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**Haverling**  
L O N D O N B O R O U G H

# CABINET

<b>7.30 pm</b>	<b>Wednesday 14 December 2011</b>	<b>Council Chamber - Town Hall</b>
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Members 10: Quorum 5

Councillor Michael White (Leader of the Council), Chairman

	<b>Cabinet Member responsibility:</b>
Councillor Michael Armstrong	Transformation
Councillor Robert Benham	Community Empowerment
Councillor Andrew Curtin	Culture, Towns & Communities
Councillor Lesley Kelly	Housing
Councillor Steven Kelly (Vice-Chair)	(Deputy Leader) Individuals
Councillor Roger Ramsey	Value
Councillor Paul Rochford	Children & Learning
Councillor Geoffrey Starns	Community Safety
Councillor Barry Tebbutt	Environment

**Ian Buckmaster**  
**Committee Administration & Member Support Manager**

**For information about the meeting please contact:**  
**Andrew Beesley 01708 432437**  
**[andrew.beesley@haverling.gov.uk](mailto:andrew.beesley@haverling.gov.uk)**



**Webcast**

**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.**

## **AGENDA**

### **1 ANNOUNCEMENTS**

On behalf of the Chairman, there will be an announcement about the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

### **2 APOLOGIES FOR ABSENCE**

(if any) - receive

### **3 DECLARATIONS OF INTEREST**

Members are invited to declare any interests in any of the items on the agenda at this point of the meeting. Members may still declare an interest in an item at any time prior to the consideration of the matter.

### **4 MINUTES (Pages 1 - 8)**

To approve as a correct record the minutes of the meeting held on 16 November 2011, and to authorise the Chairman to sign them.

### **5 THE COUNCIL'S FINANCIAL STRATEGY (Pages 9 - 30)**

### **6 BLUE BADGE SCHEME (Pages 31 - 40)**

### **7 CHIEF EXECUTIVE'S REPORT CONTAINING EXEMPT INFORMATION (Pages 41 - 46)**

# Public Document Pack Agenda Item 4



**MINUTES OF A CABINET MEETING**  
**Council Chamber - Town Hall**  
**Wednesday, 16 November 2011**  
**(7.30 - 8.15 pm)**

**Present:**

Councillor Michael White (Leader of the Council), Chairman

Councillor Michael Armstrong

Councillor Robert Benham

Councillor Andrew Curtin

Councillor Lesley Kelly

Councillor Steven Kelly (Vice-Chair)

Councillor Roger Ramsey

Councillor Paul Rochford

Councillor Geoffrey Starns

**Cabinet Member responsibility:**

Transformation

Community Empowerment

Culture, Towns & Communities

Housing

(Deputy Leader) Individuals

Value

Children & Learning

Community Safety

An apology for absence was received from Councillor Barry Tebbutt.

Councillors Clarence Barrett, Denis Breading, David Durant, Linda Hawthorn, Paul McGeary, Pat Murray, Denis O'Flynn and Garry Pain also attended.

6 members of the public and 2 representatives of the Press were present.

The decisions were agreed with no vote against.

There were no declarations of interest.

Agenda items 5 and 6 concerning the requisition of Cabinet decisions relating to the review of community halls and the approval of the preferred development partner for the Briar Estate, respectively, were not dealt with as the Towns and Communities Overview & Scrutiny Committee had declined to support the requisition of the decisions referred to in those items.

## 35 MINUTES

The minutes of the meeting of Cabinet held on 26 October 2011 were agreed as a correct record and signed by the Chairman.

36 **PROPOSED PROVISION OF A SHARED CIVIL CONTINGENCIES SERVICE FOR BARKING AND DAGENHAM, WALTHAM FOREST AND HAVERING**

*Councillor Geoffrey Starns, Cabinet Member for Community Safety, introduced the report*

The report before members proposed that Havering join, on a pilot basis, the existing joint Civil Contingency arrangement operated by the boroughs of Barking and Dagenham and Waltham Forest. It was explained that the proposal had been brought forward within the East London Solutions initiative for efficiency opportunities arising through partnership working.

It was announced that the outcomes of the pilot would be reviewed and evaluated in April 2012 to assess the merits or otherwise of formalising the arrangement across the three boroughs.

**Reasons for the decision:**

Havering is committed to identifying more efficient ways of working through partnership with other authorities and agencies. The initiative described in the report had come through the East London Solutions work which aims to deliver such efficiencies. The potential merits and opportunities arising from the initiative meant that a Pilot would certainly be of value as a means of evaluating whether, and if so to what degree, formal partnership working could be beneficial to all authorities within the joint arrangement.

**Other options considered:**

1. Option 1: Do Nothing  
This would forego the benefits.
2. Option 2: Immediate merger  
Experience had shown that a pilot arrangement to assess compatibility had proved to be the most effective approach. In addition, there would be more complicated human resource implications to address. There was also the need to ensure adequate resource given the Olympics.

Cabinet **AGREED:**

- 1 **That Havering share resources on a pilot basis with the single Civil Contingencies service between Barking & Dagenham and Waltham Forest.**
- 2 **To receive a report in April 2012 evaluating the partnership pilot and making a recommendation as to whether to proceed to a joint working arrangement.**

37 **HAVERING LOCAL DEVELOPMENT FRAMEWORK - APPROVAL OF ROMFORD TOWN CENTRE PAVEMENT CAFES LOCAL DEVELOPMENT ORDER (LDO) FOR ADOPTION**

*Councillor Robert Benham, Cabinet Member for Community Empowerment, introduced the report*

It was explained that the Council and its partners were delivering an ambitious programme of initiatives to secure the regeneration of Romford including the preparation of planning and regeneration strategies, public realm improvements and tackling congestion. Such measures would make Romford a more attractive place to visit, work and live and would assist its response to the competition provided by Lakeside, Bluewater and Westfield at Stratford.

The report recommended a simplified process for allowing eating and drinking businesses in specific areas of Romford town centre to develop a pavement café type 'offer' as part of enhancing Romford's attractiveness. Such an approach would add to its vitality and viability and should help to broaden its appeal to a wider range of customers.

A Local Development Order (LDO) was recommended to deliver this. LDOs enabled local planning authorities to grant planning permission for specified activities by extending permitted development rights within a defined area and subject to the LDO's conditions. They were consistent with local determination and the shift to remove bureaucracy and incentivise development that meets locally specific policy objectives. The controls on pavement cafés permitted by the LDO would be at least as stringent as the controls previously imposed when planning permissions were granted to individual businesses. The controls aimed to protect and enhance the quality of the town centre and to ensure that any pavement cafés make a positive contribution to Romford town centre. The General Design Guidance for the LDO provided controls on the signage associated with the café.

It was explained that the Romford Town Centre Pavement Cafés LDO would allow pavement cafes within specified areas of Romford Town Centre where the lawful use of the premises was A3 (Restaurants and Cafés) or A4 (Drinking Establishments). It included design guidance specific to each area to ensure the protection and enhancement of the Conservation Area.

It was noted that the LDO would serve to encourage local businesses to establish well-designed pavement cafés to support a coherent street scene, while concentrating the regulatory responsibility for pavements cafés within the Trading Standards Service.

It was emphasised that a Street Trading Licence would need to be obtained prior to the establishment of a pavement café, which would regulate, among other things, the hours during which each pavement café would be permitted to operate.

The report outlined the purpose of the LDO, the regulatory process and results of the consultation on the proposed LDO.

**Reasons for the decision:**

The statutory authority for an LDO comes from sections 61A-D and Schedule 4A of the Town and Country Planning Act 1990 (as inserted by

the Planning and Compulsory Purchase Act 2004). Schedule 4A dealing with procedure on LDOs at paragraph 3 states 'a local development order is of no effect unless it is adopted by resolution of the local planning authority'. Therefore for the LDO to come into effect, Cabinet must resolve to adopt the LDO, subject to approval by the Secretary of State.

**Other options considered:**

There were no alternative options as the requirements for adoption of an LDO are set out in statute and subordinate legislation. Should the Council choose not to adopt the LDO, pavement cafés would continue to require individual planning permissions, imposing an unnecessary regulatory burden on local businesses, and involving additional work and costs for the Council.

Cabinet **AGREED:**

- 1 To adopt the Romford Town Centre Pavement Cafés Local Development Order (LDO), attached as Appendix 2 to the report, subject to approval by the Secretary of State.**

**38 KINGS GEORGE'S PLAYING FIELDS, EASTERN AVENUE EAST, ROMFORD - PROPOSED GRANT OF LEASE FOR THE DEVELOPMENT OF A 5-A-SIDE FOOTBALL COMPLEX**

*Councillor Andrew Curtin, Cabinet Member for Culture, Towns and Communities, introduced the report*

It was explained that the development of a 5 a-side football Centre within the Borough had been a long standing objective of the Council. The chosen site at King George's Playing Fields had been designated as open space and as such there was a statutory duty for the Council to seek objections and representations to the grant of a lease of the land.

The report before members detailed the process undertaken to satisfy statute in connection with the proposed grant of a 30 year lease to Playfootball Limited.

**Reasons for the decision:**

1. The Council had a statutory duty to consider objections raised to the 'deemed disposal' of land designated as open space.
2. At the deadline for objections only one was received. This now required consideration by Cabinet.
3. The matters raised by the objection were not considered to be serious enough to outweigh the benefits of the proposed development. Noise would be minimised as it would be located as far as possible from the residences at the perimeter and separate sign-posted car parking would be provided.

**Other options considered:**

Other locations have previously been considered for the proposed development and have been discounted.

Cabinet considered the objection raised and **AGREED**:

- 1 To proceed with the disposal of the open space by way of the lease to Playfootball Limited in view of the objection received**

**39 HORNCHURCH COUNTRY PARK, SOUTH END ROAD, RAINHAM - PROPOSED INGREBOURNE HILL EXTENSION**

*Councillor Roger Ramsey, Cabinet Member for Value, introduced the report*

It was proposed that an extension of Ingrebourne Hill, northwards on 32 acres / 12.95 hectares of Council-owned land within Hornchurch Country Park to just south of Albyns Farmhouse, be created in order to provide a more interesting profiled and managed forested / wetland landscape.

In addition, the proposal would generate an income receipt to the Council from a pre-agreed share of the revenues from the deposit of inert material on the land, in association with Ingrebourne Valley Limited (the company), and a saving in Parks Service maintenance.

**Reasons for the decision:**

It had been considered by the Council as desirable to make improvements to the landscape profile of Hornchurch Country Park, which is currently relatively flat. The extension of the Ingrebourne Hill and subsequent tree planting / wetland in a managed scheme would provide a more interesting landform and features.

The proposal also had the benefit of producing for the Council –

- (a) a share of significant receipts from the company's rights to deposit inert material on the land, and
- (b) an ongoing saving from the transfer of the long term maintenance of the land to the company, which it would be required to use best endeavours to pass onto DEFRA / Forestry Commission by way of a Management Agreement on the payment of a pre-agreed dowry from the company.

The land would be contracted to be opened up again for the use and enjoyment of the general public as community woodland once the inert material deposit and forestry planting / wetland works were complete.

**Other options considered:**

It would be unacceptable for lorries to gain access to the subject land from South End Road utilising the Council's unadopted road shaded blue on plan sps 0741/1 at Appendix 1 to the report, as this would be incompatible with

the retention of public access to the remainder of Hornchurch Country Park during the period of the inert material deposit works.

Ingrebourne Valley Limited control the land to the south, including the proposed lorry access off an existing entrance in Rainham Road, ¼ of a mile (0.4 km) to the north of the Dovers Corner roundabout, and therefore there were no alternative proposals identified that could be pursued by the Council with other companies.

An option not to proceed had been considered, but rejected as it would be passing over a good opportunity to improve the landscape profile of Hornchurch Country Park, whilst gaining a much needed income receipt to the Council and tree planting / wetland and long term management scheme producing long term maintenance savings to the Council.

Concern was expressed that the proposed lorry routes for the importation for the inert material would pass through residential areas. Staff explained that the company involved with the scheme had a proven track record in delivering such projects and minimising the impact on local residents.

Cabinet **AGREED:**

1. **in principle to the Council:**
  - **Entering into a conditional Option Agreement with Ingrebourne Valley Limited to allow them a secure period within which to seek planning consent and the necessary environmental permits for the proposed inert waste depositing to form the Ingrebourne Hill extension; and within which,**
  - **Undertaking public consultation under the requirements of S.123 (2A) of the Local Government Act 1972 concerning interests being granted in respect of public open space.**
  - **That the agreement would include an income share between the company and the Council for the deposit of inert waste.**
2. **In principle that the Option Agreement include a right for the company, once satisfactory planning permission and environmental permits had been obtained and statutory consultation concluded, thereafter within a defined timescale to take a pre-agreed form of short lease for the depositing of the inert waste, together with an obligation to take a pre-agreed form of a 99 year lease from the Council for forestry planting and wetland management obligations when the depositing works were complete.**
3. **In principle to the Option Agreement giving the company the right to pass on the forestry planting and wetland management obligations by way of a co-terminus Management Agreement with DEFRA / the Forestry Commission on the payment to it of an agreed dowry from the company, subject to the acceptance of the scheme by the Forestry Commission.**



4. That once a planning permission had been applied for by the company, the Council initiate statutory consultation in accordance with S.123 (2A) Local Government Act 1972. Any objections received to be reported on at the earliest opportunity for consideration by Cabinet.
5. To delegate to the Assistant Chief Executive – Legal & Democratic Services, in conjunction with the Property Strategy Manager, the responsibility for the completion of all necessary contractual documentation.

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Chairman

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<b>CABINET</b> 14 DECEMBER 2011	<b>REPORT</b>
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<b>Subject Heading:</b>	The Council's Financial Strategy
<b>Cabinet Member:</b>	Cllr Roger Ramsey
<b>CMT Lead:</b>	Andrew Blake-Herbert Group Director Finance & Commerce
<b>Report Author and contact details:</b>	Mike Stringer Head of Finance & Procurement 01708 432101 <a href="mailto:mike.stringer@havering.gov.uk">mike.stringer@havering.gov.uk</a>
<b>Policy context:</b>	The Council is required to approve an annual budget and this report provides information to enable Cabinet to make recommendations to Council in February 2012
<b>Financial summary:</b>	There are no specific financial issues, this report deals with the overall budget position
<b>Is this a Key Decision?</b>	No
<b>Is this a Strategic Decision?</b>	No
<b>When should this matter be reviewed?</b>	December 2012
<b>Reviewing OSC:</b>	Value

**The subject matter of this report deals with the following Council Objectives**

Ensuring a clean, safe and green borough	[X]
Championing education and learning for all	[X]
Providing economic, social and cultural activity in thriving towns and villages	[X]
Valuing and enhancing the lives of our residents	[X]
Delivering high customer satisfaction and a stable council tax	[X]

## SUMMARY

Over the course of the last 15 months, Havering Council has agreed a package of savings to mitigate the impact of very significant cuts in central government funding to local authorities.

These savings, totalling in excess of £19 million in the first tranche, with a further £16 plus in the second tranche, were made up of a range of measures designed to reduce back-office costs, cut bureaucracy and focus resources where they would have the most impact – while remaining fair to those local residents who most rely on the Council for their day-to-day support.

Subsequent to the approval of these savings measures, the Government has issued a series of consultation papers on a variety of issues. These were considered by Cabinet in October 2011. The report included an assessment of the potential impact of the Government's proposals, and the Council's response to them. The final decisions on these areas are now awaited. There is one further issue relating to the Local Government Pension Scheme, which is covered in this report.

Although the Government announced a two year financial settlement, the figures for 2012/13 were provisional. The announcement for that year is due around 30 November, and whilst this is not expected to differ materially from the previous announcement, the figures will need to be examined carefully. However, the details may not be available in time for inclusion in this report.

The report contains the summary statements setting out the main principles of the Council's Medium Term Financial Strategy, in particular the revenue strategy, the capital strategy, and the procurement strategy, and seeks approval to recommend these to Council for adoption.

This report also sets out the position in the current financial year, and a number of other relevant issues, as these need to be taken into account in developing the detailed budget for 2012/13.

## **RECOMMENDATIONS**

Cabinet is asked to:

1. Note the Government's consultation process for the Local Government Pension Scheme, and the assessment of the potential impact on the Council.
2. Note that details of the Local Government Financial Settlement for 2012/13 will be reported to Cabinet in full in January.
3. Approve the revenue, capital and procurement strategy statements, as set out in Appendix B, and recommend their adoption to Council.
4. Note the position in the current financial year, as set out in Section 6.
5. Agree that financial support for the services provided by the Queens Theatre, Studio 3 Arts, HAVCO, and Motorvations as described in paragraph 7.10 of the report should be extended and incorporated into the base budget for 2012/13.

**REPORT DETAIL**

**1. FINANCIAL PROSPECTS FOR 2012/13 AND BEYOND**

- 1.1 The position in the current year, and for 2012/13 and beyond, was set out at some length in the report to Cabinet in July 2011. This was based on both the Comprehensive Spending Review (CSR), and the subsequent Local Government Financial Settlement (LGFS).
- 1.2 Based on the provisional settlement figures for 2012/13, and assuming that these do not change when the settlement is announced, there has been no material change in the budget gap. The position has therefore remained as previously reported to Cabinet in July.
- 1.3 The proposals set out in the July 2011 report are expected to deliver an overall savings package of around £16m over the next three years. Given the remaining budget gap set out in that report of around £20m, this savings package would largely meet the Authority's savings requirements without excessive Council Tax increases and not raising Council Tax above 2.5% throughout the life of this Administration. It would ensure a stabilised financial position with clear plans in place to meet the overall budget gap and bring as much certainty as possible to residents over both Council Tax levels – given the Administration's commitment to low increases – and the level of service they can expect.
- 1.4 Assuming there are no fundamental changes to the position, it was anticipated that there would be no need for further savings measures being proposed. However, Cabinet was advised that this would need to be considered in the light of the various consultation papers expected in the coming months after the report had been considered by Cabinet. A number of these were considered at the meeting of Cabinet in October 2011.

**2. GOVERNMENT CONSULTATION**

- 2.1 The Government has issued a series of papers from July, setting out proposals for dealing with a range of issues. These will have a fundamental impact on the funding of local government. Earlier announcements had already signalled the demise of the existing revenue grant funding regime, with the re-introduction of funding through business rates.
- 2.2 Alongside these proposals, the Government also issued for consultation papers on the localisation of Council Tax benefits. In addition, and although of lesser impact, the Government also consulted on other issues, including capital receipts, pensions, and academies.
- 2.3 The report to Cabinet in October outlined each of these, setting out a summary of key highlights, and an assessment – where possible to assess it – of the

impact on the Council. Finally, the report also included the Council's formal response to the consultation.

- 2.4 The consultation period for these has now closed. The Government is in the process of considering the consultation responses, and the final proposals are now awaited. It is hoped that these will be forthcoming sooner rather than later, to maximise the amount of time available to consider them, and to evaluate their impact on the Council and its financial position.

### **3. LOCAL GOVERNMENT PENSION SCHEME (LGPS)**

- 3.1 The DCLG published a consultation document on the Local Government Pension scheme in October 2011 which is the subject of a detailed report on this agenda. The main thrust of that report is to seek comments on the Governments proposals to achieve savings in the LGPS for the three years commencing 2012/13. Details of this were included in the report to Cabinet in October.

- 3.2 Subsequently, on 2<sup>nd</sup> November, the Government published a further document "Public Service Pensions: good pensions that last". That paper sets out its recommendations for Public Sector Pensions from April 2015.

- 3.3 The paper recommended a preferred pension scheme for the public sector. It also recommends the introduction of a Career Average Scheme replacing the Final Salary Scheme from April 2016. Detailed proposals for the LGPS were not however available. It was emphasised that short term savings in the LGPS, as set out in the DCLG consultation, would still be required for the next three years. Some of the proposals that relate to the new scheme would impact upon the LGPS consultation options (e.g. protection for those with less than 10 years to retirement).

- 3.4 What was clear from this paper was an expectation that local government would deliver a short term saving of £900m from the LGPS. However, the exact route to deliver that saving was unclear. There is the prospect that this saving could be delivered by a reduction in funding. Information from informal sources suggests this will not be the case, but this remains a potential risk.

- 3.5 A summary of the key points from the more recent paper is set out in Appendix A. The issue of reforms to the LGPS was discussed at the meeting of the Pensions Committee in November, where it was agreed that the Council's response would be approved by the Cabinet Member for Value and the Chairman of the Committee.

### **4. LOCAL GOVERNMENT FINANCIAL SETTLEMENT (LGFS)**

- 4.1 As has now become customary, the announcement of the LGFS in late 2010 covered a two year period, covering both 2011/12 and 2012/13. It was made clear at the time that this would be the last such settlement, with plans announced for a transition to the retention of business rates. The figures for 2012/13 were, however, provisional. It is usual for the detailed elements of the

highly complex formula based system to be revisited, and this can lead to changes from one year to the next.

- 4.2 The announcement of the provisional 2012/13 settlement was originally due around 30 November, although this was subsequently been delayed. It may therefore not be announced early enough for inclusion within this report, although, by the time Cabinet meets, the information should have been made available. The report to Cabinet in January will therefore include an analysis of the settlement and its impact. If there is any material change, this will be reported verbally at the Cabinet meeting.

## **5. MEDIUM TERM FINANCIAL STRATEGY (MTFS)**

- 5.1 The Council has operated a medium term financial plan for a number of years. The MTFS has formed the bed-rock of the Council's financial management approach, and has enabled a high degree of financial stability to be achieved.
- 5.2 The principles of the MTFS are encapsulated in strategy statements. These have previously been developed to cover, separately, the revenue and capital budgets. To complement these, a further statement has been developed to cover the procurement strategy.
- 5.3 These strategy statements underpin the Council's budget setting and budget management processes. They are required to be formally approved by Council, and Cabinet is therefore asked to recommend their adoption. The strategy statements are set out in Appendix B.

## **6. FORECAST POSITION FOR 2011/12**

- 6.1 In considering the strategy for the remainder of the CSR period, due account needs to be taken of the Council's financial position in the current financial year. This will ensure that the strategy is developed in light of any issues that may or will affect the medium to long term financial position.
- 6.2 The latest forecast position as at September, period 6, is set out in the table below:

<b>Directorate/Service</b>	<b>Variance Forecast £000</b>
Communications	(25)
Culture & Leisure	38
Customer Services	200
Directorate Support	(35)
Regeneration & Strategic Planning	(140)
Streetcare	266
<b>Culture &amp; Community</b>	<b>304</b>
Adult Social Care	(70)
Children & Young People	891

Commissioning	(485)
Learning & Achievement	(41)
<b>Social Care &amp; Learning</b>	<b>295</b>
Asset Management	755
Corporate Financial Matters	(2,264)
Development & Building Control	76
<b>Finance &amp; Commerce</b>	<b>(1,433)</b>
<b>Legal &amp; Democratic Services</b>	<b>(54)</b>
<b>Total</b>	<b>(888)</b>
Contingency	0
<b>Total</b>	<b>(888)</b>

6.3 The main variances included in this position are as follows:

**Culture and Communities**

Customer Services	Customer Services Centre	Reduction in income from court costs	200
Regeneration		Early delivery of savings	(140)
Streetcare	Parking facilities	Continued shortfall in Angel Way income levels, season tickets, permits & parking disc	200

**Social Care and Learning**

Children & Young People	Children's Placements and CAMHS	CAMHS commissioned services £360k Children's Placements £612k - Increased demand	972
Learning & Achievement	Catering	Additional catering income	(400)

**Finance and Commerce**

Asset Management	Romford Market; Technical Services	Romford Market £220k Technical Services £500k	720
Corporate Financial Matters	Release of Provisions; Surplus on Corporate Budgets; and Shortfall on Advertising hoardings.	Release of the Insurance Provision £500k Surplus on Concessionary Fares budget £436k Balance on ELWA levy budget £308k Central Transformation Team underspend £500k £230k shortfall in hoardings advertising income Increased recoveries from agency contract £350k Increased income from deposits £400k	(2,264)



- 6.4 At this stage, no assumption has made about the deployment of the contingency fund to cover any of the services areas currently forecasting an overspend. Only minor allocations have been made to date, and the balance of the fund remains available.
- 6.5 Whilst overall forecast indicates a level of underspend, there are potential pressures during the latter half of the year, and especially during the Winter months, that could adversely affect the position. This could affect the overall forecast and this should therefore be treated with some caution at this point. Budget holders are mindful of the need to maintain spend within budget.
- 6.6 The position will be kept under review and particular attention will be paid to any material adverse variances, to determine whether any of these are likely to remain as variances and continue into 2012/13. The next report to Cabinet will include a further update on the forecast position.

## **7. OTHER ISSUES**

- 7.1 There are five other factors that have come to light and for which due account will need to be taken as part of the budget setting process:
- Freedom passes
  - Council Tax freeze grant
  - Waste collection funding
  - London Borough Grants Scheme
  - General economic climate.

### *Freedom Pass*

- 7.2 Details of the likely costs to boroughs of the freedom pass scheme have been recently announced. The overall increase across London was expected to be in the region of 7%, which in Havering's case would have meant an additional £500k. However, based on usage numbers, the proposed increase for the Council for 2012/13 is estimated as £416k, or just below 6%.
- 7.3 Whilst this cost could be absorbed within the overall budget provision, this provision in fact makes up part of the savings from corporate provisions included as part of the schedule of savings within the July 2011 Cabinet report. This therefore represents an additional pressure facing the Council.

### *Council Tax Freeze Grant*

- 7.4 Cabinet will be aware from the October report that the Government had announced plans to fund a further Council Tax freeze in England. Details of the operation of the scheme have now been announced. As already advised to Cabinet, it has been confirmed that this will only be payable for 2012/13, and will then be withdrawn the following year. The grant is only payable if authorities either reduce or freeze their Council Tax.

7.5 Authorities are therefore faced with a difficult choice. They can seek to deliver a budget that freezes Council Tax, and take the one year advantage of the additional, one-off grant, which would then leave authorities facing a further shortfall on funding. This would then require additional savings or a material rise in Council Tax to recover the “lost” funding. The alternative is to implement a rise in Council Tax, miss the one-off funding, but gain a longer term benefit from a rise in base revenue.

*Waste Collection Funding*

7.6 The Secretary of State announced that he was making a £250m fund available for councils who either guarantee to introduce, reinstate or retain weekly bin collections for the next 5 years. The money will also depend on other environmental benefits local authorities offer, such as increasing recycling, reducing fly-tipping/litter. Councils will be able to bid for funding individually or in groups and can include the private sector "where this increases value for money". The money will become available as of April 2012.

7.7 Further details of the funding are awaited, so it is as yet unclear if this is additional funding, or whether it will be necessary to incur additional, matching costs.

*London Borough Grants Scheme*

7.8 In July 2011 Cabinet received a report on the implications for Havering of changes to the London Borough Grants Scheme (LBGS). The effect of the changes was that only high-priority London-wide services would receive funding centrally from the LBGS, with the decision whether to continue funding for other services being devolved to individual boroughs.

7.9 The LBGS changes were implemented on 15 August 2011. Cabinet approved interim criteria for considering grant applications for the remainder of the 2011/12 financial year from organisations whose LBGS funding had been discontinued. The criteria required clear evidence that applicants were delivering services which were of substantial benefit to Havering’s community, which represented value for money, and could be delivered for approximately the same level of Council funding as previously unless there were exceptional circumstances justifying a higher level of grant. Decisions whether to approve grant applications were delegated to the Cabinet Member for Value and the Cabinet Member for Towns and Communities (with the Leader of the Council acting in the place of either or both of those Members if they declared an interest in the decision).

7.10 Four grant applications were approved as meeting the criteria, as set out in the table below:

	Part Year 2011/12 Grant (£)	Full Year Equivalent (£)
<b>Queens Theatre</b> – educational programmes for young	15,656	20,875

people to participate in arts and culture		
<b>Studio 3 Arts</b> – promoting access to cultural activities and delivering specific projects	8,000	10,600
<b>HAVCO</b> – providing an accountancy service for voluntary organisations	15,000	20,000
<b>Motorvations</b> – providing an holistic programme for young people to acquire skills and progress into employment	11,790	15,720
<b>TOTAL</b>	50,446	67,195

7.11 A review of the support which the Council provides for the voluntary sector is currently being undertaken as part of the Administration Project on Community Action, and the above four projects are consistent with the good practice principles emerging from the review in that they are each delivering a clearly specified service which accords with Council priorities, in line with a service agreement which requires the delivery of specific outcomes. It is therefore recommended that the Council's support for these four projects should be extended and incorporated into the base budget for 2012/13, using available funds within the existing LBGS budget.

#### *General Economic Climate*

7.12 The general prospects remain gloomy. The world economy remains unstable, there are highly publicised issues across the Eurozone, employment figures within the UK have worsened, and there are risks the Government's target for eliminating the budget deficit may not be achieved.

7.13 This increases the risk that it will be necessary for the Government to revisit its financial plans. So, although the plans within the Comprehensive Spending Review already map out a significant reduction in Government funding, it is possible that further reductions may be implemented.

7.14 This factor, alongside the changes already known about, but for which the financial impact is so far impossible to assess, make forecasting the financial position beyond 2012/13 extremely difficult. What this does, however, emphasise, is the need for prudence and robust planning of savings.

## REASONS AND OPTIONS

### **Reasons for the decision:**

It is essential that the Council's financial strategy takes due account of Government plans, and any other material factors where these are likely to have an impact on the Council's financial position. This report provides an update to Cabinet on issues relevant to the budget setting process.

**Other options considered:**

None. The Constitution requires this as a step towards setting the Council's budget.

**IMPLICATIONS AND RISKS**

**Financial implications and risks:**

The Council's budget process will ensure that financial implications and risks are fully met. There are risks given the uncertainty over the outcome of the LGFS, and the potential impact on specific grant streams, but the steps already taken by the Council should mitigate much of this.

There are greater risks in the medium term, with the continuing economic uncertainty as well as a number of significant changes that will impact on the funding of and financial management of local government. The Council therefore needs to maintain a prudent approach over its financial management and the budget setting process.

**Legal implications and risks:**

The Council is subject to a number of duties in relation to revenue, capital and procurement. For instance, as a Best Value Authority the Council is under a duty to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness." s 3 Local Government Finance act 1999. The proposals set out in the Strategies attached at Appendix B appear to comply with these general duties as they are lawful, prudent approaches to the significant fiscal pressures facing the Council.

**Human Resources implications and risks:**

The Council has worked closely with its staff and with Trades Unions to ensure that the effects on staff of the savings required have been managed in an efficient and compassionate manner. Lessons learned and shared with the trades unions will be used as the Council moves forward with the savings proposals. This will include serving the appropriate statutory consultation notices. A communications process and support mechanisms retained to support staff through the change process. The new staff/trade union consultation mechanism (the Transformation Consultation Forum (TCF)) that focuses on the transformation and other organisational change initiatives has proved effective and this will be kept in place. There are a number of management restructures planned and given that some of these have cross directorate implications, CMT will determine the exact timing of these restructures over the next few months.

As previously, compulsory redundancies will be minimised wherever possible and the scale and level of redundancies, will be carefully monitored by the Group Director Finance and Commerce against the overall business case for the Council in terms of delivering the Transformation Strategy and budget savings targets.

All savings proposals or changes to the funding regime that impact on staff numbers, will be managed in accordance with both statutory requirements and the Council's Managing Organisational Change & Redundancy policy and associated guidance.

**Equalities implications and risks:**

There are no equalities implications or risks at this stage. However forthcoming decisions to be made regarding the Local Government Pension Scheme and any savings that need to be considered following publication of details of the Local Government Financial Settlement may carry equalities implications and risks and accordingly, these will need to be analysed.

**Other Risks:**

There are no particular other risks arising, other than a significant increase in workload is likely to implement the new legislation as and when it is enacted. This is being planned for but much of the detail will have to await the final announcements and publication.

**BACKGROUND PAPERS**

There are none.

APPENDICES

APPENDIX A  
APPENDIX B

LOCAL GOVERNMENT PENSION SCHEME  
FINANCIAL STRATEGY STATEMENTS

## THE FUTURE OF LOCAL GOVERNMENT PENSIONS

### **Introduction**

The DCLG published a consultation document on the Local Government Pension scheme in October 2011 which is the subject of a detailed report on this agenda. The main thrust of that report is to seek comments on the Governments proposals to achieve savings in the LGPS for the three years commencing 2012/13.

On the 2nd November the Government published a further document "Public Service Pensions: good pensions that last". The paper sets out its recommendations for Public Sector Pensions from April 2015.

### **General Points**

The paper recommends a preferred pension scheme for the public sector.

It recommends the introduction of a Career Average Scheme replacing the Final Salary Scheme from April 2016.

Detailed proposals for the LGPS are not available.

Short term savings in the LGPS, as set out in the DCLG consultation, will still be required for the next three years.

Some of the proposals that relate to the new scheme will impact upon the LGPS consultation options (e.g. protection for those with less than 10 years to retire).

### **The Key Points from the Proposals:**

- Benefits already earned are protected.
- For those in final salary schemes, those past benefits will be linked to their final salary when they leave the scheme or retire.
- For those public service workers who, as of 1 April 2012, have ten years or less to their current pension age, the Government's objective is that they will see no change in when they can retire, nor any decrease in the amount of pension they receive at their current Normal Pension Age.
- Government will continue to pay more overall toward pension benefits than the workforce.

### **The Government's preferred scheme design will ensure:**

- Guaranteed, index-linked pension benefits on retirement.

- An accrual rate of 1/60ths and earnings indexation for benefits while still working in the public service. (although its acknowledged that this may change as the LGPS may alter the accrual rate in order to reduce contribution rates)
- Fairer distribution of benefits across the workforce.
- That most low and middle earners working a full career will receive pension benefits at least as good, if not better than they get now. So called high flyers will be worse off.
- People will not be forced to work longer. There will also be a choice about when to retire with adjustments to the pension for those retiring earlier or later than the State Pension Age.

**Local Council Cost Ceilings for Scheme Specific Discussions**

<b>Gross Cost Ceiling</b>	<b>Taxpayers</b>	<b>Employees</b>
20.4%	10.5%	9.5%

- The proposed cost ceiling for the LGPS is lower than those of other public sector schemes.
- The impact on contribution rates for employers and employees in the LGPS would be heavily influenced by these ceilings. However, the actual levels will depend upon the outcome of the detailed options which relate to the LGPS.



## REVENUE BUDGET STRATEGY

The Council will ensure that there is an effective Medium Term Financial Strategy in place to drive forward the financial planning process and resource allocation. The financial strategy will be determined by policies and priorities contained within the Sustainable Communities Strategy, together with other key Strategies, and with appropriate linkages in place to the Service Planning process.

The Council is clear about its Living Ambition, to provide our residents with the highest possible quality of life, the five key goals for the future development of the borough and the priorities in the Sustainable Communities Strategy, and will redirect resources to support their achievement.

The Council recognises the pressures on its budget, and while seeking to protect and enhance front-line services as far as possible, will aim to contain these pressures within existing resources. Cabinet Members will examine all budget pressures and seek reductions where possible.

The Council will wherever possible seek new funding and new ways of working. The Council will continue to look at new methods of service delivery to improve services to the public and the value for money that they provide, including working in partnership with others.

The Council will continue to seek to improve efficiency and deliver value for money, in particular, the Council will aim to identify efficiencies that will not impact on service delivery, and to identify options that will improve the value for money of its services through improving performance, and/or reducing service costs.

The Council will ensure that, given the severe financial pressures it is facing, growth will only be supported in priority areas, or where the Council is required to fund new responsibilities.

The Council will however ensure that the most vulnerable members of its community are protected, will continue to lead in the development of social cohesion, and will ensure that the services provided and resources allocated reflect the diverse nature and needs of our local community and our responsibilities to the local environment.

The Council will lobby to ensure that the Government provides adequate funding to take on any new responsibilities and to illustrate the impact of the low funding basis for Havering and its residents, but will ensure that, in broad terms, its spending is in line with the basis on which the Government allocates grant funding.

The Council will ensure that it engages with its local community, its partners and individual stakeholders in developing financial plans, and will reflect on the outcome of its consultation process in the identification of priorities and the allocation of resources.

**Cabinet, 14 December 2011**

That, while addressing its priorities and setting a balanced and prudent budget, the Council will seek to keep any increase in the Council Tax to the lowest possible level and in line with its stated aspirations whilst maintaining reserves at the minimum level of £10m.

And as part of that process, the Council will not utilise those reserves, or any reserves earmarked for specified purposes, to subsidise its budget and reduce Council Tax levels as this is neither a sustainable nor a robust approach.

The Council will adopt a prudent capital programme designed to maintain and where possible enhance its assets, in line with the Living Ambition.

The Council will finance capital expenditure through a combination of external funding and capital and Section 106 receipts, and will only apply prudential borrowing as a last resort, unless a business case can be made to finance investment through borrowing, where there is an income or savings stream arising from the investment.

## CAPITAL BUDGET STRATEGY

The capital budget strategy sets out the Council's approach to capital investment over the medium term. It has been developed in consultation between senior officers, Members and the Council's key strategic partners and is integrated with Havering's Community Strategy.

The Council will ensure it engages with the local community and wider stakeholders in developing its financial plans.

The Council has adopted a prudent capital programme in line with the Living Ambition designed to:

- protect, maintain and develop existing assets and infrastructure – the backlog of repairs to existing assets such as school buildings, office accommodation, and infrastructure assets such as roads and paths;
- develop new facilities for which there is significant public demand or upgrading assets to meet the expectations of local people, and obtaining value for money from the use of our assets and resources;
- support the delivery of the Council's transformation programme and further initiatives to improve efficiency and effectiveness e.g. through the adoption of new technology to release revenue savings or improve service delivery to the community.

The Council will seek to continue to improve efficiency and value for money, in particular to:

- maximise asset utilisation;
- ensure assets are fit for purpose and health and safety compliant;
- facilitate and promote community use;
- explore alternative management arrangements e.g. leases to community groups;
- explore opportunities for innovative ways to procure and deliver capital projects to maximise the resources available;
- consider the wider aspects of capital projects, for example whole life asset costs, equality and diversity, and environmental implications;
- investigate shared usage/ownership arrangement with other local authorities, partners and stakeholders.

As well as the above, the Council's approach to capital asset management includes the review of existing assets in terms of suitability for purpose, alternative and future use, and maintenance requirements. The aim for the Council to rationalise its asset portfolio and only hold assets that support the delivery of its goals, offer value for money or in some other way are important for community, heritage or other significant social purpose.

The capital budget strategy is intrinsically linked to the revenue budget strategy. The revenue implications of capital expenditure and funding decisions are explored and accounted for on an ongoing basis. These are reflected as appropriate and include the consideration of the challenging financial climate which the Council faces.

The Council will finance capital expenditure through a combination of:

- Receipts
- External Funding
- S106 Contributions
- Revenue Contributions to Capital
- Capital Grants
- Capital Allowances
- Supported Borrowing
- Prudential Borrowing

Each funding stream is considered in terms of risk and affordability in the short and longer term.

The current and future economic climates have a significant influence on capital funding decisions. As a result planned disposals are kept under regular review to ensure the timing maximises the potential receipt where market conditions are not favourable.

Capital expenditure will only be permitted where funding streams have been identified and confirmed. Prudential borrowing will only be used as a last resort, unless a business case can be made to finance the investment from an income or savings stream.

Every effort is made to maximise grant funding, leverage opportunities and other external funding opportunities, where they are consistent with the Council's vision, goals and other specific strategies. Use of grant funding will however only be made where the cost to the Council is minimised or where this – both capital and revenue – can be contained within existing resources.

Where expenditure is to be financed through capital, this will only occur where funds have been realised. S106 contributions are not committed until they are actually received. This is due to the complex conditions and timing issues that can be associated with them.

The Council is also continuing to attract private investment into Council facilities through exploration of potential partnership and outsourcing arrangements.

This funding approach has been made with reference to the Council's current and longer term financial position, the prudential code, the current and projected economic climate, and the Council's asset management strategy as set out in the Corporate Asset Management Plan.

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The capital programme will be reviewed on an annual basis. This will consider items such as new funding opportunities and Member priorities. In year changes e.g. the availability of additional external funding, will be made on an ongoing basis as part of routine programme management. These will be implemented with regard to the Council's Constitution and agreed procedures.

## PROCUREMENT STRATEGY

Havering spent £132M during 2010/11 on goods, works and services provided by external organisations, and has a duty to make sure that this spending represents value for money.

The objective for our procurement expenditure is to become strategic and act as one organisation in the planning and buying of goods, works and services.

### **Procurement Aims**

Our key procurement aims are:

- Efficient and effective procurement;
- Socially responsible procurement;
- Effectively managing suppliers

### **The above aims will be delivered through:**

- Partnering with others organisations to spread tendering costs and present a more attractive offering to suppliers that will deliver VFM.
- Recognising that the Strategic Procurement Business Partner/ Operational Procurement Team are the leads for key procurement activity that they will provide advice and guidance to Directorates.
- Ensuring that contracted services deliver efficiency savings and quality.
- Developing and disseminating procurement procedures and good procurement practice.
- Encouraging a diverse and competitive range of suppliers.
- Ensuring that Procurement is planned and managed.
- Using procurement to deliver or support the Council's service aims and goals.
- Encouraging and supporting Small and Medium Enterprises (SME's).
- Encouraging and developing Shared Services and other partnerships.
- Achieving Value for Money through better procurement.
- Helping to develop a commissioning strategy.

### **Key principles**

All departments must keep to and promote the following principles to deliver best value procurement:

- Be open and transparent about procurement activity;
- Be driven by desired results;
- Create the most advantageous balance of quality and cost;
- Reduce the burden on administrative and monitoring resources;
- Simplify routine transactions;
- Allow flexibility in developing alternative procurement and partnership arrangements;
- Encourage competition, where appropriate;
- Encourage better use of technology;
- Encourage high-quality businesses to provide quotes;
- Be supported by our corporate procurement strategy;
- Include our corporate policy aims; and

- Follow all our regulations and the law that applies in the EU and UK.

**All services must show that that through their procurement of goods, works and services that they:**

- Are committed to people who use the services;
- Meet our values and strategic priorities
- Meet the Council's vision
- Provide value for money
- Meet service aims;
- Are committed to continuous improvement;
- Are committed to quality, equality and diversity;
- Work efficiently;
- Have effective management, systems and procedures;
- Have flexible working arrangements to meet users;
- Are committed to sustainability and minimising climate change; and
- Are committed to our policy aims.

The key documents that need to be referred to are The Procurement Strategy and The Contract Procedure Rules (CPRs). These can be accessed via the link below.

<http://www.havering.gov.uk/Pages/Procurementpolicy.aspx>

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<b>CABINET</b> <b>14 DECEMBER 2011</b>	<b>REPORT</b>
<b>Subject Heading:</b>	Blue Badge Scheme
<b>Cabinet Member:</b>	Councillor Michael Armstrong, (Transformation)
<b>CMT Lead:</b>	Cynthia Griffin – Group Director (Culture and Community)
<b>Report Author and contact details:</b>	Jeff Potter, Head of Customer Services
<b>Policy context:</b>	The Blue Badge Improvement Service is a Department for Transport initiative to counter fraud and abuse.
<b>Financial summary:</b>	The proposals can be implemented without any additional net costs.
<b>Is this a Key Decision?</b>	No
<b>Is this a Strategic Decision?</b>	No
<b>When should this matter be reviewed?</b>	At end of contract with Northgate
<b>Reviewing OSC:</b>	Environment OSC

**The subject matter of this report deals with the following Council Objectives**

Ensuring a clean, safe and green borough	<input type="checkbox"/>
Championing education and learning for all	<input type="checkbox"/>
Providing economic, social and cultural activity	
in thriving towns and villages	[X]
Valuing and enhancing the lives of our residents	[X]
Delivering high customer satisfaction and a stable council tax	[X]

**SUMMARY**

This report informs the Cabinet of the forthcoming national changes to the Blue Badge scheme; and seeks approval on increasing the administration charge to successful applicants.

**RECOMMENDATIONS**

1. To note the introduction by the Department for Transport of the Blue Badge Improvement Service with effect from 1<sup>st</sup> January 2012.
2. To agree to the proposed increase in administration charges from £2 to £10 for each successful Blue Badge application, replacement or renewal with effect from 1<sup>st</sup> January 2012; thereby recovering associated costs.
3. To note the Department for Transport's requirement for the Mobility Assessment of all Blue Badge applicants with effect from 1<sup>st</sup> January 2012.
4. To note that these changes will not affect the existing facility for Blue Badge holders with the greatest need (those who qualify for the Badge without the need for further assessment) to park for free in Council car parks.

**REPORT DETAIL**

**1. Blue Badge Improvement Service (BBIS)**

- 1.1 With the pressure across Government and the public sector to deliver more effective services to customers, whilst cutting budgets and identifying efficiencies, local authorities are under even more pressure to do more with less. Local authorities have been encouraged to take opportunities that present themselves in order to share services and work together to achieve greater economies of scale.
- 1.2 The Department for Transport's Blue Badge Improvement Service (BBIS) fits into the overall Blue Badge Reform Programme announced by Norman Baker on 14<sup>th</sup> February 2011 and will 'go-live' on 1<sup>st</sup> January 2012. The aim of BBIS is to ensure that the Blue Badge administration is fair, no matter where the applicant lives in Britain, to prevent fraud and to reduce the current high levels of abuse.
- 1.3 The BBIS promises to bring significant operational and other efficiencies for local authorities, therefore providing increased value for money for the borough's residents. The DfT estimates that the annual benefit of a Blue Badge (BB) to a disabled person is on average £100. The benefit to those who travel into the realms of central London's Congestion Charge at no cost, could be as much as £5,000 per annum.
- 1.4 The DfT has carried out a competitive procurement for a supplier to develop and deliver BBIS. Northgate Information Systems and Payne Security have been

## **Cabinet, 14 December 2011**

selected as the successful suppliers during a five year contract. The Council has completed an Access Agreement for the services to be delivered by Northgate.

1.5 BBIS will provide the following:

- Secure printing, personalisation and distribution of the new BB design
- A central database of all BBs on issue and key information on badge holders
- An on-line eligibility checker and application form available via the Directgov site
- A secure web-based service available over Government Connect (GCSx)
- Accreditation to HMG security requirements
- Compliancy with data protection legislation

1.6 The central database, an on-line application system and a single print service for the badge offer many benefits:

a) Fraud prevention and effective enforcement

- automated checks can be made at application stage to prevent multiple or fraudulent applications
- use of sophisticated anti-fraud technology is included in the new badge design
- a single supplier means improved security in the supply, storage and distribution of badges
- quick and easy enforcement checks can be made by enforcement officers from anywhere in the country on badges issued by any LA, either using a desktop PC or SMARTphone

b) Modern services

- automated checks can reduce the need for time consuming, paper-based checks on applications by LAs

c) Improved customer services

- quicker, easier renewals for people whose circumstances have not changed
- reminders can be sent centrally, via letter, email or text message
- records can move to different LAs if the badge holder moves house

d) Significant operational and other efficiencies for LAs

- Northgate and Payne are investing the capital costs needed to develop the system
- LAs will pay a charge of £4.60 (ex VAT) per badge issued, to Northgate for the service
- all LAs will pay the same price for the same level of service
- the price is fixed for the duration of the contract
- enforcing LAs will not be charged for enforcement checks

1.7 The £4.60 charge per badge from Northgate to the local authorities includes: the cost of sending each successful applicant the new badge, the parking clock, the 'Rights and Responsibilities' leaflet, a covering letter and 2<sup>nd</sup> class postage.

## **2. New Blue Badge Charge of £10**

2.1 The current charge for a BB is £2, the maximum local authorities are allowed to charge. The DfT has amended legislation, raising the maximum Blue Badge fee that English LAs can charge to £10. The successful applicant will pay this charge to the council when collecting their BB from the PASC.

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- 2.2 The BB will continue to be valid for three years; and it is recommended that Havering adopts this £10 fee with effect from 1<sup>st</sup> January 2012 to recover the full costs of administration, mobility assessment, badge manufacture and enforcement.
- 2.3 This £10 charge will contribute towards the £4.60 (excl. VAT) charge per badge issued to Northgate (whom will bill the Council monthly in arrears).
- 2.4 The average number of BBs issued annually is 4,000 (2,500 renewals, and 1,500 new applicants). On this assumption, it is estimated that:
- Havering will receive £40,000 from BB charges (if the £10 fee is approved)
  - the annual payment to Northgate will be approximately £18,400
  - Havering will generate approximately £21,600 to contribute towards the new costs of administering the service, and the mobility assessments

### **3. Applications and Administration**

- 3.1 Havering Council, like all other local authorities, will still play a major part in the BB application process as it retains responsibility for certain parts of the process including: uploading applications onto the system, checking the evidence provided, deciding who is eligible or not for the BB service by undertaking assessments (see below), and entering the information onto the Northgate database (and automatically onto CRM).
- 3.2 The BB administration in Havering is undertaken by Customer Services, and good practice will continue to be followed by satisfying key principles:
- **Clear and Customer friendly:** application routes are easy to comprehend and all forms and questions used are easy to understand and complete.
  - **Fair and consistent:** the process is uniform within the borough, so that every applicant provides the same information about themselves and their disability when applying.
  - **Speed and efficiency:** the application process is not overly cumbersome from the perspective of both the applicant and the council (in processing the information collected). Only questions which are pertinent to an individual's application for a BB are contained in forms, which support the efficient 'downstream' eligibility assessment practices.
  - **Resistant to abuse:** the process has built-in reasonable safeguards to discourage overly speculative applications and enable the council to identify fraudulent applications.
- 3.3 The BB administration being located within the PASC has the advantage of providing targeted information for people with specific mobility issues from a dedicated resource. This provides a 'front line' contact facility with incoming calls and 'drop-in' visitors being supplied with the new Application Form and help with its completion. The application form will also be accessible from DirectGov website.
- 3.4 Front line staff support a small back-office team who work largely without interruption from telephone calls; however are available to meet members of the public or field calls from people with more complex enquiries whenever necessary.

## **Cabinet, 14 December 2011**

The back office team are responsible for processing BB application forms, however *will also* become responsible for undertaking cross-checks of the council's databases particularly CRM. This will place a new administrative burden on the existing staffing resources.

- 3.5 "Non-automatic" applications will be subject to a Desk Top Assessment (DTA) by the back office team; and those applications deemed borderline will require an Independent Mobility Assessment (IMA) by an Occupational Therapist.
- 3.6 DTAs and IMAs undertaken will replace the flawed process of General Practitioner 'assessment'. The proportion of BB applicants refused a badge following GP 'assessment' has been extremely low - just 6.6% in local authorities outside of London and 0% in local authorities in London.

### **4. Eligibility Criteria**

- 4.1 The criteria for being in receipt of a BB in Havering (and the vast majority of other local authorities) is as follows:

Eligible Without Further Assessment (previously known as Automatic):

- Being registered as blind under the National Assistance Act 1948
- Being in receipt of the Disability Living Allowance at the higher rate for Mobility\*
- In receipt of War Pensioners' Mobility Supplement

*\* Local authorities are now encouraged to request proof of eligibility for HRMCDLA from last 12 months in order to ensure it is current. If the applicant's award notice letter is more than 12 months old, this can be achieved using the annual uprating letter that is issued to all recipients.*

Eligible Subject to Further Assessment (previously known as Discretionary):

- Applicants who do not fulfil the Automatic criteria, are more than three years old and fall within one or more of the following:
    - have a severe disability affecting both arms, drive regularly and cannot operate or have considerable difficulty in operating all or some types of parking meters.
    - unable to walk or have considerable difficulty in walking due to a permanent and substantial disability.
- 4.2 All discretionary (non-automatic) applications will be assessed by a Desk Top Assessment and if necessary an Independent Mobility Assessment by an Occupational Therapist.
  - 4.3 Customer Services will provide our customers with a convenient and easy way of obtaining a BB while supporting a channel migration strategy of encouraging access to services via online channels.

### **5. Independent Mobility Assessment**

- 5.1 It makes sense to use the new BB assessment practices and procedures to act as a catalyst for the joining up with those other locally administrated benefits and concessions in Havering, such as Disabled Freedom Passes, Taxicard, social care and adaptations in the home (rather than the existing situation in which a separate assessment is required for each scheme). The proposed "joint assessments" will reflect good practice due to strong customer service benefits, and deliver

## **Cabinet, 14 December 2011**

significant cost savings to the council. The development of a central database (within the CRM) is therefore critical.

- 5.2 The application of DTAs, and if required Independent Mobility Assessments (IMAs) by occupational therapists will ensure that a fair and equitable service is received by all applicants.
- 5.2 DTAs will be used to filter applications by approving applications from “automatic” recipients, and refusing inappropriate applications - thus eliminating significant costs.
- 5.3 It is estimated that there will be 2,500 new applications each year and 1,500 renewals – making a total of 4,000 cases.
- 5.4 Annually, it is likely that of the total BB applications; 30% (approximately 1,200) will be received from “automatics”; and the remaining 70% (approximately 2,800) from “discretionarys” i.e. requiring an initial DTA. Of these 2,800, it is likely that 25% (700) will be considered borderline and will require an IMA. Thus, based on current trends, approximately 2,800 DTAs (an average of 11 per work day) and 700 IMAs (an average of three per work day) will be required to be performed each year.
- 5.5 The market rate for an IMA is approximately £30 (including the profit margin). To fund these assessments, the Occupational Therapy unit within Customer Services will be credited with £10 for every DTA and £25 for every IMA carried out. Appeals will be undertaken by another occupational therapist within the team carrying out a second IMA; and will be final.
- 5.6 It is planned to introduce similar DTA and IMA arrangements for Taxicard and Disabled Freedom Pass schemes as soon as possible, including funding for assessments to Customer Services.

## **6. Funding for Mobility Assessments**

- 6.1 To deliver approximately 2,800 DTAs and 700 IMAs each year will require funding in the order of £45,500. The Department for Transport has informed all local authorities that the monies previously used to fund PCTs to pay General Practitioners for every assessment (£25.12) is now included within the Adults’ Personal Social Services (PSS) specific revenue grant funding. The component of the BB funding from the Learning Disability and Health Reform Grant for LB Havering is £27,300 (2011/2) and £27,800 (2012/3). This will be topped up with surplus monies from the application fee, less the fees to Northgate (approximately £21,600, see paragraph 2.3).

## **7. Communication and Websites**

- 7.1 There are many residents who are currently BB holders or are about to make an application. In order that these residents are fully briefed, communication shortly to be received issued from the DfT will be adapted and issued via the local media and the Living in Havering magazine. This will include Frequently Asked Questions, and a quote from the Minister for Transport.

- 7.2 Application forms and guidance notes will be available for collection from the PASC, and via Royal Mail. Increasingly, IT-literate respondents are keen for more information to be made available on websites to enable them to research the scheme and directly download application forms. Less IT-literate respondents will ask family members, friends or carers to find them information on the internet whenever necessary.
- 7.3 This underlines the importance of providing good information about the BB scheme which is easily accessed via the internet. It is essential that there is a high level of detail and clarity of the information available to residents is made available on the DirectGov and LBH Blue Badge web pages – within “two clicks”. The existing web pages will be revised accordingly.

## **8. Use of the Blue Badge in Havering**

### **Council Owned Car Parks**

- 8.1 The primary consideration for disabled customers is that there are designated parking spaces available to access locations, conveniently located to local amenities with suitable routes (i.e. without physical obstructions) to and from the car park. Within its car parks portfolio, the Council provides approximately 110 spaces allocated for Blue Badge holders only to use. In addition, the BB holders may park in normal car parking bays. Discretionary BB holders pay the normal tariff (e.g. £1.50 for three hours), however automatic BB holders may park free of charge for the first three hours.
- 8.2 To aid this, automatic BBs have a small sticker placed on the BB by Havering’s BB team. The new national BB being manufactured and posted to the resident direct by Northgate removes the opportunity for Havering Council to “mark” the BBs and differentiate between automatic and discretionary badge holders’ cars. Consequently, within Havering the ‘automatic’ BB holders will need to be provided with a sticker, at the time of application, which they will need to attach to their BB when they receive it in order that they may continue to park free of charge for the first three hours in the Council’s car parks. Havering is one of a very small number of London Boroughs (3) to retain free parking for its most disabled residents.

## **REASONS AND OPTIONS**

### **Reasons for the decision:**

The decision to implement the Blue Badge Improvement Service (BBIS) has been taken to meet the requirements of Blue Badge Reform Programme announced by Norman Baker (Parliamentary Under-Secretary of State for Transport) on 14<sup>th</sup> February 2011.

The Blue Badge Scheme Local Authority Guidance (England) issued by the Department for Transport in June 2011 confirms that the Government intends to increase the maximum fee that a local authority may charge for the issue of a BB to £10. This sum will help fund the administrative and other processes required in providing secure BBs.

**Other options considered:**

As it is a statutory requirement to implement the BBIS, no other options were considered.

**IMPLICATIONS AND RISKS**

**Financial implications and risks:**

The Department for Transport (DfT) are meeting all the capital costs for the Blue Badge Improvement Service (BBIS).

A financial summary of the revenue position is provided below:

<b>Estimated Income (2012/13)</b>	<b>£</b>
Learning Disability & Health Reform Grant (non ring fenced, however assumed to be applied)	(27,800)
Blue Badge charges to successful applicants (£10 x 4,000)	(40,000)
Income from Taxicard budget for solely Taxicard assessments (£10 x 500)	(5,000)
	<b>(72,800)</b>
<b>Estimated Expenditure (2012/13)</b>	
Blue Badge manufacture charge to Northgate (£4.60 x 4,000)	18,400
Desk Top Assessments for "discretionary applications" (£10 x 2,800)	28,000
Independent Mobility Assessments (IMA) for "discretionary applications" (£25 x 700)	17,500
Contingency for extra administrative duties (e.g. inputting into the BBIS database), external communications, printing and production of the stickers for 'automatic' BB holders, IMAs of unsuccessful applicants etc.	8,900
Existing Administrative Cost, base budget	68,000
<b>Net Cost of Service</b>	<b>68,000</b>

Thus it can be seen that the net cost of the service should be containable within current budgets. The use of occupational therapists for IMAs provides a control over costs.

There may be savings to the council as a result of Taxicard applicants being refused on the basis of a Blue Badge assessment.

**Legal implications and risks:**

The BB Schemes were first introduced by virtue under the provisions contained in section 21 of the Chronically Sick and Disabled Persons Act 1970. Regulation 6 of the Disabled Persons (Badges for Motor Vehicles)(England) Regulations 2000 currently sets the fee (if any) at which the Council may charge for the issue of a BB.

The Blue Badge Scheme Local Authority Guidance (England) issued by the Department for Transport in June 2011 confirms that the Government intends to increase the maximum fee that a local authority may charge for the issue of a BB to £10.

The guidance also confirms that only successful applicants should be asked to pay the fee and that the fee may also be charged for replacement badges whether they are lost, stolen or illegible.



The Council has entered into an Access Agreement to join the Framework Agreement established by the Department for Transport and Northgate Information Solutions UK Limited.

**Human Resources implications and risks:**

Customer Services' occupational therapists will be undertaking independent mobility assessments at the PASC. The number of IMAs carried out each year will influence whether additional resources will be required. If there are additional resources required, the request will be made in accordance with Council procedures etc.

**Equalities implications and risks:**

The DfT has developed the reform programme in consultation with disabled people, local authorities and other stakeholders; and conducted a full Equality Impact Assessment (EIA) into the introduction of the BBIS.

The new application process for a BB and the more sophisticated production of the BBs is designed to reduce fraud and misuse.

**BACKGROUND PAPERS**

Further detailed information regarding the BBIS can be found via the following link:  
<http://www.dft.gov.uk/topics/access/blue-badge/reform-of-the-blue-badge-scheme>

Chronically Sick and Disabled Persons Act 1970

Disabled Persons (Badges for Motor Vehicles)(England) Regulations 2000

The Blue Badge Scheme Local Authority Guidance (England) June 2011

Access Agreement to join the Framework Agreement established by the Department for Transport and Northgate Information Solutions UK Limited.

Model Blue Badge Application Form

Desk Top Assessment matrix

Local Authority Circular (England) - Changes to the Disabled Persons (Badges for Motor Vehicles) (England) Regulations 2000

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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