



**MINUTES OF A CABINET MEETING**  
**Council Chamber - Town Hall**  
**Wednesday, 23 January 2013**  
**(7.30 - 8.50 pm)**

**Present:**

Councillor Michael White (Leader of the Council), Chairman

Councillor Steven Kelly (Vice-Chair)

Councillor Michael Armstrong

Councillor Robert Benham

Councillor Andrew Curtin

Councillor Roger Ramsey

Councillor Paul Rochford

Councillor Geoffrey Starns

Councillor Barry Tebbutt

Councillor Lesley Kelly

**Cabinet Member responsibility:**

(Deputy Leader) Individuals

Transformation

Community Empowerment

Culture, Towns & Communities

Value

Children & Learning

Community Safety

Environment

Housing & Public Protection

Councillors Clarence Barrett, Keith Darvill, David Durant, Roger Evans, Linda Hawthorn, Paul McGeary, Pat Murray, Jeffrey Tucker and Lind Van Den Hende were present for parts of the meeting.

3 members of the public and a representative of the Press were also present for the duration of the meeting.

The decisions were agreed with no vote against.

There were no disclosures of pecuniary interest.

The Chairman reminded those present of the action to be taken in the event of an emergency.

**38 REPORT OF THE VALUE OVERVIEW & SCRUTINY COMMITTEE - REQUISITION OF EXECUTIVE DECISION CONCERNING THE DISPOSAL OF THE FREEHOLD INTEREST IN THE OLD WINDMILL AND CAR PARK, ST MARY'S LANE, UPMINSTER**

The Cabinet Member for Value announced that the Executive Decision concerning the disposal of the freehold interest in the Old Windmill Hall site and car park in St. Mary's Lane, Upminster had been withdrawn at the meeting of the Value Overview and Scrutiny Committee meeting on 17 January 2013.

**Cabinet NOTED** that a report on the matter would be presented at the next meeting of Cabinet in February 2013.

**39 LOCAL GOVERNMENT ASSOCIATION CORPORATE PEER CHALLENGE OUTCOME AND ACTION PLAN**

*Councillor Michael White, the Leader of the Council, introduced the report.*

It was explained that the Council had been invited by the Local Government Association (LGA) to undertake a corporate peer challenge, offered free to all Member authorities. The challenges were tailored towards individual authorities as a 'critical friend' in order to facilitate continual improvement, and achieve even more for their communities. This subsequently took place in November 2012, with the final report received in late December; a copy of which was appended to the Cabinet report.

Cabinet was informed of the content of the review and the actions being taken to address comments contained within it. The report detailed what further improvements the Council could make to its governance and planning and delivery of transformation and change. A list of areas where the team challenged the Council to consider further action and also address what plans the Council already had in place in these areas were covered in the report. These were:

- Further Opportunities to Exploit Technology
- Organisational Development
- Organisational Capacity and rolling the budget plans forward
- Community engagement and co-production
- Integrating social care and health

It was suggested that the overall report was very positive in its conclusions about how the Council had delivered savings through the Havering 2014 transformation programme. It was emphasised that the review provided very positive feedback to the Council as well as highlighting useful areas for further development.

**Reasons for the decision:**

The report was brought before the Cabinet because it was an opportunity for the Cabinet to consider the views of external peers and take any decisions necessary to modify or adjust its plans on the basis of their views.

**Other options considered:**

The Council was not under an obligation to publish a peer review, however, it was considered that in the spirit of openness and transparency it should publish the report in full and provide an opportunity for the Cabinet to consider it. The option of not publishing or bringing it to Cabinet had therefore been rejected.

There was a view expressed that it had been regrettable that comments made by some Members as part of the consultation process had not featured in the final version of the Peer Challenge report.

Cabinet **NOTED** the LGA's corporate peer review and **AGREED:**

1. To ensure that the budget process continues to invest in change in order to continue to deliver budget reductions through transformation rather than service cuts.
2. To delegate to the Cabinet Member for Transformation the task of ensuring the Head of Human Resources and Organisational Development puts in place plans to support the Council's staff through the changes ahead.
3. To support the Member Development Group and its continuing work programme, in particular in developing a wider programme of development events, and urges all Groups to engage more actively in future Member development opportunities.
4. To support the Chief Executive to ensure that organisational changes continue to provide sufficient resources to deliver transformation, run the Council's services and invest in new areas such as the need to expand the Councils local taxation base and to retain businesses and promote growth.
5. To delegate to the Lead Member for Culture, Town and Communities the consultation and partnership discussions on a revised Community Engagement Strategy.
6. To delegate to the Deputy Leader of the Council – Individuals responsibility for continuing to plan effective work between the Council and the local health economy.

#### **40 THE COUNCIL'S FINANCIAL STRATEGY**

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

At its previous meeting, Cabinet received a report which set out an update on national developments and information on the financial position within Havering.

The report updated Members on the progress of the corporate budget and the proposed financial strategy for responding to the financial position facing the Council. It was announced that £13million worth of savings would have to be found in the 2013/14 budget, which would be submitted for consideration at the February meeting of Cabinet.

The report set out the additional proposals now identified for consideration by all the relevant Committees and for consultation with stakeholders.

The provisional Local Government Financial Settlement had been announced with grant funding losses of £2million for 2013/14 and £6million for 2014/15. It was explained that additional budget savings of £4.5million would have to be found over the next two years to accommodate the grant losses. The loss of grant funding for specific projects such as the Early Intervention Grant was a particular concern for Cabinet Members as the shortfall in funding would need to be found elsewhere within the budget. It was anticipated that there would be a gross budget gap of £8.6million for 2013/14 and 2014/15, with the net figure amounting to £2.7million.

With regard to the formula grant damping, concerns had been raised with the Department for Communities and Local Government (DCLG) over the precise methodology used for calculating the figures referred to in the report. A response from DCLG was expected in the coming weeks.

Senior Members met with Rt. Hon. Don Foster MP to explain the difficult financial position Havering found itself in. A paper setting out specific details was forwarded to the Minister, a copy of which would be included in the budget report to the February Cabinet meeting.

Cabinet noted that since the report had been drafted, the funding for the transfer of the Public Health function to the Council had been announced. The Council would receive £8.833million for 2013/14 and £9.716million for 2014/15. Members were reminded that this funding was ring-fenced.

Other relevant details were included in the report, together with a summary of the key elements of the Autumn Budget Statement.

**Reasons for the decision:**

The report enabled the Council to develop its budget as set out in its Constitution.

**Other options considered:**

None. The Constitution required this as a step towards setting its budget.

Members were joined in their praise for staff who had drafted the report in challenging circumstances given the lateness of the disclosure of the grant funding. Members also expressed their disappointment that the recent revisions to the local government funding arrangements had, in their view, resulted in an even more complex system which left them little time to consider the budgetary implications for the Council.

Suggestions were made as to how the Council could maximise its financial position, including the development of a business growth strategy, and alternative investments for the Council's Pension Fund.

There was also a brief discussion on the possibility of seeking judicial review of the local government grant formula. It was explained that discussions on such matters were premature as further information was awaited from DCLG. After that point the Council would consider its position.

**Cabinet:**

1. Noted the progress made to date with the development of the Council's budget for 2013/14 and beyond.
2. Noted the outcome of the Autumn Budget Statement and the likely impact on local authorities.
3. Noted the outcome of the provisional local government financial settlement announcement, and that officers were continuing to work on the details as the information was produced very late, or in some cases, still awaited.

4. Noted, arising from the settlement, the reductions in mainstream Government funding for 2013/14 and 2014/15, of around £2m and £6m respectively, that equate to additional reductions of around £1.5m and £3m, or £4.5m in total.
5. Noted the potential reduction in funding in early intervention services, which was still under review.
6. Noted that a response to the consultation process had been submitted and that a meeting with the Minister had taken place.
7. Noted the expected date for the announcement of the final settlement and that, owing to timing, further supplemental information to the main Council Tax report may need to be submitted at the February Cabinet meeting.
8. Noted that the proposals contained in the reports to Cabinet in July 2010 and July 2011 had been incorporated in the Council's future budget as appropriate.
9. Noted that the Administration was committed to maintaining the stability of the Council's finances whilst doing everything it could to keep Council Tax rises to a minimum and if at all possible, to freeze Havering's Council Tax at the current level.
10. Noted the Council's intention to take advantage of the new Council Tax freeze grant for 2013/14.
11. Issued the Cabinet report for consultation to Members, the unions and affected staff, and other stakeholder groups.
12. Agreed that a consultative presentation would be made to a joint meeting of the Overview & Scrutiny Committees.
13. Noted the financial position of the Council in the current year.
14. Agreed that any future underspends from the Corporate Contingency Fund, from the Transformation budget, and from any service revenue underspends, be allocated to the Strategic Reserve.
15. Approved the updated version of the Corporate Plan set out in Appendix F of the Cabinet report.
16. Noted the summary of the GLA's consultation budget and the expected date for the publication of the final proposals.

41 **DELIVERY STRATEGY - DELIVERY OF HOUSING REVENUE ACCOUNT (HRA) CAPITAL PROGRAMME 2013-15**

*Councillor Lesley Kelly, the Cabinet Member for Housing, introduced the report.*

The report before Cabinet sought approval for the proposals relating to the procurement and delivery of the HRA Capital Programme. The current delivery strategy had previously been agreed and operated by Homes in Havering. With the

re-integration of the Arms Length Management Organisation (ALMO) a decision was required from members on the strategy to be adopted for the duration of the decent homes backlog funding.

The report addressed proposals to enable the delivery of the confirmed Decent Homes Backlog Funding of £38,581,000 and other work streams within the HRA capital programme for 2013/14 and 2014/15.

**Reasons for the decision:**

- To have members approval on the procurement options for the various work streams.
- To comply with the statutory and legal requirements associated with the delivery of works in the capital programme. The legal requirement for section 20 consultations has a time implication in project preparation and the approval of the strategy allows for the correct schedule of consultation to be identified and implemented.
- To ensure compliance with procurement rules of the European Union.
- To create greater opportunity for local construction companies to participate in the delivery of the Council's HRA Capital Programme.

**Other options considered:**

- a) Continue with the existing delivery strategy adopted by Homes in Havering – this was REJECTED because the Home in Havering (HiH) strategy had not been considered by Cabinet and as such the strategy had no status as Council policy. Also the HiH strategy included a significant proportion of the HRA Capital Programme being delivered via the partnership agreement with Morrison Facilities Services. This contract was being re-procured as it was due to expire in July 2013. The new repairs and maintenance contract would not include any facility for investment works to be carried out; therefore a new approach was required.

**Cabinet APPROVED** the Delivery Strategy for the delivery of work streams within the HRA Capital Programme as set in Appendix one of the Cabinet report.

**42 CORPORATE PERFORMANCE REPORT 2012/13 - QUARTER 2**

*Councillor Michael White, the Leader of the Council, introduced the report.*

The report before Member set out the performance of the Council's Corporate Performance Indicators for the first quarter (July-September 2012), against the five Living Ambition Goals of the Corporate Plan:

- Environment
- Learning
- Towns and Communities
- Individuals
- Value

Of the 68 Corporate Performance Indicators, 40 were measured quarterly. The remaining indicators were collected on an annual or bi-annual basis only.

**Cabinet, 23 January 2013**

The report identified where the Council was performing well and not so well, and highlighted what action the Council was taking to address poor performance where appropriate.

Also included for indicators measured quarterly was a Direction of Travel (DoT) column which compared performance in Quarter 2 2012/13 with performance in Quarter 1 2011/12.

Appended to the report was a chart which detailed each of the 68 Corporate Performance Indicators. Officers provided responses to queries raised by Members in respect of some of the performance indicators.

**Reasons for the decision:**

To provide Cabinet Members with a quarterly update on the Council's performance against the Corporate Performance Indicators.

**Other options considered:**

N/A

**Cabinet NOTED** the report.

---

**Chairman**