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MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Wednesday, 18 January 2017
(7.30 - 9.20 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
(arrived at 7:45pm)

Cabinet Member responsibility:

Housing

Children & Learning

Adult Social Services and Health

Environment, Regulatory Services
and Community Safety

Culture and Community
Engagement

Financial Management, ICT (Client)
and Transformation

Housing Company Development
and OneSource Management

Deputy Cabinet Member assisting
Cabinet Member for Housing

Deputy Cabinet Member assisting
Cabinet Member for Environment,
Regulatory Services & Community
Safety

Councillors Ray Best, Ray Morgon, Keith Davill, Michael Deon Burton and David Durant were also in attendance.

1 member of the public was present for the duration of the meeting.

All decisions were agreed unanimously with no Member voting against.

There were no declarations of interest.

Through the Chairman, an announcement was made which explained the evacuation procedures in the event of an Emergency

82 **MINUTES**

The minutes of the meeting of Cabinet held on 14 December 2016 were agreed as a correct record and signed by the Chairman.

83 **THE COUNCIL'S FINANCIAL STRATEGY 2017-18**

It was noted that Cabinet received reports on the 28 September 2016 and the 14 December 2016 which had provided updates on developments at the national level and the consequential impact on local government funding and which also set out information on the financial position within Havering.

The October and December reports set out the Council's financial strategy to manage the implications of funding reductions and cost pressures over 2017/18 and 2018/19. It also considered the in-year budgetary pressure and set out an approach to bringing the position back on track and mitigate the impact on the MTFS.

The December report confirmed that the Government had approved the Council's application for a four year financial settlement. It was reported that whilst this provided for greater certainty over the MTFS cycle it would also result in substantial reductions in Government funding. As a consequence of the loss of government funding and service demand pressures the report concluded that there would be a budget gap of £13m over the three years to 2019/20 of which £3.8m relates to 2017/18.

The report also updated Members on the Local Government Financial Settlement announced on 15 December 2016, summarising the key elements of the Autumn Budget Statement, the implications for the corporate budget and the proposed financial strategy for the coming year. It also included the latest in year financial monitor and the latest proposals for the capital programme.

It was noted that Havering's financial strategy included provision for the reduction in Revenue Support Grant (RSG) over the next three years based upon the four year financial settlement applicable from 2016/17 and these reductions were re-confirmed and would reduce from £20.89m in 2016/17 to £1.376m in 2019/20. The impact of the settlement on Business Rates and New Homes Bonus were being evaluated although it was not expected to have a material impact on the 2017/18 forecast position as reflected in the MTFS model. A full analysis would be included in the February Council Tax setting report.

Finally, local authorities would be able to increase the Social Care Precept by up to 3% per annum in 2017/18 and 2018/19. The additional 1% compared to the increased allowed in 2016/17 would require the authority to set out how the money was being spent on improvements in adult social care. The total increase allowed for over the three-year period to 2019/20 would be limited to 6%.

Reasons for the decision:

The decision enabled the Council to develop its budget as set out in the constitution.

Other options considered:

The Constitution required consideration of a report as a step towards setting its budget.

Cabinet:

1. **Noted the progress made to date with the development of the Council's budget for 2017/18 and of the implications for Council Tax setting, although no decisions will be taken until the February cabinet meeting.**
2. **Noted that an additional 3% increase in Council Tax precept may be levied for the sole purpose of funding and improving Adult Social Care.**
3. **Noted the outcome of the Autumn Budget Statement and the likely impact on local authorities.**
4. **Noted the provisional local government financial settlement announcement, and that this largely confirmed the budgetary assumptions set out in the MTFS based upon the four year financial settlement.**
5. **Delegated authority to the Cabinet Member for Adult Social Services and Health, after consultation with the Leader to approve an annual spend plan for the Public Health grant.**
6. **Delegated to the Directors of Children and Adults authority to agree inflation rates with social care providers for 2017/18.**
7. **Noted the financial position of the Council in the current year and that action plans to recover the forecast overspend during 2016/17 and 2017/18 would be presented to Cabinet in February.**
8. **Agreed the adjustments to the budget assumptions as set out in the table at paragraph 8 of the report, which give rise to an increase in the funding gap over a three year period 2017/18 to 2019/20.**
9. **Approved the draft Capital programme for 2017/18 as set out in paragraph 9 for inclusion in the final Capital Strategy report to be considered at the February Cabinet meeting and for onward approval by Council.**

10. **Agreed that any underspends from the Corporate Risk Budget, and from any service revenue underspends, are to be allocated to a Business Risk Reserve.**
11. **Noted the summary of the GLA's consultation budget and the expected date for the publication of the final proposals.**
12. **Noted that a public engagement exercise on the budget process will be carried out during January 2017.**
13. **Noted the Equalities Impact Assessment in respect of the CTS Scheme as set out in appendix C to the report.**
14. **Recommended to Full Council that the CTS Scheme 2017 be approved.**

84 **CONSULTATION ON PROPOSED LICENSING SCHEMES FOR HMOS AND OTHER PRIVATE RENTED HOUSING SECTOR**

The report sought Cabinet agreement for the proposed introduction of five year selective and additional licensing schemes within the Private Rented Sector in the London Borough of Havering, as required by Cabinet on 23rd September 2015. In addition approval was also sought to commence an informal consultation, and thereafter for the formal consultation required before the proposed adoption of both schemes.

The Department for Communities and Local Government (DCLG) Non-Statutory Guidance published in March 2015 set out the criteria for making a selective licensing scheme and discusses the type of evidence needed to support a designation. The Cabinet report identified the evidence relied upon to satisfy the criteria for selective and additional licensing and the steps required for an extensive consultation exercise.

To assist Cabinet in the decision making process for the preparation of a new scheme a timeframe and finance detail had been included and details of other steps required to comply with the relevant legislation which was necessary before the declaration of any new scheme. Additional factors were also outlined in the report to support the introduction of Additional and Selective Licensing Schemes in Havering.

The report examined the potential risks of the proposed introduction of Selective and Additional Licensing Schemes and suggested ways in which they could be mitigated. Legal opinion was that the best way of mitigating risk would be to undertake an initial informal consultation. This would enable engagement and provide opportunity to seek to confirm those issues of principal interest to parties who may wish to make representations at formal consultation stage whether in support or, particularly, against the proposed schemes including their evidence bases. Informal consultation

would be for 4 weeks and capture of this feedback would demonstrate that the Council had made concerted attempts to work with the private rental sector, would assist the final content of the proposed schemes upon which any formal consultation would be made and was consistent with current best practice.

It was proposed that, on completion of the informal consultation and consideration of feedback, the decision as to whether to progress either or both of the proposed schemes to formal consultation and the final content of the business case justifications for the proposed additional/selective licensing schemes including agreement to any necessary changes prior to formal consultation be delegated to the Leader of the Council, after consultation with the Cabinet Member for Housing.

Reasons for the decision:

It was considered that the potential effects of the designation of Additional and/or Selective Licensing Schemes in neighbouring local authorities could exacerbate the problems which exist within Havering's private rented sector. The licensing regimes may threaten to displace the worst landlords from those boroughs and drive them into boroughs that do not operate any form of non-mandatory private rented housing licensing which are, therefore, seen as being more lightly regulated.

Although evidence was required to substantiate this perceived risk, Havering could be considered to have a buoyant private rental market and is an attractive area for property investors, some of whom may have chosen to leave other boroughs due to the introduction of property licensing schemes. Property licensing in Havering may therefore be viewed as a preventative measure in this regard.

In response to these issues, it was anticipated that the introduction of more robust controls, such as those achievable through Selective and Additional Licensing, will potentially (i) prevent the possible migration of rogue landlords into Havering, (ii) provide an opportunity to drive up standards within the private rented sector by improving the management of those properties and (iii) reduce antisocial activity often linked to poorly managed properties. A more proactive approach to tackle these complex issues would see benefits for landlords, tenants and local residents.

A summary of the risks associated with the proposed schemes was presented as an appendix to the report.

Other options considered:

Five options were considered. The benefits and risks associated with each of these were summarised in a separate appendix to the report.

Cabinet

1. **Approved the preparation of the business case for the following property licensing schemes in the private rented housing sector and formal consultation in accordance with statutory requirements preceded by an informal consultation for a period of 4 weeks as follows:**
 - (a) **Additional Licensing Schemes for landlords of Houses in Multiple Occupation (HMOs) as described in the proposal paper attached as Appendix 6 to the report;**
 - (b) **A Selective Licensing Scheme for landlords of non-HMO privately rented residential accommodation in the selected locations set out in the proposal paper, attached as Appendix 7 to the report.**
2. **Approved the fee structure for the Additional and Selective Licensing Schemes, as detailed in Appendix 2b of the report and Appendix 4 of each of the attached proposed consultation documents. Appendix 2a to this report also sets out the expected operational costs of the proposed schemes but notes that the licence fee has currently been set to cover only the administration and associated costs of the licence application. The Council continues to work on the licence fee model and will be considering alternative fee structures inclusive of costs under Section 63 (7) and Section 87 (7) of the Housing Act 2004 prior to the start of any formal consultation.**
3. **Following completion of the informal consultation and consideration of matters raised, delegated authority on whether to progress either or both of the proposed schemes to formal consultation on proposed designation and the final form and content of the additional and selective licensing schemes themselves, including any changes to the fee structure, to the Leader of the Council in consultation with the Lead Member for Housing. It also noted that subject to the above the informal consultation may result in either or both of the proposed schemes not proceeding at this stage.**

85 AFFORDABLE HOUSING - ADOPTION OF A PLANNING GUIDANCE NOTE ON THE COUNCIL'S APPROACH TO COMMUTED SUMS PAYMENTS

It was reported that the provision of affordable housing remained a key part of the overall delivery of housing and the Council was committed to providing more affordable homes in Havering in line with its commitment in the current Corporate Strategy and other strategies.

Cabinet had previously approved the publication of a draft non-statutory planning guidance note to set out the circumstances in which the Council may accept commuted sum payments to the Council in lieu of affordable housing being provided 'on-site' within a development scheme or on an alternative site agreed by the Council.

Cabinet had also agreed to the draft planning guidance note being the subject of public consultation.

The report before Members reviewed the consultation responses. Several respondents supported the preparation of the note and the Council taking the approach to increasing affordable housing stock. The report concluded that the consultation responses did not require any change to the draft planning guidance note.

It was recommended that the planning guidance note be updated to reflect robust evidence on housing need including that for affordable housing. This evidence had been secured to support the preparation of the emerging Havering Local Plan which would be progressed in 2017.

Reasons for the decision:

To ensure that there is an adequate provision of affordable homes in Havering.

Other options considered:

The option of not preparing the guidance note had been discounted because it was important that Havering has adequate affordable homes.

The absence of explicit criteria setting out where commuted sum payments may be appropriate and a financial formula model for calculating such payments is unhelpful for both the Council and prospective developers. It may adversely affect the successful delivery of more affordable homes.

Alternative approaches to calculating a commuted sum provision were considered and rejected as they were not considered to be financially neutral and would incentivise the developer to provide a commuted sum in lieu of on-site provision, fail to achieve the maximum viable levels of affordable housing contribution or alternatively fail to sufficiently recognise the importance of assessing viability at a scheme by scheme level.

Cabinet:

- 1. Noted the responses to the consultation on the draft planning guidance note which were summarised in Appendix 1 of the report**

2. **Noted that no changes are recommended to the guidance note in the light of careful consideration of the consultation responses**
3. **Agreed that the planning guidance note be updated in regard to the availability of robust and up to date evidence on housing need**
4. **Adopted the amended planning guidance note as set out in Appendix 2 of the report.**

86 **HIGHWAYS AND STREET LIGHTING TERM MAINTENANCE CONTRACTS**

The report set out the outcome of the recent joint tendering exercise completed with London Borough of Barking & Dagenham for a term contract of five years with the option to extend for a further two years for the Reactive & Planned Highway Maintenance and Construction of Improvement Schemes Contract and the Maintenance Contract and the Repair and Replacement of Street Lighting, Other Illuminated Signs and Associated Electrical Equipment Contract.

Reasons for the decision:

The Highways and Street lighting contracts had been extended and the extension periods are nearing their end dates of 31st March 2017.

The tender process secured new contracts that would deliver value for money for the next five years with the option to extend for a further two years if required.

Other options considered:

Tendering both the Highways and Street Lighting contracts separately was considered, however the purchasing power of two large scale contracts through collaboration with the London Borough of Barking & Dagenham was considered to represent better value for money, especially during times of austerity.

Utilising a Framework agreement was also considered but this only provided a contract over a period of 4 years. A contract with a longer term would be the preferred option to incorporate leasing agreements and capital investments being spread over a longer period to keep tendered prices down.

Following a joint procurement exercise with London Borough of Barking and Dagenham, Cabinet:

1. **Approved the award of the Reactive & Planned Highway Maintenance and Construction of Improvement Schemes Contract to the successful bidder, Marlborough Surfacing Ltd (company registration number 02765630) for the period 1st April 2017 to 31st March 2022.**
2. **Approved the delegation of authority to the Director of Neighbourhoods to exercise the option to extend the Reactive & Planned Highway Maintenance and Construction of Improvement Schemes Contract for a further two years as permitted under contract beyond March 2022, subject to satisfactory performance.**
3. **Approved the award of the Repair and Replacement of Street Lighting, Other Illuminated Signs and Associated Electrical Equipment Contract to Volker Highways Ltd (company registration number 638559) for the period 1st April 2017 to 31st March 2022.**
4. **Approved the delegation of authority to the Director of Neighbourhoods to exercise the option to extend the Repair and Replacement of Street Lighting, Other Illuminated Signs and Associated Electrical Equipment Contract for a further two years as permitted under the contract beyond March 2022, subject to satisfactory performance.**

87 JOINT HAVERING CARERS STRATEGY 2017 TO 2019.

Approval was sought to publically launch the Joint Havering Carers Strategy 2017 to 2019, a joint public statement with the Havering Clinical Commissioning Group, on how the Council intends to develop support for carers of Havering residents.

The report summarised the Council's legal responsibilities to support carers, the key priorities for Havering and the outcomes which the Joint Havering Carers Strategy sought to address.

It provided detail on the current levels of spend on supporting carers, the increasing pressures on carers and the actions the Council has started and will initiate to support carers.

Reasons for the decision:

The Strategy serves to demonstrate Havering Council and the Havering Clinical Commissioning Group's continued commitment to carers and aims to develop and co-ordinate multi-agencies working together to support carers and ensure that carers are treated as expert partners in care.

Other options considered:

By not implementing a Joint Havering Carers Strategy, the Council would be without a written statement and action plan to proactively recognise and support carers. For the second consecutive year, the Council has received a Better Care Fund scheme on Carers and the Voluntary Sector. The Joint Havering Carers Strategy is a commitment within the Better Care Fund scheme action plan on carers.

Cabinet approved the Joint Carers Strategy 2017-19.

88 **APPROPRIATION OF LAND FOR PLANNING PURPOSES & OPEN SPACE PROCESSES RELATING TO VARIOUS POTENTIAL DISPOSAL SITES**

In December 2016 Cabinet authorised the disposal of the freehold interest in a number of sites currently owned by the Council.

The statutory process governing these activities required the proposal to be publicly advertised and for any objections to be duly considered. Therefore in connection with these disposals, authority was also given by Cabinet to formally advertise the proposed disposal of open space and the appropriation of disposal sites for planning purposes.

This report describes the background to these proposals, setting out the responses received to the relevant public notices and provided an analysis of these responses for consideration by Members.

Reasons for the decision:

The decision was required as a result of the statutory process involved in dealing with the proposed disposal of and appropriation of land for planning purposes.

Other options considered:

Having placed the notices, it was necessary for the Council to formally consider the response received. As the report only concerns the consideration of these responses, no other options were available.

Cabinet, having considered the responses received as a result of the public notices, approved:

1. **The disposal of the following sites, for which authorisation for disposal in principle has been provided by Cabinet on 16 December 2015 pursuant to section 123 of the Local Government Act 1972. Plans of the sites are attached at Appendix 1 of this report.**
 - a. **Priory Road – land adjacent to 112 Priory Road**
 - b. **Rainham Road – land adjacent to 1 Bretons Cottages**

- c. Rainham Road – land between 8 & 9 Bretons Cottages
 - d. Tweed Way – land adjacent to the social hall
2. The appropriation for planning purposes of the following sites as shown in a Cabinet Decision dated 16 December 2015 and as attached in Appendix 1 of the report
- a. Priory Road – land adjacent to 112 Priory Road
 - b. Rainham Road – land adjacent to 1 Bretons Cottages
 - c. Rainham Road – land between 8 & 9 Bretons Cottages
 - d. Tweed Way – land adjacent to social hall
- 3 That the Head of Property, after consultation with the Director of Legal & Governance, oneSource, and in accordance with the authority given to him by the decision of Cabinet on 16 December 2015, deal with all matters arising including the appropriation for planning purposes and thereafter the completion of the disposals.
- 4 Agreed that no further action would be taken in relation to the disposal or appropriation of the following sites (Appendix 2 of the report) which will now be retained in their current form:
- e. Hitchin Close Land (formerly referred to as land adjoining former Whitworth Centre, Harold Hill)
 - f. Hubbards Chase Land

89 LOAN TO AND ACQUISITION OF LAND FROM HAVERING COLLEGE

The report sought Cabinet approval for the Council to enter into an option for the acquisition of the Quarles site owned by Havering College in Harold Hill, the option would be assignable by the Council. In addition, it sought authority for the provision of a loan to Havering College. The potential acquisition and loan were to assist the college to undertake an estate relocation and capital investment plan.

It was reported that Havering College had been successful in gaining funding through the London Enterprise Panel (LEP)/GLA of £5.4m to develop their construction based site in Rainham, for which they require 50% match funding of £5.4m. Havering College aimed to use the proceeds of the disposal of their Quarles site as match funding and to support the further rationalisation of their estate. A loan from the Council would provide the match funding in the interim period until the sale of the site took place and funding to initiate the wider estate rationalisation Havering College have planned.

It was added that Havering College were looking to concentrate education provision on their main campus at Ardleigh Green, with a construction focused education provision in Rainham and a more limited provision in Harold Hill. This would place the College in a far better position

economically. In order for the College to sell and rationalise their estate, Havering College would need to redeem a loan with a commercial bank.

Reasons for the decision:

That a loan (or loans) to ensure that Havering College has the funding in place to redevelop their Rainham facility and initiate work on the wider estate redevelopment would ensure that the College was in a stronger position to continue to provide educational provision in the borough and would assist in securing suitable and sustainable further education provision for residents of the Borough.

The provision of a loan (or loans) to HC would also assist them to improve their facilities and improve the provision of further education in the borough.

The acquisition of the Quarles Campus by the Council (or a body selected by it) would enable that site to be redeveloped for a suitable purpose in accordance with the Council's policies and with the objective of supporting the local economy in order to benefit, improve and develop the Borough.

The interest on any loan and repayment of principal would not commercially disadvantage the Council i.e. the terms of the loan would as a minimum meet the Council costs.

Other options considered:

In the event that no decision was made, it was likely that the Quarles site would be disposed of to a third party subject to restrictive covenants on the site in the Council's favour, however, the Council's influence on future may well be limited. If the loan was not made available in the short term to allow the redemption of an existing loan to Havering College, to initiate the Quarles site rationalisation and meet match funding requirement for the LEP grant, then the opportunity to provide a state of the art construction facility in Rainham was likely to be lost. Therefore an important education facility for the future of the borough's residents would not be able to go ahead, which would be detrimental to the interests of the borough and its residents.

Cabinet:

1. **Agreed in principle:**
 - a. **for an option from Havering College to acquire the Quarles Campus site (which can be assignable to another body or party of the Council's choice);**
 - b. **the provision of a loan(s) up to £10 million from the Council to Havering College.**

2. **Noted that the Leader (after consultation with the the Section 151 Officer, the Director of Legal and Governance and the Head of Property (OneSource)) shall finalise the terms of the proposed arrangements and if he is satisfied as to their terms**

(and such other matters as he deems relevant) authorise the Council to enter into such agreements as may be necessary to give effect to the the proposed option and loan.

3. Delegated to the Section 151 Officer the undertaking of financial due diligence on the proposals and for the Section 151 Officer to report to the Leader as to the outcome of such due diligence including:
 - a. the ability of Havering College to repay such loan;
 - b. such other matters as the Section 151 Officer deems appropriate.

4. Delegated to the Head of Property – OneSource (after consultation with the Director of Legal and Governance) the undertaking of property due diligence in relation to the Quarles Campus and to report to the Leader as to the existence and removal of any impediments which would prevent the option agreement being entered into and/or limit the future uses of that site.

Chairman

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