 12 key estates in the borough, as well as through the Council's negotiation of S106 agreements and its other commissioning and procurement activity.

It is envisaged that the proposed approach will:

- Prevent residents having to move from provider to provider, often repeating the same types of training and further disengaging from the skills and/or employment process.
- Increase the ability of the borough to attract funding from a range of sources, as it will be better able to demonstrate the kind of coordinated and responsive infrastructure needed to deliver programmes and outcomes.
- Assist the Council to develop targeted interventions for specific priority/demand groups, outside of provision that is already funded (for example through the ESF). This will enable greater value to be added to current skills and employment provision and can be developed to meet the full spectrum of training needs from entry level to the higher level skills demanded by businesses.
- Encourage providers to work collaboratively with the Council and each other to secure the type and quality of provision that is needed to move clients into work and support them to progress in work and sustain well paid employment.
- Engage employers in working with training providers to develop "employer led" training which meets the needs of industry, supports workforce development, enhances productivity and, crucially, is of a quality and scope that businesses are prepared to pay for.

The consultants' Cost Benefit Analysis estimates that the Council would receive a "return" (in either cashable savings or cost avoidance) of around £1.83 for every £1 invested in this area of work over the life of the Plan, with the benefits accruing predominantly to those departments working with Troubled Families, the long term unemployed, those with complex health conditions, looked after children (LAC) and care leavers, and those not in education, employment or training (NEET).

5. **ALTERNATIVE OPTIONS CONSIDERED**

As part of the development of the Employment and Skills Plan, the following alternative options were considered:

- 1) Do nothing
- 2) Implement the remainder of the Employment and Skills Plan, but not the Referral Management System
- 3) Implement the Referral Management System but not the wider Employment and Skills Plan

None of these options were recommended as it was considered that, if the Employment and Skills Plan is not delivered in its entirety (including through the implementation of a Referral Management System), the Council will not be able to exert the necessary influence over and involvement in the myriad of skills and employment activities that take place within Havering and the consequential impacts on local growth and prosperity. Interventions would not be most effectively coordinated and will opportunities would be lost to maximise benefits by avoiding duplication.

The Referral Management System and the wider Employment and Skills Plan need to be delivered alongside one another, and also the Employer Brokerage Service to be funded through the European Social Fund, in order to provide a credible and attractive offer to residents and businesses of jobs and skills brokerage supported by a tangible jobs and training infrastructure beyond that offered by sub-regional and regional skills provision.

6. **DOCUMENT CONSIDERED:** FINAL Cabinet Report - Employment and Skills Plan
- Feb 2018
Havering Employment and Skills Plan 2018- 2021
Appendix 2 - Data Story
Employment and Skills Strategy Year 1
Implementation Plan
Equality-Impact-Assessment-FINAL