

London Borough of Havering

Record of Decision of Cabinet on 29th November, 2018

Announcements

Apologies for absence

Disclosures of Interest

1. **TITLE: Update on the Council's Medium Term Financial Strategy 2019-2020**

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

Cabinet:

- **Noted** the updated national financial context for local government, in year financial performance and the projected budget gap over the period 2019/20 to 2022/23 as set out in sections 1 and 2 of the report and the period 6 (September 2018) and of year forecast position set out in section 3.
- **Noted** the assumptions which underpin the forecast.
- **Approved** savings proposals for 2019/20 of £8.702m as set out in section 4 and **Appendices B** (£0.770m), **C** (£3.156m) and **D** (£4.776m), having considered the consultation feedback set out in **Appendices E** and **F**.
- **Approved** the launch of consultation on the measures included in the Improving Traffic Flows project as set out in **Appendix D**.
- **Approved** the growth proposal for 2019/20 of £1 million to fund the revenue costs of the £10 million capital investment in the Highways Investment Programme for 2019/20, as set out in section 4, having considered the consultation feedback set out in **Appendices E** and **F**.
- **Approved** the updated 5 year Capital Programme in Section 6 for recommendation onto full Council for agreement in January 2019.
- **Noted** the timetable and process for developing, reporting and considering the 2019/20 budget and MTFs as set out in section 7.

4. **REASON FOR DECISION**

The Council is required to set a balanced budget in advance of the beginning of each financial year. The report set out progress in reaching the balanced budget for 2019/20 and set out the Council's future plans for balancing the budget from 2020/21 to 2022/23.

5. ALTERNATIVE OPTIONS CONSIDERED

The report outlined all the options identified so far for balancing the 2019/20 budget. There is still a budget gap even if these options are approved. Therefore officers will continue to seek further options for balancing not just next year's budget but also the budgets for 2020/21 to 2022/23.

6. **DOCUMENT CONSIDERED:** 1 Update on the Council's Medium Term Financial Strategy 2019-2023 - final 19 November
Appendix A Table 1
Appendix B
Appendix C
Appendix D Updated MTFFS business cases 7.11
Appendix E Ipsos
Appendix F Budget Consultation

1. **TITLE: Update on the Council Tax Support Scheme 2019 and Council Tax Surcharge on Empty Homes**

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

Cabinet:

- **Considered** the responses to the Council Tax Support Scheme and Long Term Empty Homes Premium consultation
- **Approved** and recommend to Council the adoption of the proposed Council Tax Support Scheme as summarised in Appendix C of the report with effect from 1 April 2019.
- **Approved** and recommend to Council an increase from 50% to 100% as a surcharge rate of Council Tax for the properties that have been empty for more than two years with effect from 1 April 2019

4. **REASON FOR DECISION**

The Council has a statutory duty to provide a CTS Scheme and to consult the public and interested parties when considering changes to the CTS Scheme. This is set out in Schedule 4 of the Local Government Finance Act 2012.

There is a shortage in the housing market which Government has recognised and introduced legislation to enable local authorities to encourage the occupation of those empty properties by way of a further increase in the Council Tax surcharge.

5. ALTERNATIVE OPTIONS CONSIDERED

At Cabinet on 25 July 2018, Members considered in detail a number of options with regard to the CTS Scheme and selected the scheme proposed in Appendix C for consultation. Details of the options considered can be found in the July Cabinet report and are set out in Appendix F Council Tax Support Scheme Options of this report.

With regard to the Empty Property Surcharge, the only other option is to do nothing.

The responses to the consultation have also set out a number of other alternatives and the Council's replies to those are reflected in the report and Appendices.

6. **DOCUMENT CONSIDERED:** CTS Consultation November 18 Cabinet
CTS Consultation Outcome Report Appendix A
CTS EIA September 2018 Appendix B
Draft CTS Scheme 2019-20 Summary Appendix C
CTS Consultation Full Version Appendix D
CTS Risk Register Appendix E
Council Tax Support Scheme Options Appendix F
Summary of Other London Local Authority Schemes for 2017 & 2018 Appendix G

1. **TITLE: Bretons Manor House, Barns and Parks**

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

Cabinet:

- **Agreed** that £350k be allocated from the Transformation Fund to fund the project management, master planning and other associated costs plus that funding to a cap of £100k be made available from the Business Risk Reserve to cover any necessary legal costs arising.
- **Delegated** authority to the Chief Operating Officer, after consultation with the Leader and Cabinet Member for Public Protection and Safety, to authorise the submission of related funding applications to external bodies to a limit of £5m.

4. **REASON FOR DECISION**

Due to a lack of funding at the present time, a phased approach is recommended; this will enable the development of different clusters as funding is secured. It is recommended that the Council initially invest revenue to develop a Masterplan for the site, secure planning permission for the totality of the site and to continue to submit funding bids to external bodies. The GLA have indicated that the Council should submit a bid to them for revenue development funding for this project which they consider one of just two very complex but exciting projects in London, economically and culturally.

This report requested that £350k be allocated from the Transformation Fund to fund the project management, master planning and other associated costs of taking this project forward during the period from December 2018 to November 2019 plus that funding to a cap of £100k be made available from the Business Risk Reserve to cover any necessary legal costs arising.

Additional requests for funding were considered but are not being recommended at this stage. There are projects that are close to being ready to progress but require more certainty in relation to the context for the whole site or would benefit from external funding which is currently not confirmed.

5. ALTERNATIVE OPTIONS CONSIDERED

A number of options have been explored in relation to the totality of the Bretons site. These include;

- Do nothing: this would still cost £4m over the next 20 years as there would need to be capital costs (approximately £100k pa) and revenue costs (approximately £100k pa) incurred over the next 20 years to maintain the site
- Sell land and buildings: this may generate a sale of approximately £2m but only if the park was included which is probably not an attractive proposition for the local community. The Council would lose responsibility for the anti-social aspects of the area but also levers of control.
- Outsource entire model through joint venture: this is not viable as there has been a lack of interest in investing in the capital costs and the returns would not be commercially viable for the council. This situation may change over time if the problems with the site are resolved.
- Deliver the model in-house and lease aspects of the site: this is the recommended approach however it requires £28.9m investment and would present a very high risk for the Council without external funding. It would involve, over time, investing in minimum viable projects (MVPs) that generate commercial returns (eg the Great Hall) or priority projects (eg the 3G football pitches) in a phased approach.

6. **DOCUMENT CONSIDERED:** Cabinet_report_Bretons_ManorHouse_Barns__Park_s_30_Oct_2018 jw KR TCA

EXCLUSION OF THE PRESS AND PUBLIC

1. **TITLE: Bridge Close, Romford - Purchase of Residential Properties on Waterloo Road and Oldchurch Road**
2. **DECISION MADE BY:**
3. **DECISION:**

Cabinet:

- **Agreed** to the Council entering into direct negotiations with landowners to purchase up to 23 residential properties on Waterloo Road and Oldchurch Road, Romford through private treaty.
- **Agreed** to delegate to the Director of Regeneration authority to take all necessary steps to enable and complete the acquisitions outlined in Resolution 1 above following consultation with the Director of Finance; that includes the authority to approve the terms to enable of the acquisition by private treaty, any financial arrangements for relocation of current land owners or tenants, completion of relevant agreements and appointments of relevant professionals.
- **Agreed** following agreement on resolutions 1 and 2 above to agree to recommend to Council to include sufficient financial provision as set out in Appendix A, to enable the private treaty purchase of the 23 residential properties on Waterloo Road and

Oldchurch Road, Romford.

- **Noted** that the transfer of the properties acquired via this Cabinet decision may be transferred to the Bridge Close Regeneration LLP in accordance with the terms set out in the Land Acquisition Strategy, the Land Agreement and the Members Agreement.

4. **REASON FOR DECISION**

For the reasons set out in paragraph 2 of the report.

5. **ALTERNATIVE OPTIONS CONSIDERED**

As set out in paragraph 2 of the report.

6. **DOCUMENT CONSIDERED:** Bridge Close Part Exempt Cabinet Report -
Purchase of Residential Properties - 7 Nov 18
Bridge Close Part Exempt Cabinet Report -
Purchase of Residential Properties Appendix A - 7
Nov 18