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

CABINET

7.30 pm	Wednesday 13 February 2013	Council Chamber - Town Hall
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Members 10: Quorum 5

Councillor Michael White (Leader of the Council), Chairman

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

Ian Buckmaster
Committee Administration & Member Support Manager

For information about the meeting please contact:
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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 DISCLOSURES OF PECUNIARY INTEREST

Members are invited to disclose any pecuniary interests in any of the items on the agenda at this point of the meeting. Members may still disclose any pecuniary interests 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 23 January 2013, and to authorise the Chairman to sign them.

5 THE COUNCIL'S BUDGET 2013/14 - INCLUDING THE SETTING OF FEES & CHARGES (Pages 9 - 246)

6 HRA BUDGET FOR 2013/14 AND HRA CAPITAL PROGRAMME 2013/14 - 2014/15 (Pages 247 - 282)

7 TREASURY MANAGEMENT STRATEGY STATEMENT, MINIMUM REVENUE PROVISION POLICY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2013/14 (Pages 283 - 302)

8 REVIEW OF CHILDREN'S CENTRES (Pages 303 - 386)

9 FUTURE OF YOUTH OFFENDING SERVICES IN HAVERING (Pages 387 - 406)

10 SECTION 75 AGREEMENT WITH NORTH EAST LONDON FOUNDATION TRUST (Pages 407 - 464)

11 PROPOSED GRANT FUNDING BIDS TO HERITAGE LOTTERY FUND LANDSCAPE PARTNERSHIPS PROGRAMME AND TO GREATER LONDON AUTHORITY 'BIG GREEN' FUND (Pages 465 - 472)

12 FUTURE STRATEGY IN RESPECT OF THE SITE OF THE OLD WINDMILL HALL AND ADJOINING LAND (Pages 473 - 484)

Public Document Pack Agenda Item 4



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.

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

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CABINET

13 February 2013

Subject Heading:

THE COUNCIL'S BUDGET 2013/14

Cabinet Member:

Councillor Roger Ramsey

CMT Lead:

Andrew Blake-Herbert

Report Author and contact details:

Mike Stringer
Head of Finance & Procurement
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Policy context:

The Council is required to approve an annual budget and this report sets out the proposed budget for 2013/14 and includes recommendations to Council for the formal budget-setting process

Financial summary:

This report deals with the overall budget position and sets out the detailed proposals for 2013/14 and recommends to Council the Council Tax level at band D as £1,498.18

Is this a Key Decision?

Is this a Strategic Decision?

Yes/No

When should this matter be reviewed?

Reviewing OSC:

Value

The subject matter of this report deals with the following Council Goals

Clean, safe and green borough	X
Champion education and learning for all	X
Economic, social and cultural opportunities in thriving towns and villages	X
Value and enhance the lives of our residents	X
High customer satisfaction and a stable council tax	X

**ALL MEMBERS ARE ASKED TO RETAIN THIS REPORT AND ITS
APPENDICES FOR REFERENCE AT THE COUNCIL TAX MEETING
ON 27TH FEBRUARY 2013**

SUMMARY

This report outlines the context within which the 2013/14 budget is being set and identifies the Council's overall policy direction, statutory duties and financial strategy.

The Council's budget needs to reflect the level of funding allocated to it by the Government. Since the General Election, the Government has made a series of announcements, with the most recent being the Autumn Budget Statement, which preceded the announcement of the provisional Local Government Settlement. This sees the introduction of fundamental and complex changes to the funding regime for local authorities, probably the biggest in 20 years. Whilst this reflects the localisation of responsibilities, this also brings increased financial risk, and this has to be reflected as part of a robust budget setting process.

In anticipation of the changes that these various announcements have brought about, and in response to the Emergency Budget announced in 2010, Cabinet previously agreed a range of savings proposals in July 2010, and again in July 2011, designed to deliver savings approaching £36m. These proposals are in the process of being implemented, subject to consultation where appropriate.

The provisional settlement was announced on 19th December. Details were included in the previous report to Cabinet. Although as Cabinet is aware, background information has continued to be issued, withdrawn and re-issued, which has made interpretation of the impact of the settlement extremely difficult. More recently, there has been speculation that the final settlement will not now be available until mid February. This is clearly too late for inclusion in this report and raises the prospect of either supplementary papers, or even a special Cabinet meeting, becoming necessary. This in turn has increased the level of uncertainty at a time when the pressure on public sector budgets has continued to grow.

In the light of the ongoing financial climate, and with the prospects for "more of the same" for the foreseeable future, information on a small number of budget pressures and savings proposals was released for formal consultation in January and as part of this process, was submitted to the joint Overview and Scrutiny Committee. The results of this consultation are set out in this report. Subject to any further changes made by Cabinet arising from the consultation and scrutiny, this report sets out the factors being recommended for inclusion within the 2013/14 budget.

The current position is that there would be no increase to the Havering element of the Council Tax, which would enable the Council to take advantage of the new Council Tax freeze grant on offer.

Final confirmation of the Greater London Authority (GLA) precept is not expected until the day on which the London Assembly meets, which is two days prior to the Council

budget setting meeting. The Mayor has proposed a small reduction in the current precept, and this has been the subject of a similar consultation process. Any changes to the GLA position will be reported at the Cabinet meeting where known.

On the assumption that this is approved by the London Assembly, there would be a small overall reduction in Council Tax. The band D figure would reduce to £1,498.18.

This report provides details of the various components of the budget with appendices.

RECOMMENDATION

That Cabinet, in view of the need to balance the Council's policies, statutory requirements, government initiatives, inspection regimes and Council Tax levels:

1. Consider the advice of the Chief Finance Officer as set out in Appendix H when recommending the Council budget.
2. Consider the comments received during the consultation exercise, which are set out in the report from the joint Overview and Scrutiny Committee, which is attached as Appendix J to this report, when recommending the total Council budget.
3. Approve the Council's General Fund draft budget for 2013/14 as set out in Appendix E, formulated on the basis of:
 - an ELWA levy based on the anticipated budget and levy increase
 - the budget items shown at Appendix F
 - the other assumptions set out in this report.
4. Approve the delegated schools' draft budget as set out in Appendix E.
5. Delegate to the Leader and the Cabinet Member for Value authority to approve spending plans for new sources of grant funding or for confirmed amounts where estimates have previously been used, as set out in paragraph 3.3.5, for both revenue and capital grant funding.
6. Delegate to the Cabinet Member for Children's Services, in conjunction the the Cabinet Member for Value, authority to take action to reduce Council spend resulting from the further transition of schools to academy status, as set out in paragraph 3.4.22.
7. Delegate to the Chief Executive and Group Directors to make any necessary changes to service and the associated budgets relating to any subsequent specific grant funding announcements, where delays may otherwise adversely impact on service delivery and/or budgetary control, subject to consultation as appropriate.
8. Approve, with effect from 1st April 2013, that the financial assets and liabilities of the commercial properties currently held in the Housing Revenue Account

be appropriated to the General Fund, the final list of properties appropriated to be agreed by the Group Director Finance & Commerce.

9. Approve the schedule of Fees and Charges set out in Appendix L, with any recommended changes in year being implemented under Cabinet Member delegation.
10. Approve the Capital Programme for 2013/14 as set out in Annexes 2, 3 and 4 of Appendix I.
11. Delegate to the Chief Executive and Group Directors to implement the 2013/14 capital and revenue proposals once approved by Council unless further reports or Cabinet Member authorities are required as detailed.
12. Agree that if there are any changes to the GLA precept and/or levies, that the Group Director Finance & Commerce (in the absence of the Chief Executive) be authorised to amend the recommended resolutions accordingly and report these to Council on 27th February 2013.
13. Agree that information be made available to members of the public, staff, trade unions, etc, explaining the decisions made by Cabinet, and the final decision on the Council Tax setting.
14. Delegate to the Cabinet Member Value and the relevant service area Cabinet Members authority to commence tender processes and accept tenders where these relate to Capital schemes within the Capital Programme.
15. Delegate to the Chief Executive authority to consider the comments of the trade unions and to reflect any changes and/or comments in the recommendations to Council.

That Cabinet:

16. Recommend to Council, subject to recommendation 3 above, the General Fund budget, and the Council Tax for Band D properties, and for other Bands of properties, all as set out in Appendix E, as revised and circulated for the Greater London Authority (GLA) Council Tax.
17. Recommend to Council the delegated schools' budget, also as set out in Appendix E.
18. Recommend to Council that a resolution be passed based on the proposals as set out in this report in order to set the Council Tax – the final text/figures to be advised to Council once the final GLA position is known.
19. Recommend to Council to pass a resolution as set out in section 8.4 of this report to enable Council Tax discounts to be given at the existing level
20. Recommend to Council the Capital Programme for 2013/14 as set out in Annexes 2, 3 and 4 of Appendix I.

21. Recommend to Council to agree that the Capital Programme be expanded for schemes during the year which are funded via grant funding under the authority of the Leader and the Cabinet Member Value.

That Cabinet note:

22. The monitoring arrangements for 2013/14.
23. The prospects for 2014/15 and beyond, which indicate a very challenging financial environment still lies ahead, with the continuation of the Government's austerity programme, and that the need for continued financial prudence is especially important.
24. The likely date for the announcement of the final settlement and the potential need for a further report, should the figures be materially different.
25. That supplementary information will be provided to Cabinet where information is awaited, such as from external bodies such as the GLA and the other levying bodies, as well as the final settlement itself.
26. That any further reductions in grant funding introduced by the Government subsequent to the setting of the budget will be reported back to Cabinet, together with any consequent recommendations on maintaining financial stability.
27. That a further report will be brought to Cabinet setting out proposals to reduce spend associated with Early Intervention activities, in line with the reduced funding provided by Government.
28. That a report will be brought to Cabinet in March setting out the Council's proposed policy for dealing with business rates relief.
29. The effect of Council Procedure Rules with regard to the moving of any amendment to the Council Tax Setting report.
30. That consultation with the Trades Unions will continue in respect of any proposals within the Budget that have an impact on staff.
31. The virement and contingency rules set out in Appendix G.
32. That it has previously agreed that any future underspends from the Corporate Contingency Fund, from the Transformation budget, and from any service revenue underspends, are allocated to the Strategic Reserve.
33. The indicative Capital Programme for 2014/15 as set out in the report and Appendix I.
34. That the Treasury Management Strategy is being presented to Cabinet concurrently with this report as a separate agenda item.
35. That **Midnight on Monday 18th February 2013** is the deadline for amendments to the Council Tax Setting and Budget Report.

REPORT DETAIL

This report is split into the following parts:

1. Overall Policy Direction and Strategy
2. Consultation and the Overview and Scrutiny Committees
3. Havering's Revenue Budget and Council Tax
4. Capital Programme
5. Treasury Management Strategy
6. GLA Budget
7. Overall Council Tax Impact
8. Other Matters
9. Prospects for 2014/15 and beyond
10. Housing Revenue Account.

Appendices provide more information in certain areas and are cross referenced to the relevant text below.

1. Overall Policy Direction and Strategy – Achieving *Living Ambition*

- 1.1 The Council's driving vision, known as the *Living Ambition*, seeks to deliver a better quality of life for local people, by focusing the Council's effort around five broad goals:
 - Goal for *Environment* : to ensure a clean, safe and green borough
 - Goal for *Learning* : to champion education and learning for all
 - Goal for *Towns and Communities* : to provide economic, social and cultural opportunities in thriving towns and villages
 - Goal for *Individuals* : to value and enhance the lives of our residents
 - Goal for *Value* : to deliver high customer satisfaction and a stable council tax.
- 1.2 The five goals have been adopted as the Council's new over-arching corporate strategy and are enshrined in the corporate planning process for the new financial year. The Council's financial planning – both in terms of investment and savings, reflects this focus and are structured to support the Council's progress towards the goals.
- 1.3 The proposals in these papers follow on from the range of savings agreed in July 2010, and again in July 2011 to cover the period to 2014/15. As such they continue to reflect the local priorities as defined by the Administration in the light of a range of factors including the results of public consultation (notably the nearly 12,000 responses to 2011's *Your Council, Your Say* survey and last year's *Spring Clean* survey which attracted over 8000 responses), the general economic climate, the outcome of the Comprehensive Spending Review (CSR) and Local Government Financial Settlement (LGFS), and the future prospects for public sector funding.

- 1.4 It is important to note that the Council's financial strategy and budget development process is an iterative one, taking on board a wide variety of issues and enabling forward planning. These include:
- Responding to the difficult and fluid financial climate
 - Ensuring that the Council's policy priorities drive resource allocations
 - Ensuring there remain clear links between revenue and capital budgets;
 - Continuing to ensure that all budgets have defined outputs
 - Continuing to seek greater efficiencies – including through working in partnership and prioritising effectively
 - Seeking funding from external agencies and/or partners
 - Continuing to benchmark and deliver value for money.
- 1.6 There will continue to be difficult decisions to make in future years. However, the overall planning process will ensure these decisions will take place in an informed manner to ensure resource allocation matches policy and service priorities.
- 1.7 A statement, setting out the Council's revenue budget strategy, has previously been approved by Cabinet and was due to be considered by Council at its meeting in January. This sets out the key principles around the budget, and these are reflected in this report.
- 1.8 It is important for the Council that our financial strategy continues the success achieved in recent years and the thrust therefore continues so that it:
- reflects the economic climate and the need for financial prudence
 - ensures the level of reserves is appropriate
 - links service planning with financial planning
 - identifies service delivery trends, changes in legislation etc. that will have a financial impact
 - accurately predicts levels of spend in the future to avoid further overspends
 - identifies revenue costs resulting from capital expenditure
 - matches resources to priorities
 - costs areas of new or increased priority
 - provides savings to balance the books
 - provides savings to fund new investment and areas of increased priority
 - costs new investment and estimates any subsequent payback
 - increases value for money
 - manages risk and uses risk assessment to inform decision making
 - ensures all projects are adequately funded and resourced.

Partnership Working

- 1.9 Partnership working is strong in Havering and the Council continues to work with key public, private and community groups to shape the development of the Borough.
- 1.10 The Council has also continued to look for potential opportunities to collaborate with other local authorities, especially those within its immediate vicinity. Havering participates in an alliance of North East London boroughs

and is actively engaged in an ongoing dialogue over potential collaborations. East London Solutions has been established as part of this process as a means of governing the collaborative opportunities, and officers are working jointly in a number of areas which offer potential scope for further efficiencies.

Economic Climate

- 1.11 Cabinet will be aware that the general economic climate has been both highly volatile and extremely unpredictable – although it could probably now be argued there is a degree of certainty since the successive CSR and LGFS announcements. Markets have fallen, interest rates have reached unprecedented lows and remained at those levels, inflation has remained volatile and broadly above Government targets, and the economic turmoil has required a massive level of intervention from the UK Government and elsewhere. The scale of the budget deficit, and the actions that would inevitably be needed to be taken to address this, have been the subject of much discussion, and have been covered in full in reports to Cabinet, starting in July 2010. Subsequent reports to Cabinet have provided updates.
- 1.12 In setting the budget for 2013/14, it is essential that this is borne in mind. The scene for public sector funding was set by the CSR announcements, and the subsequent ABS and LGFS announcements have confirmed continuing major reductions in public sector funding. Local government is clearly heavily affected by this and has therefore needed to both plan and be able to respond accordingly. The steps already taken during 2010 and subsequently have meant that the Council is well-placed to respond to the CSR and LGFS. The approach to the development of the detailed budget proposals, and the budget itself for 2013/14, has had these factors firmly in mind.

Conclusions

- 1.13 The position of the Council is that Havering is likely to continue to have severe resource constraints for the next few years, and beyond, and as anticipated, these constraints are even more marked than anticipated in previous years. This has inevitably placed severe restrictions on the resources for services even further and leaves the Council facing the need for further savings plans to meet the expected financial position arising from the CSR. Whilst this may be seen as a continuation of the experience of recent years, the scale of reductions needed in public sector spend have, as has been seen, had a major impact on funding for local government.
- 1.14 The aim of the planning process is being achieved, i.e. to establish a stable financial position, to adopt a prudent approach to the continuing development of the Council's financial strategy, and to reflect the views of our local community on the impact of budgetary pressures and Council Tax increases subject to any changes in national priorities that are outside of the Council's control. The Council is able to demonstrate that it is prioritising finance according to its business objectives and in the context of the general financial climate.

2. Consultation and Overview and Scrutiny Committees

2.1 Consultation

2.1.1 The *Your Council, Your Say* consultation at the start of 2011 asked the local community to set out its priorities for the years ahead, to help shape future spending decisions. Since then, the Council has continued an ongoing dialogue with residents and other stakeholders, in addition to more formal consultation processes such as the *Spring Clean* survey in 2012. Since the publication of the budget proposals in January, the Council has:

- Scrutinised the proposals through a joint meeting of all Overview & Scrutiny committees on 24th January
- Provided information on its website and through the press, inviting comment

2.1.2 A meeting was also held with local business representatives (Chamber of Commerce and Federation of Small Businesses) to discuss the impact of the Council's budget for the business community, on Tuesday 22nd January.

2.1.3 A range of meetings with the Trades Unions and staff has taken place since the July Cabinet report, including consultation on a number of organisation restructure proposals.

2.1.4 Where possible, the proposals in this report take account of the views given by our local community.

2.2 Overview and Scrutiny Committees

2.2.1 The budgetary pressures and savings proposals were presented to a joint meeting of the Committees on 24th January 2013.

2.2.2 The proposals have been considered by the Committees, and whilst a number of issues have been raised for discussion, no issues or comments have at the point of preparing this report been formally referred to Cabinet for its consideration. A summary of the draft minutes arising from the joint Committee meeting is set out in Appendix J.

3. Havering's Revenue Budget and Council Tax

3.1 Introduction

3.1.1 Mindful of the outcome of the consultation on the proposals, set out below are the issues and factors taken into account in developing the 2013/14 budget. As well as the results of the consultation and budget finalisation, it is important to note that the position on the levies, if significantly different from the provisional sums, could affect the final level of the Havering Council Tax.

3.1.2 The impact of the Greater London Authority precept is covered separately in section 6.

3.2 Government Grant

3.2.1 The previous report to Cabinet set out in some detail an analysis of the provisional settlement announcement. As Cabinet is aware, not only was the

announcement extremely late, it has proved extremely difficult to interpret. The final settlement was originally expected to be announced around the end of January, following the close of consultation on 15th January, although there has been increasing speculation this will not be available until February. Almost certainly this will be too late to enable officers to incorporate this within this report. If there are any changes in the final settlement, an update will be provided to Cabinet members, otherwise a short note will be provided. Should there be a material difference in the figures contained in the settlement, it may become necessary to hold an emergency Cabinet meeting, to ensure Cabinet is properly informed when making recommendations to Council.

3.2.2 Further clarification on specific aspects of the settlement are set out in Appendix B; as indicated above, full details were included in the January report. Key matters are:

- (a) The Council submitted a written response to the consultation on the provisional financial settlement and this response is included as part of Appendix B
- (b) A meeting was held with the Local Government Minister to set out the impact of the settlement on Havering and a verbal update was given at the previous Cabinet meeting
- (c) As a result of the settlement, Havering continues to receive a much lower level of grant funding than our neighbours.

3.2.3 As set out in the previous report to Cabinet, the provisional settlement announcement covered a two year period, for 2013/14 and 2014/15. However, there was considerable uncertainty over the calculation of the 2014/15 settlement figures, and a degree of uncertainty has remained. Further information has been provided and, on the basis of that information, officers have assessed what they believe to be the position in that year. The proposals made to Cabinet are based on that information and its interpretation; Cabinet is asked to be mindful of the ever-changing position with the settlement, and to be particularly aware that the budget proposed is based on the best information available at the point of concluding this report.

3.2.4 The key elements of the provisional settlement, and a comparison against the current funding level, indicates the following:

- The original settlement announced in 2011 gave Havering funding of £56.520m for 2011/12 and £51.357m for 2012/13. This meant that Havering's grant was cut by around £8m in 2011/12, with a further £5m in 2012/13
- Havering's provisional 2013/14 start-up funding is £75.569m (£69.311m for 2014/15); this includes £31.2m of rolled in grants
- The equivalent 2012/13 figure, incorporating the rolled in grants, is £79.7m. The 2013/14 figure is £4.1m lower due to the reduction in Early Invention Grant (EIG), indicators within the formula grant, and removal of the New Homes Bonus
- As part of the Start-up Funding allocation, Havering has been set a business rate baseline of £30.2m in 2013/14 (£31.1m 2014/15) which includes a £9m top-up grant (£9.3m in £2014/15).

3.2.5 The new funding system, as previously advised to Cabinet, reflects a new funding baseline, which is then allocated between mainstream grant, RSG, and business rates. For Havering, these figures are as shown in the table below:

	13/14 £m	14/15 £m
Individual Business Rates (BR) Baseline	21.157	21.806
BR Top Up	9.031	9.310
BR Baseline	30.189	31.116
RSG	45.379	38.195
TOTAL FUNDING	75.569	69.311

3.2.6 In considering these figures, it is important to bear in mind that there is an assumed rise of just over 3% in the business rates baseline; this is expected to be delivered through a rise in both the NNDR multipliers and in the overall yield, and in Havering's case, an inflationary rise in the Top Up sum. As this table shows, there is an expected rise in business rates locally of £649k. This therefore represents a budget risk, as if there is no increase in business rates yield, this will create a funding gap in 2014/15. Cabinet will be aware from the previous report that there is already a potential gap in funding for business rates of £100k.

3.2.7 As part of the submission of the Council's NNDR1 return, this has been reassessed, and mainly due to changes relating to academies, this potential gap has now increased to £430k. This rise in business rates masks a bigger rise in the reduction in RSG than the headlines indicate, with a net rise in BR of £926k being offset by a reduction in RSG of £7.184m. By 2014/15, the overall funding gap could exceed £1m. This represents a potential gap, the budget has been based on the estimated funding levels contained in the settlement; this gap would actually appear within the Collection Fund, most likely not until the end of 2013/14 or even well into 2014/15. The Council therefore needs to be at least mindful of the risk, even if explicit provision for this is not being made at this point in time. This aspect is dealt with later in this report.

3.2.8 Alongside this risk, the business rate calculations make allowance for a level of appeals. It is understood that there is a range of outstanding appeals currently with the Valuation Office. Whilst not all these appeals will succeed, any that do will immediately impact on the Council's financial position from April. If the level of appeals is higher than that allowed for in the calculations, there will be a loss of funds, as the gap between the actual business rate yield and the calculated one will grow. This will impact on the Council's ongoing financial position, aside from the one-off cost effect of any refunds that are needed. This is a significant risk and one which requires due consideration as part of the budget setting process.

3.2.9 Finally, the business rates baseline calculation, and therefore the actual yield, reflects the level of relief given on business rates. Both mandatory and discretionary reliefs are currently given and these have no financial impact at present, owing to the fact these all impact on the national pool. From April, relief will impact directly on each Council, and it will be necessary for councils to set their own reliefs policy. This is currently under development and will be presented to Cabinet for approval in March.

3.2.10 The settlement, as it currently stands, leaves Havering with an overall reduction in funding of around £4.1m in 2013/14 and a further £6.3m in 2014/15, or around £10.4m across the two years. Based on the further analysis undertaken by officers, this sum can be broken down as follows; further details are included in Appendix B:

	13/14 £m	14/15 £m	TOTAL £m
Reduction in formula grant	-2.033	-4.636	-6.669
Reduction in Early Intervention Grant	-2.288	-0.423	-2.711
Increase in Learning Disability Grant	0.192	0.195	0.387
Council Tax Support		-1.394	-1.394
Other adjustments	-0.015		-0.015
TOTAL	-4.144	-6.258	-10.402

3.2.11 This analysis indicates that the reduction in 2014/15 is due to a further reduction in formula grant and a reduction in funding available for localised Council Tax support, together with a further reduction in EIG, offset by a small increase in the LD grant. Although various statements have been made by the Government concerning the level of funding provided for Council Tax support (CTS), to confirm that there is no reduction in the overall level of funding, it is difficult to ignore the results of this analysis. Clearly, it is a matter of local choice how this further grant reduction is handled, but is a concern that this analysis strongly suggests that funding for Council Tax support is being reduced.

3.2.12 Taking into account that the formula grant includes a scaled increase in top-slicing to fund the New Homes Bonus, and in 2014/15, the additional 2% cut in departmental spending announced as part of the Autumn Budget Statement, the following comparison can be made:

	2013/14 £m	2014/15 £m
Total – Actual Funding Gap	-4.1	-6.3
Planned Budget Gap	-0.5	-3.0
NHB not in base budget	-1.8	-0.6
2% department spending cuts		-1.2
CTS funding reduction		-1.4
EIG reduction	-2.3	-0.4
Other adjustments	0.2	0.2
Total	-4.4	-6.4

3.2.13 As the table shows, after allowing for the inclusion of the New Homes Bonus, and the reductions in EIG, CTS and the spending reduction in the second year, there is little difference between the budget gap Havering had planned for and the position after settlement. The previous report to Cabinet identified a remaining budget gap of around £2.7m, and this, as the analysis above shows, can be largely attributed to the additional departmental spending cut and the adjustment to funding for Council Tax support, both in 2014/15.

3.2.14 Bridging this gap through further changes to the local Council Tax support scheme would be an option and therefore this would need to be taken into account in developing firm proposals to bridge this residual gap. This of course will be a matter for local decision-making in the run-up to the budget setting process for that year. As Council Tax support is being localised, each authority will be able to set the parameters for its own scheme. A review of the scheme will therefore be undertaken during the coming months, partly with this issue in mind, but also to assess the actual level of support payments being made.

3.3 Specific Grants

3.3.1 In the past, there was a wide range of specific grants that were received outside the general grant. Specific grants were for specific purposes and many (though a reducing number) have been subject to external audit verification prior to claim submission. They are not for mainstream funding and, hence, increased levels of specific grants have not assisted in reducing the overall Council Tax level, as they reflect a similar level of spend by the Council. These have historically changed year on year and in some cases the details have not been known until after Council Tax setting.

3.3.2 As explained in various Cabinet reports, including most recently the January 2013 report, most of the funding streams that existed in 2010 have now disappeared. These have either been rolled up into the new local authority funding system or have simply ceased. In addition, as explained in the previous report, most grants are now unringfenced. This means that the resources can be deployed as the Council chooses, although the spending departments will usually set out how they would wish the funds to be used.

3.3.3 A schedule of the range of specific grants which the Council receives in the current year and what was anticipated in 2013/14 was included in the previous report to Cabinet. An updated schedule is set out in Appendix C. There still remain some gaps in this and there are likely to be further Government department announcements beyond the date of the Cabinet meeting.

3.3.4 Assumptions are made in setting the budget on what those grant levels will be. The actual announcements may lead to differing amounts of grant funding being available, and may in fact identify new, or increased, levels of funding. In addition, funds may become available, but on the basis of the submission of bids, one recent example being the successful bid made by the Council for waste collection. Such funds tend to be specific and ringfenced to the purpose of the bid.

3.3.5 To facilitate the usage of these unringfenced resources, it is proposed that the Chief Executive and Group Directors will review any such funds allocated to Havering, make proposals for their use, and then for this to be formally approved by the Leader and the Cabinet Member for Value, and Cabinet is asked to approve this. In addition, Cabinet is being recommended to delegate to the Chief Executive and Group Directors authority to make any necessary changes to service and the associated budgets relating to any subsequent grant announcements where delays may otherwise adversely impact on service delivery and/or budgetary control, subject to consultation as appropriate.

3.3.6 At the point of concluding this report, a further announcement was made by the Children's minister regarding funds that had originally been removed from the Early Intervention programme. These funds, £150m in total, will now be returned to Councils, through an Adoption Reform Grant. The details of this are now being looked into, but this is yet another example of a further change in the funding system. Whilst any additional funds are to be welcomed, this is adding to the difficulty of establishing a firm funding position.

3.4 **Dedicated Schools Grant and Schools Delegated Budgets - 2013/14**

3.4.1 Earlier in the year, the DfE (Department for Education) announced its plans for school funding reform in its document "School funding reform: next steps towards a fairer system". Since then final decisions have been made, there have been a number of data exchanges between LAs and the DfE, and officers in Havering have been considering the implications for schools and modelling formula options. The Schools Funding Forum has been kept informed of progress and has contributed to decisions taken on funding schools. The intention of the changes is to introduce a funding system for schools which is transparent, fair and simple and can be used for all schools including academies.

3.4.2 These new arrangements will apply for 2013/14 and 2014/15. For 2015/16, the DfE intends to introduce a national funding formula through which every pupil will attract the same basic level of funding wherever they are in the country with additional sums reflecting additional need, deprivation and area costs.

3.4.3 The main changes within the reforms are as follows:

- The allocation of grant to LAs
- The funding formula for schools
- The level of delegation – i.e. which costs schools have to meet and which are met centrally on their behalf
- High needs funding and commissioning arrangements
- Early years funding
- Strengthening of Schools Forum arrangements
- A scrutiny role for EFA (Education Funding Agency).

3.4.4 Funding to LAs for their schools and school related costs is through a ring-fenced Dedicated Schools Grant (DSG) which is currently calculated by multiplying the total number of pupils on roll, by a guaranteed unit of funding (GUF). For 2012/13, Havering's DSG is 36,344 pupils x £5,086.43 GUF = £184,611,000.

3.4.5 The DfE recoups grant from the total DSG allocation (the £184.6m) to fund academies for their General Annual Grant (GAG). From the DSG held by the LA, most is delegated to maintained (non-academy) schools through a formula with the remainder held centrally for provision such as early years education (to meet the costs of the 15 hours of free entitlement per week for 3 and 4 year olds) Special Educational Needs (SEN), Pupil Referral Units (PRU), insurance, and so on.

3.4.6 From 2013/14 the DSG will be allocated in three blocks:

- Schools block
- High Needs block
- Early Years block.

3.4.7 The grants and revised Guaranteed Unit of Funding (GUF) have been announced as follows:

Schools Block		Early Years Block		High Needs Block	Additions and cash floor	Total DSG
GUF per pupil (£)	Allocation (£m)	GUF per pupil (£)	Allocation (£m)	Allocation (£m)	Allocation (£m)	Allocation (£m)
4,726.54	£160.641	3,979.94	8.274	17.848	2.363	189.127

3.4.8 The £2.363M of additions is as follows:

	£m
Funding for increased target for 2 year old free entitlement	1.522
2 year old trajectory funding	0.598
Transition funding following ending of 90% protection for Early Years	0.192
Newly Qualified teacher Funding	0.052
TOTAL	2.363

3.4.9 Budgetary provision which, under the current arrangements are funded from the overall DSG, are now funded from the separate funding blocks. All early years provision including nursery provision in maintained schools is therefore funded from the Early Years Block and provision for children attending special schools and pupil referral units along with budgets to meet the costs of statements of educational needs (SEN), post 16 SEN provision and support services is funded from the High Needs Block.

3.4.10 The Schools Block funds a range of centrally held budgets such as School Admissions, Carbon Reduction Commitment and Pupil Growth and approval for central retention has been given by the Schools Funding Forum where this is required by the DfE. Other services funded by the Schools Block are initially delegated to schools but decisions have been made by the Schools Funding Forum on behalf of maintained primary and secondary schools for some of them to be de-delegated i.e. centrally retained. Delegation is not permitted for academies and special schools. The majority of the Schools Block funds the delegated budgets of schools and academies through a revised formula (see below). Once calculated, the EFA will recoup the budget share for each academy to allocate to academies in their financial year, September to August.

3.4.11 The number of factors that local authorities may use to delegate funding to schools is reduced from more than 30 to 12, three of which do not apply to Havering. Of the remaining nine factors it has been agreed by the Schools Funding Forum that a further seven are used for Havering schools. These are as follows:

- (i) A basic per-pupil entitlement –a single unit for primary aged pupils and a single unit for each of key stage 3 and key stage 4
- (ii) Deprivation, measured by Free School Meals (FSM) and/or Income Deprivation Affecting Children Index (IDACI)
- (iii) Prior attainment as a proxy measure for SEN (notional SEN budgets can still also include funding allocated through pupil numbers and deprivation)
- (iv) English as an additional language, for a maximum of 3 years after the pupil enters the school system
- (v) A standard lump sum for each school, with an upper limit between £100,000 and £200,000 (Havering has decided on £150,000)
- (vi) Pupil mobility
- (vii) Rates, which may be at actual cost.

3.4.12 In modelling a formula using a reduced number of factors, there is a risk of significant variance between the funding some schools received in 2012/13 compared to the funding the new formula would deliver in 2013/14. Havering's formula modelling has therefore set out to achieve a position of least turbulence.

3.4.13 Variances are protected by a national Minimum Funding Guarantee (MFG) which ensures that no school will have a budget reduction of more than 1.5% per pupil between the 2012/13 and 2013/14 and again between 2013/14 and 2014/15. For schools that gain, LAs may apply a cap to moderate the scale of the gain and also to afford the cost of applying the MFG. Havering's cap has been set at 2% per pupil with a scaling factor that allows a school to retain 12.5% of the difference between the 2% cap and the total funding calculated by the new formula prior to capping.

3.4.14 In addition to the funding provided to schools from the DSG, they receive additional funding through the Pupil Premium to address low attainment of pupils from low income families and areas of high deprivation. For financial year 2013/14, the Pupil Premium provides schools with an additional £900 for every pupil aged 4 to 15 on roll at the January 2013 school census date who has been eligible for free school meals at any point over the previous 6 years. It is estimated that this will bring in an additional £6.4 million to Havering schools and academies, an increase from the £4.5 million allocation in 2012/13.

3.4.15 When schools convert to academies their calculated budget share and a share of the centrally retained DSG is recouped by the DfE. The numbers of academies in Havering are, as at 1st February 2013, 13 (of 18 secondary schools) and 2 (of 59 primary schools). As more schools consider their options that will best meet the needs of their pupils in the future, more may decide to become academies. Every additional academy will result in a further pro rata transfer of budget from the DSG held by the LA to the academy. This will

provide an opportunity for LA services that were previously funded by centrally held DSG to trade with academies in order to meet their operational costs.

3.4.16 The DSG held by the LA after academy recoupment is summarised as follows:

	2012/13 £000	2013/14 £000
Total DSG	184,861	189,127
Schools Block	0	160,641
Academy Recoupment	-56,181	-62,838
Balance for LA Schools & Centrally Held	128,680	97,803
Early Years Block	0	8,274
High Needs Block	0	17,848
Additions (inc new 2 year old grant)	0	2,363
Total for LA Schools, Early Years providers & Centrally Held	128,680	126,288

Education Services Grant

3.14.17 There is a range of education services providing statutory and support functions such as school improvement, education welfare, pupil planning, special education needs and school admissions that sit within Children's Services. For those services falling within the definitions of eligible expenditure, funding is through the Dedicated Schools Grant (DSG). All other services are funded through DCLG formula grant as they are statutory functions of the local authority.

3.14.18 Since 2011/12, there has been a top slice of the DCLG formula grant to recognise statutory functions that transfer from local authorities to academies. This funding is referred to as LACSEG (Local Authority Central Spend Equivalent Grant). The previous reports to Cabinet have highlighted this issue and its impact on the Council. From 2013/14, LACSEG is to be replaced by an Education Services Grant (ESG); this will involve the transfer of grant from councils' DCLG start up funding to the Department of Education (DfE) and the allocation back to local authorities on the basis of the number of pupils in maintained schools. This adjustment was also highlighted in the previous report to Cabinet, in particular the impact of the settlement.

3.14.19 The amount of the transfer for Havering is £4.978m and it will be allocated back on the basis of £116.46 per pupil in maintained primary and secondary schools and £15 for all pupils regardless of whether they attend academies. The figures for pupils attending maintained special schools and alternative provision are £494.96 and £436.73 respectively. It estimated that this will initially provide £3.3m of ESG to Havering on the basis of the number of academies as at 1st February 2013. For each school that converts during the new financial year a pro rata deduction will be made to the ESG.

3.14.20 In anticipation of this reduced funding, a number of restructures have commenced within Learning and Achievement which will reduce expenditure by approximately £1.3m by 1st April. The reduced amount of funding to Education will also limit the amount of corporate costs that can be recharged by approximately £300k. There is also a small reduction (of approximately £150k) that will be met from Finance & Commerce relating to the Asset and Capital Management Team. These reductions are included in the schedule of items for 2013/14.

3.4.21 There is one particular complication with the new Education Services Grant that is allocated to the LA at the start of the year. The grant will be adjusted on a quarterly basis to reflect the actual number of schools converting to academy status backdated to the date of conversion. This therefore means that the net impact will also change on a quarterly basis. Whilst this may well necessitate further savings, it will be difficult to anticipate these and it will take time to develop and implement them. There is also an issue over the point at which the critical mass of the service means that it is not feasible to deliver any further savings and still deliver the Council's statutory responsibilities in this area.

3.4.22 To avoid delays in progressing further savings, should these become necessary, it is proposed that Cabinet should delegate to the Lead Member for Children's Services authority to initiate action to achieve those savings. The actions taken will be reported back to Cabinet at the earliest opportunity, but it is felt that this delegation will minimise any adverse financial impact on the Council arising from the establishment of further academies.

3.5 Public Health

3.5.1 As Cabinet will be aware, an announcement on the expected funding for the Public Health services transferring to local authorities was cancelled at the last minute. Funding details were finally announced on 10th January. Havering's allocation is £8,833,400 for 2013/14 and £9,716,700 for 2014/15. The 2014/15 figure has a higher opening baseline, based on the formula applied. Officers have been analysing the details of the announcement, as the level of funding is higher than previously expected, based on protracted discussions over many months. The initial baseline estimate announced in February 2012 was £6.912m, revised to £8.241m in July 2012.

3.5.2 The funding allocated is a specific, ringfenced grant, and therefore these funds can only be expended for the purposes of public health services. Further information on the grant is contained in Annex 1 to Appendix C.

3.5.3 A working group of officers has been in place for some time dealing with various aspects of the transfer, including the migration of staff and the future treatment of various commissioned services. This latter element is complicated as the existing arrangements tend to run across the whole of the PCT area, rather than simply settling into borough boundaries. In addition, Councils are required to appoint a Director of Public Health, and a recruitment process is currently underway. As a result, work is still being progressed on detailed spend and service plans, for which the new Director will be largely responsible, and a headline only budget has been established pending this

work, although there is no net cost to the Council, as the grant balances the spend to be incurred.

3.6 Early Intervention Grant (EIG)

- 3.6.1 The previous report to Cabinet highlighted the reduction in this funding stream. As this report now identifies, over the course of two years, Havering will see a loss in funding of £2.7m. Some of these costs can now be directed to DSG, as the functions will fall under the definitions for that funding stream. However, that does leave Havering with an estimated funding gap over this period of around £2.1m.
- 3.6.2 Whilst changes to this funding stream had been anticipated, the scale of the reduction is far higher. Given the need to draw up detailed proposals, seek cabinet approval, undertake due consultation, and then implement the agreed proposals, it is not realistic to be able to conclude that process before September 2013. With that in mind, it is intended to bring a further report to Cabinet in March, setting out these detailed proposals.
- 3.6.3 It will not therefore be possible to achieve the full reduction of £2.1m in 2013/14. This will therefore be phased over the two years, with roughly an even split, and this is reflected in the budget for next year. Firm proposals, including a more precise assessment of the incidence of the savings, will be set out in the subsequent report. An assumed level of saving has been built into the budget, pending this more detailed work, but doing so obviously brings with it a degree of risk. However, it is not tenable to bring forward savings proposals at this point in time. In addition, this is a significant cut in funding (some £2.7m from an initial grant of £8.9m) and introducing savings without risking a marked service impact is not plausible.
- 3.6.4 In addition, children's services are already under pressure, as a result of continuing high levels of demand, and thus spend, on placements. This can be seen in the monitoring position for the current year. It may therefore prove difficult to deliver both the scheduled savings and those arising from the grant reduction concurrently, without creating serious service risks. This has been reflected in the final schedule of budget proposals and the updated risk assessment.

3.7 Council Tax Freeze Grant

- 3.7.1 As indicated in previous reports to Cabinet, this grant was originally introduced for 2011/12, available as permanent grant funding across the whole of the CSR period. A further announcement followed, indicating an additional level of grant funding would be made available, but only for financial year 2012/13, to any authority either reducing their Council Tax or holding it at the current level.
- 3.7.2 Whilst this grant is now being removed, and the original 2011/12 grant is being rolled into the new funding system, an additional, new freeze grant has been offered to authorities for 2013/14. This equates to 1% of the Council Tax yield, and for Havering this is worth £1.083m. As in previous years, this is only available to those authorities who freeze the Council Tax, or reduce it. The grant will be available at the same level for both 2013/14 and 2014/15, ie a

base grant of £1m would apply in the first year and would remain in the budget in the second.

3.8 New Homes Bonus

3.8.1 The position with the New Homes Bonus (NHB) was set out at some length in the previous report to Cabinet. This funding is now being built into the base budget, with an estimated sum of £1.797m for 2013/14. As the previous report explains, the national funding for this is top-sliced prior to the distribution of grant funding, and as this increments over time, NHB will continue to rise whilst grant funding will reduce.

3.8.2 Government estimates assume a sum of £2.8m for 2014/15, although the Council's own estimates are somewhat lower, at around £2.4m, and this lower figure is reflected in the budget schedules.

3.9 General Inflation

3.9.1 The previous report to Cabinet set out in some detail the broad approach being adopted. In essence, provision is being made for pay awards in line with Government announcements, whilst provision for inflationary rises in contracted services and income reflect the relevant circumstances in each case. Separate provision has been made for rises in utility costs, as these tend to be significantly higher than any general provision. The situation will be kept under review as the year unfolds, though at this stage, no further change to the approach set out in the previous report is envisaged.

3.9.2 A modest increase in fees and charges has been built into the annual review process as indicated. Account is, as usual, being taken of any fees set statutorily, as these are outside the control of the Council. The schedules of fees and charges are set out in Appendix K for approval by Cabinet and the level of changes is being reflected in service budgets.

3.10 Payments to External Bodies

3.10.1 Details of the proposed contributions for 2013/14 for concessionary fares and the Taxicard scheme were included in the previous report to Cabinet; these will now be £7,661,487 and £150,000 respectively, both lower than had previously been anticipated for budget planning purposes (though the Taxicard figure is awaiting final approval). This represents a reduction of £57,000 and £155,810 respectively.

3.10.2 It was reported at the recent London Councils meeting that there will be a £1.25m underspend by TfL for 2012/13 for the Taxicard scheme; and using an already agreed formula this will be passed onto the Boroughs - Havering's likely share is around £74k. As this is a one-off contribution, it is proposed to take this sum into the Strategic Reserve.

3.10.3 The Council's payments for the London Councils Subscription and London Boroughs Grants Scheme were also reported to the previous Cabinet meeting and the contributions will now be £142,744 and £260,979 respectively. This represents a net reduction in the Council's actual contributions of around £89k,

but against the existing budget, a reduction of £172,632. It has been assumed that this will be taken in full as a saving and this has been recognised as such in the schedule of new items. Solely for next year, there will be a one-off refund of £25k resulting from reserves now being made available. Given that this is such a small sum, and to avoid changing the base contribution, it is proposed to take this sum into the Strategic Reserve.

3.11 Transformation Funding

3.11.1 As set out in the previous report to Cabinet, to provide funding to enable the Council to deliver a sustained transformation programme, it is proposed to retain the existing base budget provision of £1m, rather than remove this as a saving. There are two main areas proposed for this investment; business development and the continuation of the transformation programme.

3.11.2 The Towns and Communities Goal of Living Ambition has always shown increased economic prosperity of the Borough as a key priority. A Business Development strategy will be presented to April Cabinet. The strategy, which has three key themes of encouraging business to grow, inward investment and transformation in customer services to business, has been developed following research and surveys undertaken last year. The strategy will be supported by a realignment of current resources, and the investment of some additional resources to support these priorities. They have a very sharp focus given the move to a business rates driven model of funding and the inbuilt assumptions that this yield will increase by 3% annually. The Council's financial well-being will depend to an increasing extent on its local taxation yield, and this investment is designed to support that objective.

3.11.3 In the interim, a number of initiatives have been commenced; these include:

- establishing up to date data and contacts on borough based businesses
- a range of initiatives to support local businesses
- reviewing procurement policies here and elsewhere
- highlighting the opportunities available for local businesses to bid for work, such as those outlined in the Capital Programme
- a review of investment opportunities for the pension fund
- a decision to take opportunities to invest in local infrastructure
- a decision to bring the administration of business rates back in house
- the creation of additional management capacity to develop this important area.

3.11.4 Alongside these business development initiatives, given the potential scale of budget gap over the period to the end of the decade, the Council will need to continue its investment in transformation. The council has invested heavily in new technology over the last 18 months and, as the peer challenge noted, it is essential to capitalise on this investment in order to make further efficiency savings to protect front line services. Further work will be undertaken to allow the whole of the homes and housing service and children's services to benefit from the new customer services technology. In addition the back office, or specialist services, will benefit from lean reviews to ensure our systems and practices are the most efficient possible. Work will also be undertaken to deliver more shared services in the Council's back office functions, again in

order to maximise savings in back office services and to protect the front line. Given the ongoing pressure on Council budgets to 2014 and beyond it is considered essential to finance the mainstreaming of transformation resources in order to keep delivering savings at the current rate.

3.11.5 In broad terms, it is proposed to allocate £500k of this sum to the continuing transformation programme, and the remaining £500k to the business development initiative.

3.12 Members Allowances Scheme

3.12.1 The proposed Scheme for 2013/14 is being prepared concurrently with this budget report for consideration and approval by Council.

3.13 Demographic Growth within Social Care

3.13.1 In recognition of the impact of increasing demand for social care services, driven by an increase in both the size of the population and the needs of individuals, provision was first introduced in the 2011/12 budget to accommodate this. A similar sum was included in 2012/13, based on changes to population size. However, it is now some time since these figures were originally assessed, and it would therefore be prudent to revisit these.

3.13.2 Equally, since the original assessment, the Council has recently appointed a new Director of Social Care & Learning, is also appointing a new Director of Public Health, and will shortly assume responsibility for all Public Health functions. In addition, there have been various changes to the relevant services and there are significant savings to be delivered in the next year. The level of risk around these savings and current budget pressures are highlighted elsewhere in this report. Further developments within social care, for example arising from the Dilnot review, are also expected.

3.13.3 With that degree of change in mind, it is now proposed that the need for growth will be revisited in detail over the coming months. Therefore, the existing provision will be retained pending the outcome of that review.

3.14 Levying Bodies

3.14.1 The levies are part of the local government settlement and therefore need to be taken into account when setting the Havering element of the Council Tax. The latest information in respect of levies is set out in Appendix D; at this stage the figures are shown as either provisional or estimated, with final figures expected shortly.

3.14.2 The ELWA budget is now due to be approved at the board meeting in early February 2013, and the relevant report was published on 29th January. The budget reflects both the latest tonnage information and the new Council Tax base calculations. Either of these factors can affect the distribution of the levy, and it is evident from the report that this has, in fact, been the case, with rises in the levy varying between 2.9% (Newham) and 6.9% (Redbridge), with the average rise being 5.4%.

3.14.3 The report indicates that Havering's levy for 2013/14 will now be £11.653m. This represents an increase of 6.4%. As previously advised to Cabinet, the overall levy, and Havering's share of it, has reduced from that previously anticipated, and this final figure is in line with the reduced sum now provided as part of the Council's budget planning. Subject to final approval by the Authority, this sum is reflected in the draft budget for 2013/14.

3.14.4 For planning purposes, an increase of 5% in the remaining levies had previously been anticipated, although in financial terms, this only equates to around £37k. The final figures are dependent on the Council Tax base for each funding authority, so the provisional levies for 2013/14 are currently awaited. The figures included in the Council Tax statement are therefore estimates.

3.15 Collection Fund and Council Tax Base

3.15.1 As part of the administration and management of Council Tax, the Council is required to maintain a separate Collection Fund Account into which its Council Tax receipts are paid. Each year, any surplus balance on this fund must be used to reduce the Council Tax in the following year, and any deficit must be met by increasing the Council Tax, or if significant by making a contribution to the Fund to keep it in balance. The budget setting process must take the position on the Fund into account, although clearly the final year end position will not become known for some months. So a prudent assessment is made of the forecast position and that is then reflected within the budget.

3.15.2 From April, the Collection Fund will now encompass not only the collection of Council Tax, but Business Rates as well, and in addition, all payments for Council Tax support. This will see a significant change in the scale of transactions being processed through the Fund.

3.15.3 The Collection Fund is operated on behalf of both the Council and the GLA. Any contribution to and from the Fund is split on the basis of their respective responsibilities. The Fund operates in such a way that even very minor variations in recovery levels will affect the Fund balance. Thus, a shortfall in recoveries can lead to a deficit on the Fund, as will changes in discounts and bad debts.

3.15.4 At the point of finalising the 2012/13 budget, a surplus was forecast on the Fund. However, given the volatility with the Fund, a compensatory provision was created. Based on the latest available information, it is now anticipated that the Fund will in fact show a surplus at the end of this year, although this will be lower than had been anticipated.

3.15.5 For the 2013/14 budget, it is the forecast position on the Fund at the end of the current year that needs to be reflected in the detailed budget, as this is then fed into the precept payments for that year. Given the volatility within the Fund and the changes that the new funding system brings, predicting the position is extremely difficult. A prudent approach has been taken, and as a result a small deficit is now forecast, and this is reflected in the overall budget and Council Tax statement. As a result, the existing budget provision, created as part of the 2012/13 budget, has been removed. It must be emphasised that the

position on the Fund in 2013/14 is a major area of risk and it is unlikely to reach a settled position until close to year end

3.15.6 The Council Tax base is reviewed each year to take account of new properties and changes to other factors, such as exemptions and discounts. As previously reported to Cabinet, there have now been changes in the way in which the base is calculated. For 2013/14, the base will be 79,401. One impact of this change in calculation has been on the distribution of levies, which has become evident with the ELWA levy.

3.16 **Proposals – Budget Savings and Budget Adjustments**

3.16.1 As set out in the January Cabinet report, the financial climate has meant that scope for any further investment, or ability to absorb additional pressures, is extremely limited. The reports to Cabinet in July 2010 and 2011 set out a range of savings proposals aimed at bridging the forecast gap expected to arise from both the Emergency Budget and the CSR, and designed to deliver savings of approaching £36m over a 4 year period. These savings proposals are in the process of being implemented, subject to consultation where appropriate, and are being included in the 2013/14 budget. An analysis of the services where these savings fall was included in the previous report to Cabinet.

3.16.2 The January report included a small number of unavoidable budget adjustments, mainly pressures, as well as a small number of additional savings items. The latter included both service and corporate items, with some changes to the elements already built into the Council's budget planning. The final proposals are set out in Appendix F. As previously reported to Cabinet, only those budget adjustments that are unavoidable have been included. These have generally resulted from circumstances outside the control of the Council or where it has not proved possible to achieve the originally planned savings.

3.16.3 There have been only two additions to the schedule presented to Cabinet in January; these are as follows:

- Children's placements; there is a current budget saving of £300k expected to be achieved from a reduction in spend on placements. Given the position in the current year, the general pressures in this area, the further savings required from service transformation, and the issues around early years services, this saving is now not achievable. It has therefore been added to the unachievable savings list
- Pupil Referral Units; this issue was highlighted in the December Cabinet report. The issue is identical to that arising from the LACSEG adjustment, and as set out in the December report, there are unavoidable corporate recharge costs that can no longer be recovered. This has been added to the new pressures/growth items list, as it cannot be absorbed.

3.16.4 The previous report indicated that a budget gap of around £2.7m remained to be met. This is a reduction from the initial, pre-settlement assessment of over £8m, and is due in part to a number of factors moving in the Council's favour, such as the ELWA levy and the concessionary fares contribution. The

subsequent analysis of the settlement covered earlier in this report shows that this gap is due largely to the increased funding reductions in 2014/15, and these in turn are attributable to the additional departmental spending reductions and adjustments to the funding for Council Tax support. There is, in addition, a significant reduction in funding associated with Early Intervention Grant.

- 3.16.5 Given that work on the EIG area is still underway, and given that, at the point of concluding this report, the final settlement announcement was still awaited, officers have focused on the known issues for 2013/14. It is the Administration's intention to bring a further report back to Cabinet in due course, setting out its proposals for addressing this remaining budget gap, bearing in mind that there is an additional funding gap relating to EIG, over 2 years, of £2.1m.
- 3.16.6 Alongside these, the forecast gap anticipated a degree of budget pressure arising on an annual basis, alongside the expected demographic budget growth required for adults services. Given the ongoing financial climate, it is felt that, other than the specific provision already made for this growth, it is not appropriate to provide specific growth or financial provision for any other pressures.
- 3.16.7 Finally, the assessed budget gap included the possibility of being bridged through Council Tax rises. By again freezing Council Tax for 2013/14, Havering can take advantage of the latest grant offered by the Government, accepting that whilst this is available across both settlement years, it has only been set at 1%.
- 3.16.8 Whilst these factors all work to the Council's advantage, all local authorities are, as has now become very apparent, facing unprecedented change in their future funding arrangements. The degree of uncertainty facing local authorities has, if anything, increased even further from this time last year. Aside from the potential impact of growth in both scale and need for social care services, local authorities will now carry additional risk resulting from the localisation of both business rates and Council Tax support. Changes in local taxation yield, collection rates, appeals and claims for Council Tax support may all lead to an adverse financial position, as these will now impact directly on the Council.
- 3.16.9 This is in addition to the difficulties in interpreting the outcome of the settlement, with millions of pounds in funding shifting from one stream to another. The first year under the new funding system therefore carries a higher degree of risk than usual, and it is essential, to ensure that the Council has a stable financial platform, with a robust approach to budget setting, due account is taken of this risk, and mitigation built in where possible.
- 3.16.10 Cabinet will be aware that, at the point of setting the 2012/13 budget, it was recommended that a Special Corporate Budget Provision of £2.5m should be created. This was intended to provide a suitable cushion that would provide funding to ensure that the Council is well-placed to absorb the impact of fundamental changes to its funding base, as well as the other issues listed above, to avoid what could potentially be a very difficult year. This Provision was intended to cover the following:

- Revenue impact of pressures in Children's Placements if these cannot be contained within existing budgets
- The potential impact of migration to the localised business rates system, including any investment needed to retain the existing business rate base and/or to attract new businesses to locate into Havering
- The potential impact of migration to the localised Council Tax benefits system
- Unexpected consequences of any further adjustments to academies' funding
- Possible shortfalls in achieving the full range of savings already approved by Cabinet
- The potential impact of the imminent transfer of Public Health functions to local authorities
- Financial consequences arising from changes to the local government pensions scheme
- Funding to bridge any shortfalls in capital receipts and/or additional spend required to maintain capital assets in line with any needs analysis
- Funding required to sustain the corporate transformation programme to ensure the ongoing deliver of savings previously approved by Cabinet
- The one-off impact of reversing the 2012/13 Council Tax freeze grant
- Rises in utility bills that create a permanent, ongoing base budget effect.

3.16.11 Although a Contingency Fund exists within the budget – which is covered elsewhere in this report – this is fundamentally provided to deal with in-year issues, and not base budget ones. There are in addition a number of areas that are at risk in the current year – in particular the two transformation programmes – as well as risks around the achievement of savings within the children's area, as mentioned elsewhere in this report. There are further risks around changes to the benefits system, with increased risks of higher demands on the Council's services, particularly in the area of homelessness, as well as the constant pressure caused by changing demographic issues.

3.16.12 A risk based assessment of the Provision was set out in the February 2012 Cabinet report as part of the Chief Finance Officer's assessment of budget robustness, and this has been updated accordingly; this is now set out in Appendix H. This indicates that the Special Budget Provision should be increased to £3m, given the greater degree of risk over savings delivery next year, which contains the bigger level of savings by far over the current four year period, aside from the issues referred to above.

3.16.13 The information contained in the settlement indicates that, over the next 2 years, Havering will lose over £10m in Government funding, although around £2.7m of this will either now be charged to DSG, or will delivered through further savings. This leaves an overall gap of £8.7m, ignoring any other factors. As the previous report to Cabinet indicated, the deployment of this Special Provision will be a significant help in bridging this gap. It is therefore proposed to retain the provision for a further year, with the intention of reconsidering the need for it as part of the budget setting process in 2014/15.

3.16.14 However, whilst the Special Provision has been reassessed, this now takes no account of the potential shortfall between the calculated business rate

yield, and the actual yield, nor the potential impact of business rate appeals or relief allowances. Neither does it take any account of a shift in demand for Council Tax support payments. It will clearly take some time for the new, localised systems to bed down, but there is a significant risk for this first year. It is therefore proposed to maintain a separate Budget Provision of £1.5m to cover any potential shortfall in business rates income and any rise in CT support payments arising during the first year of localisation.

3.16.15 There are alternatives; to allocate some or all of these funds directly into service areas, to retain no provision at all, or to use the provision to reduce Council Tax. Given that it is not possible to properly evaluate most of these issues, and given the ongoing state of flux over the settlement and the level of funding provided to the Council, allocating funds into service areas at this point in time is not seen as prudent or robust. The option of having no provisions in place at all could potentially leave the Council facing the combined issues of the anticipated loss of grant monies coupled with the risk of a further reduction in overall funding from Government, a reduction in taxation yield and a rise in Council Tax support payments. These would then inevitably have a major impact on 2014/15 and leave the Council facing potentially significant savings to balance its budget or the prospect of a big rise in Council Tax being needed – which would trigger a referendum, or in the worst case, both. It is the Administration's view that neither of these options is tenable or financially robust, nor in keeping with its aim of keeping Council Tax rises down to the lowest level possible.

3.16.16 The budget proposals, which have been open for public consultation since January, and the information set out in this report, explain how the Council will prioritise funding for next year, while enabling the Council Tax to be held at the same level as the previous year, ie **no change is being recommended to Council.**

3.16.17 As well as the proposals set out, the final budget reflects this element; more detailed information on this was contained in the January Cabinet report:

- Pension Fund; a change in the existing provision is being included in anticipation of the outcome of the actuarial review and given the current position with the Pension Fund.

3.17 **Current Financial Position – Revenue**

3.17.1 The development of the financial strategy and detailed budget needs to take recognition of the financial position in the current year. Previous reports to Cabinet have set out the position for the current financial year; these have shown an overall underspend position, although a number of adverse variances have been effectively covered by underspends in corporate provisions. The January report set out a summary of the position at period 6 and this indicated an overall underspend of around £1.2m.

3.17.2 The most recent revenue monitoring reports cover periods 7 and 8, October and November. These are exception-only reports and neither shows any material change from the position previously reported to Cabinet as part of the January report.

3.17.3 Part of the planning process ensures that any in-year variances are fully assessed and taken into account. This was referred to in the January report. The analysis of variances has now been undertaken and this is set out in Appendix K.

3.17.4 The current position shows that there has been slippage in the delivery of savings from two of the major transformation programmes. Whilst further work is underway to seek to deliver these savings, there is a risk that this will not prove possible, at least in full; not the least because the development of other proposals may inhibit ability to achieve these as planned. This risk has been factored into the assessment for the Special Corporate Budget Provision.

3.17.5 That aside, the position at the end of November indicates that an overall underspend for the year is likely. This is currently under review and it is proposed that a further update as at period 9 will be reported to Cabinet, through a supplementary paper. Should the position remain the same, these funds will be transferred into the Strategic Reserve, as has already been agreed by Cabinet, and they would then be available for subsequent investment purposes.

3.18 Fees & Charges

3.18.1 The fees and charges will broadly increase by an average of 1.5%, allowing for those set outside the Council's control, as highlighted in the January report. A complete Schedule of Fees and Charges is set out in Appendix L and is presented to Cabinet for approval as part of the 2012/13 budget. The Schedule will be held on the Intranet and will be available via the Council's website.

3.18.2 Fees and Charges continue to be reviewed and amendments made in line with strategic priorities, and the results of the consultation process for services to be paid for at the point of delivery, rather than through Council Tax increases.

3.19 Contingency Provisions

3.19.1 The level of contingency has been reviewed in the context of the budget set out for Cabinet. The Chief Finance Officer (CFO) has set this by having due regard to:

- The budget as proposed
- An assessment of unquantifiable pressures and unforeseen events that could arise during the 2012/13 financial year
- The experience in previous years
- The degree of uncertainty as well as known impact of changes to funding streams

- The potential effect of changes to both the Council Tax system and Council Tax benefits, there will inevitably be unknown effects from these changes, which are difficult to evaluate with any reliability at this point in time
- The overall budget strategy.

3.19.2 A risk assessment is set out for Members within Appendix H as part of the CFO's statement on budget robustness, having due regard to the controls in place that will mitigate both the severity and likelihood of the risk happening. In arriving at the risks included, consideration has also been given to such factors as the:

- Financial risks in any significant new funding partnership arrangements
- The ongoing economic climate
- The potential withdrawal of and/or reduction to grant funding
- Treatment and delivery of savings
- Level and timing of capital receipts
- Arrangements for budget and financial management
- Adequacy of the authority's insurance arrangements
- Impact of the loss of both general and specific grant
- Overall financial standing of the authority
- Capacity to manage in-year budget pressures.

3.19.3 The result of the assessment is that it is the view of the CFO that a sum of £2m continues to provide a sufficient revenue contingency to deal with any issues arising during the course of 2013/14, having regard to the level of risks and the mitigating factors, and taking into account the proposed additional budget provisions being established to provide sufficient capacity to absorb any adverse impacts arising under the new funding system. Any issues that have a longer term impact will need to be considered as part of the budget setting process for 2014/15 and beyond; the purpose of the Contingency Fund is to provide funds to address issues that impact specifically on that year.

3.19.4 This is critical given that, in spite of the LGFS announcement, there are issues as yet still unclear, and the need for further decisions relating to the LGFS outcome cannot be discounted. It is important to note that some of the risks have again changed this year, and in addition, consideration of the impact on the Council Tax level has also been considered. On the basis of experience in the recent years with respect to such matters as Adult Social Services, utility prices, and various income categories, it will continue to need careful monitoring during the year.

3.19.5 The Constitution of the Council incorporates specific requirements in respect of budget virements and use of the contingency; full details are repeated in Appendix G for Members to note.

3.20 **Budget Robustness/Reserves Position and Opportunity Cost**

3.20.1 The Local Government Act 2003 sets out requirements in respect of Financial Administration, and in particular to the robustness of the budget and the adequacy of General Fund reserves. The Act requires the CFO to report to an authority when it is making the statutory calculations required to determine its council tax or precept. The Act also suggests the advice should be given prior

to the formal statutory calculation. This advice has therefore been given to both Cabinet in formulating proposals and to members of Overview and Scrutiny in considering the proposals. The Act also gives the Secretary of State the power to specify a minimum level of reserves that an authority must provide for when setting its budget, although there have been no indications that the Secretary of State will use this power.

3.20.2 In line with the requirements of the Act, the formal report of the CFO is appended as Appendix H. The Council is required to take the report into account when making the calculations.

3.20.3 The Council's financial strategy sets out that the minimum level of General Fund reserves held will be £10m. Prior to making a final recommendation to Council, there is a need to further consider the current financial position for 2012/13 and its potential impact on reserves. Equally, the importance of retaining sufficient reserves has been emphasised by the variances that have arisen in service areas with large and volatile budgets and service demands, and with the impact of the economic climate within recent years.

3.20.4 After having regard to the consideration of the impact on reserves of the 2012/13 outturn, the existing reserves are likely to be sufficient to maintain this level. For information, this provides a level of reserves which gives limited cover for unforeseen circumstances that may have financial consequences, either one-off or across financial years.

3.20.5 The more detailed advice of the CFO in respect of reserves is also set out in Appendix H. This covers both the assessment of the level of reserves needed, and the opportunity cost arising from holding reserves.

Balance Sheet Position

3.21.1 The focus of the revenue budget strategy is on the Council's income and expenditure. However, regard also needs to be given to key balances included in the Council's Balance Sheet. The Council faces a number of risks and uncertainties which can be mitigated by:

- Ensuring that it maintains an appropriate level of liquid resources, and
- Maintaining an adequate level of general fund reserves and balances.

Liquidity

3.21.2 The Council has historically held approximately £100 million in cash on average during the course of the year. This represents the value of the Council's revenue reserves, net current assets, unapplied grants and unapplied capital reserves. Other than reserves, this is money that is committed and is being held pending such expenditure. Given gross expenditure in the region of £600 million, this represents around two months of expenditure.

3.21.3 It is possible that the average cash holdings of the Council will reduce owing to the significant changes in grant funding, although where there are further savings being introduced, this will to some extent offset this. It will be necessary to keep a close watch on the cash flow position as 2013/14 rolls out.

3.21.4 The Treasury Management Strategy agreed by the Council at its annual budget setting meeting sets out the parameters for investment of this cash and includes the measures to be taken to ensure the creditworthiness of the Council's counterparties. The draft prudential indicators included in the Strategy also set out the limit for investments on terms of more than one year. In practice longer term lending is minimised to ensure that a high level of liquidity is maintained.

Earmarked Reserves

3.21.5 An earmarked reserve is a sum set aside to fund known items of anticipated expenditure for which the liability is not chargeable to the current year's accounts. The Council holds a number of these, the most significant of which are for the Corporate Transformation programme, funds to deliver strategic projects, insurance claims, capital bridge funding and invest to save resources.

3.21.6 The earmarked reserves are reviewed on a quarterly basis to ensure that they are still required. As a one off resource, any funds deemed to be surplus would be reallocated to support one off projects such as support to the capital programme, contributions to the pension fund or service initiative pump priming.

3.21.7 The Council's financial strategy precludes the use of reserves to finance known and ongoing financial liabilities, as this is the financially prudent approach required to ensure a stable financial position is achieved. Reserves can only be used once, and the Council's reserves have been established for specific purposes; their use as a one-off means of financing the Council's ongoing revenue budget falls outside the strategy previously approved by Council, and is not therefore recommended.

3.21.8 It is not proposed that any use should be made of existing earmarked reserves to support the Council's revenue budget, as this is not felt to be prudent and not in line with the Council's revenue budget strategy. As stated in the January report, the current advice of the Group Director Finance & Commerce is that the existing level of general reserves can be considered to be adequate, but issues in previous years over adult social care spend, and the recent major reductions in grant funding and imminent changes to the funding system, emphasise the need for prudence with the management of reserves.

3.22 Commercial Properties

3.22.1 Recommendation 8 proposes that with effect from 1st April 2013, that the financial assets and liabilities of the commercial properties currently held in the Housing Revenue Account be appropriated to the General Fund. There are around 180 commercial properties held in the Housing Revenue Account. These properties are not part of the landlord function; they have historically been managed by the Head of Property Services, on behalf of the Housing service. The properties were not recognised in the self-financing debt settlement; Havering was required to pay £165m to buy itself out of housing subsidy, and this figure was calculated by the government on the strength of

the tenanted stock portfolio, without reference to any authority's commercial stock.

- 3.22.2 The proposal is to appropriate the benefits and liabilities of this portfolio to the General Fund. It is proposed that the final list of properties to be appropriated is delegated to the Group Director Finance & Commerce; issues such as any redevelopment plans, and the nature of individual properties, will need to be considered. It is currently anticipated that the stock may generate annual net income of around £1.27m. A valuation of the final stock will be required for the date of transfer – 1st April 2013. Debt to the value of that valuation will then pass from the HRA to the General Fund, creating an equivalent saving for the HRA. It is anticipated that the value will be between £19m and £20m. Taking a mid point of £19.5m, and applying the Council's current long term borrowing rate of 3.594%, would give an annual interest charge of £700k.
- 3.22.3 The General Fund would take the risk of future interest rate changes (but not much risk on long term as much loan is fixed), would carry this debt as a liability, and would be responsible for bearing the cost of any refinancing arrangement. Prior to self financing, the situation was different. Whereas now, appropriation will create a revenue saving to the HRA (estimated £700k above), under the previous subsidy regime, that saving would have been reversed by reduced subsidy. By appropriating the properties now, the Council can be sure that HRA savings will be generated.
- 3.22.4 For information, the HRA Business Plan approved by Cabinet 8th February 2012 assumed the appropriation of the commercial properties. The management arrangements of the properties will be unchanged given that, as reported above, they have always been managed by the Head of Asset Management.
- 3.22.5 It is anticipated that this will deliver a net benefit to the General Fund in the region of £500k. Whilst this sum will contribute towards bridging the remaining two year budget gap, it is not required to achieve a balanced position in 2013/14. It is therefore proposed that this sum will be reinvested, on a one-off basis, as follows:
- Firstly, to undertake any necessary improvements to the properties themselves, to ensure that they are all of a marketable standard, and environmental improvements works in the areas in which the properties are located. This investment should ensure that the Council is able to maximise its return from these properties
 - Secondly, to continue work to tackle a growing issue with homelessness and empty properties. The funds will enable the existing Empty Properties Team to be retained for an extended period. The Team, which deals with empty private sector properties and brings them back into use by the provision of advice and grants to landlords, and by the use of enforcement powers, such as Compulsory Purchase Orders, is currently funded by a time limited grant, and if this is not funded from other resources, it would have to close. This would also have an impact on our ability to generate New Homes Bonus as this is payable when long term empty properties are brought back into use. Additional resources are also required to deal with homelessness. We are

assisting a greater number of households through the provision of private sector options (through rent deposits or rent guarantee schemes or private rented properties which we are managing ourselves). This has enabled Havering to target its resources at those in greatest need, and ensure that all homeless households are placed in temporary, and permanent accommodation within the Borough.

3.22.6 The position relating to empty properties and homelessness will be reviewed during the year, to reflect the impact of changes in the benefits system amongst other things, and firm proposals on the longer term resourcing of this area will be reflected in the budget setting process for 2014/15.

3.23 Draft General Fund Budget 2013/14

3.23.1 Based on the detailed budget proposals and other factors set out above, the Council's General Fund budget for 2013/14 will be as set out in Appendix E. This is summarised as follows:

	2012/13 £000	2013/14 £000
Havering's Services	173,782	169,675
Levies	11,700	12,434
Total Expenditure	185,482	182,109
Unringfenced Grant	-22,698	-12,118
External Finance inc Collection Fund	-55,051	-75,092
Havering's Precept	107,732	94,899

3.23.2 The budget has been produced on the basis of the factors set out in this report. The movement between this year and next is analysed as follows:

	£000
Pressures	
Budget Pressures (New items, Adults, Freedom Pass, net of impact of funding changes)	1,406
Inflation	1,728
ELWA & Other Levies (estimated)	734
Budget Provisions	2,000
Sub Total – Pressures	5,868
Savings (previously agreed, new items, impact of funding changes)	-17,346
Government Grants (mainstream grant, Council Tax freeze grant)	3,655
Other Changes in Funding Streams	-6,475
Sub Total – Net Increase	-14,298
Net Change in Council Tax Base	12,834
Change in Collection Fund	1,464
Net Total	0

3.24 Draft Schools' Budget 2013/14

3.24.1 A summary of the Dedicated Schools Grant (DSG) for 2013/14 is set out earlier in this report and the relevant Appendix.

3.24.2 The Schools' budget is also set out in Appendix E and is summarised as follows:

Estimated Allocations	2012/13 £	2013/14 £
Estimated Total DSG to Education Providers	115,066,357	114,845,391
Estimated Total DSG to be Retained Centrally	13,688,773	11,442,553
Total DSG Allocation	128,755,131	126,287,944

3.25 **Havering Council Tax Precept for 2013/14**

3.25.1 On the basis of the information set out in this report, including the levies being those as set out in Appendix D, there would be no change in the Havering element of the Council Tax. Havering's band D figure would remain at £1,195.18.

3.25.2 A summary statement, along with further information to support the setting of Council Tax, is set out in Appendix E.

3.26 **Expenditure Restriction by Government**

3.26.1 As set out in the previous report to Cabinet, the Government has made it clear that they intend to ensure that council tax payers are protected against Councils that reject the offer of the Council Tax freeze grant and impose what they consider to be "excessive" council tax rises.

3.26.2 As part of last year's settlement announcement, a requirement was introduced for local authorities to undertake referenda should their proposed Council Tax rise exceed a pre-determined level. Any proposed rise in Council Tax at or above these levels would trigger a local referendum. The outcome is based on a simple majority of those voting, either in favour or against.

3.26.3 The level relating to Havering has been set at 2%. However, as the previous report explained, this is assessed on the basis of an Alternative Notional Amount (ANA) calculation, rather than the actual band D sum. This calculation is designed to eliminate the impact of levies, which are generally set outside the control of the authority.

3.26.4 The figure assessed by DCLG as Havering's equivalent ANA is £1,048.66. This has been calculated from the current Council Tax requirement, adjusted for levies and the changes resulting from Council Tax support. Based on the forecast figures for 2013/14, using the anticipated levy levels, Havering's currently estimated ANA is £1,038.54. The reason for the reduction is that Havering's own spend is reducing. On this basis, Havering is clearly within the 2% level.

4. **Capital Programme**

- 4.1 The Council currently approves a three year rolling Capital programme, with a detailed programme for the first year and an indicative programme for the subsequent two years. The Programme has remained reliant on funding through the generation of capital receipts, although consideration had been given to a transitional process, with a gradual move towards the use of prudential borrowing to finance it.
- 4.2 Changes in the cost of prudential borrowing through the Public Works Loans Board were previously announced as part of the CSR. Given the ongoing financial climate, it is now felt that the Council's immediate budget strategy should not incorporate the use of prudential borrowing, with minor exceptions. It is therefore proposed that the Capital Programme for the foreseeable future should rely on the use of capital and Section 106 receipts and any sources of external funding only.
- 4.3 With this approach in mind, the proposed overall programme was submitted as part of the report to the previous Cabinet meeting. This included a detailed schedule of schemes within the core programme for the coming financial year, 2013/14, together with the overall programme areas for the following year. These are included in Appendix I. Detailed schemes within the remaining year of the core programme will be brought forward at the appropriate time. This will reflect any changes in the forecast position with capital receipts, and other funding flows where appropriate.
- 4.4 As part of the development of the Capital Programme, the need to provide investment in primary school places has been identified. This reflects projected pupil numbers over coming years. A further assessment has been undertaken on future needs, relating to both places and for maintenance purposes, and a detailed programme was included in the previous report. This was however based on assumed levels of grant funding, pending the actual funding announcements.
- 4.5 There are also some other areas where grant funding has already been announced, or where a level of funding for 2013/14 could reasonably be assumed. The major area of funding is from Transport for London (TfL), where the Council has been awarded a sum of £2.9m for next year. These grant areas are shown in the Appendix. Although these grants are allocated by individual Government departments, with a clear indication how they would expect these funds to be utilised, with the exception of the TfL funding – and consistently with revenue grants – these funds are unringfenced.
- 4.6 To ensure that specific schemes can be progressed, and bearing in mind that the actual sums announced may differ from those shown, it is proposed to adopt a similar approach with capital grants as that proposed earlier in this report for revenue.
- 4.7 With this in mind, Cabinet is asked to approve the capital programme as set out in Annexes 2, 3 and 4 of Appendix I for 2013/14 and to note the indicative programme for 2014/15.
- 4.8 It is proposed, to enable any specific schemes to proceed in a speedy and timely manner, that the relevant service area Cabinet Member, together with

the Cabinet Member Value, be delegated authority to commence tender processes and accept tenders for capital schemes that previously were agreed by Cabinet. Cabinet is asked to approve this as part of this report.

- 4.9 The Appendix indicates that the estimated sum for the Broxhill Park development has increased from the initial provision of £2m to around £3m. The reasons for this are set out in the Appendix. As this represents an overall increase, Cabinet is asked to agree this revised sum as part of the Capital Programme.

5. **Treasury Management Strategy**

- 5.1 The Council is required to agree annually a Treasury Management Strategy including the setting of borrowing limits, and to reaffirm the Council's Treasury Management Policy.

- 5.2 Given the importance of the Investment Policy, this is repeated below:

"The Council will have regard to the (then) ODPM's Guidance on Local Government Investments ("the Guidance") issued in March 2004 and CIPFA's Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities are: -

- (a) the security of capital and*
- (b) the liquidity of its investments.*

The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity."

- 5.3 The Council's Strategy for investment of funds prior to use or held for contingencies is agreed by the Council as part of the budget-setting process. The Treasury Management Strategy Statement, Minimum Revenue Provision Strategy and Annual Investment Strategy are set out in a separate report to Cabinet that appears elsewhere on this agenda.

6. **Greater London Authority**

- 6.1 The Greater London Authority (GLA) precept covers services of the Metropolitan Police, the London Fire and Emergency Planning Authority, the London Development Agency, as well as the core functions of the GLA and Transport for London.

- 6.2 This precept is outside of the control of the Council and as such does not form part of the strategy of the Council. The Council is concerned with the budget and level of Council Tax and of course lobbied to ensure any precept increases are reasonable and add value to the community of Havering.

- 6.3 The GLA budget was published for consultation in late December. The proposals set out the Mayor's plan to reduce the GLA precept for 2013/14 from the current level of £306.72 at band D to £303, a reduction of around 1.2%. The Mayor's draft consolidated budget is due to be submitted to the London Assembly for discussion its meeting on 8th February with the final budget proposals being considered at the Assembly plenary meeting scheduled for 25th February. The Mayor's draft consolidated budget was published on 31st January and this indicates no changes from the proposed reduction set out above.
- 6.4 As this meeting falls two days before the Council meeting, the final figure approved by the London Assembly will need to be included in a supplementary paper to Council.

7. **Overall Council Tax for 2013/14**

- 7.1 The table below summarises the position:

	£	% Increase/ (Decrease)
Havering Precept	1,195.18	0.0%
GLA Precept	303.00	(1.2)%
Total	1,498.18	(0.2)%

8. **Other Matters**

8.1 **Council Tax Bill**

The Council Tax bill will show the charges for Council services and the Greater London Authority. It must be served on or as soon as practicable after the day the Council Tax is set, and at least 14 days before the first instalment is due where the bill requires payment of instalments.

Guidance has recently been issued regarding the number of instalments over which Council Tax payers can now elect to pay by 12 monthly instalments, rather than just the current 10. In addition, the detailed supporting information can be provided online, rather than by default having to supply it in hard copy to taxpayers (although they can request a hard copy).

8.2 **Restriction On Voting**

Section 106 of the Local Government Finance Act 1992 imposes restrictions on voting in respect of any Member for whom any Council Tax has remained unpaid for at least two months. This affects voting (but not speaking) on any calculation required for the Council Tax and on any recommendation, resolution or other decision which might affect the making of any such calculation

While the decision on the level of Council Tax financially directly affects councillors and their families, and is therefore a financial interest, the Council's

current Code of Conduct for Councillors provides a specific exemption to permit councillors to determine the level of Council Tax.

Any Member in doubt as to the position may seek advice from the Group Director, Finance & Commerce, or the Assistant Chief Executive, Legal & Democratic Services, before the meeting.

8.3 **Effect Of Council Procedure Rules**

A Member wishing to move an amendment to this report of Cabinet which is recommending the Council Tax to the Council must be mindful of the provisions in Council Procedure Rules:

Rule 11.8(a)

"An amendment to a motion/report at the annual Council tax setting must be submitted to the Chief Executive no later than 6 clear days before the Council tax setting meeting, and must be such that the amendment would, if passed, in the view of the Chief Finance Officer enable a robust budget to be set".

This means that **Midnight on Monday 18th February 2013** is the deadline for amendments to the Council Tax Setting and Budget Report.

Rule 11.8(b)

"Upon receipt of such amendment, the Chief Finance Officer shall consider whether it meets the "robust budget" test, and:

- (i) If it does meet the test, the Proper Officer shall include it on the agenda for the meeting.
- (ii) If it does not meet the test but the Chief Finance Officer considers that, duly altered, it will do so, that officer shall consult the proposers and, if they accept the alteration(s), the Proper Officer shall include it, as altered, on the agenda for the meeting.
- (iii) If it does not meet the test and the Chief Finance Officer considers that, whether or not altered, it will not do so, that officer shall refer the amendment to the Proper Officer who shall proceed with it as an improper amendment under Rule 11(3)(b)."

8.4 **Discount For Council Tax Payers Paying In Full**

The Council has agreed in the past, to offer a discount to Council Tax payers who pay their Council Tax in full. It is necessary for Cabinet to recommend Council to agree a specific resolution for this purpose or for any change proposed as the current assumption is that the discount remains at 1.5%. There are currently approaching 1900 Tax payers who currently take advantage of the discount. Cabinet should note that a similar discount is not permitted under business rate regulations.

Resolution

“Any Council Tax payer who is liable to pay an amount of Council Tax to the authority in respect to the year ending on 31st March 2014, who is served with a demand notice under Article 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992 and who makes payment to the authority of the full balance of the estimated amount shown on that demand by 1st April 2013, may deduct a sum equivalent to 1.5% from the estimated amount and such reduced amount shall be accepted in full settlement of that estimated amount”.

8.5 Resolution for Council Tax

The Council meeting in February will receive a resolution in the form required reflecting the recommendations of Cabinet.

8.7 Managing the 2013/14 Budget

As illustrated in the approach adopted to the setting of the revenue budget, the Council is committed to continuing the robust financial management of the current financial year. This includes:

- Significant budgets being linked with outcome activity
- Financial and non financial information, i.e service outputs, being monitored together
- Using risk assessments to inform budget monitoring activity and detail
- Focusing resources on the areas of highest risk
- Reporting on an exception-only basis
- Monitoring delivery of the savings programme
- Monitoring income separately
- Maximising income recovery
- Monitoring and taking action to mitigate the risks identified in Appendix H.

9. Prospects for 2013/14 and beyond

9.1 The report to Cabinet in July 2010 anticipated to a large extent what has now been revealed by the successive announcements of the CSR and the provisional LGFS. In very broad terms, there has been as expected a major reduction in funding from Government for local authorities, through reductions in grant funding and in the cessation of a wide range of specific and area based grants. Whilst the Council’s early start in approaching the expected reductions has meant Havering is well-placed in responding to CSR and LGFS, the scale of the reductions has proved to be even higher than had been anticipated.

9.2 The previous report to Cabinet set out the potential scale of budget gap in the period between 2015/16 and 2018/19. Whilst this is speculative, it does give a scale to the gap between forecast spend on services and Government funding over that period, and is a reasonable basis on which to develop a longer term financial strategy. The sheer scale of this gap – reckoned at between £40m and £50m – is significant, and as the previous report point out, it is highly unlikely that such a gap could be bridged by Council Tax rises alone.

- 9.3 The current Government CSR is scheduled to run to and including 2015/16, although further announcements on this last year are now expected. It is assumed that a new CSR will be developed by the incoming Government immediately after the General Election in 2015, and this would be expected to cover the period from 2016/17 through to 2020/21. Given the timing of the next local elections, and the lag between agreeing new proposals and their implementation, it would be prudent to develop plans over the next 15 months for immediate consideration by the new Administration in June 2014.
- 9.4 It is therefore proposed to commence work on developing a range of outline proposals for early discussion with the new Administration, with a report to Cabinet setting out the revised budget gap, the proposals to address it, and the relevant timescales. This report will be presented to Cabinet as soon as possible after the Administration takes office. These proposals will take into account not only the revenue position, but also the longer term approach to capital investment.
- 9.5 It will inevitably be necessary to refine those plans once the full details of the new CSR have become available, and further when these are reflected in the settlement for 2015/16 and for the years beyond it. However, accepting that a degree of change is inevitable, the scale of the gap makes it imperative that plans are in place to agree a strategy with the new Administration as early as possible after the local elections.

10. Housing Revenue Account

- 10.1 The report on the HRA budget for 2013/14 appears elsewhere on the agenda. This includes both the revenue budget and the associated capital programme.

Reasons for the Decision

The Council is required to set a budget for 2013/14 and, as part of that process, undertake relevant consultation in respect of the proposals included within the budget.

Alternative Options Considered

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

Financial Implications and Risks

The Council's budget-setting process will ensure that financial implications and risks are fully met. Any financial implications or risks are covered in this report as necessary. There are significant risks given the continuing degree of uncertainty over the future funding regime for local authorities, and a number of other changes planned by the Coalition Government, but the steps already taken by the Council should mitigate much of this. It will however be necessary to continually refine the financial forecasts underpinning the Council's budget to ensure that any necessary actions can be taken at the appropriate times, allowing for consultation as appropriate.

It has been made clear by the Government that the need for austerity within the public sector remains. This may now cover a longer period than previously envisaged. There is a risk that further reductions in funding may become necessary. This emphasises the need for ongoing prudence, whilst maintaining sufficient capacity within the Council's budget to respond to both external pressures and changes, balanced against the needs of the local community.

Legal Implications and Risks

Any implications are set out above, or in the appendices.

Section 106 of the Local Government Finance Act 1992 imposes restrictions on voting in respect of any Member for whom any Council Tax has remained unpaid for at least two months.

A specific exemption is included in the Code of Conduct for Councillors to permit them to take decisions on the level of Council Tax despite it being a financial interest which normally would bar them from being involved in the decision making process.

Any Member in doubt as to the position may seek advice from the Group Director, Finance & Commerce, or the Assistant Chief Executive, Legal & Democratic Services, before the meeting.

Human Resource Implications and Risks

Any HR issues which occur as part of any change processes will be dealt with according to the Council's HR procedures and employment legislation, and will be subject to consultation with staff and their union representatives, as appropriate.

Equalities and Social Inclusion Implications and Risks

The Council's Corporate Plan and MTFS affect all residents and organisations within the community. Consultation on the proposals has been carried out as part of the planning process, and all individual savings proposals, particularly those affecting levels of service delivery, are subject to equality analysis as part of the process. The Council publishes equality analyses regularly on its website at <http://www.havering.gov.uk/Pages/Services/Equalities-and-diversity-assessment-and-consultation.aspx>

Background Papers

Revenue monitoring report period 7 2012/13

Revenue monitoring report period 8 2012/13

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APPENDICES

- A REVENUE AND CAPITAL BUDGET STRATEGIES**
- B GOVERNMENT GRANTS AND ASSOCIATED MATTERS**
- C SPECIFIC GRANTS**
- D LEVIES**
- E COUNCIL TAX STATEMENT AND SUPPORTING INFORMATION**
- F BUDGET ADJUSTMENTS**
- G VIREMENT AND CONTINGENCY RULES**
- H BUDGET ROBUSTNESS AND RESERVES**
- I CAPITAL PROGRAMME**
- J OVERVIEW & SCRUTINY COMMITTEE DRAFT MINUTES – To follow**
- K ASSESSMENT OF IN-YEAR VARIANCES**
- L SCHEDULE OF FEES & CHARGES**

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, and remains committed to, its *Living Ambition*, the long-term vision for the future of the borough, which is to provide Havering's residents with the highest possible quality of life, in a borough that thrives on its links to the heart of the capital, without ever losing the natural environment, historic identity and local way of life that makes Havering unique.

Underpinning the *Living Ambition* are five key goals: Environment, Learning, Towns and Communities, Individuals and Value, with a number of strategic objectives under each Goal. The Council is committed to allocating resources in a way that will support the achievement of these objectives.

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, and that spending levels will be realigned against any reductions in 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.

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 seek to ensure that sufficient financial resources are available to enable it to deliver a long-term savings plan within the constraints of funding available to it from both local taxpayers and the Government, and will seek to utilise any unallocated funds with that purpose in mind.

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 *Living Ambition*, set out in the Council's Corporate Plan.

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 *Living Ambition* 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. Neither capital receipts generated through disposals nor S106 contributions are 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.

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.

GOVERNMENT GRANT & ASSOCIATED MATTERS

LOCAL GOVERNMENT FINANCIAL SETTLEMENT 2013/14 BRIEFING

The Department for Communities and Local Government were expected to issue the final Local Government Finance Settlement for 2013/14 within two weeks of the close of consultation on the provisional settlement on 15th January 2013.

This is likely to be too late for inclusion in this report, therefore supplementary information will be provided to Cabinet to reflect the final settlement and any changes from those contained in the provisional one.

A detailed analysis of the provisional announcement was contained in the January report to Cabinet. The main points affecting local government in general, and Havering in particular, are summarised in the body of this report.

At the point of finalising the January Cabinet report, there were two major issues where clarification was still being sought; the damping mechanism and the detailed breakdown of the provisional 2014/15 settlement sum. Further information on these two issues is set out in this Appendix.

The Council's response to the consultation on the provisional LGFS is attached. A delegation met with the Local Government Minister and the contents of this response were discussed with him. Given that this is the last year of the existing funding system, discussions focused on the transition to the new system and how, as this is likely to be based on the existing one, this disadvantages Havering's position.

Damping

At the point of finalising this report, the guidance setting out how the damping mechanism works has still to be published. It is understood that the methodology has been carried forward from the 2011/12 settlement, using the latest flooring percentage.

Therefore, similar to the 2011/12 and 2012/13 local government finance settlement, the floor mechanism for 2013/14 seeks to categorise individual local authorities into one of four bands, depending on their reliance on formula grant to fund their overall budget requirements. Band 1 authorities are deemed to be most reliant on formula grant and are protected from more than 2.7% losses; Band 4 authorities are deemed to be least reliant and are protected from more than 8.7% losses. Havering has been grouped in band 4 with three other authorities facing the largest level of reductions.

All authorities above their floor have to contribute to the support provided to those authorities below the floor. As our 13/14 formula grant is greater than the floor calculation which incorporates the 8.7% cut, we will contribute £3.9m to ensure that all authorities receive the minimum level of funding as per their individual floor.

However, it remains very difficult to understand the logic of this mechanism. It will therefore be necessary to continue to monitor the DCLG website, liaise with colleagues in

other boroughs and London Councils, and to review the details of the final settlement announcement when this is released. Should further information become available, Cabinet will be advised accordingly.

2014/15 Grant Calculation

This, again, was still being reviewed and it is a fact that the approach being taken to this year differs from that from 2013/14, even though the starting point for the latter year is the same as the final position for the earlier year. Set out below is officers' assessment of the settlement for 2014/15.

The provisional settlement was announced on 19th December 2012, providing details of the 2013/14 and 2014/15 funding allocations. The table below shows the breakdown of the split of funding between Revenue Support Grant (RSG) and retained business rates (NNDR) as well as the reductions of funding.

Table 1 – Summary of Havering's 2013/14 & 2014/15 funding settlement showing the reductions in core and rolled in grant funding

	2013/14			2014/15			Reduction (£000's)
	NNDR (£000's)	RSG (£000's)	Total (£000's)	NNDR (£000's)	RSG (£000's)	Total (£000's)	
Baseline Funding	17,714	26,626	44,340	18,257	21,447	39,704	(4,636)
Council Tax Support	5,413	8,136	13,549	5,579	6,576	12,155	(1,394)
Council Tax Freeze Grant	1,071	1,609	2,680	1,104	1,577	2,680	0
Homelessness Prevention Grant	160	240	400	165	235	400	0
Early Intervention Grant	2,655	3,991	6,646	2,737	3,486	6,223	(423)
Lead Local Flood Authority Grant	53	79	132	54	78	132	0
Learning Disability and Health Grant	3,125	4,697	7,822	3,221	4,796	8,017	195
Total	30,190	45,379	75,569	31,116	38,195	69,311	(6,258)

Notes on the Table 1

Havering's overall settlement funding in 2014/15 will reduce by £6.258m however this assumes a 3% increase in business rates multiplier. Assuming a zero increase in business rates, this would result in an additional pressure / reduction of £926k.

The table shows the reduction in 2014/15 compared to 2013/14 so therefore does not show the initial reduction from our original 2012/13 allocations.

The split between RSG and NNDR in 2013/14 is on the basis of a 60:40 ratio and 2014/15 55:45 ratio. The increase is due to a combination of the increased in anticipated yield and funding reductions.

Funding Reductions Baseline reduction

Havering's baseline reduction has been reduced for the following reasons:

1. Spending reductions as set out in the emergency budget
2. The 2% reductions set out in the 2012 Autumn Budget Statement
3. Removal of £300m in respect of NHB
4. Changes to demographic and deprivation indicators.

This is a reduction of 10.4% (£44.340m to £39.704m), however in order to compare like-for-like, the removal of the year 4 NHB allocation which has been removed from our 2014/15 starting allocations needs to be included. Havering's initial estimate for year 4 of the NHB equates to £0.7m thus resulting in a like for like funding reduction of 8.9%.

Council Tax Support

Havering's 2014/15 Council Tax Support allocation has been reduced further over the original 10% reduction stated in previous consultations. Assuming Havering's business rate yield increases by 3%, an additional reduction of 10.2% has been applied to this grant due to the unique treatment of the grant within the formula calculation.

Unlike other grants, Council Tax Support funding will face the reductions in spending control totals thus including the additional 2% department reductions announced in the Autumn Budget Statement.

Early Intervention Grant (EIG)

Havering will also face further reductions in EIG in 2014/15 of £423k. This transfer is to be used in a new burden to provide additional nursery places for 2 years olds. This is a new burden placed on Local Government funding which places further reductions to local authorities' budgets thus potential cuts to the services which this funding previously provided.

The grant in 2013/14 had already been reduced by £2.3m and the 2014/15 reduction is on-top for this allocation, therefore a total reduction in funding of £2.7m, again assuming Havering's business rate yield increases by 3%.

Summary

From the current provisional settlement, Havering will face a reduction in 2014/15 funding of £6.258m a decrease of 8.3%. Although the NHB element would reduce this shortfall by £1.4m, the economic outlook and the potential reduction in major high street businesses across the country could significantly reduce their business yield local authorities could collect through the retention of business rates. Havering's business rate yield against the set business rate baseline already shows a deficit and thus additional shortfall in the regions of £100k – £300k are not included in the reductions above. The uncertainties and risk around business rates could easily increase reductions over and above the 8.3% stated above thus potentially creating additional cuts to the services Havering provides.

Cheryl Coppel
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London Borough of Havering
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Romford RM1 3BD
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email: cheryl.coppel@havering.gov.uk

Date: 15th January 2013

My reference: CC/Is/Lock 3769L

settlement.consult@communities.gsi.gov.uk

Dear Mr Lock

WRITTEN RESPONSE TO SETTLEMENT

Please find attached Havering's written representation on the provisional local government financial settlement for 2013/14 and 2014/15. This includes information the Council was asked to provide following our meeting with the Minister on 14th January.

We would be happy to discuss and/or clarify the points raised in this letter with the Minister and his colleagues and look forward to your response.

Yours sincerely



Cheryl Coppel

London Borough of Havering 2013/14 Provisional Settlement – The Funding Floor

Executive summary

The London Borough of Havering would like to respond to the Government's provisional local government finance settlement and set out its serious concerns about the principles, mechanism and outcomes contained within the proposals.

We argue that this year's proposed settlement breaks a promise made that no council would be worse off under the new funding regime; we believe that the settlement is a missed opportunity that entrenches historic inequities; we contend that it provides even less clarity and transparency than previous settlements and we maintain that it perversely punishes efficient, well-run authorities like Havering that are less reliant on Government support.

Havering in context – history, demographics and pressures

Havering is a big Borough, covering the third largest geographic area in the Capital, and the Council serves the needs of 238,000 people across a number of towns, suburbs and villages. Our population is set to increase significantly faster than the national average, according to the latest ONS projections.

We are home to London's oldest population, with more over 65s than any other Borough. Our over 90 population is expected to increase by 70% over the next eight years, bringing even more pressure to bear on our social service resources.

Historically, Havering has been poorly treated by successive finance settlements. The perception of the Borough as a place of comparatively low deprivation has seen us penalised by the grant system – despite the clear dependence of a large swathe of residents on social care and other support, as a result of their age. This pattern is continued under this year's proposed settlement and the table below highlights the very significant differences in funding in communities across East and South-East London that are only a few miles apart:

	2013/14 Formula Grant	Projected 2013 Population	Grant per head	2013/14 Formula Grant Ranked	2014/15 Formula Grant	Projected 2013 Population	Grant per head	Grant per head Ranked
Newham	243,756,000	318,369	765.63	1	220,137,000	318,369	691	1
Barking & Dagenham	126,172,000	196,094	643.42	2	114,364,000	196,094	583	2
Redbridge	116,860,000	293,541	398.10	3	105,728,000	293,541	360	3
Bexley	80,148,000	237,794	337.04	4	73,050,000	237,794	307	4
Havering	75,569,000	243,676	310.12	5	69,311,000	243,676	284	5
Outer London	2,427,320,000	5,435,100	446.60		2,206,192,000	5,435,100	406	

This inequity of funding has put pressure on successive Administrations to increase council tax in order to maintain council tax. Over time this pressure has resulted in Havering having the third highest council tax in London.

However, it has also led to Havering reducing the cost of services to the public, through increased efficiency – making it a low-cost council, as shown in figures from 2011/12, below:

	Net Expenditure 2011/12	Projected Population 2013	Spend per Head
Newham	867,985,000	318,369	2,726.35
Barking & Dagenham	514,565,000	196,094	2,624.07
Redbridge	606,190,000	293,541	2,065.09
Bexley	401,304,000	237,794	1,687.61
Havering	404,250,000	243,676	1,658.97
Outer London	11,468,760,000	5,435,106	2,110.13

The 2012 settlement:

1. A broken promise

We believe that the 2012 settlement breaks a promise repeatedly made by the Department for Communities & London Government – namely that no Council would be made worse off under the new funding regime. This is patently not true in the case of Havering.

- Our start-up funding shows a £3.6m reduction from last year's 'spending power' calculation
- This excludes a 10% headline reduction in council tax support grant – which we believe masks a larger reduction, once spending controls are factored in
- It also excludes additional social care and NHS-related pressures – exacerbated by a poorly-performing acute hospital trust in the Borough.
- EIG and LACSEG reductions are higher than expected and the basis for these are not readily understandable
- Havering is again in the highest category of floor damping and the basis for damping reductions is impenetrable

2. A missed opportunity

We believe that this new funding settlement is a missed opportunity to correct the imbalances of the past. The baseline for the new arrangements has been lifted from previous settlements, entrenching the issues that historically punished the residents of Havering. We also believe that the new system has achieved the impossible - and is actually less transparent than its predecessor. Finally, we do not understand why a Government that is keen to promote self-reliance across public life, is continuing to underfund authorities that are less reliant on Government handouts and reward the authorities that are not as efficiently run.

- Havering's baseline does not reflect its circumstances as the most elderly borough in London, nor does it reflect the geographic size of the borough that the Council must service – instead it perpetuates past inequities
- The funding calculations within the draft settlement are inexplicable, most pertinently the damping calculations – a fact not helped by the late release of

data and a number of erroneous publications uploaded and then retracted from the DCLG website

- The four block funding model is highly complex and therefore almost impossible to explain adequately to local tax payers
- The much-vaunted 'local retention of business rate' leaves Havering in deficit from the outset, as the DCLG calculations are higher than the Borough's actual yield
- Havering is an efficient authority that acted early to manage the impact of funding reductions. Our model for transformation has been commended by our peers and recognised by national award schemes, yet the funding model continues to direct additional resources to less efficient authorities, thereby acting as a disincentive to genuine transformation.

3. Our proposals for fairer funding

We would ask Ministers to consider meaningful revisions to the funding model that would make it more equitable and recognise the demographic pressures on Havering and authorities in similar positions. In particular:

- Review the formula grant in respect of 'cliff edges' and tackle the current postcode lottery
- Reflect the impact of an elderly and ageing population on the resources of councils
- Re-consider the deeply flawed and mystifying damping arrangements

Introduction:

The London Borough of Havering's calculated 2013/14 provisional start-up funding allocation is £75.569m (2014/15 equivalent is £69.3m based on the latest release, a 9% reduction from 2013/14). This incorporates £31.2m of rolled in grants and a LACSEG reduction of £4.9m thus providing an equivalent 13/14 formula grant figure of £44.3m (Havering's equivalent 12/13 allocation was £46.3m). In addition this does not include any reduction as a result of the rolled in grants.

Figure 1 below shows a summary of the 2 year settlement clearly demonstrate the percentage reduction in formula grant in 2014/15

	2013/14	2014/15	% Reduction
RSG	£45.379m	£38.195m	(18.8%)
Business Rates	£30.189m	£31.115m	3.07%
Total	£75.569m	£69.310m	(9.0%)

The figures stated above is "best" case scenario as this is assuming our business rates increases in line with Government's expectations as well not including any shortfall due to the proportionate share calculation

From the transfer of rolled in grants, another £2m has been removed from the current settlement to fund new responsibilities within the DSG. This increases Havering's shortfall further and with less than 3 months until the funding reductions take effect leaves Havering to find additional savings extremely quickly. Given the need for due consideration and consultation, this is almost certainly impossible to achieve.

Havering has been penalised with low level settlements which have far from reflected the needs of the borough. The authority has had to revise its saving plans, bringing forward its plans to reduce back office costs thereby increasing the pressure to find savings in other services in the future. Havering has on numerous occasions responded to the shortfalls and the flawed approach in the methodology surrounding the settlement with the outcome unchanged and with our position deteriorating further.

Havering has a unique demographic which is not truly reflected in the current formula grant methodology. How can an authority with the highest proportion of elderly population in London with indications that this is likely continue and increase further but yet receive one of the lowest settlements. A summary of the demographics and indicators are attached in Appendix A.

The London Borough of Havering's Concerns:

1. Timing of the Settlement Announcement

The provisional settlement was announced on 19th December 2012, however this only included high level information with further information being released late on the 21st of December 2012. Not only was this incredibly late but some of the figures initially produces were incorrect. On the 4th of January, further changes were made to the funding allocations and as at the 9th of January details on spending powers, floor methodology and some data tables were still outstanding.

Due to the complexities of the funding regime numerous councils, agencies called for the settlement to be announced early in order to fully understand its content. However, the consultation response in regards to the provisional settlement is the 15th of January which is under four weeks from the headline announcements, 11 days since the changes to some of the figures and 6 days when information on spending powers and floors still had not been released.

Not only was the information provided extremely late and initially with errors, the perception that no authority would be worse off under the new regime is incorrect. From the outset of the business rate retention models, we will be starting from a deficit position as Havering's business rate yield is lower than the business rate baseline calculation used by DCLG. With this and the methodology around the formula grant in mind, Havering is facing additional reductions in funding when it was expected that no authority would be "worse off". Consequently due to the lateness and erroneous content, we will now be required to submit further budget reports through the Cabinet process which give rise to two particular concerns:

- Firstly, insufficient time may be now available to adequately consult with local residents and businesses on new budget proposals – many of which are likely to impact on front facing services; and
- Secondly, questions may arise about the robustness of the budget being presented to full Council for approval – given that not all the required financial information from Government has yet been published.

This is set in the context of the most difficult financial climate for the economy in general, and for the public sector in particular, probably for several decades. Havering has long operated a medium term financial strategy and was one of the first Councils to set out a financial plan designed to meet head-on the spending plans put in place by the Coalition Government, through the emergency budget and then the Comprehensive Spending Review. This has ensured that we have been able to avoid ill-thought, poorly consulted and imprudent decisions. Sticking to this long standing policy has been strained to the limit by the continuing lack of certainty over the settlement and its impact on our financial position.

2. Transparency

Local Authorities have increased the transparency whether it be by disclosing, consulting or communicating the decisions or information Havering is making. This information is easily available and easily communicated to all its residents, partners, agencies, charities and so on. A directly transparent link exists between our stakeholders on our on-going work, however the same cannot be said over the transparency of the funding formula and the creation of the spending powers calculation.

The four block model is an extremely complex series of formulae which is increasingly difficult to communicate to Havering's residents and stakeholders, especially when the headline figures do not show the true impact of the funding reductions facing local authorities. With the introduction of the localisation of business rates and the ability only to retain 30% of business rate yield as a London borough, with 50% being retained by Government and a further 20% going to the GLA, this creates an even more complex series of formulae than before.

In addition, the method of the transfer of the rolled in grant reduces the transparency even further. Within the 13/14 allocation, £6.6m for EIG has been transferred into the formula (compared to an equivalent 12/13 amount of £8.9m); this is a reduction of £2.3m. Despite this being transferred back in the form of specific unringfenced grant, additional burdens are being placed on local authorities thus resulting in additional cuts over and above the headline figures seems to suggest. In addition, a flooring and ceiling has been introduced to this rolled in grant which reduces Havering's allocation by 8.7%. Not only does this cloud the funding allocation and the extent of the funding reductions but creates an opaque process as well as the risk of further funding cuts potentially affecting front line services.

The funding formula has stated that authorities in 2013/14 will see an average reduction of funding of 1.7%. However, in order to assess the true impact, the analysis needs to include all new burdens placed on local authorities. Upon the face of the spending powers identified by DCLG, Havering will lose 1.7% (£3m) funding in 2013/14. What this does not include of course are the added burdens/expenditure being placed on local authorities. For example an increased in burdens from the NHS funding to support social care and benefit health has increase by £1m. However this will bring at least £1m of additional burden thus increasing the reduction. The same can be said in regards to the Council Tax Support grant which will reduce funding for the benefit by 10%, therefore resulting in a significantly higher reduction in spending. In addition, the Council Tax Support grant from 2014/15 will be part of the "formula funding within RSG" and thus subject to spending reduction set from the 2010 Competitive Spending Review and the additional 2% department savings announcement during the 2012 Autumn statement. This will reduce our comparable 2013/14 Council Tax Support grant and thus having to redesign our Local scheme to compensate.

The treatment of council tax support within the formula funding also brings additional concerns. As part of the rolled in grant process, Council Tax support has been treated differently to other grants and now faces the reduction as part of the spending control totals as well as the additional 2% departmental saving to Local Authorities. This results not only in the 10% reduction as part of the initial reduction in grant but also reduction in spending control totals. Therefore the reduction in Council Tax support by 2014/15 will amount to significantly more than the 10% headline.

The adjustments to grant funding include both the EIG and LACSEG issues. The EIG adjustment for Havering sees an overall reduction in funding of around £2.3m, as indicated above, with a further adjustment to the start-up funding calculation of nearly £5m for LACSEG. These reductions are over and above the reduction in mainstream RSG, which has already seen Havering lose over £13m over the last two years, in addition to further reductions of as much as £5m in specific grants. These additional reductions, although broadly anticipated, are higher than expected, and take no account of the fact that there are various corporate costs intrinsically linked with these services, which cannot be reduced. This creates an additional imbalance, which can only be met through reductions elsewhere.

In previous settlements, the funding would have been calculated based on numerous indicators and rolled in grants, however the start-up funding allocations created are now notional and are dependent of local government business rate yield. Although Havering agrees with the theory of retaining business rates it collects, how this has been integrated into the formula funding is not only extremely complicated but unclear.

3. Funding Formula and Damping

The London Borough of Havering's calculated 2013/14 provisional start-up funding allocation is £75.569m (and £69.311m for 14/15 based on the latest estimate). Against the spending power 12/13 equivalent this shows a reduction of £3.6m, however this does not include the additional burdens placed on local authorities. This excludes the cost of the 10% reduction in Council tax support grant and the additional burdens of the NHS social care funding.

Havering has again fallen into the highest category of floor damping for the third year running. This results in Havering having to face the largest reduction in funding. In 2011/12, Havering faced a 14.3%, 2012/13 10.4% and now in 2013/14 8.7%. Havering has real misgivings over the damping / flooring calculation as it continually hits the residents of Havering. The methodology around damping affects authorities who are less dependent on government grant. However, Havering's Council Tax has had to increase over the years because of this flawed approach. Local authorities are being penalised for being less dependent when Central government and ministers are trying to promote self-dependency and move away from centralised allocated grant. This is creating a 2-tier system where authorities who find efficiencies and boost growth will continue to be penalised whilst those who are still dependant on government grant will be funded and lack incentive to promote growth.

In 2011, Havering expressed their concerns over the new damping arrangement put into place for the 2011/12 and 2012/13 financial years and in 2013/14 this is set to continue. Appendix B contains an extract from our previous response identifying potential alternatives to the flooring mechanism. Given the lateness of the financial settlement, 2014/15 provision settlement has not been looked into at the detail of next year settlement however on first impressions there is no explicit flooring mechanism and thus complicated the process further.

4. Comparative Expenditure and Funding Information

Historic underfunding through the local government finance system has resulted in Havering requiring a very high council tax, as can be seen below:

Borough	Council Tax 2012/13	
	Exc GLA	Inc GLA
Havering	1,195.18	1,501.90
Bexley	1,128.59	1,435.31
Outer London Average	1,123.47	1,430.19
Redbridge	1,095.53	1,402.25
Barking & Dagenham	1,016.40	1,323.12
Bromley	991.31	1,298.03
Newham	945.63	1,252.35

In fact, Havering is an efficient, low spending authority. The comparative tables below show our relative expenditure and funding figures on a per capita basis.

	Net Expenditure 2011/12 £ms	Projected Population 2013	Spend per Head	Spending Powers	Spending powers / Net Expenditure	Council Tax Demand	Spending exc Ctax demand	Spending power exc demand by head of pop
Havering	£404,250,000	243,676	£1,658.97	£190,179,353	47.04%	£107,732,330	£82,447,023	£338.35
Newham	£867,985,000	318,369	£2,726.35	£328,274,934	37.82%	£72,841,690	£255,433,244	£802.32
Redbridge	£606,190,000	293,541	£2,065.09	£224,668,764	37.06%	£99,879,025	£124,789,739	£425.12
Barking & Dagenham	£514,565,000	196,094	£2,624.07	£186,569,083	36.26%	£53,957,490	£132,611,593	£676.27
Bromley	£495,010,000	318,378	£1,554.79	£226,703,983	45.80%	£132,896,000	£93,807,983	£294.64
Bexley	£401,304,000	237,794	£1,687.61	£181,837,218	45.31%	£95,484,328	£86,352,890	£363.14

Outer London	£11,468,760,000	5,435,106	£2,110.13	£4,696,787,375	40.95%	£2,095,774,000	£2,601,013,375	£478.56
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The table also shows the extent Havering is reliant on formula grant, council tax and other grants compared to neighbouring boroughs and the outer London average. Spending power excluding Council Tax demand by head of pop also shows Havering's relatively low formula and grant compared to neighbouring and outer London average

	2013/14 Formula Grant	Projected 2013 Population	Grant per head	Grant per head Ranked	2014/15 Formula Grant	Projected 2013 Population	Grant per head	Grant per head Ranked
Havering	£75,569,000	243,676	£310	5	£69,311,000	243,676	£284	5
Newham	£243,756,000	318,369	£766	1	£220,137,000	318,369	£691	1
Redbridge	£116,860,000	293,541	£398	3	£105,728,000	293,541	£360	3
Barking & Dagenham	£126,172,000	196,094	£643	2	£114,364,000	196,094	£583	2
Bromley	£84,131,000	318,378	£264	6	£77,123,000	318,378	£242	6
Bexley	£80,148,000	237,794	£337	4	£73,050,000	237,794	£307	4
Outer London	£2,427,320,000	5,435,100	£447		£2,206,192,000	5,435,100	£406	

The Government's new funding definition, using Revenue Spending Power, implies Havering is only facing a funding reduction of 1.57% in 2013/14, which would suggest the Borough is at the lower end of reductions both nationally and regionally. However, this definition disguises the actual comparative reduction in grant funding due to the lack of transparency of the disclosure of information.

Havering's residents are being penalised as the historic funding system, which is forming the base of the new funding regime, has resulted in comparatively low levels of grant funding for the Council, which in turn has required high levels of council tax to make up the shortfall. If this is not changed, the system will continue to unfairly penalise the residents of Havering, thus potentially facing either significant cuts in front line services or a rise in Council Tax, or in the worst case, both.

Demographics

Action needs to be taken to address the on-going flawed methodology from the current formula grant calculation. Havering has continued to receive significantly less funding than the National; London; and outer London average. The population of Havering is growing at a faster rate than the England average. Our **65+ population** is the **highest in London** and our 90+ population is expected to increase by 70% by 2021 within the current methodology the funding model is and will not address this high need, high cost area.

Havering is the third largest borough in the capital, however again this funding does not reflect this. The formula grant calculation has continued to be rolled over each year without a fundamental review of the cliff edges that exist between authorities. From a change in postcode, the spend per head of population can increase by £1000 which in our opinion is not a fair method of apportionment. This would be even higher if it was not our on-going transformation programme initiated from the emergency budget back in 2010. Further details of Havering's unique demographics are contained in Appendix A, which further demonstrate the pressures Havering has and will incur both nationally and within London.

In our opinion, this needs serious review and quickly as these and the additional cuts affecting local government hit local authorities in the coming year. Reducing Havering's formula grant funding by 14.4% in 2011/12, 10.4% in 2012/13 and now 8.7% in 2013/14 will financially hit us as an those authority with a high tax base and low dependency, thus resulting in either front line cuts or an increase in council tax. It is unfair to expect local authorities with minimal grant to continue to fund the highest level of floor reduction.

In addition to having London's highest elderly and very old population, additional pressure is placed on our social care budgets through the historic under investment in community health care within the ONEL area because money has been used to shore up the costs of the BHRUT acute hospital Trust and its ongoing deficit. This leads to many inefficiencies in the health and social care economy and to many older people receiving poorer and more expensive care than they need to. Whilst the borough and the new CCG is seeking to address this issue over the coming years it remains extremely challenging and will be an additional drain on social care funding given our aging population for some time to come.

Being hit with grant reduction rather than the promised "no loss" situation is particularly unfair given that the borough is seeking to invest in health and social care transformation in order contain the demographics we are grappling with. We note the one-off social care and health transformation funding provided through another route, but this in no way compensates for the pressures we have to cope with, within this historically poor performing local health economy. Having one of the lowest Public Health allocations in London is also a direct result of this situation and as such extremely inequitable. The PH allocations were originally calculated on the historic spend on Public Health within each local authority area. In Havering the previous PCT had consistently used Public Health funding to assist in propping up the historic deficit within BHRUT. It is therefore hardly surprising but extremely unfair that our allocation is so low. Given the demographic squeeze on our overall budget there is no way we will be able to make up any deficit in Public Health funding through our general budget allocation.

Meeting with Minister – 14th January 2013

Following our meeting on the 14th of January 2013 we were asked to include information about our work on shared services and in tackling fraud. The following two sections demonstrate the work we have undertaken; not only find efficiency from back office functions whilst protecting front line services but also protecting the public purse.

1. Shared Services

As discussed on the day these are wide ranging, from back office to front face service delivery, and you will see that there are a number of future areas we are seeking to explore, but to make them real and successful is not easy and takes time and resource, which in times of austerity are hard to prioritise. We are very happy to share the learning from the work we have done, as well as learn from others, but anything that could be done to provide some resources to support this work would really help.

Back Office:

- We have implemented new stream lined, automated back office processes, designed at getting rid of bureaucracy and empowering managers. This was linked to the creation of an internal shared service centre. This is currently recognised as best practice by Oracle. This was also intended to be extended, so we then led the One Oracle group as part of the Project Athena work across London to create a single instance of Oracle that we all used in the same way. This has led to 6 councils working on the first phase, with a further 11 waiting to follow later, building on the work Havering has done.
- Single Head of Business Systems with the London Borough of Newham for the last two years. This has enabled us to both to implement the best practice we each had, faster, quicker and cheaper than on our own, and enabled us to move to a position of now looking to fully integrate and align all of our IT systems and people.
- We have led East London Solutions (ELS) make up of the east London Boroughs of Newham, Tower Hamlets, Waltham Forest, Barking and Dagenham, Redbridge and Havering looking at all opportunities for sharing services, but the hard part is finding like minded partners.
- Based on this on building on the success of the IT work with Newham, the two Councils are currently producing a business case for the creation of a single back office shared service that will support both organisations. This is a large scale project across political boundaries that we hope to set up in such a way that it can bid for future work from other Councils.
- Varied strategic and joint procurements across London to drive down costs
- On smaller scales we also have shared pensions IT with LB Redbridge, share NNDR collection service with LB Barking and Dagenham, and working on a single emergency planning service.

Front Facing:

- Through ELS solutions joint work around LD category management provision across East London.
- Joined up Youth Offending Service with LB Barking and Dagenham
- Led a three Borough partnership with LB Newham, and Waltham Forest on developing a new customer portal, to enable self service, linked to a new CRM system to enable customer services officers to be able to fully respond and answer queries at the first point of contact. We are collectively now in discussions with a number of other authorities about them taking this forward too, including the City of London.

- Lead joint working on integrated health care across Barking and Dagenham, Redbridge, Havering and the acute hospital trust, to ensure better use of resource across the health and social care spectrum.

2. Work undertaken by Havering to prevent Fraud

As discussed on the day this is wide ranging, we have created a single fraud team across the Council, as we feel with local knowledge we are best placed to be able to identify and respond to fraud. We also very actively promote borough wide whistle blowing to encourage people to report concerns, and we actively pursue people through the courts where appropriate and publicise successful case in the local paper as a deterrent. See tables beneath for a feel of the number of cases we have received and followed up over recent years, and two examples of cases successfully prosecuted.

We do this for two reasons, firstly the protection of the public purse and second to try and discourage fraud in the first place and more to a point of prevention rather than reaction. Due periods of austerity is it understandable that we see an increase in fraud, but it is also hard to prioritise monies for these types of activities when Councillors have to make difficult decision about budget priorities. Additional funding to support these activities and ensure the protection of the public purse would help Local authorities manage these issues.

Year	Case Loads at December
2010	334
2011	351
2012	428

Current Case Loads:

20 Cases awaiting prosecution	£441,040.53
17 Cases awaiting sanction	£102,254.40

Crime doesn't pay as benefit cheat couple are to repay more than £90,000 to Havering Council

Havering Council has successfully secured the return of thousands of pounds from a couple falsely claiming benefits, despite owning numerous properties of their own, following a proceeds of crime investigation.

Mrs A, of Wingletye Lane, Hornchurch, claimed housing and council tax benefit for 10 years from 1996, claiming she was a single parent. She was actually living with her husband, Mr A.

Not only did the couple own the house they were living in while fraudulently claiming almost £80,000 in housing and council tax benefits, Mr A owned several other properties.

Council investigators found that Mrs A jointly owned six further properties, purchased with cash deposits straight after she stopped claiming benefits. She had also been claiming income support.

They also found that, following a genuine split between the couple in 2008, Mr A claimed employment support allowance from 2009 to 2010, claiming that he was living on hand-outs from family and friends. But given his true situation, he was not entitled to this.

While the investigation was ongoing, the Council obtained restraint orders against all of their properties and bank accounts, so assets could not be sold or moved.

A Havering man who dishonestly claimed more than £50,000 in benefits had an expensive caravan and a speedboat both called 'Well Dodgy'.

Mr B was found with seven vehicles and two speedboats, and was a boat driver for the Formula 1 British water skiing organisation.

But the 53-year-old, who lives in a Council home in Abberton Walk, Rainham, was caught out following an investigation by Havering Council's benefits fraud team.

Appearing at Basildon Crown Court on Friday (Jan 27), he admitted two counts of failing to tell the authorities of a change in his circumstances.

He was sentenced to eight months in prison, suspended for 18 months, and must do 200 hours of community service and abide by a curfew of 9pm-6am for three months.

The judge also set up a timetable for a confiscation hearing, under the Proceeds of Crime Act.

Havering Council began investigating his claims for housing and council tax benefits in June 2010 following a complaint that Mr B was actually running a business and had substantial assets.

He was arrested and found with a number of vehicles including an expensive Winnebago caravan, two speedboats, a breakdown truck, and several vehicles.

Mr B said in interview that the cars and boats were his hobby.

The amounts he had dishonestly claimed were £33,757.87 from Havering Council, and £16,312.09 from the Department of Work and Pensions – a total loss to the public purse of £50,069.96.

Possible solutions for a fairer funding system

We genuinely believe that the local government funding system is neither objective nor equitable in its allocation of resources to local government and as a direct result has a direct impact to Havering's taxpayers. We would therefore ask the Minister's to consider the following proposals:

1. Review the current formula grant in respect of cliff edges - One method of rectifying this on-going issue to create a phased smoothing affect between local authorities to ensure that a postcode lottery does not continue to exist. We accept that this is not a "quick-fix" solution however a phased approach would address the issue in time.
2. Flooring / damping - Discussion should take place over the current floor methodology as it continues to penalise authorities unfairly. A single floor level applying to all authorities within each local authority tier would be a sensible approach as not to penalise authorities that are less dependent on central government grant

3. If Ministers are committed to introducing a range of floor values, a formulaic approach should be implemented that does not penalise authorities who have had to increase council tax for lack of formula funding.

London Borough of Havering

Background Information, Key Statistics and Data

Summary

The Council feels that the current settlement does not reflect the real level of need in Havering's population, and the implications this will place on both current and future demands for its services. The mechanism used to calculate Havering's settlement simply does not reflect the real levels of need in the borough. The reasons for this are set out below:

- The population of Havering is growing at a faster rate than the England average. Our 65+ population is the highest in London and our 90+ population is expected to increase by 70% by 2021. This continues to place a huge demand on health and social care services, placing a disproportionately large strain on council and NHS budgets than other areas whose need may appear greater in terms of deprivation.
- The Welfare reform changes in particular look to hit Havering's population hard, with local intelligence showing that at least 737 individuals will be affected by two or more benefit changes, and an additional 312 individuals will be affected by three or more benefit changes. The impact of the Welfare Reform changes will place significant additional demand on council services going forwards, particularly in terms of social care, housing and benefits services – the Council believes this impact may be greater in Havering than the rest of London.
- The housing benefit changes will also impact disproportionately on Havering in terms of a likely population inflow into the borough. Havering has cheaper private sector rents (3rd cheapest rent in London) and the private rented sector has increased significantly more in Havering than elsewhere in London. This is likely to mean that our local housing market will be put under significant pressure, and subsequently place a real strain on housing services, more so than in the inner London boroughs. The social rented sector (non LA) in Havering has also seen a significantly higher increase already in the last year (104% compared to London at 26%) - demonstrating that this increase in demand is already beginning to occur.
- Taken together we believe these facts mean that the Council is sitting on a sustained growth pressure, which needs to be recognised by adjustments to the settlement to reflect the real levels of need present in Havering.

APPENDIX

Population Statistics

- The population of Havering has been growing at a much faster rate than the England average, and this is expected to continue in the future, with the population rising by 13% by 2021 compared to England projection of 9%¹. The current settlement mechanism simply does not recognise this fact.
- Havering's 65+ population represents 17.9% of the borough, compared to England and Wales (16.6%) and London (11.1%). Havering has the highest proportion of 65+ population compared to all London boroughs – the most costly client group of the population.
- The number of children and young people (0-15) in Havering is also expected to show a large increase, growing by 25% by 2021. The fastest increase is expected to be in the single year of age eight and nine (44% each by 2021)
- Havering has experienced the fastest growth in ethnicity out of all of London over the last ten years. The growth in ethnic diversity in the borough, such as the 226% rise in our largest ethnic population (between 2001 and 2011) will have an impact on demand for healthcare services, as different ethnic groups are more inclined to experience particular health issues i.e. diabetes.

Older People

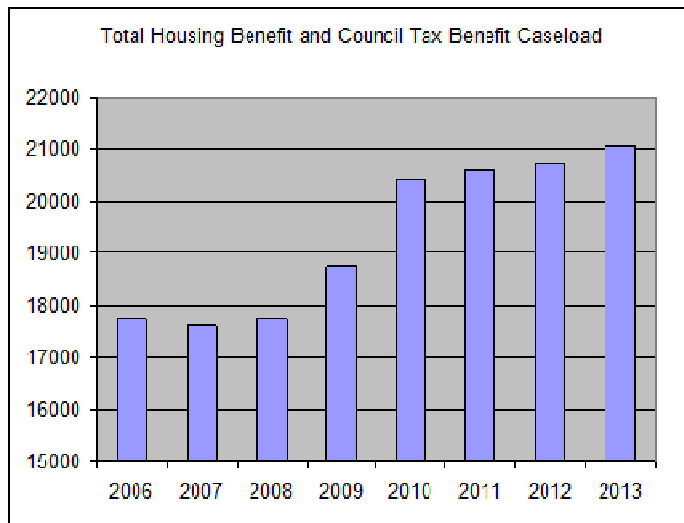
- The 65+ population in Havering is expected to grow the fastest overall in the future, increasing by 16% by 2021. The fastest growth is in the 90+ age, expected to increase by 70% by 2021
- 13.9% of our 65+ population are one person households (again, the highest in London). Our data shows that older residents living alone are much more likely to have contact with social services and use services such as home help and meals on wheels, and generally require much more support than those not living alone. Havering has a greater number of residents with dementia than the majority of other London Boroughs; this is and will place a significant strain on mental health commissioning resources due to its age profile.
- Given that Havering has the highest 65+ population, this therefore places a much more costly burden on our services compared to other Local Authorities who may receive a higher settlement based on their deprivation rankings.
- This is demonstrated by the fact that Havering has the highest proportion of adult social care users that are aged 65+ compared to all London boroughs. 74.2% of Havering adult social care clients were aged 65 or older in 2010/11, compared to England (67.6%) and London (61.7%). The projected growth in the numbers of residents 65+ in Havering, suggests that the demand on social care services from aged 65+ will continue to increase.
- Havering's private rented sector is under increasingly severe pressure. Private rented accommodation forms a small proportion of the housing stock in Havering. According to the Census 2011, only 9.9% of the households in Havering rent from a private landlord, against the Outer London average of 19.9% and the London-wide average of 23.7. This is the lowest percentage in London, (excluding the City of London). This translates into the lowest actual number of private rented properties in London, at just 9,601.
- Despite the historically low level of private renting, lower rents as compared with other parts of London mean the sector in Havering is coming under increasing pressure from those reliant on housing benefit. Of note, housing benefit claims rates have increased by 20% since 2008.
- Each London Borough collects and London Councils tracks the number of homeless households placed in the private rented sector out-of-borough by each borough, and the number of such households received from other boroughs. This information shows that Havering is increasingly being seen as a destination borough for homeless households in the private rented sector:

¹ These figures are based on trend-based projections, which mean assumptions for future levels of births, deaths and migration these were published by the ONS in September 2012

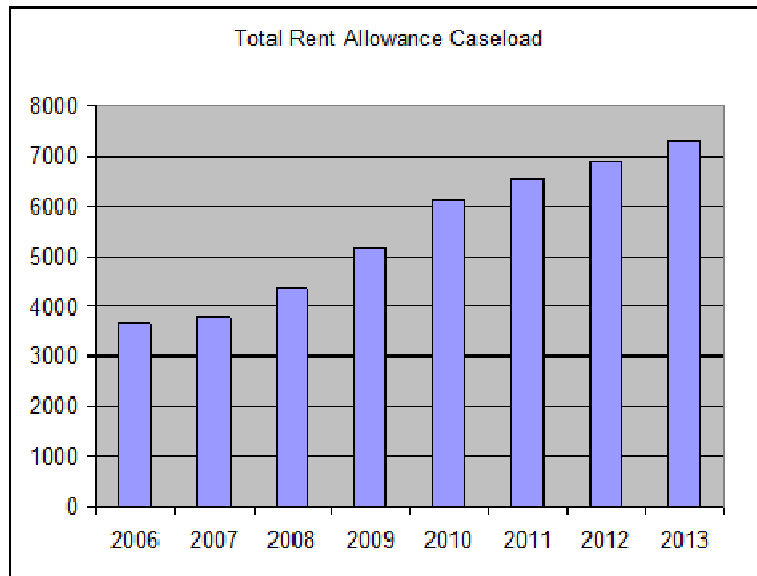
- in the 12 months to September 2012, Havering was one of the fourteen boroughs experiencing net inward migration of homeless households into private rented properties
- over this period, Havering received 111 homeless households
- Havering does not make out-of-borough placements but the rate of inward migration of homeless households is increasing; in July – September 2011 other boroughs placed 13 homeless families in the Havering, for the same quarter in 2012 this figure had increased markedly to 34
- On average the ‘importing’ boroughs have private rented sectors in excess of 22,000 properties. Havering’s private rented stock of under 10,000 properties means such migration places disproportion pressures on the borough and its existing residents.

Welfare Reform

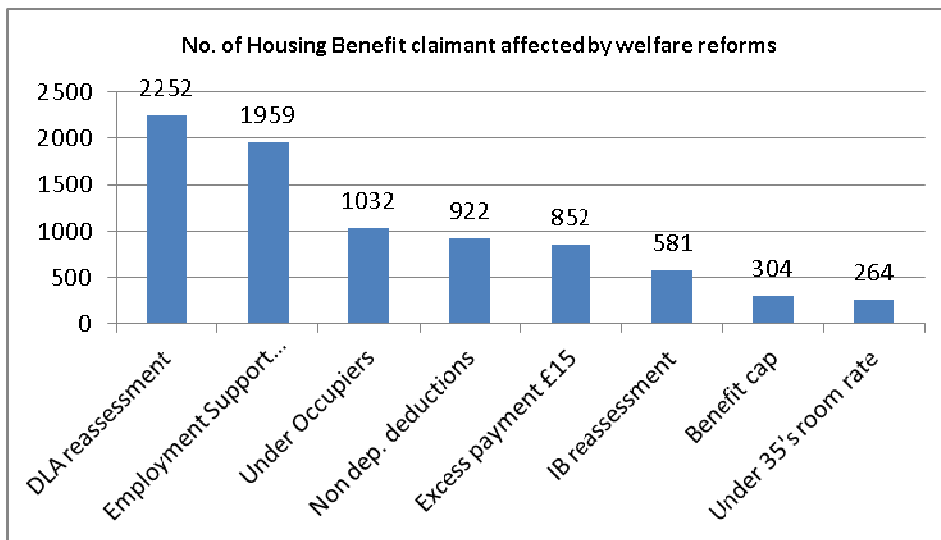
- Since 2008, the total benefit caseload that the Council has had to deal with has been increasing year on year as a result of the changing financial climate. The graph below shows a significant increase of more than 3,200 claims since 2008.



- The Local Housing Allowance reforms are also impacting claimants across London and reducing benefits thereby forcing families to move to cheaper alternative accommodation. The increase in Havering’s private tenant or rent allowance claims clearly shows the migration of claimants into Havering, demonstrating the increased pressure on Havering than other London boroughs.



- Local data provides a profile of those who are affected by type of reform based on the eight reform changes previously outlined. Disability Living Allowance (DLA) re-assessments and Employment Support Allowance (ESA) one year limits are more than double all other data sets.



- The chart above relates to individuals claiming Housing Benefit only. If we were to include residents not in receipt of housing benefits but in receipt of Disability Living Allowance, Employment Support and Incapacity Benefit. there would be an even greater number of people affected in the borough – all requiring additional support from the local authority.
- Approximately 737 individuals will be affected by two or more benefit changes, and an additional 312 individuals will be affected by three or more benefit changes.

London Borough of Havering 2011/12 Provisional Settlement – The Funding Floor

Subjective and inappropriate groupings

The proposed new 'floor' mechanism creates significant cliff edges within the local government funding system and groups together local authorities with significantly different income generating abilities.

For example, Havering's formula grant, as a percentage of its budget requirement in 2010/11, is calculated as 34.2% and it has been placed in the same 'floor banding' as Surrey (18.7%) and Buckinghamshire (20.1%); whereas authorities such as Barnet (37.9%) and Stockport (38.0%), which are far similar to LB Havering in terms of their reliance on formula grant, are placed in a more financially beneficial band.

The fact that these outcomes occur indicates that the proposed methodology is far from fair and progressive.

Further, in recent years it has been recognised, through changes to the Area Cost Adjustment, that "cliff edges" do not have a place in the local government funding system. Therefore, it seems perverse to now introduce cliff edges in a fundamental component of the local government funding methodology.

Possible solutions

Data is currently available to design a floor mechanism that treats all local authorities individually based on their own reliance on formula grant, rather than merely grouping them arbitrarily. It would be possible to assign individual floor levels based on a local authorities actual ranking or, for greater accuracy, determine such a ranking using a formulaic approach which considers an individual authority's relative position compared to those authorities with the greatest and least reliance on formula grant.

Based on work undertaken by officers, the table below highlights different funding scenarios for LB Havering at the 2011/12 provisional settlement arising from different floor methodologies. These methodologies use, where possible, the same difference in floor levels and/or the same scaling factor as those proposed in the 2011/12 provisional settlement.

Scenario	Number of bands	Highest Floor Level (%)	Lowest Floor Level	Floor Range %	Scaling %	Funding of Havering £m	Change on prov. settlement £m
1 floor	n/a	-12.57%	-12.57%	n/a	-71.4%	57.319	+0.799
Current	4	-11.30%	-14.30%	3%	-71.4%	56.520	0.000
151 bands, same initial floor and floor width	151	-11.30%	-14.30%	-3%	-70.8%	56.812	+0.292
Based on proportion of FG / budget requirement	n/a	-11.30%	-14.30%	-3%	-65.7%	57.035	+0.515

1. Our requests

We genuinely believe that the local government funding system is neither objective nor equitable in its allocation of resources amongst individual local authorities; and, as a direct result, Havering's council tax payers are being effectively penalised. We would therefore ask the Minister to consider the following proposals:

- The floor methodology within the local government finance settlement should remain unchanged from that used in 2010/11, with a single floor level applying to all authorities within each local authority tier; and
- Discussions concerning future changes to the floor methodology should be incorporated into the Settlement Working Group's work plan – with possible changes debated in time to inform the 2012/13 local government finance settlement; or
- If Ministers are committed to introducing a range of floor values, a formulaic approach should be implemented that determines an individual authority's floor level based on their own reliance on formula grant, rather than group them into subjective bands - officers from Havering would gladly work with CLG Officials to design an appropriate scheme.

- The Settlement Working Group's future work plan should revisit the London geographies currently used to determine the Area Cost Adjustment.

London Borough of Havering Background Information, Key Statistics and Data

Key Findings:

- Although overall Havering is not a highly deprived area, there are inequalities and pockets of deprivation, particularly within the Gooshays, Heaton and South Hornchurch Wards
- Unemployment levels in Havering estimated to be similar to national averages, but the borough has seen London's fastest increase in claimants of Job seeker's allowance
- The median annual salary for Havering residents is £26,025
- Pensioner households comprise the biggest proportion of households in Havering, making up nearly 30% of all households, 15.6% of which are lone pensioner households
- Lone pensioner households in Havering are most likely to belong to the social group manual workers and pensioners in rented accommodation, who often have low levels of income and are starting to express long term conditions

Population Statistics

The below information has been extracted from the JSNA published December 2010. This document is available on the Council's website at <http://www.hspnetwork.org.uk/links/>. A fuller extract from the document relating to the main population elements with the greatest bearing on Havering's funding position are attached to this document.

- Since 2007, the population of Havering has been growing at a faster rate than the England average, and this is expected to continue in the future, with the population rising by 8.3% by 2020
- Havering's retirement age population is expected to grow the fastest overall in the future, increasing by 19.2% by 2025. The fastest growth is in the 90+ age group, expected to increase by 125% by 2025
- The number of children and young people in Havering is also expected to show a large increase, growing by 14.5% by 2025. The fastest increase is expected to be in the 5-9 age group, growing by 22.7% by 2025
- Havering's population is becoming more ethnically diverse, and this is expected to continue in the future. The second largest ethnic group (after White) comprises those of Black ethnicity, particularly those of Black African descent.
- There is more ethnic diversity among children and young people in Havering than in the population overall, particularly among 4 – 11 year olds. 22.9% of school pupils are of non-white ethnicity, compared to an estimated 7.7% in Havering overall
- Although the numbers remain small, the quantity of overseas nationals registering to work who live in Havering has increased by 41.5% over the last five years. Nigerian, Polish and Indian nationals are the predominant groups

General Points

- Since 2007, the population of Havering has been growing at a faster rate than the England average, and this is expected to continue in the future, with the population rising by 8.3% by 2020. This is faster than the population rise across England (7.4% by 2020) and will mean that an extra 19,500 people will be living in Havering by 2020. The increase in population in Havering is due to a greater number of births than deaths and a greater level of migration into the area (both from within England and from other countries) than out of the area.
- Havering's retirement age population is expected to grow the fastest overall in the future, increasing by 19.2% by 2025. The fastest growth is in the 90+ age group, expected to increase by 125% by 2025
- The number of children and young people in Havering is also expected to show a large increase, growing by 14.5% by 2025. The fastest increase is expected to be in the 5-9 age group, growing by 22.7% by 2025
- Projections suggest that the population of Havering will increase by 3.9% in the next 5 years (2015), and by 8.3% in the next 10 years (2020).

Future resource pressures on services

Older People

- Havering has the highest proportion of pensioners in London, with round a fifth of the population in Havering being of retirement age, which is also above the England average

- The number of older people is expected to increase in the future in Havering, with the fastest increase being in the 90 and over age group, which is expected to increase by 125% by 2025.
- Havering has a larger proportion of older people living alone than is the average nationally. Older people living alone are much more likely to have contact with social services and use services such as home help and meals on wheels than elderly people living with others. Given that we have the highest proportion of older people in Havering, this therefore places more of a burden on our services than other Local Authorities.
- Around 46% of all Havering pensioners have a long term limiting illness
- Nearly 6% of pensioners in Havering are estimated to have dementia; dementia is predicted to be most common among those living in Heaton, Cranham and St Andrew's wards. The number of those with dementia is expected to rise by 8% over the next 5 years – placing a significant strain on mental health commissioning resources.
- People of pensionable age made up 71% of all adult social care users in 2008/09 receiving residential care, nursing care or care in the community. The projected growth in the numbers of elderly residents in Havering in the future suggests that the demand on social care services from the elderly population will continue to increase.
- Over 60% of pensioner households in Havering do not have access to transport, a higher proportion than the England average
- Around 11,190 pensioners in Havering are predicted to have a fall this year, with around 8% of these resulting in hospital admissions. The number of hospital admissions due to falls in older people is predicted to increase by 14% over the next 5 years
- Around a quarter of pensioners in Havering are estimated to be obese
- Around 12% of pensioners in Havering are estimated to have diabetes, with numbers expected to increase by 10% in the next 5 years

Adult Services - Disabilities, Learning Disabilities and Mental Health

Key Findings:

- It is estimated that more than 14,000 adults of working age in Havering have a disability and more than 6,000 are unable to work because of a disability
- Overall, adults in Havering are less likely to have a disability or a long term limiting illness than the national average and are likely to live for a greater number of years without a disability than is the case nationally
- It is less common for people in Havering to claim incapacity benefit (given to people who cannot work due to illness or disability) than is the average in England and London
- 43% of those claiming incapacity benefit in Havering have a mental health issue
- Over 20,000 people in Havering are estimated to have a common mental health problem, although overall, mental health issues are estimated to be less common among Havering residents than is the average in England and London
- It is less common for people in Havering receiving treatment for severe mental health problems to be in employment or in stable accommodation than the average in England and London (less than 4% are in employment and less than 50% are in stable accommodation)
- Adults with learning disabilities in contact with social care in Havering are less likely to be in employment or in stable accommodation than is the average in London and England (less than 5% are in employment and less than 40% are in stable accommodation)
- Findings from the pupil level annual school census suggest that moderate learning difficulties and behavioural, social and emotional difficulties are the most common type of learning difficulties among Havering school pupils
- It is estimated that the number of adults in Havering with moderate or severe disabilities will increase by 7% in the next 10 years, with the number of adults with learning disabilities increasing by the same amount
- A larger proportion of adults in Havering are carers than is the average in London however a smaller proportion of carers in Havering receive support than is the average in London and England

Children & Young People's Population Projections

As well as a rapid increase in the number of older people in Havering, we are also likely to see a large increase in children and young people, placing pressures on school places and children's services.

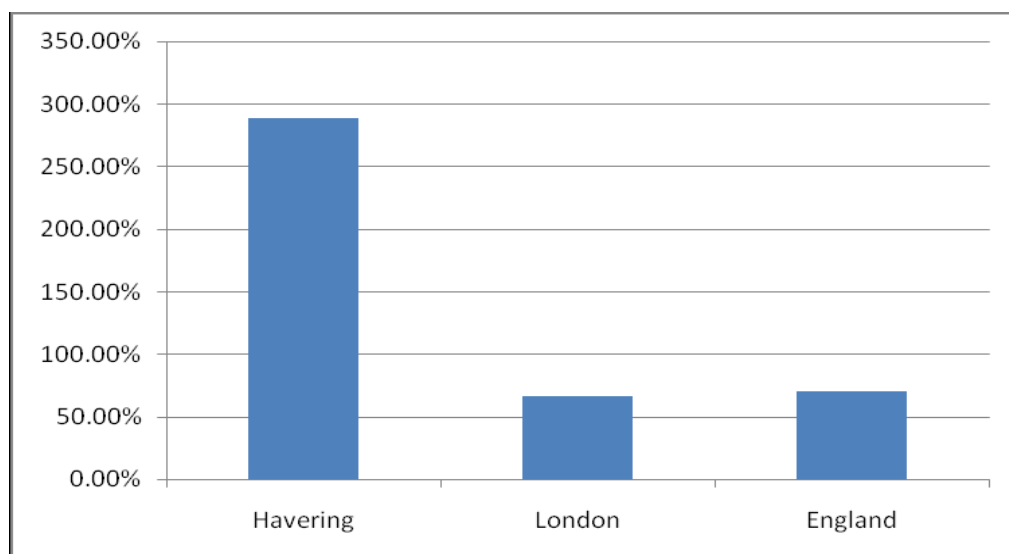
Future projections suggest that compared to 2010:

- The number of children aged 0-15 years old in Havering is expected to increase by 4.7% in the 5 years to 2015 and by 14.5% by 2025

- The number of 15-19 year olds in the borough will decline during the next 10 years but will then begin to rise again and will exceed current numbers by 2023
- Numbers of 0-4 and 5-9 year olds will continue to rise in the future, with the biggest increase being in the number of 5-9 year olds, which will have increased by 15% by 2015
- The number of 10-14 year olds is expected to decline in the short term (until around 2014), but will continue to increase to above current numbers following this

Housing Pressures

Havering is likely to see a strain on budgets in terms of demand for social housing. The increasing need to provide more homes for a growing population in London and the rest of the South-east makes Havering's current pattern of land use a key issue for the future. Evidence of the increasing demand and need for housing can be demonstrated by rising house prices. For instance, there was a 110% increase in house prices between 1999 and 2009 compared to 104% across London as a whole. Whilst Havering has only outstripped the London trend by a few percentage points Havering's Social Housing Waiting List shows a more marked difference:



The pressure from population growth means there will be pressure to release employment land for housing development, especially if demand for that employment land is low over the short term. According to the Draft Replacement London Plan, Havering will probably be required to deliver 12,350 new homes over the next ten years. However, the change of use of land from Havering's already small proportion of commercial land to residential land will reduce options for growing the local economy, and the borough's job density, over the medium to long term.

Benefits Uptake

Havering has experienced the fastest increase in claimants of Job Seekers Allowance across London, covering the period from May 2008 to May 2010, shown in the detailed table below:

Area	Overall Increase May 08 to May 10
Havering	108%
Hillingdon	105%
Bexley	94%
Sutton	93%
Hounslow	92%
Kingston upon Thames	88%
Harrow	88%
Croydon	79%
Richmond upon Thames	79%
Barnet	77%
Ealing	74%
Merton	72%
Redbridge	71%
Wandsworth	69%
Barking and Dagenham	69%
Bromley	69%
Enfield	68%
Greenwich	59%
Brent	58%
Lewisham	58%
Westminster	57%
Lambeth	56%
Kensington and Chelsea	55%
Southwark	54%
Waltham Forest	53%
Islington	52%
Haringey	52%
Hammersmith and Fulham	49%
Hackney	48%
Newham	47%
Camden	44%
City of London	40%
Tower Hamlets	35%

Local Authority	OLB R398 Newham	OLB R383 Barking & Dagenham	OLB R385 Bexley	OL R399 Redbridge	OLB R387 Bromley	OLB R393 Havering
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2010-11 Council Tax Requirement	£m	70.543	52.477	93.951	99.005	131.669	106.589
Formula Grant 2010-11 (adjusted)	£m	247.935	115.018	75.876	111.146	78.553	64.542
Learning disability 2010-11 adj	£m	6.431	4.043	4.894	3.122	8.408	7.287
Early Years Intervention Grant 2010-11 adj	£m	25.717	15.278	9.637	10.908	11.962	8.914
Migration Impact Fund 2010-11	£m	0.049	0.053	0.000	0.054	0.000	0.025
Cohesion 2010-11	£m	0.157	0.252	0.057	0.107	0.000	0.107
LEGI 2010-11	£m	0.000	1.734	0.000	0.000	0.000	0.000
WNF 2010-11	£m	11.945	1.501	0.000	0.000	0.000	0.000
Prevent 2010-11	£m	0.380	0.138	0.138	0.248	0.138	0.000
Housing and Council Tax Benefit Subsidy Admin Grant 2010-11	£m	4.252	2.167	1.723	2.055	2.188	1.702
Preventing Homelessness 2010-11 adj	£m	0.778	0.911	0.253	0.456	0.366	0.303
'Revenue Spending Power 2010-11'	£m	368.186	193.848	186.530	227.101	233.285	189.469

2010-11 Council Tax Requirement	£m	70.543	52.477	93.951	99.005	131.669	106.589
2011-12 Formula Grant	£m	219.919	106.026	66.628	101.060	67.320	56.520
Learning Disability 2011-12	£m	6.562	4.125	4.994	3.185	8.580	7.436
Early Years Intervention Grant 2011-12	£m	22.400	13.308	8.823	9.986	10.951	8.161
Housing and Council Tax Benefit Subsidy Admin Grant 2011-12	£m	4.059	2.034	1.666	1.975	2.060	1.669
Preventing Homelessness 2011-12	£m	0.875	0.600	0.500	0.530	0.500	0.500
Indicative Council Tax Freeze Grant 2011-12	£m	1.758	1.315	2.351	2.510	3.301	2.680
NHS funding to support social care and benefit health 2011-12	£m	3.572	2.432	2.411	2.930	3.176	2.667
Estimated 2011-12 Revenue Spending Power including NHS support for social care	£m	329.687	182.317	181.323	221.182	227.556	186.222

Change in estimated 'revenue spending power' 2011-12 £m	£m	-38.499	-11.531	-5.208	-5.919	-5.729	-3.247
Change in estimated 'revenue spending power' 2011-12 %	%	-10.46%	-5.95%	-2.79%	-2.61%	-2.46%	-1.71%
Change in formula grant	%	-11.3%	-7.8%	-12.2%	-9.1%	-14.3%	-12.4%

APPENDIX C

SPECIFIC GRANTS

Directorate	Service	Funding Body	Grant name	SPECIFIC RINGFENCED GRANT 2012/13 £000's	SPECIFIC RINGFENCED GRANT 2013/14 £000's	SPECIFIC UNRINGFENCED GRANT 2012/13 £000's	SPECIFIC UNRINGFENCED GRANT 2013/14 £000's	TOTAL ROLLED INTO RSG AND BUS RATES 2013/14 £000's
CULTURE AND COMMUNITY	CULTURE AND LEISURE	Sport England	Community Sport & Physical Activity Network	5.00	0.00	0.00	0.00	0.00
CULTURE AND COMMUNITY	CUSTOMER SERVICES		Births Deaths and Marriages	7.07	0.00	0.00	0.00	0.00
CULTURE AND COMMUNITY	CUSTOMER SERVICES		The Contact Centre	5.22	0.00	0.00	0.00	0.00
CULTURE AND COMMUNITY	CUSTOMER SERVICES	DCLG	Localisation Support for CT. Transitional Grant Scheme	0.00	0.00	0.00	366.81	0.00
CULTURE AND COMMUNITY	CUSTOMER SERVICES	DWP	Rent Allowances	44,444.54	0.00	0.00	0.00	0.00
CULTURE AND COMMUNITY	CUSTOMER SERVICES	DWP	Disc Hsg Pay and App Imple	193.42	0.00	0.00	0.00	0.00
CULTURE AND COMMUNITY	CUSTOMER SERVICES	DWP	Rent Rebates	31,192.95	0.00	0.00	0.00	0.00

Directorate	Service	Funding Body	Grant name	SPECIFIC RINGFENCED GRANT 2012/13 £000's	SPECIFIC RINGFENCED 2013/14 £000's	SPECIFIC UNRINGFENCED GRANT 2012/13 £000's	SPECIFIC UNRINGFENCED GRANT 2013/14 £000's	TOTAL ROLLED INTO RSG AND BUS RATES 2013/14 £000's
CULTURE AND COMMUNITY	CUSTOMER SERVICES	DWP	Benefits claims, overpayments and appeals	1,516.39	1,380.49	0.00	0.00	0.00
CULTURE AND COMMUNITY	CUSTOMER SERVICES	DWP	Recession Funding	152.85	68.31	0.00	0.00	0.00
CULTURE AND COMMUNITY	CUSTOMER SERVICES	DCLG	New Burdens Business rate relief	0.00	0.00	3.50	0.00	0.00
CULTURE AND COMMUNITY	CUSTOMER SERVICES	MOPAC	Community Safety	0.00	0.00	110.41	0.00	0.00
CULTURE AND COMMUNITY	CUSTOMER SERVICES	DCLG	Implementation of new CT Scheme	0.00	0.00	84.00	123.06	0.00
CULTURE AND COMMUNITY	HOUSING AND PUBLIC PROTECTION	DOH	Supported Employment Grant	2.46	0.00	0.00	0.00	0.00
CULTURE AND COMMUNITY	HOUSING AND PUBLIC PROTECTION	DCLG	Homelessness Grant	0.00	0.00	400.00	0.00	400.00
CULTURE AND COMMUNITY	HOUSING AND PUBLIC PROTECTION	DCLG	Tenancy Fraud Funding	0.00	0.00	100.00	0.00	0.00
CULTURE AND COMMUNITY	REGENERATION POLICY AND PLANNING	DCLG	Community Rights to Bid	0.00	0.00	0.00	7.86	0.00
CULTURE AND COMMUNITY	REGENERATION POLICY AND PLANNING	DCLG	Community Rights to challenge new burdens - New	0.00	0.00	8.55	8.55	0.00
CULTURE AND COMMUNITY	REGENERATION POLICY AND PLANNING	DCLG	Flood Funding	0.00	0.00	209.50	77.53	132.00

Directorate	Service	Funding Body	Grant name	SPECIFIC RINGFENCED GRANT 2012/13 £000's	SPECIFIC RINGFENCED 2013/14 £000's	SPECIFIC UNRINGFENCED GRANT 2012/13 £000's	SPECIFIC UNRINGFENCED GRANT 2013/14 £000's	TOTAL ROLLED INTO RSG AND BUS RATES 2013/14 £000's
CULTURE AND COMMUNITY	REGENERATION POLICY AND PLANNING	DCLG	Assets of Community Value - New	0.00	0.00	4.87	0.00	0.00
CULTURE AND COMMUNITY	REGENERATION POLICY AND PLANNING	DCLG	Town Team Partners	0.00	0.00	30.00	0.00	0.00
CULTURE AND COMMUNITY	STREETCARE	DCLG	Waste Collection - Green Rewards	0.00	0.00	146.33	462.76	0.00
CULTURE AND COMMUNITY	STREETCARE	DCLG	Waste Collection Campaign	0.00	0.00	96.58	127.04	0.00
								0.00
				77,519.90	1,448.79	1,193.74	1,173.60	532.00
								0.00
ADULTS AND HEALTH SERVICES	ADULTS AND HEALTH SERVICES TRANSFORMATION	DOH	NHS Support for Social Care	15.00	0.00	0.00	0.00	0.00
ADULTS AND HEALTH SERVICES	COMMISSIONING	DOH	NHS Support for Social Care	0.00	0.00	2,553.10	3,599.51	0.00
ADULTS AND HEALTH SERVICES	COMMISSIONING	HO	DAAT Drug Interventions - DIP	56.19	0.00	0.00	0.00	0.00
ADULTS AND HEALTH SERVICES	COMMISSIONING	DOH	Localisation of Social Fund - Programme Funding	0.00	0.00	0.00	604.18	0.00
ADULTS AND HEALTH	COMMISSIONING	DOH	Localisation of Social Fund - Admin	0.00	0.00	0.00	127.67	0.00

Directorate	Service	Funding Body	Grant name	SPECIFIC RINGFENCED GRANT 2012/13 £000's	SPECIFIC RINGFENCED 2013/14 £000's	SPECIFIC UNRINGFENCED GRANT 2012/13 £000's	SPECIFIC UNRINGFENCED GRANT 2013/14 £000's	TOTAL ROLLED INTO RSG AND BUS RATES 2013/14 £000's
SERVICES								
ADULTS AND HEALTH SERVICES	COMMISSIONING	DOH	Localism of Social Fund Start Up Funding	0.00	0.00	6.04	0.00	0.00
ADULTS AND HEALTH SERVICES	COMMISSIONING	DCLG	Supporting People	0.00	0.00	0.00	0.00	0.00
ADULTS AND HEALTH SERVICES	COMMISSIONING	N/A	Homecare	0.00	0.00	0.00	0.00	0.00
ADULTS AND HEALTH SERVICES	COMMISSIONING	N/A	Direct Payments	0.00	0.00	0.00	0.00	0.00
ADULTS AND HEALTH SERVICES	ADULT SOCIAL CARE	DOH	Local Reform and Community Voices	0.00	0.00	0.00	176.14	0.00
ADULTS AND HEALTH SERVICES	ADULT SOCIAL CARE	DOH	DOLS additional Funding	0.00	0.00	0.00	22.16	0.00
ADULTS AND HEALTH SERVICES	ADULT SOCIAL CARE	DOH	Healthwatch Funding	0.00	0.00	0.00	46.98	0.00
ADULTS AND HEALTH SERVICES	ADULT SOCIAL CARE	DOH	Learning Disability and Health Reform Grant	0.00	0.00	7,630.65	0.00	7,821.66
				71.19	0.00	10,189.79	4,576.63	7,821.66
								0.00
CHILDRENS SERVICES	ISB	DFE	Dedicated Schools Grant	130,589.66	189.13	0.00	0.00	0.00

Directorate	Service	Funding Body	Grant name	SPECIFIC RINGFENCED GRANT 2012/13 £000's	SPECIFIC RINGFENCED 2013/14 £000's	SPECIFIC UNRINGFENCED GRANT 2012/13 £000's	SPECIFIC UNRINGFENCED GRANT 2013/14 £000's	TOTAL ROLLED INTO RSG AND BUS RATES 2013/14 £000's
CHILDRENS SERVICES	ISB	DFE	Dedicated Schools Grant -New alloc for 2 year olds from 13/14	0.00	0.00	0.00	2,119.82	0.00
CHILDRENS SERVICES	ISB	YPLA	YPLA Funding (Formerly LSC)	858.89	0.00	0.00	0.00	0.00
CHILDRENS SERVICES	ISB	YPLA	YPLA Teachers Pay Grant	115.59	0.00	0.00	0.00	0.00
CHILDRENS SERVICES	ISB	YPLA	YPLA Pupil Premium Grant	3,373.25	0.00	0.00	0.00	0.00
CHILDRENS SERVICES	LEARNING AND ACHIEVEMENT	YPLA	LSC Havering College of Adult Education	181.77	0.00	0.00	0.00	0.00
CHILDRENS SERVICES	LEARNING AND ACHIEVEMENT	YPLA	LSC Havering Adult Education Central Office(FLIF/TTG funding)	1,086.50	0.00	0.00	0.00	0.00
CHILDRENS SERVICES	LEARNING AND ACHIEVEMENT	YPLA	YPLA 14-19 Apprentices	43.67	0.00	0.00	0.00	0.00
CHILDRENS SERVICES	LEARNING AND ACHIEVEMENT	DCLG	Extended Rights to Free Travel	0.00	0.00	58.00	0.00	0.00
CHILDRENS SERVICES	LEARNING AND ACHIEVEMENT	ARTS COUNCIL	Havering Music School	319.96	0.00	0.00	0.00	0.00
CHILDRENS SERVICES	LEARNING AND ACHIEVEMENT	DFE	HIAS Development Projects	53.31	0.00	0.00	0.00	0.00

Directorate	Service	Funding Body	Grant name	SPECIFIC RINGFENCED GRANT 2012/13 £000's	SPECIFIC RINGFENCED 2013/14 £000's	SPECIFIC UNRINGFENCED GRANT 2012/13 £000's	SPECIFIC UNRINGFENCED GRANT 2013/14 £000's	TOTAL ROLLED INTO RSG AND BUS RATES 2013/14 £000's
	T							
CHILDRENS SERVICES	LEARNING AND ACHIEVEMENT	DFE	Creation of Childcare Places	111.30	0.00	0.00	0.00	0.00
CHILDRENS SERVICES	LEARNING AND ACHIEVEMENT	DFE	Education Services Grant	0.00	0.00	0.00	3,396.05	0.00
CHILDRENS SERVICES	CHILDREN AND YOUNG PEOPLE	DFE	Social Work Improvement Team	316.01	0.00	0.00	0.00	0.00
CHILDRENS SERVICES	CHILDREN AND YOUNG PEOPLE	DCLG	Troubled Families	0.00	0.00	541.60	0.00	0.00
CHILDRENS SERVICES	CHILDREN AND YOUNG PEOPLE	DOH	Supported Employment	5.45	0.00	0.00	0.00	0.00
CHILDRENS SERVICES	CHILDREN AND YOUNG PEOPLE	DFE	Early Intervention Grant	0.00	0.00	8,944.59	0.00	6,646.10
CHILDRENS SERVICES	CHILDREN AND YOUNG PEOPLE	YJB	YOT Prevention	33.20	0.00	0.00	0.00	0.00
CHILDRENS SERVICES	CHILDREN AND YOUNG PEOPLE	YJB	Youth Offending Team	336.41	0.00	0.00	0.00	0.00
CHILDRENS SERVICES	CHILDREN AND YOUNG PEOPLE	DFE	Adoption Improvement Grant	40.80	0.00	0.00	0.00	0.00
CHILDRENS	CHILDREN	YJB	Children on Remand - New	0.00	0.00	0.00	91.63	0.00

Directorate	Service	Funding Body	Grant name	SPECIFIC RINGFENCED GRANT 2012/13 £000's	SPECIFIC RINGFENCED 2013/14 £000's	SPECIFIC UNRINGFENCED GRANT 2012/13 £000's	SPECIFIC UNRINGFENCED GRANT 2013/14 £000's	TOTAL ROLLED INTO RSG AND BUS RATES 2013/14 £000's
SERVICES	AND YOUNG PEOPLE							
CHILDRENS SERVICES	CHILDREN AND YOUNG PEOPLE	DFE	Local Safeguarding Board	17.50	0.00	0.00	0.00	0.00
				137,483.27	189.13	9,544.19	2,211.45	6,646.10
								0.00
FINANCE AND COMMERCE	FINANCE AND PROCUREMENT	DCLG	Social Housing Fraud	19.68	0.00	0.00	0.00	0.00
FINANCE AND COMMERCE	BUSINESS SYSTEMS	DOH	Supported Employment	0.00	0.00	0.00	0.00	0.00
FINANCE AND COMMERCE	HUMAN RESOURCES	DOH	Supported Employment	47.20	0.00	0.00	0.00	0.00
FINANCE AND COMMERCE	DEVELOPMENT AND BUILDING CONTROL		Planning Control	135.00	0.00	0.00	0.00	0.00
FINANCE AND COMMERCE	EXTERNAL FINANCE	DCLG	Council Tax Freeze Grant Year 1	0.00	0.00	2,680.19	0.00	2,680.19
FINANCE AND COMMERCE	EXTERNAL FINANCE	DCLG	Council Tax Freeze Grant Year 2	0.00	0.00	2,693.30	0.00	0.00
FINANCE AND COMMERCE	EXTERNAL FINANCE	DCLG	Council Tax Freeze Grant	0.00	0.00	0.00	1,083.19	0.00
FINANCE AND COMMERCE	EXTERNAL FINANCE	DCLG	Unallocated Grant: New Homes Bonus	0.00	0.00	836.70	1,797.35	0.00
				201.88	0.00	6,210.19	2,880.54	2,680.19

Directorate	Service	Funding Body	Grant name	SPECIFIC RINGFENCED GRANT 2012/13 £000's	SPECIFIC RINGFENCED 2013/14 £000's	SPECIFIC UNRINGFENCED GRANT 2012/13 £000's	SPECIFIC UNRINGFENCED GRANT 2013/14 £000's	TOTAL ROLLED INTO RSG AND BUS RATES 2013/14 £000's
PUBLIC HEALTH	PUBLIC HEALTH	DOH	Healthy Lives for Healthy People - Public Health Funding	0.00	8,833	84.00	0.00	0.00
				0.00	8,833.40	84.00	0.00	0.00
			TOTAL EXCLUDING NHB AND RSG	215,276.24	10,471.32	27,221.91	10,842.21	17,679.95
CULTURE AND COMMUNITY	CUSTOMER SERVICES	DCLG	Council Tax Benefit	19,880.38	0.00	0.00	0.00	13,549.03
FINANCE AND COMMERCE		DCLG	Revenue Support Grant	0.00	0.00	51,362.91	0.00	26,626.43
CUSTOMER SERVICES	COLLECTION FUND	DCLG	Business Rates	0.00	0.00	0.00	0.00	17,713.84
			TOTAL INCLUDING NHB AND RSG	235,156.62	10,471.32	78,584.83	10,842.21	75,569.25

PUBLIC HEALTH GRANT

Public Health 2013/14 and 2014/15 Funding Announcement

The Department of Health announced local authority grant allocations on 10th January. Havering's allocation is £8,833,400 for 2013/14 and £9,716,700 for 2014/15. The 2014/15 figure has a higher opening baseline, based on the formula applied. The initial baseline estimate announced in Feb 2012 was £6.912m, revised to £8.241m in July.

The Advisory Committee on Resource Allocation's (ACRA's) letter to Secretary of State sets out their recommendations on the public health allocations formula. Weighted populations have been taken as adjusted for relative need, market forces, age and gender.

The public health formula has three components: mandatory services, non-mandatory services (excluding drugs and alcohol services) and substance misuse services. Substance misuse includes drugs services which were previously commissioned by drug action team partnerships (DATs) funded through the pooled treatment budget (PTB), all other drugs services, and alcohol services. These services are all non-mandated.

Standardised mortality ratio (SMR) < 75 population is calculated for each of these three components. The SMR<75 is an indicator of the health of the whole population, and measures how many more or fewer deaths there are in an area compared with an adjusted national average.

The grant is ring fenced and the Department of Health circular LAC(DH)(2013)1 details the specific grant conditions that apply. The grant has been made under Section 31 of the Local Government Act 2003. The primary purpose of the conditions is to ensure that it is spent on the new public health responsibilities being transferred from the NHS to local authorities, and that it is spent appropriately and accounted for properly.

Joint Strategic Needs Assessments (JSNAs) and Joint Health and Wellbeing Strategies (JHWSs) are likely to have an impact on how the grant is spent. DH have put in place a new strategic outcomes framework for public health at national and local levels. The outcomes framework sets out a high-level vision for public health outcomes, focused on increasing healthy life expectancy and reducing inequalities in health.

Financial implications

- Spend on Public health must be reported on Quarterly Revenue Outturn reports.
- This grant will be added to the RA and RO reporting forms and to add to this the Chief Executive must give assurance that the RA and RO forms have been reviewed and confirm that the amounts stated are a true reflection of spend.
- Reporting will be against 18 categories of spend

- Underspends may be carried forward: however where there are repeatedly large underspends the allocation may be reduced in future years.
- Failure to comply with the conditions could result in reduction or loss of the grant.
- Each authority must maintain a robust system of internal financial controls in relation to the use of the public health grant.

It is indicated that external audit review will fall within the remit as part of the overall annual audit of the Councils' accounts; finance have asked for DH for clarification. An internal audit review may be required prior to Chief Executive certification.

The new health premium will be designed to reward communities for improving or reducing inequalities in selected health outcomes. Further details on this will follow.

LEVIES

The levies are as follows:

	2012/13 £000	2013/14 £000	% Increase (Decrease)	Estimated/ Provisional/ Final
East London Waste Authority	10,956	11,653	6.4%	Provisional
Environmental Agency (Thames)	164	172	5.0%	Estimated
Environment Agency (Anglian)	16	17	5.0%	Estimated
Lee Valley Regional Park	260	273	5.0%	Estimated
London Pension Fund Authority	304	319	5.0%	Estimated
	11,700	12,434	6.3%	
<p>Note 1 : the ELWA levy is subject to approval by board at its meeting on 4th February 2013. Any amendment to the levy will be advised to Cabinet and reflected in the subsequent report to Council</p> <p>Note 2 : all other levy figures are estimates calculated using the same percentage figure pending confirmation from the levying body. A figure of 5% has been used for planning purposes</p> <p>Note 3 : all levies will be affected by the change in calculation of the Council Tax base</p>				

COUNCIL TAX STATEMENT AND SUPPORTING INFORMATION**1. Collection Fund**

The Council is required to maintain a collection fund. Into this fund is paid all income from the Council Tax payers, and National Non Domestic Rate Payers (NNDR). From April 2013, it will also include Council Tax support payments. The precept set by the Greater London Authority and the requirements of the Council (which includes the levies) and paid from the Fund.

The balance on the fund estimated at 31st March 2014 has to be distributed to the GLA and Havering to reduce their individual elements of the Tax.

2. Band D equivalent and the Council Tax Base

The “Band D equivalent” is the number of properties in the Council’s area, equated to relate properties in all bands of the Council Tax to a Band D property, and is the basis of the figure used by the Government to allocate external finance.

The Council Tax base is this figure, after allowing for likely variations during the year in the number of properties on the register and likely losses on collection. The Council Tax base has been approved by the Group Director Finance and Commerce under delegated powers and is 79,401 and it is this figure that is used to calculate the Council Tax.

£120,001- £160,000	2,169.41	Band F	2,164.04	(5.37)
£160,001- £320,000	2,503.17	Band G	2,496.97	(6.20)
Over £320,000	3,003.80	Band H	2,996.36	(7.44)

APPENDIX E

PROVISIONAL SCHOOLS BUDGETS 2013/14

(Net of estimated academy recoupment)

2012/13 £		2013/14				Total £
		Early Years Block £	Schools Block £	High Needs Block £	Additions & Adjustment s £	
8,239,489	Early Years	7,927,149	0	0	1,522,235	9,449,384
73,196,535	Primary Schools	0	72,316,401	1,911,698	0	74,228,099
28,661,696	Secondary Schools	0	21,676,025	443,558	0	22,119,583
4,968,637	Special Schools	0	0	5,428,474	0	5,428,474
n/a	Pupil Referral Units	0	0	2,560,142	0	2,560,142
n/a	Academy SEN funded by LA	0	0	1,059,709	0	1,059,709
115,066,357	Estimated Total DSG to Education Providers	7,927,149	93,992,426	11,403,581	1,522,235	114,845,391
13,688,773	Centrally Retained	347,148	3,809,768	6,444,486	841,151	11,442,553
13,688,773	Estimated Total DSG to be Retained Centrally	347,148	3,809,768	6,444,486	841,151	11,442,553
128,755,131	Total DSG Allocation	8,274,297	97,802,194	17,848,067	2,363,386	126,287,944

Note 1: From 2013/14 the DSG is allocated in sub blocks. The figures above are estimates of the allocations to education providers and sums that are centrally retained. Actual allocations will be entered on the section 251 budget statement and published before 1st April 2013

Note 2: The above figures are net of £62,838,323 which is recouped by the DFE for academies. This is based on the academies as at 1st February 2013

Note 3: The LA allocates additional funds to academies for high needs pupils

Note 4: Pupil Referral Units have delegated budgets from 2013/14

SCHEDULE OF REVENUE BUDGET ITEMS

Service Area	Description	2013/14 £000	2014/15 £000
Savings not being delivered and Substitutes			
Culture & Leisure	Westland temporary camping site Focus our efforts to encourage more people to visit Havering. Derive income from a temporary camping site to cater for visitors during the Olympic Games and consider the longer term use of such a site.	50	50
Culture & Leisure	Culture & Leisure Initiatives (<i>Alternative to Westland temporary camping site</i>) Reduction in Parks & Open spaces cleaning costs - £5K Increased income from Football pitch lettings - £16k Reduction in Grounds maintenance overtime costs - £10k Removal of Parks Protection officers' car allowance budget - £5k Income from a Higher Level Stewardship scheme at Hornchurch County Park - £14k	(50)	(50)
Internal Services	Corporate Services Review Review corporate services areas following enterprise resource planning areas and customer services to identify further savings. It was hoped through the joint work on both internal shared services and customer services with partners that additional saving and benefits would be able to be delivered above what was in the original business cases, either through further synergies across the programmes, or with others. It may still be able to be achieved, but working in partnership is never easy, and these savings cannot yet be realised.	250	250
Internal Services	ISS future phases (subject to shared services) Work is under through Project Athena, and the One Oracle work to try and deliver a single Oracle solution for the London boroughs. This is	150	150

Service Area	Description	2013/14 £000	2014/15 £000
	progressing, but has not moved as fast as originally anticipated and these savings cannot be realised at this stage in time.		
Shared Services/Collaboration with other LAs	Havering has already been successfully working with Newham for the last two years on a single IT service, which has saved money, and enabled us to help modernise out IT infrastructure, faster and cheaper than if we had done it on our own. Discussions are now going further about creating a single IT team and convergence of all IT systems. Based on the success of IT we are also currently exploring wider back office shared services, and a business case will be produced if we feel this is achievable.	0	(500)
Children's Services	Adoption A successful consortia arrangement has been in operation between Havering, Thurrock and Southend Councils for some time. This increases the chances of a successful match between children suitable for adoption and prospective parents. Efficiency savings would be achieved by having 1 manager, fewer panels, shared administration and shared systems and marketing.	250	250
Children's Services	Implementations of SEN Green Paper Refresh the way the Council delivers SEN services in line with the SEN Green paper launched in March 2011. Measures will include more partnership working with other agencies and the voluntary sector.	100	100
Children's Services	Looked After Children This saving can no longer be delivered owing to various pressures within children's services, including directly in the area of spend on placements, but also around children's services generally	300	300
Children's Services	Management and Administration (Alternative to Adoption) CYPS Management and Administration Review. Net savings arising from a management and administration restructure. This follows both internal and external reviews aimed at improving both the quality and efficiency of service delivery in line with the requirements	(110)	(110)

Service Area	Description	2013/14 £000	2014/15 £000
	of Munroe and changing inspection legislation.		
Children's Services	<p>Review and Progress changes to SEN Services (<i>Alternative to Implementations of SEN Green Paper</i>)</p> <p>Reduced staffing, income generation from charging for training and non-core services, provision of accreditation training for SENCO's and providing guidance and support to schools to reduce the numbers identified as SEN.</p>	(100)	(100)

Service Area	Description	2013/14 £000	2014/15 £000
Corporate Savings/Reductions			
Taxicard	London Councils will be writing to the boroughs to confirm LBH contribution (likely to be circa £130-140k but recently confirmed as £150k). 12/13 Budget £306k. The reduction is due to successful lobbying on Havering's contribution to the scheme and has no impact on the scheme itself JANUARY MAIN REPORT PARAS 6.7 TO 6.9/FEBRUARY MAIN REPORT PARA 3.10	(156)	(156)
London Councils Subscription and London Borough Grants Scheme	Reduction in contribution required from Council. Part of a broader overall reduction in operational costs and a continuing review of grant funding JANUARY MAIN REPORT PARA 6.19/FEBRUARY MAIN REPORT PARA 3.10	(173)	(173)
Freedom Pass	Reduction in Havering contribution to scheme reflecting changes to distribution formula - £57k on the actual contribution plus £400k allowed for as growth. Also a result of successful lobbying by the Council and has no impact on the scheme itself JANUARY MAIN REPORT PARAS 6.7 TO 6.9/FEBRUARY MAIN REPORT PARA 3.10	(457)	(457)
Review of organisation structure looking at management tiers and approach to commissioning functions	As part of the ongoing management restructurings and delayering, it is anticipated that these savings will be achieved through the series of restructurings across directorates that are on hand to deliver the £500k management savings already being delivered as part of the approved list of savings	(130)	(200)
Members Allowances	Review of allowances scheme to reduce the overall cost of payments through a reconfiguration of the Special Responsibility Allowances JANUARY MAIN REPORT PARA 6.39/FEBRUARY MAIN REPORT PARA 3.12		(100)
Insurance Provision	Removal of existing provision created when the insurance contracts were	(500)	(500)

Service Area	Description	2013/14 £000	2014/15 £000
	last tendered JANUARY MAIN REPORT PARAS 5.2 AND 5.5		
New Homes Bonus	Estimated increase over next 2 years, not currently reflected in base budget JANUARY MAIN REPORT PARAS 6.26 TO 6.30/FEBRUARY MAIN REPORT PARA 3.8	(1,797)	(2,397)
New Pressures/Growth Items			
Efficiency Fund	This budget was due to be removed in 13/14 but the need for a sustained transformation programme to deliver further savings requires the availability of a base budget JANUARY MAIN REPORT PARAS 6.20 TO 6.25/FEBRUARY MAIN REPORT PARA 3.11	1,000	1,000
Housing Benefit Admin Grant	Reduction in allocation 13/14 as the level of grant is being reduced by Government, although there is no similar reduction in work volumes for the foreseeable future DECEMBER MAIN REPORT PARAS 2.11 TO 2.15	110	110
LACSEG	Corporate recharges currently allocated into schools' support services which will no longer be possible owing to changes to LACSEG funding JANUARY MAIN REPORT PARAS 2.33 TO 2.37/FEBRUARY MAIN REPORT PARA 3.4	300	300
PRU	Corporate recharges currently allocated to Pupil Referral Units which are expected to be no longer be possible owing to changes to funding arrangements	87	87
Advertising Hoardings	Removal of the remaining income budget as there is no likelihood this will be capable of being delivered in the current climate JANUARY MAIN REPORT PARAS 5.2 AND 5.5	236	236
Savings arising from Grant Reductions			
LACSEG	Net savings arising from restructure of services within Learning & Achievement to offset the reduction in grant funding	(1,000)	(1,000)

Service Area	Description	2013/14 £000	2014/15 £000
	Early Years restructure Efficiency housekeepings Review of Asset Management organisation structure and working arrangements with academies JANUARY MAIN REPORT PARAS 2.33 TO 2.37/FEBRUARY MAIN REPORT PARA 3.4	(332) (72) (150)	(332) (72) (150)

**VIREMENT AND CONTINGENCY RULES
PART 4 : RULES OF PROCEDURE
CONSTITUTION OF LONDON BOROUGH OF HAVERING**

Virements

Virement is the ability to meet increased expenditure or reduced income under one service's budget head from savings in another. Virements may be used for both revenue and capital budgets.

Any decisions taken by the Executive shall not exceed those budgets allocated to each relevant budget head. Members do not have authority to create budgets.

Approval of virements must comply with the limits laid down in the Financial Procedure Rules (FPR).

Budget virements are required when a change to Council policy and/or service delivery requires resources to be reallocated, or when additional resources are received, or to meet any anticipated budgetary shortfalls.

All virements, whether revenue or capital, are subject to the following authorisation process as set out in the FPR, under Financial Planning and Financial Management, Section 6 of the FPR:

- (a) Virements in excess of £1 million will require Cabinet approval.
- (b) Virements between £250,000 and up to £999,999 will require approval by the relevant Cabinet Members.
- (c) All other virements will need to comply with procedures specified by the Group Director Finance & Commerce.

The cumulative value of virements for the year should be considered when deciding whether the various thresholds have been reached. The Group Director Finance & Commerce will take the final decision as to whether a number of smaller virements need to be grouped together for threshold calculation purposes.

Use of Contingency Funds

The Group Director Finance & Commerce may set up a central contingency fund. There will only be one such fund for the entire Council.

The Group Director Finance & Commerce is authorised to release sums from the contingency if:

- (a) the amounts are not greater than £25,000, and
- (b) the item is deemed by them as unforeseen and a relevant use of the contingency, or
- (c) if the item is urgent (e.g. an emergency or threat to life) and there is insufficient time to consult with the relevant Cabinet Member.

The relevant Cabinet Member can release all other sums from the contingency if:

- (a) the item is deemed by the Group Director Finance & Commerce as unforeseen and a relevant use of the contingency, or
- (b) the item is urgent (e.g. an emergency or threat to life) after consultation with the Group Director Finance & Commerce.

The Chief Executive has power to incur expenditure from the Contingency Fund without any further approval in exercise of their powers under paragraph 3.2 of part 3 of the Constitution to incur expenditure in connection with an emergency or disaster within the borough.

The Group Director Finance & Commerce will also provide for a level of contingency for capital projects that is appropriate in their view, taking into account the level of risk associated with the capital programme. Sums will be released in accordance with the capital virement rules set out in the Financial Procedure Rules.

**LOCAL GOVERNMENT ACT 2003
BUDGET ROBUSTNESS & OPPORTUNITY COST OF RESERVES**

1. BACKGROUND

- 1.1 The Local Government Act 2003 sets out requirements in Part 2 in respect of Financial Administration. This paper sets out the requirements of the Act in respect of the robustness of the budget and the adequacy of reserves. It also considers the opportunity cost of holding reserves.
- 1.2 Section 25 requires the Chief Financial Officer (CFO) to report to an authority when it is making the statutory calculations required to determine its council tax or precept. The authority is required to take the report into account when making the calculations. The report must deal with the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides.
- 1.3 Section 26 gives the Secretary of State power to set a minimum level of reserves for which an authority must provide in setting its budget. The minimum would apply to “controlled reserves”, as defined in regulations. The intention in defining controlled reserves would be to exclude reserves that are not under the authority’s control when setting its call on council tax, for example the balance on the housing revenue account and schools balances. There may also be a case for excluding other types of reserve. Regulations to define controlled reserves would only be made in conjunction with regulations setting a minimum.
- 1.4 It was made clear throughout the parliamentary consideration of these provisions that section 26 would only be used where there were grounds for serious concern about an authority. The Minister said in the Commons standing committee debate on 30 January 2003: “The provisions are a fallback against the circumstances in which an authority does not act prudently, disregards the advice of its chief finance officer and is heading for serious financial difficulty. Only in such circumstances do we envisage any need for intervention.” There is no intention to make permanent or blanket provision for minimum reserves under these provisions.
- 1.5 If the need to apply a minimum to an authority were identified, the minimum would be set after considering the advice of the CFO to the authority and any views expressed by the auditor. The authority would be consulted on the level to be set.
- 1.6 Any minimum set under section 26 applies to the allowance to be made for reserves in the budget. There is nothing to prevent the reserves being used during the year even if as a result they fell below the minimum. However, if in preparing the following year’s budget it was forecast that the current year’s reserves would fall below the minimum the CFO would need to report to the authority under section 27.

2. REPORT OF CFO ON ROBUSTNESS OF THE ESTIMATES

2.1 The budget has been prepared using the Medium Term Financial Strategy from 2009 as its starting point. This Strategy has been embellished through:

- The revenue and capital budget strategy statements, which are included as part of this report
- The forecast position as set out in the Cabinet reports of July 2010 and 2011
- The schedule of savings proposals set out in those reports
- The outcome and forecast impact on the Council of the CSR as reported to Cabinet in December 2010
- The outcome of the provisional LGFS as reported to Cabinet in January 2011
- The subsequent LGFS announcement for 2012/13
- A variety of announcements concerning the new funding system
- The Autumn Budget Statement 2012
- The subsequent provisional LGFS announcement for 2013/14.

2.2 As the development of the budget for 2013/14 has progressed, the position has been the subject to reviews with Heads of Service, Group Directors, Cabinet Members and the Cabinet Member for Finance & Commerce.

Due consideration has also been given to the over-arching strategy above along with the delivery of corporate priorities in undertaking these reviews and this is reflected in the detailed budget proposals.

All the proposals have been developed alongside service planning.

Furthermore:

- a) In respect of pressures, the Council has reviewed its pressures alongside those identified by the LGA and London Councils to provide a cross check/challenge
- b) In respect of savings, the proposals have been risk assessed against an agreed set of criteria which will ultimately inform in-year monitoring
- c) A review of legislation takes place on an ongoing basis as part of the budget development process to assess possible implications
- d) Financial modelling related to the new funding system and its impact on Havering's budget has been under constant review and refinement, especially with the ABS and subsequent LGFS announcements.

2.3 At a more detailed level, each budget is being built having due regard of:

- staffing changes incorporating proposed restructures
- inflation
- existing budgets
- the proposals for budget adjustments and savings
- the impact of changes to specific grants.

- 2.4 The budget includes a contingency that will provide a reasonable level for unforeseen issues that could arise during the year. This has had due regard to a risk assessment. Further information on the basis of this is set out later in this statement.
- 2.5 A review of all 2012/13 significant budget variances has taken place to assess any impact on the 2013/14 budget outside of the proposals in order to:
- (a) Ensure action plans are in place where a possible adverse variance could occur
 - (b) Ensure use of any possible additional favourable variance is considered in the context of the overall strategy
 - (c) Inform the risk assessment of contingency and reserves.
- 2.6 It is however also evident that the robust approach taken in previous years, in maintaining the contingency sum, and in holding reserves at the minimum level recommended, has enabled the Council to successfully manage in the past a major call on financial resources from one of our key services. This has been achieved without any noticeable impact on front-line services during the year. Whilst this is not a tenable long-term approach, the approach to resolving this problem in-year strengthens the argument to sustain appropriate levels of reserve funds as part of the Council's financial strategy.
- 2.7 The budget has been drawn up to provide financial stability and a platform for 2013/14 and future years. The proposals include a number of specific efficiency savings for which plans have been prepared and are in the process of being implemented over time. The Council's financial strategy will continue to roll forward having regard to the pressures, issues and priorities of Havering.

3. THE ADEQUACY OF RESERVES

- 3.1 Councils need balances so that they can deal with unforeseen calls on resources without disrupting service delivery. It is the responsibility of each authority to set its level of reserves based on local conditions, but taking into account national factors. Although advice can be sought from the external auditors it is not their responsibility to prescribe the appropriate level. In setting the level, the Authority should take into consideration the advice of their Chief Finance Officer (CFO), taking into account all local relevant circumstances.
- 3.2 In previous years, the Audit Commission's Comprehensive Area Assessment (CAA) has taken account of both the level of financial reserves and the identification and management of variances, in assessing an authority's use of resources. The Audit Commission also expects a good authority to review their reserves on an annual basis.
- 3.3 The Strategy agreed by Council in July 2009 set out that the minimum level for the authority will be £10m. This Strategy has been maintained since that time. As is the norm, a full review has taken place as part of the budget setting process. The risk assessment is attached at Annex 1 and the CFO's advice is that the minimum level of reserves, and the provision of the contingency sum, should remain at their current levels, consistent with the level set in previous years.

- 3.4 The working balances as at 31 March 2012 amounted to £12m; above the minimum amount recommended by the MTFS and the revenue budget strategy, but set at a level to ensure greater financial robustness given the uncertain financial climate that has existed for some time and remains the prospect for the foreseeable future. Whilst Members may regard this as a considerable level of reserves, these reserves support any issues on both revenue and capital and the Capital Programme's reliance on the delivery of capital receipts has remained.
- 3.5 After taking account of the most recent projection in the current year, it is anticipated that the Council's general reserves will continue to be at the current level of £12m at 31 March 2013.
- 3.6 Members will be aware that the working balances provide protection against unforeseen events that could impact on the authority. Reserves have to be used carefully. They can be used only once. Decisions to use reserves to fund on-going spending or hold down Council Tax increases can only apply for one year. In the following year, either additional budget reductions have to be made or additional Council Tax increases are required. There is a significant risk of future financial instability if significant levels of balances are used to fund on-going spending or reductions in Council Tax. This is particularly the case when the Government has made it clear that they intend to retain a tough Council Tax capping regime, which will limit Council Tax rises in future years to pay for one-off use of balances.
- 3.7 As a general rule, the Council should only plan to use reserves to fund one-off spending where the reserves exceed the recommended level. Where the Council decides to use balances to fund on-going spending or reductions in Council Tax, they should indicate how they plan to make up the budget shortfall in future years. All Members must be mindful of their stewardship responsibility to the Council.
- 3.8 Having regard to the above and the current year's projected outturn, no use of general reserves/working balances or change to the existing financial provision within the contingency or special reserve is therefore recommended. This is consistent with the revenue budget strategy statement recommended for approval by Council as part of this report.
- 3.9 The Council maintains earmarked funds for specific purposes and their use is planned and approved for specific purposes, often to conform with accounting policies, manage arrangements across financial years, or to fund known future commitments. The most significant are for the following:
- (a) Corporate Transformation Reserve, which was created as part of last year's budget and the closedown of accounts process. The Reserve is being used to fund the various transformation programmes across the Council
 - (b) Insurance Reserve, which is part of the Insurance Self Funding Arrangement to meet future liabilities incurred but not yet claimed

- (c) Strategic Reserves for corporate priority projects and bridge funding for schemes such as the Property Strategy and the Leisure contract cash flow.
- 3.10 Other reserves continue to be expended/planned in accordance with the approvals/purpose. A review has taken place of these as part of the budget finalisation.
- 3.11 The working balances of the HRA are also subject to a risk assessment; this will be included in the report to Cabinet on the HRA budget for 2013/14.

4. OPPORTUNITY COST OF RESERVES

- 4.1 Holding general reserves to meet unexpected events or emergencies is a necessary requirement. However, there are opportunity costs and benefits of holding cash balances, which can be measured in different ways, depending on what these resources were alternatively to be used for. For example, holding cash gives a financial benefit in contrast to using the cash to fund capital expenditure. The financial benefit would be the difference between the investment return and the total borrowing cost. At the current time, these are in fact broadly neutral, but a cost of around 4% will be incurred in respect of a provision to repay debt.
- 4.2 On this basis, for every £1 million of cash held, the purely financial benefit could be deemed to be £30k per annum or approximately £300k per year for balances of £10 million. This is dependent on prevailing money market conditions, which in the current economic climate can fluctuate significantly. Using the balances to repay debt earlier would not achieve a matching saving given the costs around early redemption and the similarity in short-term lending rates and long-term borrowing rates. For information, £1m equates very approximately to 1% on the Council Tax.
- 4.3 If, however, this is considered in the context of using these balances to fund one off expenditure, then the opportunity cost is the improvements that would accrue from that expenditure. This might for example be improvements in services, increased performance or some other measure. Such items have been considered by officers during the course of developing the MTFs, but these have not generally been included within the final proposals or the detailed budget given the broad financial constraints within which Havering is operating.
- 4.4 Should these items be included within the budget, they would obviously provide a basis for additional and/or improve services; with the need to appreciate that reserves exist for various reasons, and once expended, either have to be replenished, or the funding terminated. This is the opportunity that is being missed by holding general reserves. However this is only relevant if those items match the Council's priorities and Medium Term Financial Strategy.
- 4.5 It is important that in considering the level of working balances that the issue of the opportunity costs and benefits of such an approach is also considered and that Members weigh up the potential benefits against the risks. The other important factor in making this judgement is to consider is that balances can as

indicated only be spent once, and can realistically only be used to support one off expenditure, or to allow time for management action to be implemented.

- 4.6 As stated above, the use of significant levels of balances to fund ongoing spending or reductions in Council Tax can pose material financial risks, especially the Council's ability to generate funds through Council Tax is limited by the capping regime. This could mean that any need to replenish balances could impact on front line services. Hence the level of reserves held overall is a balance between the risks facing the Council and the need to protect the Council and Council Tax payers from the short and longer term potential impact of these risks and the opportunity costs of holding those balances. The previous advice that the £10 million minimum level of balances is a prudent and appropriate level at this time given the risks being faced by the Council must be stressed.

5. REVIEW OF RESERVES AND CONTINGENCY

- 5.1 As indicated earlier in this report, the assessment of the sums required for reserves and contingency purposes has been subject to a review. This review takes into account the various risks facing the Council, the level of risk, the actions taken to mitigate risk, and the financial assessment of the risk. The review has also included consideration of the Corporate Risk Register, with the objective of ensuring that all such risks having a potential financial impact are covered in the reserves and contingency assessment.
- 5.2 The outcome of this review is set out in Annex 1. This shows each risk and the detail associated with it, and includes a cross-reference to the Corporate Risk Register. Each risk is evaluated in term and a financial assessment is made of the potential costs arising and the degree of likelihood, which in turn drives the sum for which provision is being made.
- 5.3 The Corporate Risk Register is kept under review by the Corporate Management Team, so any changes are then reflected when the reserves and contingency assessment is updated.

6. SPECIAL CORPORATE BUDGET PROVISION

- 6.1 As set out in section 3.15 of the report to Cabinet in February 2012, it was recommended that a Special Corporate Budget Provision of £2.5m was created. The reasons for this were detailed in the report. Attached at Annex 2 is a risk-based assessment of the issues for which the provision was created. This identifies an overall potential risk of £13.5m, and based on the risk likelihood, the need for an increased budget provision of £3m. This takes into account the likelihood of both each item in isolation and the degree of risk of them arising concurrently.
- 6.2 The overall financial position has been kept under review and the need to draw on the Fund has been reported to Cabinet through the revenue monitoring reports.

- 6.3 The report also identifies the need to create an additional Provision to cover the potential impact of the localisation of business rates and Council Tax support. A risk-based assessment of this sum of £1.5m is also set out below.

**RISK ASSESSMENT FOR RESERVES / CONTINGENCY 2013/14
REVIEWED AT 21 JANUARY 2013**

Risk (incl Corporate Risk Register item)	Risk Owner	Risk Description	Assessment of Risk (counter measures in place)	Contingency		Reserves	
				Value of Assessment £000	Value Having Regard to Risk £000	Value of Assessment £000	Value Having Regard to Risk £000
1. Reduction in Grant Funding CR8 Financial Challenges CR4 Business Growth	GDF&C	Grant levels do not materialise and/or are reduced or cut, eg further withdrawal of Specific Grants, further reductions to Revenue Support Grant, reduced funding following changes to funding system, further reductions within CRS period, leading to need to scale down/cease services.	Medium to High	Covered by specific budget provision	Covered by specific budget provision	3,500	1,750
2. Reduction in Income Levels CR4 Business Growth CR8 Financial Challenges	GDF&C/ GDC&C/GDSC&L	Income levels do not materialise and/or debts are not collected at forecast levels, e.g. (a) Increasing arrears (b) Falling income (c) Falling recovery rates.	Medium	500	250	1,000	250
3. Increased service demand CR5 Change Management CR10 Social Care and Public Health	CE/ GDSC&L/ GDF&C/ GDC&C	Demand led services increase over budget assumptions, e.g. Children's placements, Adult's social care, homelessness, benefits.	Medium	1,000	500	5,000	2,500
4. Savings Shortfall CR5 Change Management CR8 Financial Challenges	CE/ GDF&C	Major savings/efficiency programmes are not delivered in accordance with plans, e.g. efficiency programmes fail to achieve expected savings, unable to deliver full value of savings, within expected timescales	Medium	Covered by specific budget provision	Covered by specific budget provision	3,500	1,000
5. Workforce Issues CR1 Workforce Planning	CE/ GD F&C	Workforce issues, e.g. (a) Vacancies/cover needs resulting in higher cost (b) Support to statutory officers (c) Equal pay matters (d) Disputes (e) Recruitment/retention (f) Residual costs (g) Succession Planning	Low to Medium	1,000	250	2,500	1,250

Risk (incl Corporate Risk Register item)	Risk Owner	Risk Description	Assessment of Risk (counter measures in place)	Contingency		Reserves	
				Value of Assessment £000	Value Having Regard to Risk £000	Value of Assessment £000	Value Having Regard to Risk £000
		(h) Single Status					
6. Management of Capital Programme CR4 Business Growth & Investment CR5 Change Management	GDF&C	Changes in Capital Programme/cash flow assumptions, e.g. (a) Capital receipts are not forthcoming in time (b) Receipts do not materialise at all (c) Interest rate market works against Havering (d) Interests from Capital Programme slippage	Medium	1,000	500	2,500	1,250
7. Supply Chain Resilience CR7 Partnerships, Shared Services & Contractor Arrangements	GDC&C	Increase in costs or financial risks in partnership arrangements (including shared services/service collaboration). Failure in key supplier, eg financial failure, liquidation, failure in supply chain	Medium	500	250	2,500	1,250
8. Budget Management CR8 Financial Challenges CR10 Health and Social Care CR2 Community Engagement & Communications CR6 Business Continuity & Emergency Planning	GDF&C	Arrangements for budget and financial management, e.g. unexpected overspends, increase in costs above rate of inflation such as pay awards, contracts, utility bills, variances not identified by monitoring system. Business continuity, eg flu pandemic, terrorism, network virus, legionella outbreak, adverse weather	Medium	1,000	500	3,500	1,750
TOTAL POTENTIAL				5,000	2,250	24,200	11,000
ASSESSMENT HAVING REGARD TO RISK LIKELIHOOD – MINIMUM LEVEL REQUIRED			Overall Medium Risk		2,000		10,000

CE = Chief Executive

GDF&C = Group Director Finance & Commerce

GDC&C = Group Director Culture & Community

GDSC&L = Group Director Social Care & Learning

ACEL&DS = Assistant Chief Executive Legal & Democratic Services

**RISK ASSESSMENT FOR SPECIAL CORPORATE BUDGET PROVISION 2013/14
REVIEWED AT 21 JANUARY 2013**

Potential Factor	Factor Owner	Factor Description	Assessment of Risk (counter measures in place)	Provision	
				Value of Assessment £000	Minimum Value Having Regard to Risk £000
1. Revenue impact of pressures in Children's Placements if these cannot be contained within existing budgets	GDSC&L	Demand led services increase over budget assumptions, and this cannot be contained beyond the immediate financial period, ie there is a base, ongoing increase in costs that cannot be contained elsewhere	Medium to High	2,000	750
2. Unexpected consequences of any further adjustments to academies' funding	GDF&C/ GDSC&L	Funding has already been adjusted, but not directly related to the actual shift to academy status. A change in basis, coupled with a higher than average migration locally, could impact on funding levels Further corporate recharges may have to be absorbed centrally	Low to Medium	1,000	250
3. Possible shortfalls in achieving the full range of savings already approved by Cabinet	CE/ GDF&C	The full level of savings identified in Cabinet reports may not prove to be attainable and it may not be possible to compensate elsewhere owing to other pressures and/or demand for services, reflective of local needs. This may impact on the base budget position, especially given the scale of savings due in 2013/14	Low to Medium	2,500	1,000
4. The potential impact of the imminent transfer of Public Health functions to local authorities	CE/ GD F&C/ GDSC&L	Although the funding announcement has now been made, this is very recent and work is progressing to assess what level of services now need to be provided and what commitments the imminent transfer gives rise to. There may be additional cost consequences from the transfer	Low to Medium	1,000	250
5. Financial consequences arising from changes to the local government pensions scheme	GDF&C	Various discussions are underway concerning potential changes to the scheme. Whilst the objective is to reduce the cost to the public purse, this also depends on the level of returns pension funds achieve	Medium	1,000	250
6. Funding to bridge any shortfalls in capital receipts	GDF&C	The continued gloomy financial impact may affect both the timing and scale of capital receipts. Lack of investment	Low	1,000	125

Potential Factor	Factor Owner	Factor Description	Assessment of Risk (counter measures in place)	Provision	
				Value of Assessment £000	Minimum Value Having Regard to Risk £000
and/or additional spend required to maintain capital assets in line with any needs analysis		may lead to higher costs being incurred to maintain assets			
7. Reductions in Government funding that are unexpected and/or cannot be matched by equivalent savings	CE GDF&C	Although the funding reductions from the recent settlement announcement are now known, it has proved more difficult to understand them. Reductions in Council spend are very broadly in line with these reductions but an overall provision needs to be maintained and deployed in parallel with the funding changes on a year by year basis	Medium	1,000	250
8. New burdens falling on the Council not matched by funding allocated	CE GDF&C	With the changes in funding and a major shift of functions to local authorities under the localisation agenda, there are various new burdens falling on Councils. Although the funding allocated is clear, the cost that will need to be expended is less predictable. There is a risk that the cost will exceed the funding, creating a budget pressure	Low	500	100
9. Rises in utility bills that create a permanent, ongoing base budget effect	GDF&C	Utility bills have risen sharply for several years and there appears little prospect of this trend reversing, and any rises are generally permanent	Medium	500	125
TOTAL POTENTIAL				10,500	3,100
ASSESSMENT HAVING REGARD TO RISK LIKELIHOOD – MINIMUM LEVEL REQUIRED			Overall Medium Risk		3,000
CE = Chief Executive GDF&C = Group Director Finance & Commerce GDC&C = Group Director Culture & Community			GDSC&L = Group Director Social Care & Learning ACEL&DS = Assistant Chief Executive Legal & Democratic Services		
Note : the assessment of value having regard to risk takes into account the availability of the Contingency Fund to address in-year issues but not base budget ones, the likelihood of all of the factors occurring, and the overall provision assessed as being required to ensure financial stability is maintained					

**RISK ASSESSMENT FOR LOCALISATION BUDGET PROVISION 2013/14
REVIEWED AT 21 JANUARY 2013**

Potential Factor	Factor Owner	Factor Description	Assessment of Risk (counter measures in place)	Provision	
				Value of Assessment £000	Minimum Value Having Regard to Risk £000
1. The potential impact of migration to the localised business rates system, including any investment needed to retain the existing business rate base and/or to attract new businesses to locate into Havering	GDF&C/ GDC&C	Migration to the new system may lead to higher reductions in funding than previous assessments have quantified. Elements of the new system may work against Havering's position. Funding may be needed to attract or retain businesses within Havering, preserving or improving business rate yield. The new funding system assumes a 3% rise in local taxation yield in 2014/15 which may not be achieved. There may be a significant level of appeals agreed which will reduce local yield	Medium to High	3,000	1,500
2. The potential impact of migration to the localised Council Tax benefits system	GDF&C/ GDC&C	Again, migration to the new system may be affected by changes in need and a consequent rise in benefit payments. The impact of moving to a localised system of benefits may lead to changes in demand. There may be pressure to compensate for the expected reduction in funding at the point of transfer	Medium to High	2,000	500
TOTAL POTENTIAL				5,000	2,000
ASSESSMENT HAVING REGARD TO RISK LIKELIHOOD – MINIMUM LEVEL REQUIRED			Overall Medium Risk		1,500

CAPITAL PROGRAMME

1. BACKGROUND

- 1.1 Capital expenditure is expenditure on acquiring or enhancing tangible or intangible fixed assets. This is usually land or buildings, but can be equipment in some instances. All expenditure that is considered to be capital should be accounted for as capital and not charged to revenue.
- 1.2 The Asset Management Plan and Capital Strategy detail the Council's approach to capital investment. These documents set out the use of capital resources and areas of funding. They also discuss how this investment has contributed to the achievement of the Council's goals and vision and how this is planned to develop over the medium term.
- 1.3 Among these key activities is the management of existing assets. Without this it is likely that revenue maintenance costs would increase as assets deteriorate. Capital resources are also required to facilitate investment in projects seen to be a priority by our local community, e.g. Streetcare.
- 1.4 The capital programme has historically been funded largely by capital receipts. The main other funding streams have been:
- Town and Country Planning Act (S106 Agreements) – these are planning gains received from developers in recognition of the additional services that will be required as a result of development schemes. These can relate to a number of areas including education provision, highways improvements and public realm enhancements - services look to use these funds to supplement existing programmes.
 - Grant – largely Education / Transport for London and specific to the schemes.
 - Borrowing where it is either on an invest to save basis or where the investment supports a savings stream, and can be repaid.
- 1.5 Other funding streams are:
- Prudential Borrowing – having regard to appropriate indicators the Council is able to borrow resources to fund capital expenditure. Before doing so it must be assured that sufficient revenue funds are available to meet the ensuing revenue implications arising from capital expenditure. The Council is required to set aside a Minimum Revenue Provision (MRP) of 4% in respect of the increased borrowing requirement plus the resulting interest charge . Very broadly, increased borrowing of £1m will incur a revenue liability of £76,000 per annum over 25 years.
 - Revenue Contributions to Capital – revenue resources can be used to fund capital expenditure when these are deemed to be available.
 - Capital Allowances – most notably in relation to the maintenance of the Council's housing stock

- External Funding – opportunities to maximise external funding are taken whenever these are consistent with the aims and objectives of the Council. Major funding bodies include the Heritage Lottery Fund, Sport England and the European Social Fund. Many of these schemes require the Council to contribute match funding to the delivery of project and careful consideration is given to how this can be achieved. There are also grant funding streams – often unringfenced – which are allocated by Government departments. These generally have a broad purpose but are available for deployment through local investment decisions
- Supported Borrowing – central government allocates grant to support a certain level of borrowing. However, as a floored authority the Council is unable to take up any opportunities for additional supported borrowing as no actual grant is received.

2. CURRENT STRATEGY

- 2.1 It is well known that outside of specific capital grants, the Council's main funding in the past has been capital receipts generated via disposals and some contributions from S106 agreements. This approach has been adopted to reduce pressure on the revenue budget and hence Council Tax. Targets were set and agreed by Council for the receipts to be generated.
- 2.2 It had become apparent that this could not continue indefinitely, as the potential to realise large receipts has reduced. Not only has the quality and number of sites reduced, but it has been further affected by the economic climate. This has significantly reduced the potential value of the remaining sites and has added a further complication as to the most appropriate time to market disposals. If sales are delayed until the market recovers, significantly larger receipts may be generated. However, it is not possible to predict with any degree of certainty when, or even if, this will occur.
- 2.3 With this in mind, the Council has been planning for other funding streams, if it is to have a realistic capital programme to meet its needs. All potential funding opportunities have been explored, e.g. S106 agreements, external grants, but it had been assumed that increased borrowing would need to be the major source of funding.
- 2.4 In the short term this will be needed to bridge the timing gap, to ensure that best value is achieved in the disposal of its surplus assets. In the longer term as disposal opportunities are exhausted, borrowing is likely to be the major source of funding for capital expenditure, outside of any capital grants.
- 2.5 Any borrowing creates a liability in revenue whilst the loan is repaid. This will normally be over 25 years, but will depend on the asset being purchased. As a direct charge funded through Council Tax, borrowing levels have to be managed through the budget process along with other budgetary pressures. In conjunction with the appropriate repayment period, borrowing needs to be included as part of the Council's long term financial strategy. It must be considered that as borrowing levels increase over consecutive years that borrowing costs will also incrementally increase. Appropriate revenue provision would need to be made to address this.

- 2.6 Local Authorities are required to comply with the Prudential Code when carrying out their treasury strategy for borrowing. This is a professional code of practice to support authorities in taking their decisions on capital investment in fixed assets. In essence, this ensures that capital investment plans are affordable, prudent and sustainable. Any level of borrowing determined by the Council would need to comply with this code.
- 2.7 Changes in the cost of prudential borrowing through the Public Works Loans Board were announced as part of the CSR. Given the current financial climate and this increase in costs, it is now felt that the Council's budget strategy should not incorporate the use of prudential borrowing, with minor exceptions. It is therefore proposed that the Capital Programme for the foreseeable future should rely on the use of capital receipts and Section 106 receipts and any sources of external funding only.
- 2.8 This broad approach is felt to be sufficient to finance a core programme until the end of financial year 2014/15, subject to the generation of the anticipated level of capital receipts. It will be necessary to consider the approach beyond that further into the future, when the long term funding streams for local government become clearer.

3. COMMITTED PROGRAMME

- 3.1 The ongoing programme comprises four major elements:
- Ongoing programmes/schemes funded through external resources, principally grants
 - Ongoing programmes/schemes from earlier financial years funded from Council resources
 - Schemes falling within the block sums approved as part of the 2012/13 budget setting process
 - Schemes agreed specifically by Cabinet and subsequently approved by Council for inclusion in the Programme.
- 3.2 These schemes have therefore already been approved by Cabinet and Council. Formal approval as part of the budget setting process is only sought for "new" schemes/areas of spend, where such approval has not already been given. However, by way of background information, a summary of the overall Capital Programme was included in the previous report to Cabinet. This summary is included at Annex 1.

4. PROPOSED CAPITAL PROGRAMME BLOCK ALLOCATION

- 4.1 Given that it is now proposed that the core programme is based on the application of receipts and external funding as the prime sources of finance, the overall programme has been assembled in the context of the expected level of receipts. This review has also taken into account anticipated levels of grant funding as well as the timing of receipts. The principle of a block allocation for specific programme areas has been used to generate an overall indicative programme.
- 4.2 It is now proposed for the indicative core programme for the next two years to be as follows:

	2013/14 £000	2014/15 £000	Total £000
Total	4,900	4,700	9,600

- 4.3 A detailed schedule of schemes within the 2013/14 programme has been drawn up, based on assessed needs and within the context of the individual core elements of the programme. This is set out in Annex 2. The Appendix also includes the indicative amounts for the second of these years, for cabinet to note only at this stage, as a detailed schedule of schemes for 2014/15 will be produced as part of the budget setting process for that year.

5. EXTERNAL/GRANT FUNDING

- 5.1 The table only covers those schemes reliant on funding generated by the Council. There are other funding streams, as indicated above, and these are generally through a grant, which means there is no revenue cost to the Council. Such funding sources mean that the overall scale of the Programme is larger than that covered solely by the table.
- 5.2 Information on external funding sources has in the past tended to be provided after the setting of the budget. Whilst such funding increases the scale of spend, there is no overall net increase, as the costs are matched by external resources, principally grant funding.
- 5.3 The major areas where external funding is received are Streetcare (principally funding from Transport for London, TfL), schools, and regeneration – though the last of these tends to come via different sources over time, the other two have tended to be a single announcement.
- 5.4 Details of TfL funding have already been announced and the Council has been allocated a sum of £2.9m for 2013/14. The bid submitted by the Council was signed off by way of Executive Decision in September 2012.
- 5.5 In addition, the Council is expecting notification of capital grants for education purposes. These are the 2013/14 Local Authority Capital Maintenance and Basic Need grants and the information received to date indicates a broad sum for this, but also indicates that this grant is neither ring-fenced to specific workstreams within education, nor time-bound, ie funding may run beyond next year. In anticipation of the actual announcements, provisional programmes have been drawn up and these are set out in Annex 3.
- 5.6 It is proposed that a detailed programme will be developed for external sources of funding, in line with any specific provisions relating to that funding, where details of the funding have yet to be identified. This will be reflected in future capital monitoring reports. A number of grant funded areas have already been announced and these are listed at Annex 4.
- 5.7 Officers already have delegated authority to accept grant funding on behalf of the Council and any such funding can usually only be applied for specified purposes. Approval has been sought through this report for any schemes resulting from the

provision of external funding to be included within the Capital Programme under the authority of officers, to ensure an efficient process is in place.

6. CURRENT SCHEMES

- 6.1 The existing programme includes a scheme for the development of a new park on the Broxhill site. An initial sum of £2m was approved for this scheme but this was very much a tentative sum, pending a more detailed assessment of requirements, a survey of the site, and an assessment of the likely level of capital receipt. Further work has now been undertaken, and a revised estimate of £3m has been produced. Part of this, around £280k, may potentially be funded through external sources, and these elements of the scheme will only be progressed should this funding arise. There is also a connected Section 106 receipt arising from the Gooshays disposal, which adds to the overall scale of the scheme.
- 6.2 Based on the last cost estimate and available funding, there remains a funding gap of around £500k. Pending clarification of the relevant levels of capital receipts for the disposals at Gooshays and Whitworth, it is proposed to temporarily bridge this gap through the application of some of the unringfenced grants set out in this Appendix. Once the position on receipts has been clarified, the funding arrangements for this revised scheme will then be finalised. It is anticipated that this will allow the capital grants allocated to then be released for other purposes.
- 6.3 Cabinet is therefore asked to approve a revised scheme for Broxhill Park of £3m, and this is included in Annex 4.

CAPITAL PROGRAMME
OVERALL FORECAST SPEND – GENERAL FUND CAPITAL

	REVISED CAPITAL BUDGET	ACTUALS (PREVIOUS YEARS)	CURRENT YEAR ACTUALS	FORECAST CURRENT YEAR	FORECAST NEXT YEAR 2013/14	FORECAST NEXT YEAR Plus 1 2014/15	TOTAL FORECAST OUTTURN	EXPECTED OVER/(UNDER) SPEND
Culture & Community	78,573,858	51,549,566	4,245,906	17,520,104	8,737,892	764,872	78,572,434	(1,424)
Adults' and Health Services	2,408,626	1,222,733	400,473	954,068	0	0	2,176,801	(231,825)
Children's Services	46,493,309	45,659,480	536,636	453,859	81,569	0	46,194,908	(298,401)
Finance & Commerce	139,492,596	87,589,608	8,133,930	22,113,122	24,754,371	4,700,000	139,157,101	(335,495)
Legal & Democratic Services	2,553,109	1,509,622	86,418	499,609	309,398	185,000	2,503,629	(49,480)
Total GF	269,521,498	187,531,010	13,403,365	41,540,762	33,883,230	5,649,872	268,640,874	(916,624)

Note 1 : these figures include the Core Programme for both 2013/14 and 2014/15, which are included under Finance & Commerce, pending formal approval by Cabinet and Council of a detailed programme

Note 2 : the functions currently listed under Legal & Democratic Services have been relocated into Culture & Community and Finance & Commerce, but this has yet to be reflected in the Council's monitoring system; this is in the process of being changed

DETAILED CAPITAL PROGRAMME 2013/14
CORE PROGRAMME AND SPECIFIC SCHEMES

Core Havering Programme	2013/14 £'000	2014/15 £'000	Total £'000
Parks, Libraries, Leisure & Cemeteries	1,000	1,000	2,000
Developing ICT Infrastructure	1,000	800	1,800
Street Environment	2,000	2,000	4,000
Protection of Assets and Health and Safety	500	500	1,000
Regeneration	100	100	200
Disabled Facilities Grant (Council element only)	300	300	600
Total	4,900	4,700	9,600
Disabled Facilities Grant (grant funded element - estimated)	626	626	1,252
Total	5,526	5,326	10,852
2013/14 Total with second year of Streetcare	7,526		

CAPITAL PROGRAMME 2013/14 AND 2014/15

Note 1 : Cabinet is being asked to approve the 2013/14 Core Programme as set out above, with the proviso that the Streetcare programme will be for a single sum of £4m, cashflowed as appropriate over a 2 year period. The overall Programme for 2013/14 will therefore be £7.526m including the external funding for the DFG element of the programme.

Note 2 : the detailed schemes included within this sum are set out on the following pages.

Capital Scheme Name	Scheme Description	Estimated Spend 2013/14 £	
CEMETERIES & CREMATORIA			
Crematorium Improvements	Crematorium Security Equipment (CCTV)/Audiovisual Technology/Installation of memorials (Sanctum II, Vase Blocks, Front lawns As Show Gardens)/Information Signage	100,000	
Cemetery Improvements	Romford Cemetery Security/Equipment Storage/Information Signage & Noticeboards	60,000	
Cemetery Asset Renewal	Implementation of Priority Condition Survey Work (Upminster Cemetery stonework urgent works for completion by Mar 2010)	30,000	
Crematorium Asset Renewal	Implementation of Priority Condition Survey Work. Programmed Renewal of Cremators and associated ductwork	200,000	
Additional Cemetery Land	Extension of Upminster Cemetery (Supplementary Funding)	45,000	
Bereavement Services Premises Renewal	Implementation of Priority Condition Survey Work (Buildings, Paths, Boundary Walls Programmed Renewal)	45,000	
Bereavement Services ICT Upgrade	Sequel Upgrade and Deceased Online Phase 2 (Increased direct customer access)	20,000	
		500,000	
PARKS & LEISURE			
St Andrew's Cemetery works	Improving access to St Andrew's Cemetery	10,000	
Playground replacement/repairs	Replacement and repairs to equipment in playgrounds	60,000	
Allotments investment	Urgent works required on allotment sites	15,000	
Heritage buildings	Restoration and upkeep of historic buildings	20,000	
Public Rights of Way and Countryside	Fencing and path works	10,000	
Langtons Gardens match funding	HLF Bid match funding to restore Langtons Gardens	50,000	
Depots H&S investment	Urgent works to deal with Health and Safety issues at the depots	20,000	
Wifi in Libraries	Installation of Wifi access in two libraries	10,000	
Libraries redecoration programme	Urgent redecoration and carpet replacement works in Libraries	20,000	
Book fund investment	Book purchase for the new libraries in Rainham and Harold Hill	50,000	
Fairykites Gallery	Match funding for Fairykites Gallery (sinking fund)	25,000	
Queen's Theatre	Essential repair and maintenance works at the Queen's Theatre	25,000	

Capital Scheme Name	Scheme Description	Estimated Spend 2013/14 £	
Hornchurch Athletics Stadium floodlights	Sinking fund for the floodlight replacement at Hornchurch Athletics Stadium	30,000	
Parks investment	Improving the quality of the environment in parks cross the borough	155,000	
		500,000	
BUSINESS SYSTEMS			
ICT Infrastructure Transformation Programme	Software licences - Microsoft Enterprise Agreement, Microsoft Dynamics CRM, Oracle on Demand	755,200	
ICT Licences	IT Licence Revenue support 2013/14 (previously approved)	202,400	
ICT Infrastructure Transformation Programme	Migration into Cloud (Agreed ELS workstream)	42,400	
		1,000,000	
STREETCARE		Profile of Spend 2013/14 £	Profile of Spend 2014/15 £
Highways			
Footways	Various highway footway improvement schemes	450,000	500,000
Footway Slurry Seal Programme	Various highway footway improvement schemes	200,000	200,000
Carriageways	Various highway carriageway improvement schemes	630,000	620,000
Anti-Skid	Anti skid surface areas in connection with above works	25,000	35,000
Street Lighting			
Street Lighting	Street Lighting replacement programme	250,000	250,000
Centre Island Bollards	Centre Island bollard conversion / removals	25,000	25,000
Lamp Column painting	Large scale painting programme on main routes	20,000	20,000
Other			
Gidea Park station scheme, Phase 3	Station & shopping area improvement scheme part funded by TFL	70,000	70,000
Small scale shopping centre scheme, TBA	Small scale shopping area improvements	50,000	50,000
Large scale shopping centre scheme, TBA	Local area improvement scheme	100,000	100,000
Rivers, one off works	One off rivers & flood management investments to prevent flooding	20,000	
Tree pit upgrades, remove grates & trip hazards	Removal of metal grates and replacement with resin bonded non trip materials	20,000	20,000
Litter Bins	Purchase of replacement & or additional litter bins	20,000	15,000
Parking			
Car parks, bays white lining	Re lining of car parking bays	30,000	15,000

Capital Scheme Name	Scheme Description	Estimated Spend 2013/14 £	
Car parks, small scale improvements	Shrub beds, litter bins and fencing	10,000	20,000
Waste			
Waste storage areas for flats recycling	Provision of recycle containers and storage facilities for flats	20,000	10,000
Environmental Maintenance			
Dangerous Tree Replacement Programme	Removal of dangerous trees arising from storm damage, disease and or accidents	60,000	50,000
		2,000,000	2,000,000
ASSETS AND HEALTH & SAFETY			
Corporate buildings	Fire risk assessment works	75,000	
Corporate buildings	Legionella	75,000	
Mercury House	Mains renewal (further to works in 2012/13)	100,000	
Corporate buildings	Operational buildings issues	100,000	
Mercury House	Structural repairs and refurbishment	100,000	
Corporate buildings	Corporate landlord works	50,000	
		500,000	
REGENERATION			
Town Centre Regeneration	Local improvement projects to support town centre and neighbourhood initiatives in Elm Park and Collier Row, including match for external funding	100,000	
DFG			
Disabled Facilities Grant	Disabled Facilities Grant - 2013/14	926,000	

DRAFT EDUCATION MAINTENANCE CAPITAL PROGRAMME 2013/14

Capital Scheme Name	Scheme Description	Provisional Estimate	Priority
Various Schools/ PRU's/ Children's Centres	Emergency Repairs	450,000	1
Various Schools *	Urgent / Unplanned Hygiene Water Works Programme	175,000	2
Various Schools *	Education Capital Projects - Asbestos Removal	400,000	3
Various Schools	DDA works	100,000	4
Pinewood Primary	Install DDA Lift to Hall	20,000	5
Pyrgo Priory	Replacement of Oil Fired Boiler	150,000	6
Dycorts	Replacement of Oil Fired Boiler	120,000	7
Harold Wood Primary	Increase Gas Service & Replacement of Oil Fired Boiler	250,000	8
Squirrels Heath	Replace Gas Fired Boiler	200,000	9
Langtons	Replace Gas Fired Boiler	200,000	10
Hacton	Replace Pipework & Heat Emitters	150,000	11
Parkland Jun	Replace Pipework & Heat Emitters	200,000	12
Whybridge Jun	Replace Pipework & Heat Emitters	200,000	13
Hacton	Replace Domestic H+C WaterPipework	120,000	14
Dycorts	Urgent Domestic H&C Water Works	75,000	15

Capital Scheme Name	Scheme Description	Provisional Estimate	Priority
Ravensbourne	Urgent Domestic H&C Water Works	60,000	16
Pinewood	Urgent Domestic H&C Water Works	75,000	17
Branfil	Urgent Domestic H&C Water Works	75,000	18
Langton J & I	Urgent Domestic H&C Water Works	10,000	19
Squirrels Heath	Replace Domestic H+C WaterPipework	120,000	20
Harold Wood	Upgrade Electrical Distribution and Intake	150,000	21
TOTAL		3,300,000	

Note 1 : the Programme set out above is based on a prioritised assessment of schemes, designed to utilise the anticipated grant announcement, which is expected in due course. Should the sum fall short of the estimated £3.3m, schemes will be removed or deferred; should the sum exceed this, further schemes have been identified and costed and will be added to the Programme.

Note 2 : whilst known maintenance requirements in schools have been prioritised, a sum of £450k has effectively been held back to address any unforeseen and urgent repairs, such as mechanical failure, which would otherwise disrupt the operation of the school concerned. Where possible, any unspent balance from this sum will be reallocated to the prioritised list at the appropriate time within the 2013/14 financial year if emergency works do not arise.

Note 3 : maintenance works within schools are frequently programmed to be undertaken during school holidays in order to minimise disruption – hence the capital expenditure profile will reflect this phasing with a larger proportion of expenditure typically being incurred by October.

PROPOSED PRIMARY EXPANSION PROGRAMME

	Original Approval 12/13 budget setting process	Amended Approval - Cabinet Sept 12	Amendment Required per 13/14 Capital Programme	Final Approval	Amendment	Reasons for amendment
Primary Expansion Block Allocation	9,876,000					
Towers Infant & Junior		1,750,000	40,000	1,790,000	40,000	Allowance for traffic measures plus playground expansion
Wykeham		750,000	40,000	790,000	40,000	Allowance for traffic measures included.
Pinewood		500,000	-350,000	150,000	(350,000)	Reduction reflects confirmation of surplus classrooms (x2) which can be refurbished and additional traffic measures
St Patricks		400,000	390,000	790,000	390,000	Allowance of 250k per classroom + 40k for traffic measures.
Rise Park		1,750,000	190,000	1,940,000	190,000	Allowance for traffic measures, Infants staff room expansion and DDA lift to Juniors
Mead		1,000,000	-	1,000,000	0	

	Original Approval 12/13 budget setting process	Amended Approval - Cabinet Sept 12	Amendment Required per 13/14 Capital Programme	Final Approval	Amendment	Reasons for amendment
Harold Court		1,200,000	-110,000	1,090,000	(110,000)	Reduction in net build compared to original estimate - funding allows for 4 additional classrooms, expanded playground/car park and traffic measures
Harold Wood		1,500,000	490,000	1,990,000	490,000	Allowance for additional classroom (beyond original estimate), playground and car park extension, hall extension, new access road and traffic measures.
Parsonage Farm		1,000,000	-160,000	840,000	(160,000)	Additional classrooms reduced from 4 to 3. Allowance included for traffic measures and refurbishment of 2 classrooms.
Scargill Infant & Junior		750,000	40,000	790,000	40,000	40k allowance for traffic measures included.
Bulge Classrooms		455,000	-	455,000	0	
	9,876,000	11,055,000	570,000	11,625,000	570,000	
Additional Expansions Various Schools (TBC)			3,530,000	3,530,000	3,530,000	Potential inclusion of additional schools in to be confirmed subject to feasibility stud
Total Proposed Capital Programme	9,876,000	11,055,000	4,100,000	15,155,000	4,100,000	

	Original Approval 12/13 budget setting process	Amended Approval - Cabinet Sept 12	Amendment Required per 13/14 Capital Programme	Final Approval	Amendment	Reasons for amendment
Funded By						
Original 12/13 Block Allocation		9,876,000		9,876,000		
DSG Allocation		1,060,000		1,060,000		
Further Anticipated S106 Allocations		119,000		119,000		
Estimated Basic Need Grant 2013/2014			4,100,000	4,100,000		
Total Funding		11,055,000	4,100,000	15,155,000		

CAPITAL PROGRAMME 2013/14
GRANT FUNDED AREAS

PROGRAMME AREA	ESTIMATED FUNDING
ALREADY APPROVED VIA EXECUTIVE DECISION	
TFL Programme for 2013/14 (confirmed)	2,929,000
AWAITING APPROVAL AND/OR CONFIRMATION OF FUNDING AMOUNT	
Adults PSS Capital grant 2013/14 (estimated)	521,000
Early Years Capital Grant (confirmed)	422,000
Aiming High - Additional Needs for Disabled children 2013/14 (estimated)	170,000

Note 1 : the Early Years capital allocation has actually been announced for financial year 2012/13, however, this allocation is fairly recent and thus has yet to be considered in the context of the overall Capital Programme.

SCHEME	CURRENT SUM	REVISED SUM
Broxhill Park	2,000,000	3,000,000

ASSESSMENT OF IN-YEAR VARIANCES

The period 6 monitoring report identifies a number of variances and as part of the budget-setting process, these have been analysed to determine whether there is any potential ongoing impact on 2013/14. This analysis is set out below:

Directorate	Current Forecast Outturn Variance £'000	Major Elements of Variance £'000	Impact on Future Budgets
Culture & Community	374	Customer Services £421k	In-year variance, due to slippage in the delivery of savings from the Customer Services transformation programme. Plans are in place to seek to achieve this remaining balance
Adults & Health	(771)	Various budget headings	A net underspend across social care services, comprising a number of individual items. The main item is a surplus of £485k from the Catering traded services account. This item is linked to a budget saving from traded services
Children's	689	Looked After Children £988k	One off costs relating to the introduction of new IT systems, management restructures and continued pressures both with Child Protection assessments and placements for Looked After Children. This area however remains a budget risk
Finance & Commerce	(1,339)	Corporate provisions £(2,000k) Shared Services £382k	Main element of Special Corporate Budget Provision. Will be required to counter-balance impact of Government funding cuts in future years. In-year variance, due to slippage in the delivery of savings from the Shared Services transformation programme. Plans are in place to seek to achieve this remaining balance
		Insurance provision £(500k)	Provision established when insurance contracts last awarded. Likely to recur in 2013/14, has been used to

Directorate	Current Forecast Outturn Variance £'000	Major Elements of Variance £'000	Impact on Future Budgets
			offset advertising income. Now proposed as a 2013/14 saving
		Advertising hoardings £236k	Plans to generate have so far proved unsuccessful and now unlikely to deliver this in current financial climate. Built into 2013/14 budget as a pressure
Assistant Chief Executive	(108)	No material variances	Not applicable
Revenue Total	(1,155)		

SCHEDULE OF FEES AND CHARGES

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**Social Care & Learning
Adult Social Care Services**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
1 Day Centre				
1a Providing Day Care to Service Users				
1b Day Centre Daily rate	40.00	All charges are subject to consultation on the Fairer Charging Review	11/04/11	C
Transport to Day Centre - Return Journey	5.00		11/04/11	C
Meal at Council owned Day Centre	3.82		11/04/11	C
2 Homecare				
<i>Actual charges made are subject to a financial assessment of the clients' ability to contribute towards the costs</i>				
Charge per hour	12.67	Replaced by charge per minute based on £14.65 per hour but subject to inflation.	11/04/11	I
Charge per 3/4 hour	9.95		11/04/11	I
Charge per 1/2 hour	7.75		11/04/11	I
Charge per 1/4 hour	5.03		11/04/11	I
Hourly charge - charged per minute of actual care provided		TBC		I

Basis of Increase:

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- N - A nominal increase e.g. due to rounding of charge
- S - An increase above inflation consequent upon a corporate plan saving

**Social Care & Learning
Adult Social Care Services**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
3 Respite Care Weekly charges Age over woman's pension age Age 25 up to woman's pension age Age 18 to 24 <i>Annual increases are subject to DWP minimum income allowance net of CRAG personal expense allowance set by DoH.</i>	107.45 77.85 63.10	TBC TBC TBC	11/04/11 11/04/11 11/04/11	N/A N/A N/A
4 Meals on wheels Charge per meal	4.99	4.99	11/04/11	N/A

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**Culture and Community
Head of Culture and Leisure**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
Cemeteries (fees doubled for non-residents of LBH)			01/04/2013	
Interments				
- Over 16 years	798.00	862.00		C
- Cremated remains	152.00	164.00		C
- Extra depth (each interment over two) or casket/walled grave per depth	152.00	155.00		I
- Resident child not over 16 Years	0.00	0.00		
- Non resident stillborn to 1 month in child's grave or public grave	152.00	155.00		I
- Non resident child not over 10 years in child's grave or public grave	235.00	240.00		I
- Non resident child not over 16 years in child's grave	1,594.00	1,626.00		I
Use of chapel (including organist at Upminster cemetery subject to availability)				
Hospital Contract NVB burials	53.00	57.00		C
	152.00	155.00		I
Exclusive Right of Burial (50 years with option of further 10 years)				
Lawn Section grave	1,250.00	1,350.00		C
Traditional Grave	1,938.00	2,093.00		C
Children's section (under 10)	323.00	330.00		I
Children's section (under 16)	647.00	660.00		I
Surcharges				
Saturday full burial surcharge	399.00	407.00		I
Sunday full burial surcharge	798.00	814.00		I
Saturday cremated remains surcharge	131.00	134.00		I
Sunday cremated remains surcharge	189.00	193.00		I
Funeral After Published Time or 48 hours of booking	197.00	201.00		I
Booking cancelled within 48 hours of burial	Full interment fee			

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- D - Increase recommended by Manager of Bereavement Services

**Culture and Community
Head of Culture and Leisure**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
Extension of Right of Burial for 10 years				
Lawn Section Grave	308.00	333.00	01/04/2013	C
Traditional Grave	387.00	418.00		C
Children's Section (under 10)	72.00	73.00		I/N
Children's Section (under 16)	146.00	149.00		I
Walled graves	775.00	791.00		I
Other Charges				
Transfer of Exclusive Rights by Will, Letters of Administration or Assignment	37.00	38.00		I/N
Transfer of Exclusive Rights by Statutory Declaration or combination of methods	70.00	71.00		I/N
Certified extract from Burial Register	38.00 *	39.00 *		I/N
Staff attendance to select/ locate a grave by appointment	30.00	31.00		I/N
Permit Charge				
Clean and Renovate	Free	Free *		
Standard Headstone/Additional Memorial	101.00 *	109.00 *		C
Additional Inscription on headstone or permit for a vase only	68.00 *	73.00 *		C
Traditional Grave	257.00 *	278.00 *		C
Grave Maintenance Fees				
Planting and clipping	167.00 *	170.00 *		I
Clipping only	103.00 *	105.00 *		I
Turfing (Winter months only after grave has settled)	67.00	68.00		I/N

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**Culture and Community
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(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
Cremated Remains Burial Plots Purchase of exclusive rights - 25 yr term Tablet with First inscription Additional / subsequent inscriptions Blank stone Photograph fixed to memorial Granite memorial vases for use with cremated remains tablets (includes 45 letters) Regilding or additional letter on granite vase	364.00 350.00 112.00 260.00 240.00 * 338.00 2.00	393.00 378.00 121.00 281.00 245.00 * 345.00 2.00	01/04/2013	C C C C I I I/N
<u>South Essex Crematorium</u> Cremation includes organ/organist/polytainer or biodegradable casket: Over 16 years Non resident to 6 years but not exceeding 16 yrs Non resident up to 6 years Hospital Contract Non-viable foetus cremation Saturday Cremation (subject to availability) Sunday Cremation (subject to availability)	570.00 160.00 80.00 43.00 887.00 1,182.00	595.00 163.00 82.00 44.00 918.00 1,223.00		C I I/N I C C

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**Culture and Community
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(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
Additional Services and Surcharges				
Bookings cancelled after 10am one working day before reserved time	191.00	195.00	01/04/2013	I
Surcharge for services over-running	200.00	204.00		I
Surcharge for Cremation after 4pm	191.00	195.00		I
Use of chapel for private memorial service or extra time	191.00	195.00		I
Use of single bearer	19.00	19.00		I/N
CD recording of service	67.00	68.00		I/N
CD discs 2-10	18.00 *	18.00 *		I/N
DVD recording of service	84.00 *	85.00 *		I/N
DVD discs 2-10	23.00 *	24.00 *		I/N
Webcast of service	84.00 *	86.00 *		I
Strewing cremated remains from elsewhere	79.00	81.00		I/N
Witness Committal	36.00	37.00		I/N
Weekend Witness committal	72.00	73.00		I/N
Storage of cremated remains after one month per quarter	40.00 *	41.00 *		I/N
Storage of cremated remains after one month per year	95.00 *	97.00 *		I
Genealogy Searches per search not through Deceased Online	22.00 *	22.00 *		I/N
Containers				
Bronzed metal urns	54.00	55.00		I
Standard wooden or metal casket	68.00 *	70.00 *		I/N
Juvenile caskets	28.00 *	29.00 *		I/N
Various Decorative urns/caskets (new charge)	RRP *	RRP *		
Dedicated Hymn Book	63.00 *	64.00 *		I
Various keepsake memorials made from or to contain cremated remains	RRP *	RRP *		

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D - Increase recommended by Manager of Bereavement Services

**Culture and Community
Head of Culture and Leisure**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
<u>Memorials</u>				
Kerb Plaques				
Perspex Plaque - 10 year term	278.00	287.00	01/04/2013	D
Perspex Plaque only	89.00	94.00		D
Bronze Plaque - 10 year term	368.00	384.00		D
Bronze Plaque only	179.00	191.00		D
Second dedication (plus cost of plaque)	91.00	93.00		I/N
Kerb plaque renewal	189.00	193.00		I/N
Bronze Wall Plaque				
Plaque with 10 year dedication	368.00	384.00		D
Plaque only	179.00	191.00		D
Bronze wall plaque renewal	189.00	193.00		I
Large Wall Plaques				
Single Slate or Large Bronze Wall Plaques	445.00 *	454.00 *		I
Single (slate or bronze tablet) - 10 year dedication	256.00 *	261.00 *		I
Single plaque only (slate or bronze tablet)	189.00	193.00		I
Single tablet - renewal fee for 10 years				
Double Slate Wall Plaque (subject to availability)				
10 year dedication with single inscription	384.00 *	392.00 *		I
10 year dedication with double inscription	762.00 *	777.00 *		I
Subsequent inscription within 1 year of original dedication (or renewal)	990.00 *	1,010.00 *		I
Double Tablet - 10 year renewal	228.00 *	233.00 *		I
	378.00	386.00		I

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- N - A nominal increase e.g. due to rounding of charge
- S - An increase above inflation consequent upon a corporate plan saving
- D - Increase recommended by Manager of Bereavement Services

**Culture and Community
Head of Culture and Leisure**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
Wall Niche for 10 years			01/04/2013	
Single Niche including first interment and casket	1,322.00	1,348.00		I
Renewal/Prepurchase for Single Niche for 10 years	678.00	691.00		I
Replacement single plaque	450.00 *	459.00 *		I
1st Interment & Inscription in pre-purchase single Niche	644.00 *	657.00 *		I
Double Niche and First Interment	2,247.00 *	2,292.00 *		I
Renewal/Prepurchase for Double Niche for 10 years	1,357.00 *	1,384.00 *		I
Replacement double plaque	696.00 *	710.00 *		I
1st Interment & Inscription in pre-purchase double Niche	890.00 *	908.00 *		I
Wall Niche Additional Items:				
Motif (optional)	72.00 *	73.00 *		I/N
Additional Bud Vase	23.00 *	24.00 *		I/N
Additional Inscription	206.00 *	210.00 *		I
Casket including nameplate	68.00	69.00		I/N
Second Interment and inscription	400.00 *	408.00 *		I
Photograph	240.00 *	245.00 *		I
Sanctum ii Vaults for 10 years				
Vault and tablet including weekday witness committal	1,323.00	1,350.00		I
Second Interment	126.00	129.00		I
Second inscription	425.00 *	434.00 *		I
Replacement Plaque	334.00 *	341.00 *		I
Renewal for 10 years	863.00	880.00		I
Reguilding (inc postage)	91.00 *	93.00 *		I
Replacement vase	12.00 *	12.00 *		I/N
Vase Blocks and Tablets (includes Scented Garden Memorials)				
10 year dedication	643.00	656.00		I
Replacement Plaque	200.00 *	204.00 *		I
Renewal for 10 years	443.00	452.00		I

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- S - An increase above inflation consequent upon a corporate plan saving
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**Culture and Community
Head of Culture and Leisure**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
<u>Memorials</u>				
Summer House Memorial				
Floris wall plaque for 10 years	315.00 *	321.00 *	01/04/2013	I
Plaque only	126.00	128.00		I
Renewal for 10 years	189.00	193.00		I
Posy Holder for 10 years	144.00 *	147.00 *		I
Renewal for 10 years	130.00	133.00		I
Shrub or Rose with 10 year dedication (includes bronze plaque)	687.00	709.00		D
Renewal fee for 10 years (also applies to vase block with rose)	508.00	518.00		I
Trees with 10 year dedication (includes bronze plaque)	792.00	816.00		D
Renewal fee for 10 years	613.00	625.00		I
Benches and Chairs - 10 Year dedications				
Bench	1,807.00 *	1,843.00 *		I
Chair	1,313.00 *	1,339.00 *		I
Bench 10 Year renewal	862.00	879.00		I
Chair 10 Year renewal	761.00	776.00		I
Replacement Bench	945.00 *	964.00 *		I
Replacement Chair	552.00 *	563.00 *		I
Regular maintenance (per 2 years of remaining lease if not purchased or renewed since 1/1/2001)	35.00 *	36.00 *		I/D
Renovation of Bench	160.00 *	164.00 *		I/D
Renovation of Chair	103.00 *	105.00 *		I

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- D - Increase recommended by Manager of Bereavement Services

**Culture and Community
Head of Culture and Leisure**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
Bench, Tree & Shrub Additional dedications:				
Within 1 year of original (plus cost of plaque)	15.00	15.00	01/04/2013	I/D
After 1 year of original dedication or renewal (plus cost of plaque)	356.00	363.00		I
2nd Dedication Life time of item (plus cost of plaque)	179.00 *	191.00 *		D
Replacement bronze plaque	89.00 *	94.00 *		D
Replacement perspex plaque				
Memorials				
Miscellaneous				
Mallard Bridge	250.00 *	255.00 *		I
Private purchase (plus cost of plaque)	12.00	12.00		I/N
Replacement metal vase	12.00 *	12.00 *		I/N
Floral arrangements stand - plus cost of flowers	23.00 *	24.00 *		I/N
Hanging baskets - per year	101.00 *	103.00 *		I

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**Culture and Community
Head of Culture and Leisure**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
Books of Remembrance				
2 line entry	81.00	83.00	01/04/2013	I
3 - 5 lines	119.00 *	121.00 *		I
6 - 8 lines	171.00 *	174.00 *		I
Cards of Remembrance & Additional Entries in existing miniature books				
2 line entry	27.00 *	28.00 *		I/N
3 - 5 lines	50.00 *	51.00 *		I
6 - 8 lines	78.00 *	80.00 *		I/N
Miniature Triptych of Remembrance/Book of Remembrance				
2 line entry	58.00 *	59.00 *		I
3 - 5 lines	81.00 *	83.00 *		I
6 - 8 lines	107.00 *	109.00 *		I
Book of Remembrance Sundries				
Motif	62.00 *	63.00 *		I
Triptych photograph	62.00 *	63.00 *		I

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- S - An increase above inflation consequent upon a corporate plan saving
- D - Increase recommended by Manager of Bereavement Services

TABLE 1:**Charges for New Dwellings**

VAT calculated at 20% where relevant; included and shown in red in the relevant box - this is the total that is payable

Number of Dwellings	Fulls Plans Submissions		Building Notice	Regularisation Application (VAT not applicable)
	Plan Charge	Inspection Charge		
1	£168.30 £201.96	£504.90 £605.88	£673.20 £807.84	£807.84 £807.84
2	£218.79 £262.55	£656.37 £787.64	£875.16 £1,050.19	£1,050.19 £1,050.19
3	£269.28 £323.14	£807.84 £969.41	£1,077.12 £1,292.54	£1,292.54 £1,292.54
4	£319.77 £383.72	£959.31 £1,151.17	£1,279.08 £1,534.90	£1,534.90 £1,534.90
5	£370.26 £444.31	£1,110.78 £1,332.94	£1,481.04 £1,777.25	£1,777.25 £1,777.25
6	£420.75 £504.90	£1,262.25 £1,514.70	£1,683.00 £2,019.60	£2,019.60 £2,019.60
7	£471.24 £565.49	£1,413.72 £1,696.46	£1,884.96 £2,261.95	£2,261.95 £2,261.95
8	£524.32 £629.18	£1,572.95 £1,887.54	£2,097.27 £2,516.72	£2,516.72 £2,516.72
9	£574.81 £689.77	£1,724.42 £2,069.31	£2,299.23 £2,759.08	£2,759.08 £2,759.08
10	£625.30 £750.36	£1,875.89 £2,251.07	£2,501.19 £3,001.43	£3,001.43 £3,001.43
More than 10	Please contact Building Control for individually assessed charges			

All cheques for Building Control Charges should be made payable to -

The London Borough of Havering'

If you have any queries relating to Building Control Charges you can contact us in person at -

Planning and Building Control Reception
Public Advice Service Centre (PASC)
Adjacent to Mercury House
Mercury Gardens
Romford
RM1 3SL

Or by telephone on 01708 432700 or 01708 432701

Or be email at - buildingcontrol@havering.gov.uk

Further information on submitting Building Control application is available on website at - www.havering.gov.uk/buildingcontrol

Table 2:**Charges for Certain Small Buildings and Extensions**

VAT calculated at 20% where relevant; included and shown in red in the relevant box - this is the total that is payable

Type of work	Fulls Plans Submissions		Building Notice	Regularisation Application (VAT not applicable)
	Plan Charge	Inspection Charge		
1. Erection of a detached building which consists of a garage or carport or both having a floor area not exceeding 40m ² in total and intended to be used in common with an existing building and which is not an exempt building.	£75.74 £90.88	£227.21 £272.65	£302.94 £363.53	£363.53 £363.53
2. Any extension of a dwelling the total floor area of which does not exceed 10m ² , including means of access and work in connection with that extension.	£92.57 £111.08	£277.70 £333.23	£370.26 £444.31	£444.31 £444.31
3. Any extension of a dwelling the total floor area of which exceeds 10m ² but does not exceed 30m ² including means of access and work in connection with that extension.	£117.81 £141.37	£353.43 £424.12	£471.24 £565.49	£565.49 £565.49
4. Any extension of a dwelling the total floor are of which exceeds 30m ² but does not exceed 60m ² , including means of access and work in connection with that extension.	£151.47 £181.76	£454.41 £545.29	£605.88 £727.06	£727.06 £727.06
5. Any extension of a dwelling the total floor area of which exceeds 60m ² but does not exceed 100m ² , including means of access and work in connection with that extension.	£193.55 £232.25	£580.64 £696.76	£774.18 £929.02	£929.02 £929.02
6. Loft conversion – For the purpose of calculating charges a reference to an extension includes a room or rooms in the roof space (including access) of an existing building not exceeding three storeys in height.	See Above	See Above	See Above	See Above
7. Extension etc 100-150m ²	Based on estimated cost - see Schedule 3			
8. Extension etc >150m ²	Please contact Building Control for Individually assessed charges			

Table 3:
Charges for other work

VAT calculated at 20% where relevant; included and shown in red in the relevant box - this is the total that is payable

Estimated Cost of Work	Fulls Plans Submissions		Building Notice	Regularisation Application (VAT not applicable)
	Plan Charge	Inspection Charge		
0 – 2,000	£168.30 £201.96	N/A	£168.30 £201.96	£201.96 £201.96
2,001 – 5,000	£252.46 £302.95	N/A	£252.46 £302.95	£302.95 £302.95
5,001 – 9,000	£84.15 £100.98	£252.45 £302.94	£336.60 £403.92	£403.92 £403.92
9,001 - 14,000	£105.71 £126.85	£317.12 £380.54	£422.82 £507.38	£507.38 £507.38
14,001 – 20,000	£126.23 £151.47	£378.68 £454.41	£504.90 £605.88	£605.88 £605.88
20,001 – 30,000	£147.27 £176.72	£441.80 £530.15	£589.06 £706.87	£706.87 £706.87
30,001 – 40,000	£168.30 £201.96	£504.90 £605.88	£673.20 £807.84	£807.84 £807.84
40,001 – 50,000	£189.34 £227.21	£568.02 £681.62	£757.36 £908.83	£908.83 £908.83
50,001 – 60,000	£206.17 £247.40	£618.51 £742.21	£824.68 £989.62	£989.62 £989.62
60,001 – 70,000	£223.00 £267.60	£669.00 £802.80	£892.00 £1,070.40	£1,070.40 £1,070.40
70,001 – 80,000	£239.83 £287.80	£719.49 £863.39	£959.32 £1,151.18	£1,151.18 £1,151.18
80,001 – 90,000	£256.66 £307.99	£769.98 £923.98	£1,026.64 £1,231.97	£1,231.97 £1,231.97
90,001 – 100,000	£273.49 £328.19	£820.47 £984.56	£1,093.96 £1,312.75	£1,312.75 £1,312.75
100,001 – 110,000	£286.11 £343.33	£858.33 £1,030.00	£1,144.44 £1,373.33	£1,373.33 £1,373.33
110,001 – 120,000	£298.74 £358.48	£896.21 £1,075.45	£1,194.94 £1,433.93	£1,433.93 £1,433.93
120,001 – 130,000	£311.36 £373.63	£934.07 £1,120.88	£1,245.42 £1,494.50	£1,494.50 £1,494.50
130,001 – 140,000	£323.98 £388.78	£971.94 £1,166.33	£1,295.92 £1,524.61	£1,555.10 £1,555.10
140,001 – 150,000	£336.60 £403.92	£1,009.80 £1,211.76	£1,346.40 £1,615.68	£1,615.68 £1,615.68
Over £150,000	Please contact Building Control for individually assessed charges.			

Explanatory Notes

1. Before you build, extend or convert, you or your agent must advise your local authority either by submitting Full Plans or a Building Notice. The Charge payable depends on the type of work, the number of dwellings in a building and/or the total floor area. The following tables (which are an integral part of this Schedule) may be used in conjunction with the current Charge Scheme to calculate the Charges. If you have any difficulties calculating the Charges please consult building control.

2. Charges are payable as follows:-

2.1 Should you submit Full Plans you will pay a Plan Charge at the time of submission to cover their passing or rejection.

2.2 With Full Plans submissions, for most types of work, an Inspection Charge covering all necessary site visits, will be payable following the first inspection.

2.3 Should you submit a Building Notice, the appropriate Building Notice Charge is payable at the time of submission and covers all necessary checks and site visits. The Building Notice Charge is equivalent to the sum of the relevant Plan Charge and Inspection Charge.

2.4 Should you apply for a Regularisation Certificate, in respect of unauthorised building work, commenced on or after 11th November 1985, you will pay a Regularisation Charge to cover the cost of assessing your application and all inspections. The Charge is equivalent to the Building Notice Charge plus 20%, non-refundable.

2.5 With the exception of the Regularisation Charge, all local authority charges are subject to VAT at the appropriate rate.

2.6 In certain cases the local authority may agree to Charges being paid by instalments. Consult the Building Control Office for details.

3. **Table 1:** Charges for new dwellings e.g. certain houses and flats - applicable where the total internal floor area of each dwelling, excluding any garage or carport, does not exceed 300m² and the building has no more than three storeys, each basement level being counted as one storey. In any other case, Table 3 applies.

4. **Table 2:** Where work comprises more than one domestic extension (including rooms in roofs and associated access in buildings of three storeys or less) the total internal floor areas of all storeys of all the extensions shown on the application may be added together to determine the relevant Charge. If the extension(s) exceed 100m² or three storeys in height then Table 3 applies.

5. **Table 3:** Applicable to all other building work not covered by Tables 1 or 2. Total estimated cost means an estimate accepted by the local authority of a reasonable cost that would be charged by a person in business to carry out the work shown or described in the application, excluding VAT, and any professional fees paid to an architect, engineer or surveyor etc, and also excluding land acquisition costs.

5. Exemptions/reductions in charges.

6.1 Where plans have been either approved or rejected no further Plan Charge is payable on resubmission for substantially the same work.

6.2 Reduction in charges may apply in the case of an application for repetitive work that is substantially the same.

6.3 Works to provide access and/or facilities for disabled people to existing dwellings and buildings to which the public have access may be exempt from Charges. In these regulations 'disabled person' means a person who is within certain of the descriptions of persons to whom section 29(1) of the National Assistance Act 1948 applied, as that section was extended by virtue of section 8(2) of the Mental Health Act 1956, but not taking into account amendments made to section 29(1) by paragraph 11 of Schedule 13 to the Children Act 1989.

6.4 Insertion of insulating material into an existing cavity wall is exempt from deposit of a Building Notice and Charges, providing the installation is carried out in accordance with a Competent Persons Scheme.

6.5 Installation of an approved unvented hot water system is exempt from Charges where the work is carried out by an approved operative or is part of a larger project.

7. These notes are for guidance only and do not substitute for the 'Charge Scheme' adopted by the local authority under the provisions of Statutory Instrument 2010 No.404

**Culture & Community
Head of Culture & Leisure**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
FAIRKYTES Per Daytime Session (Mon-Fri up to 6pm) Main Room Room 12 Photo Studio - WITHDRAWN Room 13 Room 9 Art Room Sculpture Pottery Studio 1 Studio 2 Studio 3 Billet Studio 1 Billet Studio 2	28.00 24.00 17.50 16.50 19.50 15.00 11.00 42.00 27.50 17.00 27.50 17.00	29.00 24.50 18.00 17.00 20.00 16.00 11.50 43.00 28.50 17.50 28.50 17.50	01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13	I/N I/N I/N I/N I/N I/N I/N I/N I/N I/N I/N I/N

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**Culture & Community
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(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Per Peak Session (Mon to Fri from 6pm to close & Sat & Sun all day)				
Main Room	34.00	35.00	01/04/13	I/N
Room 12	28.00	29.00	01/04/13	I/N
Photo Studio - WITHDRAWN				
Room 13	24.00	24.50	01/04/13	I/N
Room 9	19.50	20.00	01/04/13	I/N
Art Room	28.00	29.00	01/04/13	I/N
Sculpture	17.00	18.00	01/04/13	I/N
Pottery	13.00	13.50	01/04/13	I/N
Studio 1 (excludes Saturday evenings)	55.00	57.00	01/04/13	I/N
Studio 1 (Saturday evening per hour from 6.30 pm. Min hire 3 hours)	Withdrawn	Withdrawn		
Studio 2	32.50	33.50	01/04/13	I/N
Studio 3	21.00	21.50	01/04/13	I/N
Billet Studio 1	32.50	33.50	01/04/13	I/N
Billet Studio 2	21.00	21.50	01/04/13	I/N
Sole Occupancy of Studio/Workshop/Store	1.00	165.00 PCM	01/04/13	I/N
Saturday and Sunday Evening				
Studio 1 (main hall)				
Saturday 6.30pm - 11pm	195.00	200.00	01/04/13	I/N
Sunday 6.30pm - 10.30pm	180.00	185.00	01/04/13	I/N
FOOTBALL AT PARKS WITH CRICKETS (28 WEEKS)				
Pavilion with washing facilities				
Senior				
Each Saturday or Sunday during Season	1,488.75	1,518.50	01/04/13	I/N
Each alternate Saturday or Sunday during Season	751.35	766.35	01/04/13	I/N
Additional Matches during Season	53.40	54.45	01/04/13	I/N

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(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Junior Each Saturday or Sunday during Season	729.65	744.25	01/04/13	I/N
Each alternate Saturday or Sunday during Season	339.85	346.65	01/04/13	I/N
Additional Matches during Season	26.15	26.65	01/04/13	I/N
Pavilion without washing facilities Each Saturday or Sunday during Season				
Senior				
Each Saturday or Sunday during Season	1,233.90	1,258.60	01/04/13	I/N
Each alternate Saturday or Sunday during Season	604.95	617.05	01/04/13	I/N
Additional Matches during Season	42.85	43.70	01/04/13	I/N
Junior				
Each Saturday or Sunday during Season	558.40	569.55	01/04/13	I/N
Each alternate Saturday or Sunday during Season	279.15	284.70	01/04/13	I/N
Additional Matches during Season No Pavillion Facilities	19.90	20.30	01/04/13	I/N
Senior				
Each Saturday or Sunday during Season	895.20	913.10	01/04/13	I/N
Each alternate Saturday or Sunday during Season	452.80	461.85	01/04/13	I/N
Additional Matches during Season	32.45	33.10	01/04/13	I/N
Junior				
Each Saturday or Sunday during Season	415.20	423.50	01/04/13	I/N
Each alternate Saturday or Sunday during Season	207.30	211.45	01/04/13	I/N
Additional Matches during Season	14.15	14.40	01/04/13	I/N

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*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
FOOTBALL AT PARKS WITH NO CRICKET (32 WEEKS) Pavilion with washing facilities Senior Each Saturday or Sunday during Season Each alternate Saturday or Sunday during Season Additional Matches during Season Junior Each Saturday or Sunday during Season Each alternate Saturday or Sunday during Season Additional Matches during Season Pavilion without washing facilities Senior Each Saturday or Sunday during Season Each alternate Saturday or Sunday during Season Additional Matches during Season Junior Each Saturday or Sunday during Season Each alternate Saturday or Sunday during Season Additional Matches during Season	1,728.55	1,763.10	01/04/13	I/N
	864.80	882.10	01/04/13	I/N
	54.40	55.50	01/04/13	I/N
	784.85	800.55	01/04/13	I/N
	392.65	400.50	01/04/13	I/N
	24.20	24.70	01/04/13	I/N
	1,369.40	1,396.80	01/04/13	I/N
	684.15	697.80	01/04/13	I/N
	42.85	43.70	01/04/13	I/N
	632.15	644.80	01/04/13	I/N
	316.05	322.35	01/04/13	I/N
	19.90	20.30	01/04/13	I/N

Basis of Increase:

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N - A nominal increase e.g. due to rounding of charge

S - An increase above inflation consequent upon a corporate plan saving

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(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
No Pavilion Facilities Senior Each Saturday or Sunday during Season Each alternate Saturday or Sunday during Season	1,032.60	1,053.25	01/04/13	I/N
	516.55	526.85	01/04/13	I/N
Junior Each Saturday or Sunday during Season Each alternate Saturday or Sunday during Season	473.20	482.65	01/04/13	I/N
	236.45	241.15	01/04/13	I/N
Mini Soccer 1 Hour Slot each Saturday or Sunday during season 1 Hour Slot alternate Saturday or Sunday during season	316.90	323.20	01/04/13	I/N
	157.95	161.10	01/04/13	I/N
Rugby Per 1 hour game	10.50	10.70	01/04/13	I/N

Basis of Increase:

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- S - An increase above inflation consequent upon a corporate plan saving

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(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
No Pavilion Facilities Cricket Each Saturday or Sunday during Season Colts Teams Each Saturday or Sunday during Season Pitches with Pavilions Adults Each Saturday and Sunday Adults Additional Bank Holiday Mondays (per game) Adults Alternate Saturday or Sunday Colts Teams Each Saturday and Sunday Colts Teams Additional Bank Holiday Mondays (per game) Colts Teams Alternate Saturday or Sunday Bootcamps & Personal Training 1-6 People per session 6-12 People per session 12-20 People per session 20-30 People per session	N/A	1,062.00	01/04/13	New Charge
	N/A	531.00	01/04/13	New Charge
	N/A	1,772.00	01/04/13	New Charge
	N/A	80.55	01/04/13	New Charge
	N/A	886.00	01/04/13	New Charge
	N/A	886.00	01/04/13	New Charge
	N/A	40.25	01/04/13	New Charge
	N/A	443.00	01/04/13	New Charge
	N/A	6.00	01/04/13	New Charge
	N/A	12.00	01/04/13	New Charge
	N/A	20.00	01/04/13	New Charge
	N/A	30.00	01/04/13	New Charge

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation consequent upon a corporate growth plan.

I - Based on relevant inflationary change

N - A nominal increase e.g. due to rounding of charge

S - An increase above inflation consequent upon a corporate plan saving

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*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
BOWLS All on a lease basis apart from King Georges Playing Fields where special arrangements apply	5,495.06	5,604.95	01/04/13	I/N
ALLOTTMENTS Land charge per acre	147.18	177.90	01/04/13	I/N
Plot Rent	36.84	60.00	01/04/13	I/N
HORNCHURCH Weekday Use by Athletics Clubs (excluding training session)	81.40	83.85	01/04/13	S/N
Half Day	156.90	163.65	01/04/13	S/N
Saturday Use by Athletics Clubs (excluding training session)	93.60	96.40	01/04/13	S/N
Half Day	173.10	178.30	01/04/13	S/N
Sunday Use by Athletics Clubs (excluding training session)	123.50	127.20	01/04/13	S/N
Half Day	235.30	242.35	01/04/13	S/N
Use by Schools (excluding training session)	73.30	75.50	01/04/13	S/N
Half Day	146.40	150.80	01/04/13	S/N
Full Day	23.10	23.80	01/04/13	S/N
Schools Training Sessions (per hour inc equipment)	173.10	178.30	01/04/13	S/N
Occasional use - Football - without lights Seniors (3 hours)	95.30	98.15	01/04/13	S/N
Occasional use - Football - without lights Juniors (2.5 hours)				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation consequent upon a corporate growth plan.

I - Based on relevant inflationary change

N - A nominal increase e.g. due to rounding of charge

S - An increase above inflation consequent upon a corporate plan saving

**Culture & Community
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(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Occasional use - Football - with lights Seniors (3 hours)	280.50	280.50	01/04/13	
Occasional use - Football - with lights Juniors (2.5 hours)	123.50	123.50	01/04/13	
FUNFAIRS				
Ground rent per day of operation - self standing	437.10	445.80	01/04/13	I/N
part of larger event	585.60	597.30	01/04/13	I/N
Returnable deposit per visit	1,343.70	1,370.55	01/04/13	I/N
Additional ground rent for extra non-operational days spent on site	140.65	143.45	01/04/13	I/N
CIRCUSES				
Ground Rent per day	247.25	252.20	01/04/13	I/N
PARKS				
Minimum charge for hire of park & open space for charitable organisation	78.50	80.05	01/04/13	I/N
PARKING				
Release of vehicles that have been locked in a car park	N/A	75.00	01/04/13	New Charge
Fee for vehicle left in car park overnight	N/A	100.00	01/04/13	New Charge

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation consequent upon a corporate growth plan.

I - Based on relevant inflationary change

N - A nominal increase e.g. due to rounding of charge

S - An increase above inflation consequent upon a corporate plan saving

**Culture & Community
Head of Culture & Leisure**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
SOCIAL HALLS Dukes Hall Category A Monday to Friday - Morning or Afternoon Monday to Thursday Evening Friday Evenings Saturday and Sunday Morning or Afternoon Saturday and Sunday Evening Category B Monday to Friday Morning or Afternoon Monday to Thursday Evening Category C Monday to Friday - Morning or Afternoon Monday to Thursday Evening Dukes Annexe and Bar Area Category A Friday night, Saturday, Sunday Monday to Friday Morning or Afternoon Monday to Thursday evenings Category B Monday to Friday - Morning or Afternoon Monday to Thursday evenings	31.60 46.80 91.00 91.00 91.00 18.00 26.60 10.90 18.60 36.90 14.10 21.70 12.00 18.50	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A	Dukes Hall is now Closed	

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation consequent upon a corporate growth plan.

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N - A nominal increase e.g. due to rounding of charge

S - An increase above inflation consequent upon a corporate plan saving

**Culture & Community
Head of Culture & Leisure**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Category C Monday to Friday - Morning or Afternoon Monday to Thursday evenings	7.60 13.00	N/A N/A		
Dukes Partition Bar and Middle Category A Friday night, Saturday, Sunday Monday to Friday Morning or Afternoon Monday to Thursday evenings	66.50 21.70 32.50	N/A N/A N/A		
Category B Monday to Friday - Morning or Afternoon Monday to Thursday evenings	15.20 22.80	N/A N/A	Dukes Hall is now Closed	
Category C Monday to Friday - Morning or Afternoon Monday to Thursday evenings	10.80 18.50	N/A N/A		
Dukes Partition Stage & Middle Category A Friday night, Saturday, Sunday Monday to Friday Morning or Afternoon Monday to Friday evenings	60.70 20.00 30.90	N/A N/A N/A		

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**Culture & Community
Head of Culture & Leisure**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Category B Monday to Friday - Morning or Afternoon Monday to Thursday evenings	12.50 18.50	N/A N/A		
Category C Monday to Friday - Morning or Afternoon Monday to Thursday evenings Catering extra charge Stage lighting facility	7.60 11.90 79.00 80.70	N/A N/A N/A N/A		Dukes Hall is now Closed
NEW WINDMILL				
Category A Monday to Friday Morning or Afternoon Monday to Thursday evenings Friday Evenings Saturday & Sunday Morning or Afternoon Saturday & Sunday Evening	28.20 43.90 80.70 80.70 80.70	N/A N/A N/A N/A N/A		
Category B Monday to Friday - Morning or Afternoon Monday to Thursday evenings	17.30 26.60	N/A N/A		New Windmill Hall is now managed by a Community Association
Category C Monday to Friday - Morning or Afternoon Monday to Thursday evenings	11.40 18.50	N/A N/A		

Basis of Increase:

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S - An increase above inflation consequent upon a corporate plan saving

**Culture & Community
Head of Culture & Leisure**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
GREEN ROOM Standard Monday to Friday - Morning or Afternoon Monday to Friday evenings Catering extra charge Stage lighting facility	8.10 13.60 78.50 80.70	N/A N/A N/A N/A	New Windmill Hall is now managed by a Community Association	
TWEED WAY Category A Monday to Friday Morning or Afternoon Monday to Thursday evenings Friday Evenings Saturday & Sunday Morning or Afternoon Saturday & Sunday Evening	21.10 32.60 60.70 60.70 60.70	N/A N/A N/A N/A N/A	Tweed Way Hall is now managed by a Community Association	
Category B Monday to Friday - Morning or Afternoon Monday to Thursday evenings	16.70 24.70	N/A N/A		
Category C Monday to Friday - Morning or Afternoon Monday to Thursday evenings Catering extra charge	10.80 17.70 37.50	N/A N/A N/A		

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**Culture & Community
Head of Culture & Leisure**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
ANNEXE Category A Monday to Friday Morning or Afternoon Monday to Friday evenings Saturday & Sunday Morning or Afternoon Category B Monday to Friday Morning or Afternoon Monday to Friday evenings Category C Monday to Friday Morning or Afternoon Monday to Friday evenings	11.40 16.70 21.00 9.30 13.00 7.10 11.90	N/A N/A N/A N/A N/A N/A N/A	Tweed Way Hall is now managed by a Community Association	

Basis of Increase:

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**Culture & Community
Head of Customer Services**

(A) Statutory and Nationally Agreed Charges as set by Havering in conjunction with Other Boroughs & The Magistrates Courts

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Customer Services				
Legal Fees				
Recovery of Rates/Community Charge/Council tax				
Summons Council Tax (inc £3 paid to the court)	105.00	105.00	01/04/11	
Liability Order	10.00	10.00	01/04/10	
Summons NDR (inc £3 paid to the court)	180.00	180.00	01/04/11	
Liability Order NDR	47.00	47.00	01/04/11	
Means Enquiry Summonses Council Tax (£240.00 paid to the court)	325.00	325.00	01/04/10	
Arrest Warrants with Bail Council Tax (inc. £25 paid to the court)	110.00	110.00	01/04/10	
Arrest Warrants without Bail Council Tax (inc. £25 paid to the court)	130.00	130.00	01/04/10	
Committal Order Council Tax	40.00	40.00	01/04/10	

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**Culture & Community
Head of Homes & Housing and Public Protection**

(A) Statutory and Nationally Agreed Charges

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
Stray Dog Service -Environmental Protection (Stray Dogs) Regulation 1992 Impounding fee per dog	25.00	25.00	01/04/12	
Bingo club - Dept of Culture and Media and Sport Copy licence	25.00	25.00		
Notification of change	50.00	50.00		
Betting shop- Dept of Culture and Media and Sport Copy licence	25.00	25.00		
Notification of change	50.00	50.00		
Betting premises tracks-Dept of Culture and Media and Sport Copy licence	25.00	25.00		
Notification of change	50.00	50.00		
Family Entertainment centres-Dept of Culture and Media and Sport Application to vary	1,000.00	1000.00		
Copy licence	25.00	25.00		
Notification of change	50.00	50.00		

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**Culture & Community
Head of Homes & Housing and Public Protection**

(A) Statutory and Nationally Agreed Charges

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
Adult gaming centres-Dept of Culture and Media and Sport Application to vary Copy licence Notification of change	1000.00 25.00 50.00	1000.00 25.00 50.00		
Environmental Health				
Gambling Act 2005				
Lottery- Dept of Culture and Media and Sport				
New registration	40.00	40.00		
Annual re registration	20.00	20.00		
Permit fees- Dept of Culture and Media and Sport				
Notification of right of licensed premises to have 2 gaming machines	50.00	50.00		
Family Entertainment Centre- Dept of Culture and Media and Sport				
New application	300.00	300.00		
Change of name	25.00	25.00		
Copy of permit	15.00	15.00		

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**Culture & Community
Head of Homes & Housing and Public Protection**

(A) Statutory and Nationally Agreed Charges

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
Prize Gaming permit (S 16) Dept of Culture and Media and Sport				
New application	300.00	300.00		
Change of name	25.00	25.00		
Copy of permit	15.00	15.00		
Licensed premises gaming machine permit- Dept of Culture and Media and Sport				
New application (new operator)	150.00	150.00		
New application (existing operator)	100.00	100.00		
Vary a permit	25.00	25.00		
Transfer application	50.00	50.00		
Annual fee (1st fee payable within 30 days of issue)	25.00	25.00		
Change of name	15.00	15.00		
Copy of permit				

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**Culture & Community
Head of Homes & Housing and Public Protection**

(A) Statutory and Nationally Agreed Charges

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
Club gaming machine permit -Dept of Culture and Media and Sport New application Renewal New application (existing operator) Vary a permit Copy of permit Annual fee (1st fee payable within 30 days of issue)	200.00 100.00 100.00 100.00 15.00 50.00	200.00 100.00 100.00 100.00 15.00 50.00		
Environment Protection Act Application Fee Standard Process Additional fee for operating without a permit Service stations PVR I/dry cleaner/ waste oil burner <0.4MW Vehicle refinisher service station PVR I& II combined additional fee for operating without a permit Mobile screening and crushing plant For the third to seventh applications For the eight and subsequent applications where the above is for a combined part B and waste site, add £297	tbc 1,579.00 1,137.00 148.00 346.00 246.00 68.00 1,579.00 943.00 447.00			fees set by DEFRA in March 2012

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**Culture & Community
Head of Homes & Housing and Public Protection**

(A) Statutory and Nationally Agreed Charges

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
<p>Mobile screening and crushing plant For the first and second plants Low/ medium /high For the third to seventh applications low /medium/high For the eighth and subsequent applications low/medium/ high where a part B is subject to E-PRTR Regulations reporting, add £99 to above late payment fee Transfer and Surrender</p> <p>standard process transfer standard process partial transfer new operator at low risk reduced fee activity</p> <p>Surrender Transfer : Service Stations and Waste Oil burners <0.4MW Partial Transfer : Service Stations and Waste Oil burners <0.4MW</p>	<p>618/989/1484 368/590/884 189/302/453 50.00 162.00 476.00 75.00 0.00 0.00 45.00</p>			<p>fees set by DEFRA in March 2013</p>

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**Culture & Community
Head of Homes & Housing and Public Protection**

(A) Statutory and Nationally Agreed Charges

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
<p>Substantial changes to s10 & s11</p> <p>Standard process standard process where the substantial change results in a new PPCactivity</p> <p>Service stations/Dry cleaners /waste oil burner <0.4MW/ vehicle resprayers</p> <p>subsistence charges can be paid in 4 equal installments paid on 1st April, 1st July, 1st October, and 1st January. Where paid quarterly the total amount payable to the local authority will be increased by £36</p> <p>Licensing Act 2003 fees set by DCMS</p> <p>Application for the grant or renewal of a personal licence</p> <p>Temporary event notice</p> <p>Theft, loss, etc. of premises licence or summary</p> <p>Application for a provisional statement where premises being built etc</p> <p>Notification of change of name or address</p> <p>Application to vary licence to specify individual as premises supervisor</p> <p>Application for transfer of premises licence</p> <p>Interim authority notice following death etc. of licence holder</p> <p>Theft, loss etc. of certificate or summary</p> <p>Notification of change of name or alteration of rules of club</p>	<p>1005.00</p> <p>1579.00</p> <p>98.00</p> <p>37.00</p> <p>21.00</p> <p>21.00</p> <p>10.50</p> <p>10.50</p> <p>23.00</p> <p>23.00</p> <p>10.50</p> <p>23.00</p> <p>23.00</p>	<p>37.00</p> <p>21.00</p> <p>21.00</p> <p>10.50</p> <p>10.50</p> <p>23.00</p> <p>23.00</p> <p>10.50</p> <p>23.00</p> <p>23.00</p>		<p>fees set by DEFRA in March 2013</p>

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**Culture & Community
Head of Homes & Housing and Public Protection**

(A) Statutory and Nationally Agreed Charges

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
<p>Licensing Act 2003 fees set by Home Office (continued)</p> <p>Change of relevant registered address of club Theft, loss etc. of temporary event notice Theft, loss etc. of personal licence Duty to notify change of name or address Right of freeholder etc. to be notified of licensing matters</p> <p>Main Fee Levels</p> <p>Based on non domestic rateable value:</p> <p>Band A £0 - £4300 Band B £4301 - £33000 Band C £33001 - £87000 Band D £87001 - £125000 Band E £125001 and over</p>	<p>23.00 10.50 10.50 10.50 10.50</p>	<p>23.00 10.50 10.50 10.50 10.50</p>		

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- S - An increase above inflation consequent upon a corporate plan saving

**Culture & Community
Head of Homes & Housing and Public Protection**

(A) Statutory and Nationally Agreed Charges

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
Premises Licences*				
New Applications and variation				
Band A	100.00	100.00		
Band B	190.00	190.00		
Band C	315.00	315.00		
Band D	450.00	450.00		
Band E	635.00	635.00		
Multiplier applied to premises used exclusively or primarily for the supply of alcohol for consumption on the premises (bands D & E only)				
Band D x 2	900.00	900.00		
Band E x 3	1,905.00	1905.00		
Annual charge*				
Band A	70.00	70.00		
Band B	180.00	180.00		
Band C	295.00	295.00		
Band D	320.00	320.00		
Band E	350.00	350.00		

Basis of Increase:

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**Culture & Community
Head of Homes & Housing and Public Protection**

(A) Statutory and Nationally Agreed Charges

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
<p>Premises Licences* (continued) Annual charge multiplier applied to premises used exclusively or primarily for the supply of alcohol for consumption on the premises (bands D & E only) Band D x 2 Band E x 3</p> <p>Additional Fees* * There are additional fees for premises licence applications, and the annual fee for exceptionally large scale events (5000+), unless certain conditions apply. Please read Regulation 4(4) and 4(5) of the licensing Act (Fees) Regulations 2005.</p> <p>Additional Premises licence fee Numbers in attendance at any one time</p>	<p>640.00 1050.00</p>	<p>640.00 1050.00</p>		
	1,000.00	1000.00		
	2,000.00	2000.00		
	4,000.00	4000.00		
	8,000.00	8000.00		
	16,000.00	16000.00		
	24,000.00	24000.00		
	32,000.00	32,000.00		
	40,000.00	40,000.00		
	48,000.00	48,000.00		
	56,000.00	56,000.00		
	64,000.00	64,000.00		

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Culture & Community
Head of Homes & Housing and Public Protection

(A) Statutory and Nationally Agreed Charges

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
Additional annual fee payable (if applicable)				
Numbers in attendance at any one time				
5,000 - 9,999	500.00	500.00		
10,000 - 14,999	1000.00	1000.00		
15,000 - 19,999	2000.00	2000.00		
20,000 - 29,999	4000.00	4000.00		
30,000 - 39,999	8,000.00	8,000.00		
40,000 - 49,999	12,000.00	12,000.00		
50,000 - 59,999	16,000.00	16,000.00		
60,000 - 69,999	20,000.00	20,000.00		
70,000 - 79,999	24,000.00	24,000.00		
80,000 - 89,999	28,000.00	28,000.00		
90,000 and over	32,000.00	32,000.00		
Club premises certificates				
New application variation				
Band A	100.00	100.00		
Band B	190.00	190.00		
Band C	315.00	315.00		
Band D	450.00	450.00		
Band E	635.00	635.00		

Basis of Increase:

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**Culture & Community
Head of Homes & Housing and Public Protection**

(A) Statutory and Nationally Agreed Charges

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
Annual charge				
Band A	70.00	70.00		
Band B	180.00	180.00		
Band C	295.00	295.00		
Band D	320.00	320.00		
Band E	350.00	350.00		

Basis of Increase:

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Culture & Community
Head of Homes & Housing and Public Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
ENVIRONMENTAL HEALTH ANNUAL LICENCES				
Animal boarding establishments	259.00	264.20	01/04/12	
Animal Boarding change to Licence	47.00	47.90		
Animal Boarding renewal (Animal Boarding Establishments Act 1963)	193.00	196.90		
Breeding establishments for dogs (Breeding of dogs act 1973 and 1991)	193.00	196.90		
Keeping of dangerous wild animals (Dangerous Wild Animals Act 1976)	193.00	196.90		
Special treatment establishments (London Local Authority Act 1991)				
- Single treatment	231.00 reduced to £ 181 if paid by the 15th April 2012	235.60 reduced to £184.60 if paid by 15th April 2013		
- Multiple treatment	337.00 reduced to £277.00 if paid by 15th April 2012	343.70 reduced to £282.50 if paid by April 15th 2013		
- variation of licence	68.00	69.40		
- transfer of licence	67.00	68.30		
- one day licence	60.00	61.20		

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**Culture & Community
Head of Homes & Housing and Public Protection**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Performing Animals (Performing Animals(Regulations)Act 1925) Registration Application to vary registration Certificate	97.00 47.00 26.00	98.90 47.90 26.50		I I I
Pet Shops application	193.00	196.90		I
Pet Shops change to Licence (Pet Animals Act 1951)	47.00	47.90		I
Poisons (Poisons Act 1972)	59.00	60.20		I
- Inclusion on list of persons entitled to sell poison	29.00	29.60		I
- Alteration of list	59.00	60.20		I
-Retention of name on list				
Riding Establishments Riding establishments application	314.00 Plus Vet Fees	320.30 Plus Vet Fees		I
Riding establishments application to change Licence Riding establishments (Riding Establishments Acts 1964-1970)	47.00 Plus Vet Fees	47.90 Plus Vet Fees		I

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**Culture & Community
Head of Homes & Housing and Public Protection**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Notification to operate a Zoo	157.00	160.10		
Application for a Zoo Licence	523.00 Plus Vet Fees	533.50 Plus Vet Fees		
Zoo Licence application to change (Zoo Licensing Act 1981)	292.00 Plus Vet Fees	297.80 Plus Vet Fees		
Sex Establishment				
Sex Establishment Application	10,150.00	2,000.00		
Sex Establishment Licence application to change [Local Government (Miscellaneous Provisions) Act 1982]	2,092.00	1,000.00		
Hypnotism consent (Hypnotism Act 1952)	114.00	116.30		
Caravan and Camping Site	345.00	351.90		

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**Culture & Community
Head of Homes & Housing and Public Protection**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Street Trading Licences				
Subject to review and a separate consultation for proposed street trading protocol				
Trading between 05:00 - 20:00				
Seven days per week	1,885.00	1,922.70		I
Six days per week	1,616.00	1,648.30		I
Five days per week	1,351.00	1,378.10		I
Four days per week	1,078.00	1,099.60		I
Three days per week	810.00	826.20		I
Two days per week	539.00	549.80		I
One day per week	271.00	276.40		I
Trading between 20:00 - 02:00				
Seven days per week	2,333.00	2,379.70		I
Six days per week	2,001.00	2,041.00		I
Five days per week	1,667.00	1,700.30		I
Four days per week	1,334.00	1,360.70		I
Three days per week	1,000.00	1,020.00		I
Two days per week	668.00	681.00		I
One day per week	334.00	340.70		I
These can be paid annually in advance				

Basis of Increase:

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S - An increase above inflation consequent upon a corporate plan saving

**Culture & Community
Head of Homes & Housing and Public Protection**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Temporary Street Trading Licences (up to 6 months) trading between 05.00 and 20.00				
Seven days per week	943.00	961.90		
Six days per week	809.00	825.20		
Five days per week	676.00	689.50		
Four days per week	539.00	549.80		
Three days per week	405.00	413.10		
Two days per week	270.00	275.40		
One day per week	136.00	138.70		
Trading between 20.00 and 02.00				
Seven days per week	1,167.00	1,190.30		
Six days per week	1,001.00	1,021.00		
Five days per week	834.00	850.70		
Four days per week	667.00	680.30		
Three days per week	500.00	510.00		
Two days per week	334.00	340.70		
One day per week	168.00	171.40		
Daily Temporary Licence for special events	39.00	39.80		
Duplicate Licence	42.00	42.80		
Variations to existing Licences	89.00	90.80		

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**Culture & Community
Head of Homes & Housing and Public Protection**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Stray Dog Service				
Administration Fee	10.00	10.00		I stray dog service is outsourced and is contracted to Gemini. The fees are set for 3 years.
Weekdays 09.00 - 16.59	50.00	50.00		
Weekdays 17.00 - 21.59	60.00	60.00		
Weekdays 22.00 - 08.59	70.00	70.00		
Weekends 09.00 - 16.59	60.00	60.00		
Weekends 17.00 - 08.59	70.00	70.00		
Bank Holidays	70.00	70.00		
Charge per day per dog/part day	11.00	11.00		
Land Quality Reports Written report that takes less than 2 hours to complete:				
a) 5 working day response (where available and on request)	421.20	429.70 *		I
b) 20 working day response	212.40	216.70 *		I
For every hour over 2 hours	73.20	74.70 *		I

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**Culture & Community
Head of Homes & Housing and Public Protection**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
<p>5 – YEAR LICENCE HMO Licensing Basic fee per unit of accommodation (i.e. accommodation which is occupied by a single household as defined in Sec 258 of the Housing Act 2004 e.g., a bed-sit or bedroom in a shared house. In the case of a flat in multiple occupation each bedroom will count as a separate unit.</p> <p>Discounted rate per unit for landlords accredited through the London Landlord Accreditation Scheme (LLAS) or membership of a recognised Landlord's Association (i.e. an association where members sign up to a code of practice that has been approved e.g. the National Landlords Association</p> <p>Discounted rate per unit for Registered Charity or non-profit making organisation</p> <p>Assistance in filling in the application form or a site visit prior to the form being submitted</p>	<p>123.00</p>	<p>125.50</p>		<p>I</p>
	<p>102.00</p>	<p>104.10</p>		<p>I</p>
	<p>61.00</p>	<p>62.30</p>		<p>I</p>
	<p>56.00 per hr (up to max of £250)</p>	<p>57.20</p>		<p>I</p>

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**Culture & Community
Head of Homes & Housing and Public Protection**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Licence variations e.g. registering a change of ownership, change of managing agent or changes in the use of layout of the property	102.00	104.10		I
Failure to complete application within 6 months from date received by the Council	102.00	104.10		I
Renewal of HMO Licence	No Refund			
Duration of Licence	50% of the Original Cost			
Fee for each type of Statutory Notice served under the Housing Act 2004 with the ability to add the cost of any report required from external experts such as Gas, Electricity or Structural Surveyors.	5 years			
Fee per visit for Housing Inspection and Assessments for Immigration	443.36	452.30	1.4.12	
Gambling Act 2005 Fees set by LA (subject to maxima set by Govt)	120.00	122.40 *	1.4.12	

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**Culture & Community
Head of Homes & Housing and Public Protection**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Bingo club				
New premises application	3,091.00	3,152.90		I
Annual fee	605.00	617.10		I
Application to vary	1,015.00	1,035.30		I
Application to transfer	508.00	518.20		I
Application for reinstatement	788.00	803.80		I
Application for a provisional statement	1,051.00	1,072.10		I
License application (provisional statement holders)	788.00	803.80		I
Betting shop				
New premises application	1,030.00	1,050.60		I maximum annual fee that can be charged is £600
Annual fee				
Application to vary	600.00	600.00		I
Application to transfer	771.00	786.50		I
Application for reinstatement	508.00	518.20		I
Application for a provisional statement	788.00	803.80		I
License application (provisional statement holders)	1,051.00	1,072.10		I
	788.00	803.80		I

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**Culture & Community
Head of Homes & Housing and Public Protection**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Betting premises tracks				
New premises application	2,473.00	2,500.00		I
Annual fee	795.00	810.90		I
Application to vary	1,015.00	1,035.30		I
Application to transfer	508.00	518.20		I
Application for reinstatement	761.00	776.30		I
Application for a provisional statement	2,436.00	2,484.80		I
License application (provisional statement holders)	761.00	776.30		I
Family Entertainment centres				
New premises application	1,380.00	1,407.60		I
Annual fee	605.00	617.10		I
Application to transfer	508.00	518.20		I
Application for reinstatement	761.00	776.30		I
Application for a provisional statement	1,411.00	1,439.30		I
License application (provisional statement holders)	792.00	807.90		I

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S - An increase above inflation consequent upon a corporate plan saving

**Culture & Community
Head of Homes & Housing and Public Protection**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Adult gaming centres				
New premises application	1,401.00	1,429.10		I
Annual fee	605.00	617.10		I
Application to transfer	508.00	518.20		I
Application for reinstatement	761.00	776.30		I
Application for a provisional statement	1,360.00	1,387.20		I
License application (provisional statement holders)	761.00	776.30		I

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**Social Care and Learning
Learning and Achievement**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from Sept 2012) £	Charges 2013/14 (from Sept 2013) £	Operative Date of Latest Notified Charge	Base of Increase
1 Europa Centre 1a Visits (Non-Havering schools & colleges) Contact Europa for Havering prices Tuition of French, German, Spanish 5 native speakers Duration 1.5 hours, 15 students or less autumn term spring & summer terms Duration 1.5 hours, 16-30 students autumn term spring & summer terms Duration 2 hours, 15 students or less autumn term spring & summer terms Duration 2 hours, 16-30 students autumn term spring & summer terms	187.00 199.00 255.00 263.00 245.00 260.00 330.00 350.00	187.00 199.00 255.00 263.00 245.00 260.00 330.00 350.00	01/09/2012 01/09/2012 01/09/2012 01/09/2012 01/09/2012 01/09/2012 01/09/2012 01/09/2012	

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**Social Care and Learning
Learning and Achievement**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from Sept 2012) £	Charges 2013/14 (from Sept 2013) £	Operative Date of Latest Notified Charge	Base of Increase
1 Europa Centre				
1a Visits (Non-Havering schools & colleges) Contact Europa for Havering prices Tuition of French, German, Spanish				
Additional Assistants at Europa Centre (per hour)	25.00	25.00	01/09/2012	
Charge for staff supervision costs for using lunch facility	20.00	20.00	01/09/2012	
Hire of class space during visit (per half day)	25.00	25.00	01/09/2012	
1b Foreign Language Courses				
Primary (10 Lessons of 45 minutes - termly cost)	55.00	56.00	01/09/2012	I
Secondary (GCSE Support-per lesson 60 lessons over 2 years)	6.60	6.60	01/09/2012	
After School (10 Lessons of 45 minutes - termly cost)	54.00	54.00	01/09/2012	
Private Tuition (per hour)	30.00	30.00	01/09/2012	

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**Social Care and Learning
Learning and Achievement**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from Sept 2012) £	Charges 2013/14 (from Sept 2013) £	Operative Date of Latest Notified Charge	Base of Increase
1 Europa Centre 1c Hire of the Centre (non educational) Half Day (10:00am - 12.30 or 1pm to 3.30pm) Full Day (10:00am to 3.30pm) Evening Hire (per Hour) Input of any additional Europa Centre assistants (in addition to the supervisory member of staff already present) (per hour, pro rata) 1d Hire of the Centre (educational institutions) Half Day (10am-12.30 or 1pm-3.30pm) with advisory input Full Day (10am-3.30pm) with advisory input Full Day (10am-3.30pm) to include half-day advisory input Full Day (10am-3.30pm) independently run Evening Hire (per hour)	200.00 400.00 75.00 25.00 350.00 650.00 550.00 400.00 35.00	200.00 400.00 75.00 25.00 350.00 650.00 550.00 400.00 35.00	01/09/2012 01/09/2012 01/09/2012 01/09/2012 01/09/2012 01/09/2012 01/09/2012 01/09/2012 01/09/2012	

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**Social Care and Learning
Learning and Achievement**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from Sept 2012) £	Charges 2013/14 (from Sept 2013) £	Operative Date of Latest Notified Charge	Base of Increase
1 Europa Centre				
e) Language Assistant Support in schools (per hour - 2 hour minimum)	30.00	30.00	01/09/2012	
f) Translation/interpreting Services	Prices quoted per job	Prices quoted per job		
g) Mobile Europa				
1 visit of 1.5 hours	300.00	300.00	01/09/2012	
2 visits of 1.5 hours (same day)	550.00	550.00	01/09/2012	
3 visits of 1.5 hours (same day)	800.00	800.00	01/09/2012	
h) Consultation, Training & INSET - contact Europa for details Costs vary depending upon activity (consultation, adviser travelling to educational establishment, attendance of courses etc.	Prices quoted per job	Prices quoted per job		
i) Adult Evening Courses				
French, German, Spanish and Italian	198.00	198.00	01/09/2012	
British Sign Language - Level 1	411.00	411.00	01/09/2012	
British Sign Language - Level 2	599.00	570.00	01/09/2012	
British Sign Language - Level 2 continuing from level 1		520.00	01/09/2012	

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**Legal & Democratic Services
Assistant Chief Executive**

Vat Inclusive*

Income Source	Charges 2012/13 (from 1st April) £	Charges 2013/14 (from 1st April) £	Operative Date of Latest Notified Charge	Base of Increase
Legal & Democratic Services				
Licences to Assign (Seal)	410.00	420.00	1.4.13	I/N
Licence to Alter	410.00	420.00	1.4.13	I/N
Sale of Council Houses - Mortgage Fees	124.00	127.00	1.4.13	I/N
Mortgage Redemption Fee - early redemption - complete term	114.00	116.00	1.4.13	I/N
Deeds of release for pre-emption discount repayment	55.00	60.00	1.4.13	I/N
Release from Mortgage Covenant	130.00	135.00	1.4.13	I/N
Second Charge Questionnaire	80.00	85.00	1.4.13	I/N
Enquiries re: Discount repayment from Commercial sources	85.00	90.00	1.4.13	I/N
Enquiries re: Discount repayment from Commercial sources	60.00	65.00	1.4.13	I/N

Basis of Increase:

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**Legal & Democratic Services
Assistant Chief Executive**

Vat Inclusive*

Income Source	Charges 2012/13 (from 1st April) £	Charges 2013/14 (from 1st April) £	Operative Date of Latest Notified Charge	Base of Increase
Administration fee re:enquiries from commercial sources on 2nd charges	46.00*	47.00*	1.4.13	I/N
Reserve/Access Licences - single payment - annual payment	50.00 20.00	50.00 21.00	1.4.12 1.4.13	I/N
Lease of shops/offices - town centre - other <i>Complex Commercial Leases</i> <i>(fees dependent on complexity, urgency and time costs to be capped at £2,000 ex vat)</i>	610.00 450.00	620.00 460.00	1.4.13 1.4.13	I/N I/N
Sale of surplus land/property N.B. All other conveyancing costs where Council can charge when terms so provide are by agreement in terms of solicitors Remuneration Order 1972.	(Fees dependent on consideration payable)	(Fees dependent on consideration payable)		

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**Legal & Democratic Services
Assistant Chief Executive**

Vat Inclusive*

Income Source	Charges 2012/13 (from 1st April) £	Charges 2013/14 (from 1st April) £	Operative Date of Latest Notified Charge	Base of Increase
<p><i>Planning Agreements (Section 106 Town and Country Planning act 1990)</i></p> <p><i>Unilateral Undertaking</i></p> <p>Legal Charges <i>S38 Highways Act 1980 Supervision</i> <i>Section 278 Highways Act 1980</i> <i>Highway Agreements (Minimum Fee)</i></p> <p>Local Land Charges Certain fees are laid down in regulations made under the Local Land Charges Act 1975.</p> <p>Fees for Official Local Land Charge Certificates Registration of a charge in Part II of the registers Filing a definitive certificate of the Lands Tribunal under Rule 10(3) Filing a judgement order or application for the variation or cancellation of an entry in Part II on the Register</p>	<p>Fee dependent on work done subject to minimum fee of £500 (Agreement) Dependent on work done subject to minimum fee of £350 (UU)</p> <p align="center">385.00</p>	<p>Fee dependent on work done subject to minimum fee of £500 (Agreement) Dependent on work done subject to minimum fee of £350 (UU)</p> <p align="center">390.00</p>	<p align="center">1.4.13</p>	<p align="center">I/N</p>
	<p align="center">70.00 2.50 7.00</p>	<p align="center">70.00 2.50 7.00</p>	<p align="center">1.4.11 1.4.09 1.4.09</p>	

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**Legal & Democratic Services
Assistant Chief Executive**

Vat Inclusive*

Income Source	Charges 2012/13 (from 1st April) £	Charges 2013/14 (from 1st April) £	Operative Date of Latest Notified Charge	Base of Increase
Registration of any other charge	7.00	8.00	1.4.10	
Inspection of documents filed under Rule 10 in respect of each parcel of land	nil	nil	1.4.09	
And in addition in respect of each parcel of land one where rule 11 (3) of the search extends to more than one parcel, subject to a maximum of 16.00	nil	nil	1.4.09	
Official search (including issue of official certificate of search)	4.00	4.00	1.4.10	
a) in only the part of the register	15.00	15.00	1.4.10	
b) in the whole of the register - post or fax	10.00	10.00	1.4.10	
c) in the whole of the register - where the requisition is made by electronic means in accordance with rule 16	2.00	2.00	1.4.10	
And in addition in respect of each parcel of land above one, where under Rule 11 (3) more than one parcel is included in the same requisition (whether the requisition is for a search in the whole as in any part of the register) subject to a maximum of 9.80				

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**Legal & Democratic Services
Assistant Chief Executive**

Vat Inclusive*

Income Source	Charges 2012/13 (from 1st April) £	Charges 2013/14 (from 1st April) £	Operative Date of Latest Notified Charge	Base of Increase
Office copy of any entry in the register (not including a copy or extract of any plan or document filed pursuant to these rules)	1.50	1.50	1.4.10	
Office copy of any plan or other document filed pursuant to these rules	nil	nil	1.7.10	
Personal Searches in whole or part of the Register	15.00	15.00	1.7.10	
Extract of register in place of personal search	70.00	70.00	1.4.10	
CON29(R) Enquiries				
One parcel of land				
Several parcels of land				
- first extra parcel				
- each addition	29.50	29.50	1.4.09	
(fees that exceed 100 to be fixed by arrangement)				
Update Search Fee	50.00	50.00	1.4.09	
Part 2 Enquiries				
Each printed enquiry	17.00	17.00	1.4.09	I/S
With exception to Question 4	26.50	27.00	1.4.13	I/S
Each additional enquiry	28.50	29.00	1.4.13	I/S
With exception of surrounding area enquiries	42.00	42.00	1.4.09	

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**Legal & Democratic Services
Assistant Chief Executive**

Vat Inclusive*

Income Source	Charges 2012/13 (from 1st April) £	Charges 2013/14 (from 1st April) £	Operative Date of Latest Notified Charge	Base of Increase
Provision of access data to external body to answer CON29(R) and (O) questions	nil	nil	1.7.10	
Data for CON 29(R) questions	11.00	11.00	1.4.10	
Certified Copy of Land Search	2.00*	2.00*	1.4.11	
Copying Charges - Legal Documents	0.20*	0.20*	1.4.11	
First Page	35.00	35.00	1.4.11	
Subsequent pages	27.40	28.00	1.4.13	I/N
Certified copy of transactional documents	50.00*	55.00*	1.4.13	I/N
Certified copy of extract of Highways Register				
Street Naming & Numbering				
1 new property/ house or premise name change (to include property conversions up to 4 units)	50.00*	55.00*	1.4.13	I/N
New Addresses - (Block names included) in an existing road				
1-5 plots	50.00*	55.00*	1.4.13	I/N
6-25 plots	70.00*	75.00*	1.4.13	I/N
26-45 plots	150.00*	160.00*	1.4.13	I/N
46-100 plots	200.00*	210.00*	1.4.13	I/N
100+ plots	300.00*	320.00*	1.4.13	I/N
New Addresses plus new road names				
1-5 plots	100.00*	100.00*	1.4.12	
6-25 plots	140.00*	140.00*	1.4.12	
26-45 plots	300.00*	300.00*	1.4.12	
46-100 plots	400.00*	400.00*	1.4.12	
100+ plots	600.00*	600.00*	1.4.12	

Basis of Increase:

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**Legal & Democratic Services
Assistant Chief Executive**

Vat Inclusive*

Income Source	Charges 2012/13 (from 1st April) £	Charges 2013/14 (from 1st April) £	Operative Date of Latest Notified Charge	Base of Increase
<p>Use of Council Chamber and Committee Rooms – Town Hall</p> <p>Council Chamber</p> <p>Monday to Friday - per whole day</p> <p>Monday to Friday - per half day</p> <p>Weekends - per whole day</p> <p>Weekends - per half day</p> <p>Evenings - after 6pm (Fridays and weekends only)</p> <p>Committee Room 3</p> <p>Monday to Friday - per whole day</p> <p>Monday to Friday - per half day</p> <p>Monday to Friday - per 2 hour session.</p> <p>Evening - after 6pm (Fridays and weekends only)</p> <p>Other Committee Rooms - per hour (daytime & evening)</p> <p>Room 1</p> <p>Room 2</p> <p>Room 4</p> <p><u>Lettings to Charities and Voluntary Organisations</u></p> <p>Lettings to charities and voluntary organisations will usually attract a 50% discount.</p>	<p>320.00</p> <p>160.00</p> <p>445.00</p> <p>223.00</p> <p>195.00</p> <p>200.00</p> <p>100.00</p> <p>75.00</p> <p>100.00</p> <p>25.00</p> <p>25.00</p> <p>18.00</p>	<p>326.00</p> <p>163.00</p> <p>453.00</p> <p>227.00</p> <p>198.00</p> <p>204.00</p> <p>102.00</p> <p>76.00</p> <p>102.00</p> <p>25.00</p> <p>25.00</p> <p>18.00</p>	<p>1.4.13</p> <p>1.4.13</p> <p>1.4.13</p> <p>1.4.13</p> <p>1.4.13</p> <p>1.4.13</p> <p>1.4.13</p> <p>1.4.13</p> <p>1.4.13</p> <p>1.4.13</p> <p>1.4.13</p>	<p>I/N</p> <p>I/N</p> <p>I/N</p> <p>I/N</p> <p>I/N</p> <p>I/N</p> <p>I/N</p> <p>I/N</p> <p>I/N</p> <p>I/N</p> <p>I/N</p>

Basis of Increase:

- C - An increase dependent on committee approval
- D - Increase recommended by Manager of Democratic Services
- E - Increase recommended by Manager of Election Services
- I - Based on relevant inflationary change
- L - Increase recommended by Head of Legal Services
- N - A nominal increase e.g. due to rounding of charge
- S - An increase above inflation consequent upon a corporate plan saving

**Legal & Democratic Services
Assistant Chief Executive**

Vat Inclusive*

Income Source	Charges 2012/13 (from 1st April) £	Charges 2013/14 (from 1st April) £	Operative Date of Latest Notified Charge	Base of Increase
Land and Property Services Various charges for services to private sector Democratic Services Copies of the Constitution All Departments Local Government (Access to Information) Act 1985 Inspection of papers in background paper list Copying Supply of photocopies of background papers - first page - cost per additional page	24.40	25.00	1.4.13	I/N
	2.00* 0.20*	2.00* 0.25*	1.4.13 1.4.13	I/N I/N

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- I - Based on relevant inflationary change
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**Legal & Democratic Services
Assistant Chief Executive**

Vat Inclusive*

Income Source	Charges 2012/13 (from 1st April) £	Charges 2013/14 (from 1st April) £	Operative Date of Latest Notified Charge	Base of Increase
Electoral Registration				
Sale of Electoral Registers				
Data format	20.00	20.00	1.2.01	
-Additional charge per 1000 entries	1.50	1.50	1.2.01	
Paper format	10.00	10.00	1.2.01	
-Additional charge per 1000 entries	5.00	5.00	1.2.01	
Registration Certificate	16.50	16.75	1.4.13	I/N
Charge for each additional year checked	5.30	5.35	1.4.13	I/N
Ward Map	3.30	3.50	1.4.13	I/N
Photocopying - first page	2.55*	2.75*	1.4.13	I/N
- cost per additional page	0.20*	0.25*	1.4.13	I/N

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**Legal & Democratic Services
Assistant Chief Executive**

Vat Inclusive*

Income Source	Charges 2012/13 (from 1st Sept) £	Charges 2013/14 (from 1st Sept) £	Operative Date of Latest Notified Charge	Base of Increase
Education Appeals				
Admission appeals				
Per appeal withdrawn before processing	Vat Inclusive No charge	Vat Inclusive No charge	1.9.13	N/I
Per processed appeal withdrawn less than three weeks before hearing	£132	£134	1.9.13	N/I
Per appeal withdrawn once papers for hearing have been distributed	£156	£159	1.9.13	N/I
Per appeal heard	£204	£208	1.9.13	N/I
Per appeal referred to the Secretary of State alleging maladministration	Charge to be agreed on basis of work required at £42 per hour	Charge to be agreed on basis of work required at £42 per hour		
Per appeal subject to judicial review proceedings	Charge to be agreed on basis of work required at £42 per hour	Charge to be agreed on basis of work required at £42 per hour	1.9.13	N/I

Basis of Increase:

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- D - Increase recommended by Manager of Democratic Services
- E - Increase recommended by Manager of Election Services
- I - Based on relevant inflationary change
- L - Increase recommended by Head of Legal Services
- N - A nominal increase e.g. due to rounding of charge
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Legal & Democratic Services
Assistant Chief Executive

Vat Inclusive*

Income Source	Charges 2012/13 (from 1st Sept) £	Charges 2013/14 (from 1st Sept) £	Operative Date of Latest Notified Charge	Base of Increase
Education Appeals				
Exclusion reviews Per review withdrawn before processing Per processed review withdrawn less than three weeks before hearing Per review withdrawn once papers for hearing have been distributed Per review heard	Vat Inclusive No charge £132 £156 £264 for first hour of hearing and up to four hours of the clerk's time after the hearing; plus	Vat Inclusive No charge £134 £159 £270 for first hour of hearing and up to four hours of the clerk's time after the hearing; plus	1.9.13 1.9.13 1.9.13	N/I N/I N/I
Per review referred to the Secretary of State alleging maladministration	£60 for each subsequent hour or part of an hour of hearing; plus £42 for each subsequent hour or part of an hour of clerk's time Charge to be agreed on basis of work required at £42 per hour	£60 for each subsequent hour or part of an hour of hearing; plus £42 for each subsequent hour or part of an hour of clerk's time Charge to be agreed on basis of work required at £42 per hour	1.9.13	N/I
Per review subject to judicial review proceedings	Charge to be agreed on basis of work required at £42 per hour	Charge to be agreed on basis of work required at £42 per hour	1.9.13	N/I

Basis of Increase:

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- E - Increase recommended by Manager of Election Services
- I - Based on relevant inflationary change
- L - Increase recommended by Head of Legal Services
- N - A nominal increase e.g. due to rounding of charge
- S - An increase above inflation consequent upon a corporate plan saving

**Culture and Community
Head of Culture and Leisure Services**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
FINES				
Adults	0.26	0.27	01/04/13	I/N
Children	0.12	0.13	01/04/13	I/N
Spoken Words	0.26	0.27	01/04/13	I/N
Lost Tickets	3.50	3.60	01/04/13	I/N
Lost Items - Replacement Cost (Min charge £10)				I/N
Overdue notifications				
1st Overdue (E-Mail)	0.00	0.00	01/04/12	I/N
1st Overdue (Text/Telephone)	0.16	0.17	01/04/13	I/N
1st Overdue (Post)	1.10	1.12	01/04/13	I/N
2nd Overdue				
Reservations				
Adult (E-mail)	1.12	1.14	01/04/13	I/N
Adult (Text/Telephone)	1.30	1.33	01/04/13	I/N
Adult (Post)	1.70	1.73	01/04/13	I/N
Children				
Items not held within borough				
Adult (E-mail)	2.60	2.65	01/04/13	I/N
Adult (Text/Telephone)	2.75	2.80	01/04/13	I/N
Adult (Post)	3.30	3.35	01/04/13	I/N
Children				

Basis of Increase:

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G - An increase below inflation consequent upon a corporate growth plan.

I - Based on relevant inflationary change

N - A nominal increase e.g. due to rounding of charge

S - An increase above inflation consequent upon a corporate plan saving

**Culture and Community
Head of Culture and Leisure Services**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
1 CDs per week - Singles - Sets Spoken Word per 3 weeks (registered blind exempt) DVDS per week	1.20 2.20	1.22 2.20 1.17 3.00	01/04/13 01/04/12 01/04/13 01/04/13	I/N I/N I/N I/N
Music Scores(3 Months) Cost to be agreed with customer before progressing order				
Photo Copies * B/W A4 B/W A3 Colour A3 (Photocopy) Colour A4 (Photocopy)	0.30 0.35 2.00 1.40	0.30 0.35 2.10 1.50	01/04/12 01/04/12 01/04/12 01/04/12	I/N I/N I/N I/N
People's Network-Printing * B/W A4 (Printout per page) Colour A4 (Printout per page)	0.30 1.40	0.30 1.40	01/04/12 01/04/12	I/N I/N
People's Network-Usage 1st Hour Elect Equipment i.e. Lap Top Charging per day etc. Elect Equipment i.e. Mobile Phone charging per day etc. All other elect appliances	1.00 1.00 1.00	1.00 1.00 1.00	01/04/12 01/04/12 01/04/12	I/N I/N I/N

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**Culture and Community
Head of Culture and Leisure Services**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
<p>Room Hire (3 Hour Session) Upminster per hour Upminster-After 8pm £25 locking up fees Hornchurch 1st hour Large meeting room Additional hours Large meeting room Hornchurch-After 10pm £25 locking up fees Hornchurch Class Room One per hour Hornchurch Class Room Two per hour Elm Park Meeting Room per hour Romford 1st hour Large meeting room Additional hours Large meeting room Romford-After 10pm £25 locking up fees</p>	<p>20.00 25.00 25.00 20.00 25.00 20.00 15.00 20.00 25.00 20.00 25.00</p>	<p>20.00 25.00 25.00 20.00 25.00 20.00 15.00 20.00 25.00 20.00 25.00</p>	<p>01/04/12 01/04/12 01/04/12 01/04/12 01/04/12 01/04/12 01/04/12 01/04/12 01/04/12 01/04/12 01/04/12</p>	
<p>Exhibitions(per week) Upminster at exhibitors liability for one week Hornchurch at exhibitors liability for one week</p>	<p>0.00 0.00</p>	<p>0.00 0.00</p>	<p>01/04/12 01/04/12</p>	

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**Finance and Commerce
Head of Asset Management**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
1				
<u>Market Charges</u>				
Licensed Traders -Monthly Charges(Includes Weds,Fri & Sat Markets)				
Markets- All Locations				
Ground space/ 6ft frontage	169.50	169.50	01/04/2013	C
Lighting-monthly per point	11.60	11.60	01/04/2013	C
Extra Land(Daily Charges)	5.30	5.30	01/04/2013	C
Other one-off charges				
Nomination of Licence	253.00	253.00	01/04/2013	C
Nomination of Licence to member of Family	183.00	183.00	01/04/2013	C
Other alterations to Licences	42.00	42.00	01/04/2013	C
<u>Market Charges</u>				
Casual Traders-Daily Charges				
Casual Licence – Saturday Market – Ground Space of 6ft frontage	22.50	22.50	01/04/2013	C
Casual Licence – Wed or Friday Market – Ground Space of 6ft frontage	15.25	15.25	01/04/2013	C
Lighting Charges-Per point per day	2.55	2.55	01/04/2013	C
Extra Land per day	5.30	5.30	01/04/2013	C

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**Finance and Commerce
Head of Asset Management**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2012/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
¹ Extra Market Days – At Christmas/Sundays/Banks Holidays Ground Space of 6ft frontage Licenced Traders (having held a licence for at least 2 mths, incl nominations) Casual Traders Other Additional Daily Charges (Lighting/Extra Land etc) as appropriate	15.25 20.30	15.25 20.30	 01/04/2013 01/04/2013	 C C

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**Social Care and Learning
Learning & Achievement**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
<p>Music School</p> <p>(a) Saturday Morning Music School (32 sessions per year including 2 concerts)</p> <p>(b) Wednesday and Weekday Music Centre (32 sessions per year including 2 concerts)</p> <p>Registration Fee</p> <p>Individual Lesson</p> <p>Group Lesson – 2 pupils</p> <p>Group Lesson – 3 pupils</p> <p>Keyboard Class</p> <p>Music Kindergarten</p> <p>Young Musicians Registration Fee</p> <p>Young Musicians Instrumental Class (group of 4)</p> <p>(c) Associate Ensemble Membership</p> <p>Associate Member (Secondary)</p> <p>Associate Member (Primary)</p> <p>Associate Member (Adult)</p>	<p>92.85</p> <p>149.50</p> <p>101.05</p> <p>67.45</p> <p>50.95</p> <p>41.50</p> <p>53.40</p> <p>51.00</p> <p>41.50</p> <p>30.20</p> <p>44.30</p>	<p>94.70</p> <p>152.50</p> <p>103.10</p> <p>68.80</p> <p>52.00</p> <p>42.35</p> <p>54.50</p> <p>52.00</p> <p>42.35</p> <p>30.80</p> <p>45.50</p>	<p>01/04/2012</p> <p>01/04/2012</p> <p>01/04/2012</p> <p>01/04/2012</p> <p>01/04/2012</p> <p>01/04/2012</p> <p>01/04/2012</p> <p>01/04/2012</p> <p>01/04/2012</p> <p>01/04/2012</p> <p>01/04/2012</p>	<p>I/N</p> <p>I/N</p> <p>I/N</p> <p>I/N</p> <p>I/N</p> <p>I/N</p> <p>I/N</p> <p>I/N</p> <p>I/N</p> <p>I/N</p>

Basis of Increase:

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- S - An increase above inflation consequent upon a corporate plan saving

**Social Care and Learning
Learning & Achievement**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Music School d) Hire of Instruments (Annual Charges) e) Scholarship Secondary - Individual Lesson (30 mins) Secondary - Individual Lesson (15 mins) Primary - Individual Lesson (30 mins) Primary - Individual Lesson (15 mins) <i>Scholarships are no longer offered to primary age children</i>	29.20 123.75 82.05 101.95 62.15	32.00 127.75 84.75 N/A N/A	01/04/2012 01/04/2012 01/04/2012 01/04/2012 01/04/2012	I/N I/N I/N I/N I/N

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**Culture & Community
Head of Culture & Leisure**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
Lettings to voluntary organisations Broad based groups Recreational/Sports Groups Other groups (Discretionary)	4.06 11.65 7.49	4.50 12.00 8.00	01/04/13 01/04/13 01/04/13	I/N I/N I/N
My Place (all charges are for 1hr unless stated otherwise) Charges for Community Organisations and Non Profit Organisations Off Peak (Mon - Fri 9am - 6pm) Performance Hall Performance hall with staging, sound and lighting - 4hrs Music Studio - 4hrs* Technician Games Room* Art Room* Health Room IAG Room Counselling Room Large Meeting Room Small Meeting Room Bike Workshop IT Hub - reservation fee per computer*	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A	18.00 90.00 40.00 18.00 15.00 9.00 7.00 7.00 7.00 12.00 8.00 12.00 1.00	01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13	New Charge New Charge New Charge New Charge New Charge New Charge New Charge New Charge New Charge New Charge New Charge New Charge New Charge

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- S - An increase above inflation consequent upon a corporate plan saving

**Culture & Community
Head of Culture & Leisure**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
<p>My Place (all charges are for 1hr unless stated otherwise) Charges for Community Organisations and Non Profit Organisations Peak</p> <p>Performance Hall Party Bookings - (Weekend) Performance hall with staging, sound and lighting - 4hrs Music Studio - 4hrs* Technician Games Room* Art Room* Health Room IAG Room Counselling Room Large Meeting Room Small Meeting Room Bike Workshop IT Hub - reservation fee per computer*</p>	<p>N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A</p>	<p>22.00 31.00 130.00 50.00 18.00 20.00 12.00 9.00 9.00 9.00 15.00 10.00 15.00 1.00</p>	<p>01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13</p>	<p>New Charge New Charge New Charge New Charge New Charge New Charge New Charge New Charge New Charge New Charge New Charge New Charge New Charge New Charge New Charge</p>

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation consequent upon a corporate growth plan.

I - Based on relevant inflationary change

N - A nominal increase e.g. due to rounding of charge

S - An increase above inflation consequent upon a corporate plan saving

**Culture & Community
Head of Culture & Leisure**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
<p>My Place (all charges are for 1hr unless stated otherwise) Charges for Commercial Organisations Off Peak (Mon - Fri 9am - 6pm) Performance Hall Performance hall with staging, sound and lighting - 4hrs Music Studio - 4hrs* Technician Games Room* Art Room* Health Room IAG Room Counselling Room Large Meeting Room Small Meeting Room Bike Workshop IT Hub - reservation fee per computer*</p>	<p>N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A</p>	<p>30.00 160.00 60.00 25.00 30.00 20.00 16.00 16.00 16.00 25.00 20.00 25.00 1.00</p>	<p>01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13</p>	<p>New Charge New Charge New Charge New Charge New Charge New Charge New Charge New Charge New Charge New Charge New Charge New Charge New Charge</p>

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- N - A nominal increase e.g. due to rounding of charge
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**Culture & Community
Head of Culture & Leisure**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
My Place (all charges are for 1hr unless stated otherwise) Charges for Commercial Organisations Peak				
Performance Hall	N/A	40.00	01/04/13	New Charge
Performance hall with staging, sound and lighting - 4hrs	N/A	240.00	01/04/13	New Charge
Music Studio - 4hrs*	N/A	80.00	01/04/13	New Charge
Technician	N/A	25.00	01/04/13	New Charge
Games Room*	N/A	40.00	01/04/13	New Charge
Art Room*	N/A	25.00	01/04/13	New Charge
Health Room	N/A	20.00	01/04/13	New Charge
IAG Room	N/A	20.00	01/04/13	New Charge
Counselling Room	N/A	20.00	01/04/13	New Charge
Large Meeting Room	N/A	30.00	01/04/13	New Charge
Small Meeting Room	N/A	22.00	01/04/13	New Charge
Bike Workshop	N/A	30.00	01/04/13	New Charge
IT Hub - reservation fee per computer*	N/A	1.00	01/04/13	New Charge
Additional Services at My place				
Rigging - per person per hour	N/A	18.00	01/04/13	New Charge
De-rigging - per person per hour	N/A	25.00	01/04/13	New Charge

Basis of Increase:

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G - An increase below inflation consequent upon a corporate growth plan.

I - Based on relevant inflationary change

N - A nominal increase e.g. due to rounding of charge

S - An increase above inflation consequent upon a corporate plan saving

**Finance & Commerce
Head of Development & Building Control**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Photocopying per A4 sheet (minimum charge £1)	0.20 *	0.20 *	01/04/13	
Photocopying of plans (per sheet)	17.50 *	17.85 *		
Planning History (per site)	22.50	23.00		
Building Control History (per site)	22.50	23.00		
Other Planning requests - per hour (minimum 1/2 hour)	65.00/hour	67.30		
Other Building Control requests - per hour	65.00	67.30		
[The Building (Local Authority Charges) Regulations 2010]				
Committee reports (available from website for free)	No Charge			
Planning Decision Notices	17.50 *	17.85 *		
Building Control Approvals and Completion Certificates	17.50	17.85		
Planning Enquiry Letter (per response)	22.50	23.00		
Building Control Enquiry Letter (per response)	22.50	23.00		
Pre-application advice (Major Development)	1,450.00 *	1479.00 *		
Pre-application advice (Minor Development)	725.00 *	739.50 *		
Section 106 Monitoring - A percentage of the total tariff payment required under the Council's Planning Obligations Supplementary Planning Document. For further details please contact the Planning service.				
Demolition Notices (larger sites will be assessed separately.	130.00	135.00		
Customers are invited to contact Building Control for a bespoke price)		per site		
Building Control - Dangerous Structure charge - 8am - 5pm - per hour	66.00	67.30		
Building Control - Dangerous Structure charge - 5pm - 8am - per hour	99.00	101.25		
(Travelling costs will also be charged as appropriate as well as Dangerous Structures Consortium Contractors Costs)				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation consequent upon a corporate growth plan.

I - Based on relevant inflationary change

N - A nominal increase e.g. due to rounding of charge

S - An increase above inflation consequent upon a corporate plan saving

**Culture and Community
Head of Customer Services**

(A) Statutory and Nationally Agreed Charges

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
Section 64(2) General search of indexes of register of books kept by superintendent registrars	18.00	18.00	01.04.04	
Certified copy of entry issued under that sub-section	9.00	9.00	06.04.10	
Section 65(2) Certified copy of entry, following search of indexes kept at General Register Office	9.00	9.00	06.04.10	
Births, Deaths Registration Act 1953 Section 30(2) certified copy of entry following search of indexes kept at General Register Office	9.00	9.00	06.04.10	

Basis of Increase:

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- N - A nominal increase e.g. due to rounding of charge
- S - An increase above inflation consequent upon a corporate plan saving

**Culture and Community
Head of Customer Services**

(B) Charges determined by Committee

Vat Inclusive*

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
REGISTRAR OF BIRTHS, DEATHS AND MARRIAGES AND CIVIL PARTNERSHIP Off site attendance to Officiate at an approved premise wedding/civil partnership Monday to Friday Saturday Sunday/ Bank Holiday	396.00 480.00 600.00	396.00 480.00 600.00	01/04/2012 01/04/2012 01/04/2012	I/N I/N I/N
Langtons Hall-New Approved Premise High Season (March-October) ~ Fri to Sun Now includes red carpet (£25) Monday to Thursday Friday Saturday Sunday/ Bank Holiday	305.00 405.00 600.00 685.00	305.00 430.00 625.00 710.00	01/04/2012 01/04/2013 01/04/2013 01/04/2013	I/N I/N I/N I/N
Low Season (November-February)~ Fri to Sun now includes red carpet (£25) Monday to Thursday Friday Saturday Sunday/ Bank Holiday	255.00 355.00 460.00 585.00	255.00 380.00 485.00 610.00	01/04/2012 01/04/2013 01/04/2013 01/04/2013	I/N I/N I/N I/N

Basis of Increase:

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- T - A decrease consequent upon a corporate growth plan

**Culture and Community
Head of Customer Services**

(B) Charges determined by Committee

Vat Inclusive*

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
On site attendance to Officiate at a wedding/civil partnership at Langtons House	183.00	183.00	01/04/2012	I/N
High Season (March-October) Monday to Thursday	300.00	300.00	01/04/2012	I/N
Friday	380.00	380.00	01/04/2012	I/N
Saturday	578.00	578.00	01/04/2012	I/N
Sunday/ Bank Holiday				
Low Season(November-February) Monday to Thursday	162.00	162.00	01/04/2012	I/N
Friday	270.00	270.00	01/04/2012	I/N
Saturday	330.00	330.00	01/04/2012	I/N
Sunday/ Bank Holiday	500.00	500.00	01/04/2012	I/N
Other Civil Ceremonies				
Naming Ceremonies / Re-affirmation of vows * (prices include VAT) - Langtons Wedding Rooms				
High Season (March - October) Monday to Thursday	183.00 *	183.00 *	01/04/2012	I/N
Friday	300.00 *	300.00 *	01/04/2012	T
Saturday	380.00 *	380.00 *	01/04/2012	T
Sunday	578.00 *	578.00 *	01/04/2012	T

Basis of Increase:

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**Culture and Community
Head of Customer Services**

(B) Charges determined by Committee

Vat Inclusive*

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Low Season (November - February) Monday to Thursday	162.00 *	162.00 *	01/04/2012	T
Friday	270.00 *	270.00 *	01/04/2012	T
Saturday	330.00 *	330.00 *	01/04/2012	T
Sunday	500.00 *	500.00 *	01/04/2012	T
Civil Wedding/Partnership Package	1900.00	1900.00	01/04/2012	
Platinum Wedding Package		2200.00	01/07/2012	
Naming Ceremonies / Re-affirmation of vows * (prices include VAT) - Langtons Hall				
High Season (March - October)				
Monday to Thursday	305.00 *	305.00 *	01/04/2012	T
Friday	405.00 *	405.00 *	01/04/2012	T
Saturday	600.00 *	600.00 *	01/04/2012	T
Sunday	685.00 *	685.00 *	01/04/2012	T
Low Season (November - February)				
Monday to Thursday	255.00 *	255.00 *	01/04/2012	I/N
Friday	355.00 *	355.00 *	01/04/2012	T
Saturday	460.00 *	460.00 *	01/04/2012	T
Sunday	585.00 *	585.00 *	01/04/2012	T
<i>(An Additional £30 is charged if any ceremony falls on any of the following three days: Valentine's day, Christmas Eve or New Year's Eve)</i>				
Individual Citizenship ceremony	140.00	140.00	01/04/2012	I/N
Wedding Rehearsal fee(per half hour)	36.00	36.00	01/04/2012	I/N
(An Additional £30 is charged if a ceremony falls on any of the following three days: Valentine's day, Christmas Eve or New Year's Eve)				

Basis of Increase:

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- T - A decrease consequent upon a corporate growth plan

**Culture and Community
Head of Customer Services**

(B) Charges determined by Committee

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Langtons Hall Hire (Hourly) Monday-Friday 9.00-19.00 Monday-Thursday 19.00-24.00 Friday Evening, Saturday and Sunday (A discount of 20% applies for bookings of more than 6 hours at the weekend)	27.00 38.00 75.00	27.00 38.00 75.00	01/04/2012 01/04/2012 01/04/2012	
Langtons Room Hire (Hourly) at all times (A discount of 30% applies for Charity/Community groups by application)	27.00	27.00	01/04/2012	
Copy Certificate fast-track service+ Within 24 hours Within 1 hour++	10.00 + 25.00 +	10.00 + 25.00 +	01/04/2012 01/04/2012	
(+charges in addition to statutory fee for charge of actual certificate) (++ To be a 'while you wait' service from 11/12)				
Change of ceremony appointment fee	25.00	25.00	01/04/2012	
Hire of Red Carpet	25.00	25.00	01/04/2012	
Sponsorship for Langtons Ceremony Brochure (price includes VAT for 10/11 but not applied for 09/10)				
Whole A5 page -portrait	560.00	560.00	01/04/2012	I/N
Half A5 Page - Landscape	305.00	305.00	01/04/2012	I/N
Quarter A5 Page - Portrait	180.00	180.00	01/04/2012	I/N
Back Cover - Whole A5 Page - Portrait	1,120.00	1,120.00	01/04/2012	I/N
Inside Back Cover - Whole A5 Page - Portrait	840.00	840.00	01/04/2012	I/N
Nationality Checking Service				
Single Adult	60.00	60.00	01/04/2012	
Married Couple	85.00	85.00	01/04/2012	
Child	35.00	35.00	01/04/2012	
Non-Refundable +++ appointment fee for Notice of Marriage (Saturdays) (payable in addition to the statutory fee) (+++applies to non-attendees only)	25.00	25.00	01/04/2012	

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- T - A decrease consequent upon a corporate growth plan

**Social Care & Learning
Learning & Achievement**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from Sept 2012) £	Charges 2013/14 (from Sept 2013) £	Operative Date of Latest Notified Charge	Base of Increase
1 School Meals				
1a Primary school meal	2.00	2.05	01/09/12	I/N
1b Secondary meal	2.30	2.35	01/09/12	I/N
1c Special infant	1.70	1.80	01/09/12	I/N
Special Junior	2.00	2.05	01/09/12	I/N
Adult	3.15	3.20	01/09/12	I/N
2 School Milk				
Contribution towards cost of milk for infant age children (termly charge)				
<i>Average charge per term - actual charge dependent on number of days per term and price of milk</i>				
Subsidised	10.80	N/A	01/09/12	N/A
Non Subsidised	13.13	N/A	01/09/12	N/A
<p>Note: The administration of school milk has been transferred to a private company who charge for milk at cost price for those not eligible for free milk.</p>				

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**Culture & Community
Head of Streetcare Services**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
<p>1 Streetcare</p> <p>1a Borough Roads</p> <p>1b (i) Licences</p> <p>1c To place skip/builders materials on highway/footway Up to first 14 days Each additional period of up to 7 days</p> <p>Hoardings / Scaffolds</p> <p>Deposit (refundable subject to no damage to highway/footway)</p> <p>¹ 2009/10 per lin metre min 275.00</p> <p>² 2010/11 per lin metre min 279.25</p> <p>2013/14 per lin metre min 296.25</p> <p>Up to first 28 days/each occasion</p> <p>¹ 2009/10 per lin metre min 111.50</p> <p>² 2010/11 per lin metre min 113.25</p> <p>2013/14 per lin metre min 120.00</p> <p>Each additional period of up to 28 days/occasion</p> <p>¹ as above</p> <p>² as above</p> <p>(ii) Vehicle Crossovers - Per square metre</p> <p>(iii) Road Closures</p> <p>(iv) Pavement licence</p> <p>(v) Clearance of Blocked Drains</p>	<p>41.50</p> <p>16.75</p> <p>58.00</p> <p>23.50</p> <p>23.50</p> <p>110.00</p> <p>1,122.00</p> <p>n/a</p> <p>102.00</p>	<p>42.50</p> <p>17.25</p> <p>59.25</p> <p>24.00</p> <p>24.00</p> <p>112.25</p> <p>1,145.00</p> <p>n/a</p> <p>104.25</p>	<p>01.04.13</p> <p>01.04.13</p> <p>01.04.13</p> <p>01.04.13</p> <p>01.04.13</p> <p>01.04.13</p> <p>01.04.13</p> <p>01.04.13</p> <p>01.04.13</p> <p>01.04.13</p>	<p>I/N</p> <p>I/N</p> <p>I/N</p> <p>I/N</p> <p>I/N</p> <p>I/N</p> <p>I/N</p> <p>I/N</p> <p>I/N</p> <p>I/N</p>

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**Culture & Community
Head of Streetcare Services**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
1 1a Refuse Collection 1b (i) Bulky Household Refuse 1c 1 to 10 points 1 to 10 points concessionary 11 to 20 points 11 to 20 points concessionary 21 to 30 points 21 to 30 points concessionary (ii) Garden refuse sacks (pack of 5) (iii) Green Waste Collection Service – per annum Wheeled bin hire included Full year Full year – concession 6 months – starting October 6 months – starting October concession Late payment charge Late payment charge after bin collection Replacement bin charge	20.65 15.45 41.30 30.90 61.90 46.45 5.85 33.50 26.80 20.00 16.00 5.00 10.00 25.00	21.50 16.00 42.50 32.00 63.50 48.00 6.00 34.50 27.50 20.50 16.50 5.00 10.00 25.00	01.04.13 01.04.13 01.04.13 01.04.13 01.04.13 01.04.13 01.04.13 01.04.13 01.04.13 01.04.12 01.04.12 01.04.12	I/N I/N I/N I/N I/N I/N I/N I/N I/N I/N I/N I/N I/N

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- N - A nominal increase e.g. due to rounding of charge
- S - An increase above inflation consequent upon a corporate plan saving

**Culture & Community
Head of Streetcare Services**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
<p>1</p> <p>(iv) Trade Refuse Collection Service Trade refuse sacks (pack of 26) 1c Trade refuse sacks (pack of 26) for Charity shops</p> <p>Cardboard Collection Container emptying and disposal 1100 / Pal / 660 litre bin - 1st bin per visit 2nd & subsequent bins 360 litre wheeled bin Container emptying - Charity shops - LBH Schools</p> <p>Container hire - per annum Eurobins - 1100 litres - 660 litres Chamberlains - 940 litres Palladin - 940 litres</p> <p>(v) Collection & disposal of trade clinical waste (per bag / box)</p> <p>(vi) Special clearances of rubbish: Up to 30 minutes on site Up to 1 hour on site Each 15 minute thereafter</p>	<p>65.30 44.00 2.30 15.55 14.45 9.85 7.58 8.52 204.00 151.66 151.66 132.00 5.66 93.69 187.36 46.84</p>	<p>67.50 45.50 2.50 16.00 15.00 10.00 8.00 9.00 208.00 154.00 154.00 135.00 6.50 96.50 193.00 48.00</p>	<p>01.04.13 01.04.13 01.04.13 01.04.13 01.04.13 01.04.13 01.04.13 01.04.13 01.04.13 01.04.13 01.04.13 01.04.13 01.04.13 01.04.13 01.04.13 01.04.13</p>	<p>I/N I/N I/N I/N I/N I/N I/N I/N I/N I/N I/N I/N I/N I/N I/N I/N</p>

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**Culture & Community
Head of Homes & Housing and Public Protection**

(A) Statutory and Nationally Agreed Charges

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
Having Trading standards Cost Centre				
Licences Per Annum				
Explosives Act 1874: Set by DTI				
Registration (Unlimited)	525.00	525.00	01/06/10	Based on DTI recommendation
Registration (Limited)	105.00	105.00	01/06/10	Statutory
New Application	52.00	52.00	01/06/10	Statutory
Renewal				
Licence	178.00	178.00	01/06/10	Statutory
New	83.00	83.00	01/06/10	Statutory
Renewal				

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Culture & Community
Head of Homes & Housing and Public Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Trading Standards NE London Metrology Partnership Income Income is credited to the joint trading account				
Section 11 (4) of the Weights and Measures Act 1985				
<u>Measures</u>				
(a) Linear (with or without divisions/sub divisions, scale not exceeding 3m) - each scale	11.40	11.60 *	01/04/13	I/N
(b) Capacity (without divisions, not exceeding 1 litre - each measure	9.00	9.20 *	01/04/13	I/N
(c) - Cubic ballast (other than brim) - each measure	187.80	191.60 *	01/04/13	I/N
Cubic ballast (brim/bucket type) - each measure	82.80	84.50	01/04/13	I/N
(i) Liquid capacity measures for making and checking average quantity purchases each measure	29.40	30.00 *	01/04/13	I/N
(ii) Templates				
* per scale - first item	51.60	52.60 *	01/04/13	I/N
* second and subsequent items	21.00	21.40 *	01/04/13	I/N

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**Culture & Community
Head of Homes & Housing and Public Protection**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Measuring Instruments				
(d) Liquid fuel, Lubricants etc - each instrument				
1. Container type - not sub-divided	97.80	99.80 *	01/04/13	I/N
	97.80	99.80 *	01/04/13	I/N
2. Other types - multi-outlets	125.40	127.90 *	01/04/13	I/N
1 meter tested	76.80	78.30 *	01/04/13	I/N
Each additional meter tested				
3. Test of peripheral equipment on separate visit	97.80	99.80 *	01/04/13	I/N
4. Test of credit card acceptor	97.80	99.80 *	01/04/13	I/N
5. MID verification				
1 meter tested	157.20	160.30 *	01/04/13	I/N
each additional meter	96.00	97.90 *	01/04/13	I/N

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**Culture & Community
Head of Homes & Housing and Public Protection**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Measuring Instruments				
(e) Intoxication liquor - each instrument				
(a) Not exceeding 150ml (individual submissions)	18.60	19.00 *	01/04/13	I/N
(b) Other	22.20	22.70 *	01/04/13	I/N
(f) Each weight (stamping)				
1. Weights exceeding 5kg or not exceeding 500mg, 2cm	10.20	10.40 *	01/04/13	I/N
2. Other weights	7.80	8.00 *	01/04/13	I/N
3. Other weights (more than one submitted)	6.60	6.70 *	01/04/13	I/N
4. Adjusting weights (per hour)	97.80	99.80 *	01/04/13	I/N

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**Culture & Community
Head of Homes & Housing and Public Protection**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Weighing Instruments (g) 1. Calibrated to weigh only metric - Not exceeding 15kg Exceeding 15kg to 100kg Exceeding 100kg to 250kg Exceeding 250kg to 1 tonne Exceeding 1 tonne to 10 tonne Exceeding 10 tonnes to 30 tonnes Exceeding 30 tonnes to 60 tonnes 2. When testing instruments incorporating remote display or printing facilities, and where completion of the test requires a second person or a second series of tests by the same person, an additional fee may be charged	31.80 45.60 75.60 109.80 177.00 369.05 549.60	32.50 * 46.50 * 77.10 * 112.00 * 180.50 * 376.40 * 560.60 *	01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13 01/04/13	I/N I/N I/N I/N I/N I/N I/N
	97.80	99.80 *	01/04/13	I/N

Basis of Increase:

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G - An increase below inflation consequent upon a corporate growth plan.

I - Based on relevant inflationary change

N - A nominal increase e.g. due to rounding of charge

S - An increase above inflation consequent upon a corporate plan saving

**Culture & Community
Head of Homes & Housing and Public Protection**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
3. Medical weighing scales 1. Calibrated to weigh only metric - Not exceeding 15kg Exceeding 15kg to 100kg Exceeding 100kg to 250kg Exceeding 250kg to 1 tonne	31.80 45.00 75.60 109.80	32.40 * 45.90 * 77.10 * 112.00 *	01/04/13 01/04/13 01/04/13 01/04/13	I/N I/N I/N I/N
Certificate of errors - for supplying a certificate containing results of errors found on testing (cert supplied upon request of the submitter, fee applies when no other fee is payable)	42.60	43.50 *	01/04/13	I/N

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**Culture & Community
Head of Homes & Housing and Public Protection**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
<p>Measuring Instrument Directive * Measuring Instruments for liquid fuel and lubricants (initial verification not re-verification)</p> <p>Other Weighing or Measuring Equipment Brake tester/spring balance type For equipment other than the categories specifically described above, or equipment submitted for testing by means of statistical sampling techniques, or in pursuance of a Community obligation other than EEC. Initial or partial verification per man hour spent at place of submission of equipment etc. (pro rata for one quarter hour periods)</p>	<p>10% Surcharge</p> <p>51.60</p> <p>97.80</p>	<p>10% Surcharge *</p> <p>52.60 *</p> <p>99.80 *</p>	<p>01/04/13</p> <p>01/04/13</p>	<p>I/N</p> <p>I/N</p>

Basis of Increase:

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**Culture & Community
Head of Homes & Housing and Public Protection**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
<p>Standards Services provided to Other Local Authorities</p> <p>Testing and Associated Services - per hour</p> <p>Collection Delivery charge return trip + congestion charge where applicable</p> <p>Section 76 of the 1985 Act</p> <p>For other services or facilities provided, or for authorisation, certificates or other documents issued in pursuance of a community obligation</p> <p>Per man hour spent at place of providing the service, facility etc/ (pro rata of one quarter hour periods)</p>	<p>81.50</p> <p>63p/per mile</p>	<p>83.10</p> <p>65p/per mile</p>	<p>01/04/13</p> <p>01/04/13</p>	<p>I/N</p> <p>I/N</p>

Basis of Increase:

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**Culture & Community
Head of Homes & Housing and Public Protection**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
<p>UKAS Laboratory</p> <p>Charge for calibration t M1 level 25kg - 1mg (incl cert where total order over £100): One weight submitted Certificate where total order is less than 100</p> <p>Charge for calibration to F2 level 20kg - 1mg (incl cert where total order over £100): One weight submitted Certificate where total order is less than £100</p> <p>Where multiple weights are submitted of the same nomination a 10% reduction may apply.</p>	<p>15.00 23.40</p> <p>36.60 23.40</p>	<p>15.30 * 23.90 *</p> <p>37.30 * 23.90 *</p>	<p>01/04/13 01/04/13</p> <p>01/04/13 01/04/13</p>	<p>I/N I/N</p> <p>I/N I/N</p>

Basis of Increase:

- C - An increase dependent on committee approval
- G - An increase below inflation consequent upon a corporate growth plan.
- I - Based on relevant inflationary change
- N - A nominal increase e.g. due to rounding of charge
- S - An increase above inflation consequent upon a corporate plan saving

Culture & Community
Head of Homes & Housing and Public Protection

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
GLC (General Powers) Act 1985: Competitive Bidding - registration fee	315.00	322.00	01/04/13	I/N
Marriage Act 1949 Wedding Registration	680.00	694.00	01/04/13	I/N

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**Culture & Community
Head of Homes & Housing and Public Protection**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Vehicles (Crime) Act 2001 Motor Salvage Registration	103.50	105.60	01/04/13	I/N
Motor Salvage Registration with search	113.50	115.80	01/04/13	I/N
Approval of premises for Civil Marriages Review / Appeal	680.00	694.00	01/04/13	I/N
Buy With Confidence scheme Application or renewal fee (INC VAT@20%) PASS' Alcohol awareness retailer training fee (per delegate - inc. VAT)	134.40 New Fee	144.00 60.00 *	01/04/13 01/04/13	I/N

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**Culture and Community
Head of Streetcare Services**

(A) Statutory and Nationally Agreed Charges by London Councils Transport and Environment Committee (TEC)

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Basis of Increase
<p>1</p> <p>1a Parking Facilities</p> <p>1b Penalty Charge Notices (Levels set by London Councils and agreed by the Mayor of London</p> <p>1c and endorsed by the Secretary of State)</p> <p>Less Serious Contravention Band A</p> <p>Less Serious Contravention Band A if paid within 14days</p> <p>Serious Contravention Band A</p> <p>Serious Contravention Band A paid within 14 days</p> <p>Less Serious Band B</p> <p>Less Serious paid within 14 days</p> <p>Serious Band B</p> <p>Serious Band B if paid within 14 days</p> <p>Vehicle Clamping and Removal</p> <p>Vehicle Immobilisation release fee</p> <p>Vehicle Pound release fee (if clamped)</p> <p>Disposal Fee</p> <p>Vehicle Pound storage fee (per day)</p>	<p>80.00</p> <p>40.00</p> <p>130.00</p> <p>65.00</p> <p>60.00</p> <p>30.00</p> <p>110.00</p> <p>55.00</p> <p>70.00</p> <p>200.00</p> <p>70.00</p> <p>40.00</p>	<p>80.00</p> <p>40.00</p> <p>130.00</p> <p>65.00</p> <p>60.00</p> <p>30.00</p> <p>110.00</p> <p>55.00</p> <p>70.00</p> <p>200.00</p> <p>70.00</p> <p>40.00</p>	<p>01.04.11</p> <p>01.04.11</p> <p>15.04.11</p> <p>15.04.11</p> <p>01.04.11</p> <p>01.04.11</p> <p>15.04.11</p> <p>15.04.11</p> <p>01.04.11</p> <p>01.04.11</p> <p>15.04.11</p> <p>15.04.11</p> <p>01.04.11</p> <p>01.04.11</p> <p>01.04.11</p> <p>01.04.11</p>	

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**Culture and Community
Head of Streetcare Services**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
Parking Facilities 1c Romford Area Car Parks - Mixed Tariff Monday to Friday - Period Hours 0 - 1 1 - 2 2 - 3 3 - 4 4 - 5 5 - 6 6 - 7 7 - 8 over 8 Lost Ticket Solo Motorcycle Saturday - Period Hours 0 - 1 1 - 2 2 - 3 3 - 4 4 - 5 5 - 6 6 - 7 7 - 8	0.60* 1.20* 2.40* 3.00* 6.00* 7.00* 8.00* 9.00* 10.00* 10.00* Nil Charge* 1.20* 2.40* 2.60* 3.00* 6.00* 7.00* 8.00* 9.00*	0.60* 1.20* 2.40* 3.00* 6.00* 7.00* 8.00* 9.00* 10.00* 10.00* Nil Charge* 1.20* 2.40* 2.60* 3.00* 6.00* 7.00* 8.00* 9.00*	04.06.07 04.06.07 04.06.07 04.06.07 04.06.07 04.06.07 04.06.07 04.06.07 04.06.07 04.06.07 04.06.07 04.06.07 04.06.07 04.06.07 04.06.07 04.06.07 04.06.07 04.06.07 04.06.07 04.06.07	

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**Culture and Community
Head of Streetcare Services**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
1				
1a Car Parks excluding Romford Area Car Parks - Mixed Tariff				
1c Monday – Saturday				
0 - 2	0.20*	0.20*	07.02.10	G
2 - 3	0.50*	0.50*	07.02.10	G
3 - 4	2.00*	2.00*	07.02.10	G
4 - 5	4.00*	4.00*	07.02.10	G
5 - 6	5.00*	5.00*	07.02.10	G
6 - 7	6.00*	6.00*	07.02.10	G
7 - 8	7.00*	7.00*	07.02.10	G
8-12	8.00*	8.00*	07.02.10	G
Solo Motorcycles 6pm to 7am	No Charge	No Charge	07.02.10	G
	No Charge	No Charge	07.02.10	G
Long Stay Car Parks Marshalls				
Weekdays – All day	6.00*	6.00*	04.06.07	G
Saturdays – All day	6.00*	6.00*	04.06.07	G
Pay by Phone Convenience Fee**1	0.20*	0.20*	01.04.11	G
Pay by Phone Text Messages***1	0.10*	0.10*	01.04.11	G
<p>**pending democratic approval ¹This charge is levied by an external supplier and is not received by the Council. It is an independent service fee included here for transparency</p>				

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**Culture and Community
Head of Streetcare Services**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
<p>1</p> <p>1a Season Tickets</p> <p>1b Romford Central Area</p> <p>1c All car parks</p> <p>Outside Romford Central Area</p> <p>5 Day season – Balgores Square</p> <p>All other car parks</p> <p>The Overnighter* (07:00 - 10:00 Mon-Fri/All day Sat-Sun)</p> <p>On Street Parking Meters and High Street Pay and Display (Maximum Stay 2 hours)</p> <p>0 – 12 mins</p> <p>12 mins – 30 mins</p> <p>30 mins – 1 hour</p> <p>1 hour – 1 hour 30 mins</p> <p>1 hour 30 mins – 2 hours</p>	<p>per quarter</p> <p>200* per month</p> <p>70*</p> <p>per quarter</p> <p>200* per month</p> <p>70*</p> <p>150* per month</p> <p>50*</p> <p>per month</p> <p>30*</p> <p>0.20</p> <p>0.60</p> <p>1.00</p> <p>1.60</p> <p>2.00</p>	<p>per quarter</p> <p>200* per month</p> <p>70*</p> <p>per quarter</p> <p>200* per month</p> <p>70*</p> <p>150* per month</p> <p>50*</p> <p>per month</p> <p>30*</p> <p>0.20</p> <p>0.60</p> <p>1.00</p> <p>1.60</p> <p>2.00</p>	<p>01.02.12</p> <p>01.02.12</p> <p>04.06.08</p> <p>07.02.11</p> <p>01.02.12</p> <p>01.02.12</p> <p>01.02.12</p> <p>07.02.11</p> <p>07.02.11</p> <p>07.02.11</p> <p>07.02.11</p> <p>07.02.11</p>	<p>G</p> <p>G</p> <p>G</p> <p>G</p> <p>G</p> <p>G</p> <p>G</p> <p>G</p> <p>G</p> <p>G</p>

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**Culture and Community
Head of Streetcare Services**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
1				
1a On Street Pay and Display				
1b (Maximum Stay 2 Hours)				
1c 0 – 1 hour	0.20	0.20	07.02.11	G
1 hour – 1 hour 30 mins	1.40	1.40	07.02.11	G
1 hour 30 mins – 2 hours	2.00	2.00	07.02.11	G
Controlled Parking Zones				
Resident's parking permit 1st Permit per household	20.00	20.00	07.02.11	I/N
2nd Permit per household (per year)	25.00	25.00	07.02.11	I/N
3rd permit per household	60.00	60.00	07.02.11	I/N
Resident's visitor permits (book of 10)	10.00	10.00	07.02.11	I/N
Casual permit per 2 hours	5.25	5.25	07.02.11	I/N
Business parking permits (per annum)	71.05	71.05	07.02.11	I/N
Commuter Bays (per annum)	300.00	300.00	07.02.11	I/N
Domestic Carer Permit (per annum)	36.00	36.00	07.02.11	I/N
Amendment to existing permit	15.00	15.00	07.02.11	I/N
Cancellation of permit	15.00	15.00	07.02.11	I/N

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**Culture and Community
Head of Streetcare Services**

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2012/13 (from April 2012) £	Charges 2013/14 (from April 2013) £	Operative Date of Latest Notified Charge	Base of Increase
1 1a Disc Parking Scheme and Other Miscellaneous Charges 1b Purchase of Disc (per year) 1c Consent to Park Waiver per day (up to 2 weeks) Consent to park Waiver per day (from 2 weeks to 3 months) Health and Homecare Permit (per annum) Amendment to existing permit Cancellation of permit License Holder Car Parks (per annum)	36.00 10.15 15.25 36.00 15.00 15.00 86.30*	36.00 10.15 15.25 36.00 15.00 15.00 86.30*	07.02.11 07.02.11 07.02.11 07.02.11 07.02.11 07.02.11 01.04.10	I/N I/N I/N I/N I/N I/N I/N

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CABINET

13 February 2013

Subject Heading:	HRA Budget for 2013/14 and HRA Capital Programme 2013/14 – 2014/15
Cabinet Member	Councillor Lesley Kelly Councillor Roger Ramsey
CMT Lead:	Cynthia Griffin, Group Director Culture and Communities Andrew Blake-Herbert, Director of Finance & Commerce
Report Author and contact details:	Tony Huff Head of Resources (Housing) 01708 434155 Tony.huff@havering.gov.uk Conway Mulcahy Finance Business Partner 01708 432565 Conway.mulcahy@havering.gov.uk
Policy context:	HRA Policy and budgets
Financial summary:	To agree rents and other charges, the HRA revenue spend budget as detailed in Appendix 1, and a HRA capital programme, detailed in Appendices 2-3.
Is this a Key Decision?	Yes
Is this a Strategic Decision?	Yes
When should this matter be reviewed?	December 2013
Reviewing OSC	Towns and Communities

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

Clean, safe and green borough	<input type="checkbox"/>
Excellence in education and learning	<input type="checkbox"/>
Opportunities for all through economic, social and cultural activity	<input checked="" type="checkbox"/>
Value and enhance the life of every individual	<input type="checkbox"/>
High customer satisfaction and a stable council tax	<input type="checkbox"/>

SUMMARY

This report sets a budget for the Council's Housing Revenue Account (HRA) and HRA Capital Programme. From 2012 the position of the HRA is different from previous years because of Self Financing HRAs. An update to the HRA Business Plan is provided.

The HRA remains a ring-fenced account that is used to manage the Council's own housing stock. The proposed budget will enable the Council to manage the stock to a reasonable standard and to deliver the next phase of the Council's Decent Homes Programme. It further sets rents, service charges and other charges for Council tenants for the year 2013/14.

RECOMMENDATIONS

1. To agree the Housing Revenue Account Budget as detailed in Appendix 1.
2. To agree that the average rent for Council properties owned by the London Borough of Havering be increased by £4.55, from £81.21 to £85.76 (5.60%) with effect from 1 April 2013, in line with the Government's policy to restructure rents. This will mean in effect that rents are increased as set out in the table below:

	Rent 2012/13 – 52 weeks	Rent 2013/14 – 52 weeks	Increase (£)	% increase
Bedsit	£62.96	£66.55	£3.59	5.70%
1 Bed	£67.49	£71.91	£4.42	6.55%
2 Bed	£80.11	£84.58	£4.47	5.58%
3 Bed	£97.29	£102.16	£4.87	5.01%
4 Bed	£110.90	£116.17	£5.27	4.75%
5 Bed	£122.20	£127.68	£5.48	4.48%
Average Rent	£81.21	£85.76	£4.55	5.60%

Cabinet, 13 February 2013

3. To agree that the rent free weeks for 2013/14 be w/c 26 August 2013, the two weeks commencing 23 December 2013, and the week commencing 31 March 2014.
4. To agree that tenants' service charges and heating and hot water charges for 2012/13 are increased or decreased as follows:

Service Charges reviewed and recommended	2012/13 Weekly Charge – 52 weeks	2013/14 Weekly Charge – 52 weeks	Increase (decrease)	% increase (decrease)
Caretaking	£3.41	£3.33	(£0.08)	(2.3%)
Internal Block Cleaning	£0.71	£1.02	£0.31	43.7%
Bulk Refuse Collection	£0.49	£0.45	(£0.04)	(8.1%)
CCTV - Mobile Service	£0.55	£0.55	£0.00	0%
CCTV - Static Service	£1.30	£1.38	£0.08	6.2%
Neighbourhood Wardens	£0.85	£0.83	(£0.02)	(2.4%)
Door Entry	£1.38	£1.38	£0.00	0%
Ground Maintenance	£2.57	£2.39	(£0.18)	(7.0%)
Sheltered Cleaning	£2.67	£2.93	£0.26	9.7%
TV access	£1.25	£1.32	£0.07	5.6%
Heating	£10.85	£9.52	(£1.33)	(12.3%)
Hot Water	£8.22	£6.02	(£2.20)	(24.3%)

5. To agree that the service charge for homeless households accommodated in the Council's hostels is increased by 3.1% to £24.15 a week.
6. To agree that charges for high and medium demand garages are increased by 2.6% and that rents for low demand garages are frozen.
7. To agree that support charges for mobile support for older people are increased by 3.1% as follows:

Service	Weekly support charge in 2012/13 – 52 weeks	Weekly support charge in 2013/14 – 52 weeks
Support – low level	£5.12	£5.28
Support – medium level	£10.24	£10.56
Support – high level	£12.81	£13.21
Community support (previously called 'Itinerant round')	£1.10	£1.13

8. To agree that the Careline support charge be increased by 3.1% as follows:

Service	Weekly support charge in 2012/13 – 52 weeks	Weekly support charge in 2013/14 – 52 weeks
Careline – sheltered tenants	£4.10	£4.23
Careline – community users	£4.37	£4.51

9. To agree that Telecare support charges be increased by 3.1% as set out below:

Service	Weekly support charge in 2012/13 – 52 weeks	Weekly support charge in 2013/14 – 52 weeks
Telecare – base unit plus two sensors	£6.37	£6.57
Additional Telecare sensor	£1.06	£1.09

10. To maintain the transitional arrangements to correct the undercharging, by £4.18 increase plus inflation a week, of tenants in the former Hornchurch mobile support pilot scheme, whereby the full charge will be gradually increased over the five year period 2012/13 to 2016/17 inclusive for the 13 tenants paying for this service; for 2013/14 this amounts to an increase to the weekly charge (52 weeks) of £0.87.
11. To agree the detailed expenditure items in the 2013/14 and 2014/15 HRA Capital Programmes, based on total resources of £35.7m and £43.781m respectively, as presented in Appendix 2 & 3 and agree to refer the Programmes to Council for final approval for expenditure.
12. To approve the development of an affordable housing scheme consisting of nine bungalows for older people at the Garrick House sheltered scheme in Hornchurch, (the funding for which is included in detail in the exempt Appendix 5), consists of capital grant from the GLA under the Mayor of London's Care and Support Specialised Housing Fund, subject to the successful outcome of a bid made in January 2013. Also included are right-to-buy receipts allocated to new building housing under the agreement signed with the Department for Communities and Local Government in 2012, and s106 commuted sums to meet the remainder, the exact amount being dependent on the level of GLA grant allocated.

REPORT DETAIL

1. BACKGROUND

- 1.1 The Localism Act 2011 has changed the financial system for the management of council housing. The old system, with its notional income and expenditure accounts, and its distribution of housing subsidy across the country has gone. In its place, Government has provided freedom and independence for the management of council housing finance, in return for a one off payment of the national housing subsidy debt (and a premium for the treasury).
- 1.2 The new system started in April 2012, and so the Housing Revenue Account (HRA) budget now looks very different from budgets in previous years. The business plan is designed to provide long term management of the Council's housing assets. We have more freedom to direct our resources to the best and most cost effective management of the Council's housing stock. However, we do not have complete freedom – some aspects remain centrally controlled, such as rent setting, and the use of capital receipts.
- 1.3 This report sets out first, what income resources the Council has available to spend on housing, sets out the current HRA financial position, and proposed spending plans for 2013/14.
- 1.4 One of the central driving aims of the Council is to achieve the Decent Homes Standard for its stock and, through the HRA Business Plan to achieve this goal whilst maintaining a good quality housing service.

2. INCOME

2.1 Rents

- 2.1.1 The Council's main source of income to manage its housing stock is tenants' rents. The Government influences rents by applying a formula called "rent restructuring". While the new HRA has devolved much decision-making to local authorities, the Government has retained much control over rents so as to have an influence on the national housing benefit bill.
- 2.1.2 The rent restructuring formula was introduced by the government in 2002/03. This provides a "target rent" for each property, based on a mix of local average earnings and capital values, adjusted for the size of property. The target rent, once achieved, should ensure that council and housing association rents for similar properties in an area are at similar levels. Since the introduction of the restructuring system in 2002/03, the date at which council and housing association rents are expected to converge has been amended by the government a number of times, but it is now settled as 2015/16.
- 2.1.3 Councils with rents below target, there are many, including Havering, should meet the target rent by or as soon as possible after this date. However due to the limit on rent increases a proportion of the stock will not meet this date for

convergence. Until meeting the target rent, there is no avoiding the fact that the national rent formula requires tenants' rents to increase by an amount above the basic annual increase amount of RPI (in September of the preceding year) + 0.5%. The government has, however, capped the steepness of the annual increase to no more than £2 a week above the RPI + 0.5% increase.

2.1.4 In 2012/13, the average rent in Havering is £81.21. Applying the formula of RPI (at September 2012) + 0.5% + £2, gives an increase of £4.55 a week, that is, 5.60%. The average rent in 2013/14 would be £85.76.

2.1.5 A comparative analysis of local and London-wide rents reveals:

- Council rents in Havering remain below housing association rents and significantly below private sector rents, which are running at around £160 a week for a one bedroom home to £260 for a three bedroom property
- The proposed council rent for 2013/14 is still within the housing benefit caps for Havering and so the 64.3% of tenants on full or partial housing benefit and prospective tenants in most financial hardship will continue to be supported.
- Havering Council's rents in 2013/14 will be the lowest council rents in London; in fact, Havering's 2013/14 rents will be lower than the 2011/12 rents charged by all other London Boroughs bar four and lower than all other London borough rents for 2012/13. Therefore, as well as benefiting from the lowest rents in Havering, our council tenants will continue to enjoy the lowest rents across the capital.

2.16 Applying the formula rent calculation in 2013/14 will be in line with the assumptions made in last year's business plan. Such application will continue to even out actual rents for tenants in similar properties in similar areas so that variances between neighbours will be stopped at the point of rent convergence.

2.17 The increased income from this rent rise will be used to increase the HRA contribution to the HRA capital programme to directly deliver a greater number of decent homes in 2013/14 and 2014/15 in line with the tenants' number one priority as stated in the tenant survey undertaken in the summer of 2012.

2.2 Service charges

2.2.1 The aim of the Council, in respect of service charges, is to ensure that those receiving the service are paying for them. We have fully reviewed all the service charges over 2010/11 and 2011/12, and we are nearly in a position where the cost of each service can be fully recovered from the service charges raised. Work has also been done to improve the value-for-money of some services, either by reviewing the staffing and costs of the service, or by renegotiation of contracts with some service providers.

2.2.2 We are able to reduce the service charge for the services listed below due to efficiencies made in the cost of the services:

• Caretaking services	-£0.08	-2.3%
• Bulk refuse collection service	-£0.04	-8.1%
• Neighbourhood wardens	-£0.02	-2.4%
• Grounds maintenance	-£0.18	-7.0%

2.2.3 Heating and hot water charges were increased in 2007 to cover the increased cost of gas used and to recover previous years under recovery of costs. An analysis for 2013/14 charges has shown that this charge can now be reduced as follows:

• Heating and hot water	-£1.33	-12.3%
• Hot water only	-£2.20	-24.3%

2.2.4 It is proposed that the following charges should be increased:

- The cost of providing the internal block cleaning service still exceeds the current charge and it is proposed to increase this charge further. The charge will increase by £0.31 per week. By 2015/16 the charge will equal the costs of the service.
- TV aerial costs have increased per property as all remaining terrestrial points have been replaced by digital ones in time for the digital switch over in 2012. The proposed increase is £0.07 or 5.6%.
- Sheltered cleaning costs have historically exceeded the service charge. In light of the proposed reduction in heating and hot water charges it is proposed to increase the cost of this charge to fully recover costs. The increase will be phased in over the remaining rent restructuring period i.e.3 years. The proposed increase for 2013/14 is £0.26 or 9.7%.
- Static CCTV costs have risen by 6.2% in 2013/14 as further cameras have been installed. The proposed increase is therefore £0.08.

2.2.5 It is proposed to increase service charges for hostel residents by 3.1% (equivalent to RPI + 0.5%). These services have not been fully reviewed, but when the new hostel strategy is fully implemented a full review of the budgets for hostels will be undertaken.

2.3 Garages

2.3.1 There are currently 799 garages let (of which 89 are part of the number earmarked for demolition and will become unavailable to let), and a further 727 empty and available to let. The rents of our high demand garages are about the same as comparable private garages to let. There have been 45 garages let this year, of which 14 are high demand garages. It seems therefore that there is a reasonable demand for garages. Clearly there are also many garages which are difficult to let. It is therefore proposed to raise the high demand and medium demand garage rents by 2.6% and freeze the rents of the remaining low demand garages.

- 2.4 Support charges – mobile support
- 2.4.1 The sheltered resident warden service was reorganised to become a mobile support service in April 2011. A new range of charges were introduced at the same time covering the three tiers of support offered. In all cases, the charges were lower than for the resident warden service.
- 2.4.2 The support charge income met from contributions from self-payers and coverage from Adult Social Care under the former Supporting People programme does not fully cover the costs of this service, therefore, it is proposed to increase the support charges by inflation at September 2012, that is, 2.6%, plus 0.5%. This gives an increase of 3.1%. A detailed review will be undertaken in 2013/14 to review the whole service and costs in light of SP grant withdrawal. It is proposed to withdraw the 'community support' service from April 2013/14.
- 2.4.3 During the Hornchurch mobile support pilot in 2008, an error was made in applying the mobile support charge. That is, rather than simply the resident warden charge being reduced to the mobile support charge, tenants' combined Careline and mobile support charge was reduced. In effect, the Careline charge was removed. This was incorrect. Correcting this will not directly impact on those tenants whose Careline and mobile support charges are met by Adult Social Care, however, there are 13 tenants who directly pay for these services.
- 2.4.4 When the new mobile support charges were approved for 2011/12, a decision was made to continue to undercharge the tenants in the former Hornchurch mobile support pilot area but that after 2011/12 transitional arrangements would be put in place to amend the charges over time to bring them up to the correct level. The difference between the correct charge and the current charge was £4.18 a week (52 weeks). The charge should be increased by 1/5 of the £4.18 a week, that is, £0.84 a week (52 weeks) plus 3.1% equalling an increase of £0.87.
- 2.5 Service charges – Careline and Telecare support
- 2.5.1 It is proposed that the Careline and Telecare service charges be increased by RPI inflation plus 0.5% equating to an increase of 3.1%.

3. THE HRA BUDGET 2013/14

3.1 Attached at Appendix 1 is the proposed HRA budget for 2013/14. An analysis of the variations between 2012/13 revised budget and 2013/14 proposed budget is shown in the table below. The £300k savings from HiH reintegration is not fully shown yet as the restructures have not taken place yet. The budgets will be revised during the year once implemented.

Revised expenditure budget 2012/13	48,289,360
Pay award contingency	102,760
Contract inflation contingency	226,640
Saving from deletion of ex HiH CEO post	(142,740)
Bad and doubtful debt provision contribution	347,000
Reduction in interest charge from transfer of commercial properties	(682,830)
End capitalisation of repairs	500,000
Growth in Careline/Telecare clients	(135,410)
Remove ex HiH budget contingency	(394,530)
Other net budget movements	58,430
Ongoing growth items	548,400
One-off growth items	342,960
2013/14 expenditure budget	49,060,040
Final income budget 2012/13	(48,766,890)
Rent increases	(1,927,660)
Service charge increases	(237,260)
Other income	23,870
Investment income reduced	53,190
Reduction in commercial property rental income	316,720
Transfer of commercial properties budget	1,272,130
Supporting people grant reduced	192,000
2013/14 income budget	(50,662,750)
Net budget movement	(1,602,710)
Capital expenditure funded by HRA	6,198,000
Gross budget movement	4,595,290

3.2 Reasons for variation

3.2.1 Pay award contingency – 1% of pay increase has been budgeted for in line with the general fund budget assumptions. This budget is to be held as a contingency.

3.2.2 Contract inflation contingency – contract inflation has been budgeted for at 3% in line with general fund but only where the contracts are based on an inflationary increase. 4.1% has been assumed for inflation on communal electricity.

3.2.3 Deletion of ex HiH CEO post – this saving is from the deletion of the post and associated on costs.

3.2.4 Bad and doubtful debt provision contribution – the contribution to the provision has been doubled for 2013/14. The current contribution is comparatively low compared to other London Boroughs. With the volume of welfare reforms

during 2013/14 it is anticipated that rent arrears will start to increase. This revised contribution will ensure adequate provision has been made for any increase in arrears.

- 3.2.5 Commercial property – Net income from the commercial property portfolio is expected to be lower in 2013/14 due to an increase in the number of vacant properties expected, an increase in the bad debt provision and increased insurance costs. The general fund budget report is recommending that the financial assets and liabilities of commercial properties currently on the HRA should be appropriated to the general fund. The result is a transfer to the general fund of £1.272m of net income. However there is also a transfer to general fund of the debt associated with the shops (£19m) resulting in a reduction of interest on the HRA of £0.683m. The HRA business plan approved in February 2012 already had this transfer allowed for in the figures from 2013/14 onwards. For information the self financing debt settlement figure was based on tenanted stock and no account was taken for any commercial portfolio.
- 3.2.6 Capitalisation of repairs – the council has capitalised repairs for a number of years. The amount has been reduced from £1.5m in previous years to £0.5m in 2012/13. It is recommended that this be ceased all together in 2013/14. Since the introduction of self financing, apart from decent homes grant, all capital expenditure is funded from the HRA so there is no point continuing with the capitalisation.
- 3.2.7 Remove budget contingency from Homes in Havering budget – in 2012/13 HiH identified £480k of efficiency gains. This amount was removed from budgets and accounted for as a contingency to be released if required by a joint HiH / LBH decision. This contingency has been removed from the budget in 2013/14 except where posts were to be removed. This will be done via the reintegration restructures in 2013/14 and therefore not budgeted for as yet.
- 3.2.8 Capital expenditure funded by the HRA – once the budget for management and maintenance and interest payments are set the council needs to make a decision on the HRA contribution to the capital programme. Apart from decent homes grant this is the only means of funding capital expenditure under the new financial framework. Through modelling of the business plan in section 6 of this report it is proposed that a contribution of £20.5m should be made in 2013/14. This is an increase of £6.198m. This additional contribution will be used to deliver a greater number of decent homes in 2013/14. During the summer of 2012 the council surveyed tenants and leaseholders on their priorities for the housing service and they identified acceleration of the decent homes programme as their top priority.

3.3 Growth Items proposed for 2013/14 are listed below (these are included in the variance analysis in para. 3.1:

Growth Item	One off Amount	Ongoing Amount	Reason for Growth
Downsizing Payments	£200,000		Allowance for downsizing payments re under-occupation/welfare reforms. 400 payments at an average £500 each.
Specialist Cleaning Services		£10,000	Required for possible specialist cleaning in exceptional circumstance for hoarders or persons with issues in maintaining their property to a required standard and who are vulnerable with no other agency involvement.
Pest Control		£20,000	An uplift of £20k is required to address pigeons on estates. Hilldene (two visits per week) and (Napier and New Plymouth three visits per week). Cost per visit of £80.
Garage Site Cleaning	£10,000		Garage Redevelopment Project - Funds required to clear garage sites prior to handing over the land for re-development. There are roughly one hundred and fifty garages including sites that are overgrown and in need of clearance.
Replacement Internal Notice Boards	£5,000		Replacement of damaged internal notice boards. The boards contain fixed notices re caretaking standards and services provided and visits recorded.
Fly tipping and grounds maintenance		£10,000	To fund works carried out on white land (pockets of land - service roads etc). The budget for the current year stands at 5K and due to the number of complaints an additional budget is required.
Briar Road Probation Project	£20,000		In January 2012 the London Probation Trust were approached to introduce a team two days a week to address the tasks listed throughout the Briar Road estate. This budget is for a dedicated supervisor trained by the London Probation Trust and the provision of additional equipment and welfare facilities. The following tasks will be undertaken on the estate <ul style="list-style-type: none"> • Paint kick rails • Paint gallows gates • Paint metal bollards restricting vehicle access • Edge all around the perimeter of grass verges and remove weed growth • Sweep garage areas and any communal vehicle hard standing areas
Welfare Benefit Advisors	£83,060		The Welfare Act 2012 is bringing in significant changes to the welfare benefit system that are likely to have an impact on the Council's finances/arrears position and on residents in terms of their abilities to manage their finances, seek employment, move home and generally receive sound advice and support regarding coping with the changes. A Working Group has already being set up to direct the Council's approach to the reforms and as part of the actions, there was a need to employ two Welfare Benefit Advisors to advice and support residents on six month contracts ending March 2013. The changes mainly kick in from April 2013, for continuity, it is proposed that the two posts be kept on one year contracts ending March 2014

Home Ownership Land Registry		£2,000	Cost to obtain office copy entries from land registry plans which will help to better resolve boundary issues.
ASB Legal fees	£24,900		The growth required is based on an estimate of £80,000 needed next year for ASB legal fees and is based on a prediction of having 12 cases needing an outright possession order costing an average of £6,000 per case, needing to have to apply for 5 injunctions at an average cost of £1,000 per case and to spend around £3,000 on general legal advice.
Resident Involvement		£6,400	In the RI action plan there is a requirement to set up new groups and a number of these groups are entitled to funding (8 groups given £450) and (10 sheltered groups receive £200 each) total £6400. In addition £800 will be given out in grant aid to groups as a contribution to their hall hire costs
Estate Improvements		£500,000	In the HRA Business plan £1.9m of backlog estate improvements works have been identified along with an ongoing estimate of £0.5m per year required. Previously small elements of this work have been funded from the capital programme. It is proposed that this amount be set at £500k in 2013/14 to deal with the backlog of repairs. A schedule of works to be undertaken will be created in April 2014. Backlog issues dealt with will include communal fencing / walling, concrete repairs and continuing with the communal flooring replacement programme.
Total	£342,960	£548,400	

4. CAPITAL BUDGET – HRA 2013-14 and 2014/15

4.1 HRA Capital Programme – 2013/13 and 2014/15 capital resources

4.1.1 As covered in the report to Cabinet on 12 December 2012, with the introduction of HRA self-financing and confirmation by 6 September 2012 of the final two tranches of Decent Homes grant, it is now possible to plan capital investment beyond a one year time horizon.

4.1.2 This report seeks approval of the HRA capital programme for the years 2013/14 and 2014/15, the latter being the final year of Decent Homes grant. The resources available for both years are laid out in the table below. It should be noted that it is assumed that no capital receipts available to the Council will be applied to the HRA capital programme over this two year period.

	2013/14	2014/15	TOTAL
Funding source	£'000s	£'000s	£'000s
Decent Homes grant	15,000	23,581	38,581
Revenue funding	20,500	20,000	40,500
Leaseholder contribution	200	200	400
TOTAL	35,700	43,781	79,481

- 4.1.3 Owing to efficiencies and a favourable interest rate on the HRA opening debt loan, the HRA Business Plan is able to support an additional £5m expenditure in 2013/14 over the indicative figure included in last year's HRA budget report and an additional £2.75m in 2014/15 over the previous indicative figure. The priority for these resources is accelerating the Decent Homes programme with the impact being that the anticipated decency rate at the end of 2013/14 can be increased from 80.5% to 84.2%.
- 4.1.4 It is anticipated that by the end of 2014/15 97.5%-100% of all the Council's homes will have met the Decent Homes Standard. The exact projection will be reviewed and verified during 2013/14 with any amendments to the 2014/15 being brought to Cabinet, and full Council, later in 2013/14 to enable if at all possible the achievement of 100% by March 2015.
- 4.2 Proposed 2013/14 programme
 - 4.2.1 The proposed 2013/14 is largely in line with the indicative programme presented to Cabinet at its meeting of 8 February 2012. In addition, advance approval of a total of £12.932m for Decent Homes and £2.4m for other capital expenditure in 2013/14 has already been granted by Cabinet at its meeting of 12 December 2012 and subsequently by full Council on 30 January 2013. These budgets are included in the draft 2013/14 HRA capital programme set out at Appendix 2.
- 4.3 Proposed 2014/15 programme
 - 4.3.1 Appendix 3 gives the proposed capital programme for 2014/15. This represents the final year of Decent Homes grant.
- 4.4 Bungalow scheme for older people
 - 4.4.1 This report also seeks approval for a housing capital scheme using resources outside of the HRA Business Plan.
 - 4.4.2 The Extra Care Housing Strategy approved by Cabinet on 23 March 2011 signalled a review of the opportunities posed by the Council's sheltered schemes to meet the needs of older people across the borough. To this end, the opportunity to develop bungalows for older people within the grounds of the Garrick House sheltered scheme in Hornchurch has been identified.
 - 4.4.3 A scheme of nine two-bedroom bungalows, built to lifetime homes standard, to be set within an enlarged footprint of the existing sheltered housing scheme has been developed in partnership between Housing and Adult Social Care. The footprint of the scheme is to be enlarged by including adjoining Council owned amenity land and purchasing an adjacent privately owned parcel of land, the costs for which are included in the scheme costs – see exempt Appendix 5.
 - 4.4.4 The bungalows are to be self contained, although they will enjoy the communal gardens of the scheme rather than having their own garden. Occupants will also be able to benefit from the communal and support facilities of the scheme. The properties are intended for Havering Council tenants

wishing to downsize from larger under-occupied homes, thus releasing family accommodation from those on the Council's housing register.

- 4.4.5 Residents at Garrick House have been consulted and are supportive of the scheme.
- 4.4.6 The Housing Service has made a bid to the GLA for grant funding under the Mayor of London's Care and Support Specialised Housing Fund to support this scheme, in addition the right-to-buy receipts up to the maximum of 30% of total scheme costs under the agreement governing the retention of right-to-buy receipts by the Council for new build made with the Department for Communities and Local Government last year. The outcome of the bid is expected in May 2013, although s106 resources are available to support the scheme, thus approval to commence is now sought.

5. 30 year Business Plan 2013/14 to 2043/44

- 5.1 Attached at Appendix 4a is the reworked HRA Business Plan financial model. Years 1 to 10 have been included. Year 1 of the business plan is based on the 2013/14 proposed budget.
- 5.2 The plan for the HRA is based on keeping a minimum of £2m in working balances and using current reserves above this figure to invest in the capital programme. It has been assumed that all available resources over and above those required for revenue spend, payment of interest on debt and maintaining reserves at £2m are available for capital for as long as the stock condition survey need to spend exists.
- 5.3 It can be seen from Appendix 4b that such a need remains until 2020/21. It should be noted that the investment gap shown is against the stock condition survey need to invest which is at a higher level than decent homes). From then on the level of balances on the HRA increases.
- 5.4 Overall there is little movement in the business plan financial model from that approved by cabinet in February 2012.

6. CONCLUSION

- 6.1 The Self Financing Business Plan (Appendix 4) shows that the Council is able to maintain and improve its stock and provide good quality housing services throughout the life of the plan. The Housing Revenue Account budget which is set out in this report is a prudent budget, designed to maintain a decent level of service, and inject further resources into a programme of capital investment in the housing stock that will eventually achieve the Decent Homes standard for our housing stock. The HRA has moved to a more stable financial future, with a reasonable level of balances.

REASONS AND OPTIONS

7. Reasons and Options

7.1 Reasons for the Decision

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

7.2 Alternative Options Considered

7.2.1 There are no alternative options in so far as setting a budget is concerned. However, there are options in respect of the various elements of the budget. These are considered in preparing the budget and cover such things as the rent and service charge increase, budget growth and capital programme proposals.

IMPLICATIONS AND RISKS

8. Financial implications and risks:

HRA Revenue

8.1. This whole report largely concerns the Financial Implications and risks concerning the setting of the HRA budget for 2013/14, and the revision of the figures for the 30 year Self Financing Business Plan. The HRA is sufficiently healthy to enable reserves of an estimated £3.83m at the end of 2013/14 and at least £2m beyond this.

8.2. There are risks associated with any HRA budget, but it is felt these can be managed. The council has had the opportunity to review its resource requirement for 2013/14. Capitalisation, an approach to help a previously poor revenue position is now no longer required. On repairs, there are unbudgeted volume risks, but these can be managed by ensuring the HRA working balance is retained at least £2m. The bad debt provision contribution has been set based on an allowance for increasing arrears for the possible consequences of welfare reform. An assumption has been made in the business plan projections for this amount to increase in future years.

8.3 In addition to £3.83m working balance reserve the HRA the following estimated provisions / reserves as at 31 March 2013:

- Bad and doubtful debt provision of £2.358m (including leaseholder major works) - calculated according to best practice
- Major Repairs Reserve of £2.677m – this reserve is matched by capital programme slippage from 2012/13
- Leaseholder Major Works Reserve of £0.598m – this is the balance remaining on the reserve. £0.200m is made from this reserve each year as a contribution to the HRA capital programme.
- Right to Buy Pooling Reserve of £750k - from 2012/13 the council can retain a proportion of right to buy receipts on the HRA to offset debt taken on by the HRA debt settlement. No assumption has yet been taken / proposed on the use of this reserve. The reserve must however, be used for HRA purposes. The business plan assumes that all debt is repayable from ongoing funding so no assumption has been made for the use of this for debt settlement purposes.
- Right to Buy Pooling Earmarked Reserve of £0.884m - from 2012/13 the council can retain a proportion of right to buy receipts to fund affordable housing development. Section 4.3 of this report proposes the first use of this reserve in 2013/14. The balance on this reserve as at 31 March 2013 must be used by 31 March 2015.

8.4 A rent rise in accordance with rent restructuring is recommended. This increase was assumed in the Councils self financing debt settlement – i.e. the CLG assumed Havering would increase rents in this way, when calculating the c£165k debt take on figure,

HRA Capital Budget

8.4 The table in paragraph 4.1.2 gives a confirmed resource position for 2013/14 and 2014/15, the two years for which approval is sought for the detailed HRA capital programmes as detailed in Appendices 2 and 3. These budgets, per Recommendation 11, will need to be referred to Council for final approval.

8.5 Appendix 5, which is exempt because it gives commercial sensitive information which could prejudice the Council's ability to achieve best value through competitive tendering, gives details of the funding sources for the new build scheme detailed above.

8.6 Neither the proposed HRA capital programmes for 2013/14 and 2014/15 and the new build proposal pose any liabilities for the Council's capital resources outside those resources solely available for housing expenditure, that is, HRA resources, Decent Homes grant, right-to-buy receipts subject to the Council's agreement with the DCLG to use them to fund new housing, and s106 commuted sums held for affordable housing purposes.

9. Legal implications and risks:

9.1 Any local authority that owns housing stock is obliged to maintain a Housing Revenue Account. The HRA is a record of revenue expenditure and income relation to an authority's own housing stock. The items to be credited and debited to the HRA are prescribed by statute. It is a ring fenced account within

the authority's General Fund, which means that local authorities have no general discretion to transfer sums into or out of the HRA.

- 9.2. Section 76 Local Government and Housing Act 1989 places a duty on local housing authorities: (a) to produce, and make available for public inspection, an annual budget for their HRA which avoids a deficit; (b) to review and if necessary, revise that budget from time to time and (c) to take all reasonably practicable steps to avoid an end-of-year deficit. The proposed HRA budget fulfils these requirements.

10. Human Resources implications and risks:

- 10.1 None specific.

11. Equalities implications and risks:

- 11.1 An equalities impact assessment has been carried out. Of note, the proposed rent increases are essentially dictated by central government through their rent restructuring formula. Furthermore, best practice and guidance dictates that service charges should be set at a level which covers the cost of providing the service to which the charge relates. Therefore, the Council cannot operate in an unfettered way within regard to the rents and service charges it sets. That said, the Council has examined the proposals in this report from an equalities perspective.
- 11.2 64.3% of council tenants are in receipt of Housing Benefit. The proposed rents and service charges eligible for housing benefit are within the housing benefit caps for Havering, therefore those in most financial hardship, which can include particular minority groups, will be protected
- 11.3 The capital programme makes available resources to bring forward works to make the remaining sheltered bedsits with shared bathrooms / showers fully self-contained. This will advantage this section of the community who are people over the age of 55.
- 11.4 The business plan at Appendix 4 advises that the Government's final Decent Homes funding, totalling £38m, is due to be received in the last two years of the Decent Homes Programme (2013/14 and 2014/15). With the additional funding being made by the HRA the council will be able to deliver an increased number of decent homes during 2013/14 and 2014/15.

BACKGROUND PAPERS

APPENDIX 1 – HRA budget 2013/14

	2012-13 Final Budget	2013-14 Budget
Income and expenditure account	£	£
Income		
Dwelling rents	(41,256,206)	(43,251,888)
Garages	(512,880)	(444,860)
Commercial properties	(1,588,850)	0
Charges for services and facilities - Tenants	(3,856,774)	(3,960,422)
Charges for services and facilities - Leaseholders	(1,441,980)	(1,574,340)
Contributions towards expenditure - General Fund	(50,000)	(50,000)
Shared ownership	(65,290)	(66,540)
Supporting People Grant	(710,000)	(518,000)
Other	(739,020)	(715,150)
Total income	(50,221,000)	(50,581,200)
Expenditure		
Repairs and maintenance	6,442,250	7,086,850
Supervision and management plus recharges	20,439,520	20,964,190
Depreciation and impairment	9,075,500	15,834,010
Debt management costs	103,610	51,350
Bad debt	318,000	665,000
Total Expenditure	36,378,880	44,601,400
Net cost of HRA services	(13,842,120)	(5,979,800)
Interest payable and similar charges	6,673,480	5,990,650
Interest and investment income	(134,740)	(81,550)
Surplus or deficit for the year on HRA services	(7,303,380)	(70,700)
Statement of movement on the HRA balance		
Surplus or deficit for the year	(7,303,380)	(70,700)
Capital expenditure funded by the HRA	14,302,000	20,500,000
Transfer to or from Major Repairs Reserve - Depreciation	(9,065,000)	(15,834,010)
Net (Income) / Expenditure	(2,066,380)	4,595,290
HRA balance brought forward	(8,269,880)	(8,269,880)
Net (Income) / Expenditure	(2,066,380)	4,595,290
HRA balance carried forward	(10,336,260)	(3,674,590)

Appendix 2 – 2013/14 HRA Capital Programme

Budget Heading	Programme line	Total spend	Works	Project fees available to Housing at 6.5%
		£'000s rounded to the nearest £1,000	£'000s rounded to the nearest £1,000	£'000s rounded to the nearest £1,000
Decent Homes Programme	Windows (Excluding Tower Blocks)	1,632	1,532	100
	Kitchens – including boiler where failure	7,317	6,870	447
	Decent Homes Kitchens at Void stage	1,200	1,127	73
	Heating	2,160	2,028	132
	Electrical	1,080	1,014	66
	Doors Only	1,620	1,521	99
	Roofs	1,482	1,392	90
	Bathrooms	1,605	1,507	98
	Decent Homes Bathrooms at Void stage	360	338	22
	Insulation	58	54	4
	Remedial works to non traditional houses	4,267	4,007	260
	Tower Block refurbishment including windows	4,125	3,873	252
	Sheltered housing and hostels decent homes works	1,750	1,643	107
Decent Homes Programme Total		28,656	26,907	1,749
Additional Capital Works	Major Voids	500	469	31
	Structural	300	282	18
	Electrical Upgrade non decent homes	150	141	9
	Tower Blocks beyond decent homes	922	866	56
	Communal Works inc concrete works	177	166	11
Additional Capital Works Total		2,049	1,924	125
Environmental Improvements	Legionella	180	169	11
	Major Fencing/Boundary Walls	50	47	3
	Drainage	70	66	4
	Asbestos Removal/Management	130	122	8
	Environmental Improvements contingency	400	376	24
	Works to redundant garage sites not earmarked for housing development	100	94	6
Environmental Improvements Total		930	873	57

Cabinet, 13 February 2013

Planned Preventative Maintenance	External Refurbishments	1,452	1,363	89
Planned Preventative Maintenance Total		1,452	1,363	89
Common & Sheltered	DDA/Fire Protection	180	169	11
	Upgrade Door Entry	-	-	-
	Careline Equipment	50	47	3
	Sheltered conversions beyond decent homes	1	939	61
	Hidden Homes	200	188	12
	Environmental Improvements contingency	400	376	24
	Passenger lift upgrades	200	188	12
Common & Sheltered Total		2,030	1,906	124
Energy Efficiency	Stock Condition Survey	33	33	-
Energy Efficiency Total		33	33	-
Aids and Adaptations	Aids and Adaptations	550	495	*
Aids and Adaptations Total		550	495	*
2013/14 HRA Capital Programme Total		35,700	33,502	2,143**

* Fees at 11% are available to Adult Social Care

** Fees figure excludes fees payable to Adult Social Care

Appendix 3 – funded 2014/15 HRA capital programme

Budget Heading	Programme line	Total spend	Works	Project fees available to Housing at 6.5%
		£'000s rounded to the nearest £1,000	£'000s rounded to the nearest £1,000	£'000s rounded to the nearest £1,000
Decent Homes Programme	Windows (Excluding Tower Blocks)	900	845	55
	Kitchens – including boiler where failure	7,597	7,133	464
	Decent Homes Kitchens at Void stage	1,200	1,127	73
	Heating	2,400	2,254	146
	Electrical	2,025	1,901	124
	Doors Only	1,025	962	63
	Roofs	3,480	3,268	212
	Bathrooms	3,181	2,987	194
	Decent Homes Bathrooms at Void stage	1,000	939	61
	Insulation	55	52	3
	Remedial works to non traditional houses	6,000	5,634	366
	Tower Block refurbishment including windows	3,000	2,817	183
	Sheltered housing and hostels decent homes works	5,041	4,733	308
Decent Homes Programme Total		36,904	34,652	2,252
Additional Capital Works	Major Voids	575	540	35
	Structural	250	235	15
	Electrical Upgrade non decent homes	234	220	14
	Tower Blocks beyond decent homes	250	235	15
	Communal Works inc concrete works	750	704	46
Additional Capital Works Total		2,059	1,933	126
Environmental Improvements	Legionella	180	169	11
	Major Fencing/Boundary Walls	100	94	6
	Drainage	100	94	6
	Asbestos Removal/Management	200	188	12
	Environmental Improvements contingency	200	188	12
	Works to redundant garage sites not earmarked for housing development	200	188	12
Environmental Improvements Total		980	920	60

Cabinet, 13 February 2013

Planned Preventative Maintenance	External Refurbishments	1,500	1,408	92
Planned Preventative Maintenance Total		1,500	1,408	92
Common & Sheltered	DDA/Fire Protection	50	47	3
	Careline Equipment	50	47	3
	Sheltered conversions beyond decent homes	640	601	39
	Hidden Homes	215	202	13
	Environmental Improvements contingency	400	376	24
	Passenger lift upgrades	400	376	24
Common & Sheltered Total		1,755	1,648	107
Energy Efficiency	Stock Condition Survey	33	33	-
Energy Efficiency Total		33	33	-
Aids and Adaptations	Aids and Adaptations	550	495	*
Aids and Adaptations Total		550	495	*
2013/14 HRA Capital Programme Total		43,781	41,090	2,636**

* Fees at 11% are available to Adult Social Care

** Fees figure excludes fees payable to Adult Social Care

Appendix 4a: HRA Projection from Business Plan – Years 1-10

Year	2013.14	2014.15	2015.16	2016.17	2017.18	2018.19
	1	2	3	4	5	6
	£000	£000	£000	£000	£000	£000
INCOME:						
Rental Income	44,415	46,711	49,070	51,492	53,970	55,778
Void Losses	(1,110)	(934)	(981)	(1,030)	(1,079)	(1,116)
Service Charges	5,535	5,673	5,815	5,960	6,109	6,262
Non-Dwelling Income	445	456	467	479	491	503
Grants & Other Income	1,350	1,320	1,302	1,335	1,368	1,402
RTB Debt Adjustment	147	126	126	126	126	105
Total Income	50,781	53,352	55,799	58,362	60,985	62,935
EXPENDITURE:						
General Management	(20,714)	(21,232)	(21,763)	(22,307)	(22,865)	(23,436)
Bad Debt Provision	(666)	(934)	(1,227)	(1,545)	(1,619)	(1,673)
Responsive & Cyclical Repairs	(7,087)	(7,264)	(7,446)	(7,619)	(7,796)	(7,974)
Total Revenue Expenditure	(28,717)	(29,687)	(30,698)	(31,740)	(32,555)	(33,367)
Interest Paid & Administration	(6,064)	(6,065)	(6,065)	(6,065)	(6,065)	(6,065)
Interest Received	60	39	35	25	20	20
Net Operating Income	16,060	17,640	19,072	20,582	22,385	23,523
Revenue Contribution to Capital	(20,500)	(17,469)	(20,077)	(21,582)	(22,380)	(23,523)
Total Appropriations	(20,500)	(17,469)	(20,077)	(21,582)	(22,380)	(23,523)
ANNUAL CASHFLOW	(4,440)	171	(1,006)	(1,000)	5	(0)
Opening Balance	8,270	3,830	4,001	2,995	1,995	2,000
Closing Balance	3,830	4,001	2,995	1,995	2,000	2,000

Appendix 4b: HRA Capital Investment Requirement Projection from Business Plan – Years 1-10

Year	2013.14	2014.15	2015.16	2016.17	2017.18	2018.19
	1	2	3	4	5	6
	£000	£000	£000	£000	£000	£000
EXPENDITURE:						
Planned Variable Expenditure	(63,492)	(20,944)	(19,903)	(16,045)	(16,641)	(14,578)
Planned Fixed Expenditure	(4,426)	(1,497)	(1,542)	(1,588)	(1,636)	(654)
Procurement Fees	(5,433)	(1,795)	(1,716)	(1,411)	(1,462)	(1,219)
Previous Year's Overall Shortfall	-	(36,229)	(19,998)	(23,774)	(21,873)	(19,809)
New Build - net cost	-	-	-	-	-	-
Total Capital Expenditure	(73,351)	(60,466)	(43,159)	(42,818)	(41,612)	(36,260)
FUNDING:						
Major Repairs Reserve	2,677	-	-	-	-	-
Other Receipts	15,000	23,581	-	-	-	-
Revenue Contributions	20,500	17,469	20,077	21,582	22,380	23,523
Total Capital Funding	38,177	41,050	20,077	21,582	22,380	23,523
In Year Net Cashflow	(35,174)	(19,416)	(23,082)	(21,236)	(19,233)	(12,737)



EQUALITY ANALYSIS

**Housing Revenue Account Budget for 2013/14
and
Housing Revenue Account Capital Programme 2013/14 – 2014/15**



LONDON BOROUGH OF HAVERING EQUALITY ANALYSIS

Housing Revenue Account Budget for 2013/14 and Housing Revenue Account Capital Programme 2013/14 – 2014/15

SCOPE OF PROPOSAL

1. **What is the scope and intended outcomes of the activity being assessed; in terms of both the Council's organisation and staffing, and services to the community?**

- 1 (a) **Organisation and Staffing**

N/A

- 1 (b) **Services to the Community**

The budget will enable the Council to manage the stock to a reasonable standard and to deliver the next phase of the Council's Decent Homes programme. It further sets rents, service charges and other charges for Council tenants for the year 2013/14.

PEOPLE AFFECTED

2. **Which individuals and groups are likely to be affected by the activity?**

- 2 (a) **Staff Individuals and Groups**

N/A

- 2 (b) **Community Individuals and Groups** (*including voluntary organisations*)

Protected Characteristics/groups affected:

- (1A) Age - Elderly
- (1B) Age - Young Vulnerable Adults
- (2) Gender

Socio-economic groups affected:

- (1) Families
- (2) Adults
- (3) Low income and/or lone parents (mothers and fathers)

DATA AND INFORMATION

- 3. What data/information do you have about the people with ‘protected characteristics’ (age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sexual orientation) or other socio-economic disadvantage (e.g. disabled and part-time workers, low income and/or lone parents (mothers and fathers), looked-after children, other vulnerable children, families and adults) among these individuals and groups? What information do you have about how they will be affected by the activity? Will you be seeking further information in order to assess the equalities impact of the activity? How is this information being used to influence decisions on the activity?**

3 (a) Staff

N/A

3 (b) Community

The information and data held on the protected characteristics/groups, and those who may have other socio-economic disadvantage is extensive and up to date.

Most of the information was gathered from the 2011 Census, which provides information on Havering’s:

- Demographic profile
- Diversity profile
- Socio-economic profile

The information on how they will be affected has been highlighted in:

- The 2011 Census; Key statistics and data for homes, Housing and Public Protection
- Homes and Housing resident profile data
- Welfare Reform Impact Assessment

No further information will be sought as the Homes and Housing Resident profiling data on rents and service users along with the 2011 Census Report for Homes, Housing and Public Protection is comprehensive enough.

Both reports break down and outline the key demographic, diversity and socio-economic changes in Havering that will have a significant impact on the Council’s tenants and the services provided to and for them.

The information gathered is broken down and the analysis used to inform decisions and highlight;

- (1) Household Tenures
- (2) Economic Inclusion

- (3) Social Inclusion
- (4) Areas of Deprivation

CONSULTATION

4. **If no data and information is available about the groups likely to be affected by the activity, how would you inform your EA? Will you be considering carrying out some consultation to inform your EA?**

4 (a) Staff

N/A

4 (b) Community

There is enough information and data provided from the 2011 Census and tenant profile from Housing services on the groups to inform the EA, so consultation is not required for the EA.

LIKELY IMPACT

5. **Based on the collected data and information, what will be the likely impact of the activity on individuals and groups with protected characteristics or other socio-economic disadvantage?**

5 (a) Staff

N/A

5 (b) Community

Likely impact of the proposed budget on Protected Characteristics.

(1A) Age (Elderly) - The 65+ population in Havering is expected to grow the fastest overall in the future, increasing by 16% by 2021. The fastest growth is in the 90+ age population, expected to increase by 70% by 2021.

The Increase in the Support service charges and for Careline and Telecare support services will affect the elderly, as there was an error in the calculation for the services. Therefore, if the undercharge is to be corrected, the transitional arrangements proposed to amend charges over time will be increased by RPI inflation plus 0.5% equating to an increase of 3.1%. This is a price increase from £0.84 a week to £0.87 a week. This increase will affect both council and non-council tenants alike.

The proposed development of an affordable housing scheme consisting of nine bungalows for older people at one of the sheltered schemes in the borough will meet the needs of older people across the borough, helping them to live more independent lives.

(1B) Age (Young Vulnerable Adults) - There is no data to determine the resident profile of the occupants in the hostels, but anecdotal, the occupants are said to be mainly young male.

There is a proposal to increase service charges for hostel residents by 3.1%. These services have not been reviewed, so it is recommended that a full review of the budgets for hostels be undertaken and a strategy put in place too.

(2) Gender - of Havering's population, 52% (123,023) are female and 48% (114,209) are male. The council's tenant profile shows that the female tenants make up 63% (7464) of the profile base and the male tenants 37% (4383) of the profile base.

This will mean that the increases proposed for rent charges and services charges for tenants will affect more females than males. National statistics also state that women still earn much less than men at local, London wide and national level.

Likely impact of the proposed budget on group with socio-economic disadvantage.

There is no specific analysis of socio-economic disadvantage on just council tenants, the analysis is generic and based on all the community groups within Havering.

(1) Families – Havering's household composition is mainly pensioners and married couples with dependent children. The budget does propose a decrease in heating and hot water charges for council tenants which were increased in 2007 to cover increased cost of gas used and to recover previous years under recovery costs.

This could help prevent fuel poverty from occurring, as in order to heat their home to an adequate standard of warmth; a household needs to spend more than 10% of its income on total fuel use (Centre for Sustainable Energy, 2010).

(2) Adults – of all the London Boroughs, Havering has the largest increase in unemployed age 16-24 (103% compared to London 44%) and never worked (274% compared to London 123%) as stated above under disability.

(3) Low income and/or lone parents (mothers and fathers) – 43.9% of Havering residents are considered to be lone parents not in employment which is higher than England and Wales at 40.6%.

The majority of lone parents in Havering are women (92.1% or 6,638 female lone parents), compared to 7.9% (569) male lone parents. As women still earn less than men at local and national levels, the increase in rents and service charges will have a greater affect on them.

It is possible due to the fact that women are likely to be the main claimant of benefits in a household with children, and therefore may be eligible for higher rates of housing benefit due to their status of being a lone parent. These

benefits are likely to be subject to changes such as the benefit cap due to new Localism Bill 2011 and the Welfare Reform Bill.

6. What is the likely impact on arrangements for safeguarding children and/or safeguarding vulnerable adults?

6 (a) Vulnerable children

N/A

6 (b) Vulnerable adults

There are a lot of cross cutting functions within Housing services and Social Services when it comes to supported housing and vulnerable adults.

There will be impacts on vulnerable adults from the Housing Revenue Account (HRA) budget, as the budget does deal with services and service charges that affect council tenants who may be vulnerable adults as well.

The impact will be on:

- Providing sheltered accommodation for the elderly, hence the proposals to build nine bungalows and improve the conditions of the accommodation by improving some of the internal facilities like the bathroom.
- Supported services for the elderly like; the mobile support service, Telecare line and Careline.
- Increasing the service charge for homeless households accommodated in Council hostels.

In 2012 the Housing Needs and Strategy Manager reviewed the Vulnerable People's Protocol to ensure it was meeting current legislations. The protocol has been circulated and shared within Housing services, and Social services and all parties involved have signed up to use and abide by the protocol.

PREVENTING DISCRIMINATION

7. If any negative impact is identified, is there a way of eliminating or minimising it to reasonable level? If not, how can the negative impact be justified?

7 (a) Staff

N/A

7 (b) Community

The proposed increases are essentially dictated by central government through their rent restructuring formula.

The council's target rent has been below government guidelines. In order to correct this, best practice and guidance dictates that rents need to increase by

an amount above the basic annual increase of amount of RPI + 0.5%. The government has however capped the steepness of the annual increase to no more than £2 a week above the RPI + 0.5% increase.

A comparative analysis of local and London wide rents reveals that Havering's rents in 2013/14 will be the lowest in London. Therefore, tenants will continue to enjoy the lowest rents across the capital.

The increased income of rent rises will be used to increase the HRA contribution to the HRA capital programme to directly deliver a greater number of decent homes in 2013/14.

The aim of the Council, in respect to service charges, is to ensure that those receiving the service are paying for them. Service charges for 2010/11 and 2011/12 have been reviewed and we are almost in position where the cost of each service can be fully recovered from the service charges raised.

The capital programme makes available resources to bring forward works to make the remaining sheltered bedsits with shared bathrooms / showers fully self contained. This will advantage the section of the community aged 65+.

PROMOTING EQUALITY

8. How will the activity help the Council fulfil its legal duty to advance equality of opportunity in the way services are provided?

8 (a) Staff

N/A

8 (b) Community

Any local authority that owns housing stock is obliged to maintain a HRA. The HRA is a record of revenue expenditure and income in relation to an authority's own housing stock. The items to be credited and debited to the HRA are prescribed by statute.

It is a ring-fenced account within the authority's General Fund, which means that local authorities have no general discretion to transfer sums into or out of the HRA.

Section 76 Local Government and Housing Act 1989 places a duty on local housing authorities:

- to produce, and make available for public inspection, an annual budget for their HRA.
- to review and if necessary, revise that budget from time to time and
- to take all reasonably practicable steps to avoid an end-of-year deficit. The proposed HRA budget fulfils these requirements.

One of the central driving aims of the Council is to achieve the Decent Homes Standard for its stock and through the HRA Business Plan, to achieve this goal whilst maintaining a good quality Housing service.

The Localism Act 2011 has changed the financial system for the management of council housing. Government has provided freedom and independence for the management of council housing finance, in return for a one off payment of the national housing subsidy debt (and a premium for the treasury). The new system started in April 2012 so the HRA budget now looks very different from budgets in previous years.

There is more freedom now to direct resources to the best and most effective management of the Council's housing stock. However, some aspects remain centrally controlled by Government such as rent setting, and the use of capital receipts which will ensure that public bodies legally carry out all its activities as set out by the Public Sector Equality duty which will "eliminate discrimination, promote equality, and foster good relations between groups".

SPECIFIC NEEDS

9. What actions will you be taking in order to maximise positive impact and minimise negative impact from the activity?

9 (a) Staff

N/A

9 (b) Community

Of note, there are no adverse equalities implications and risks of the budget to any of the protected characteristics or socio-economic groups. Detailed below is the framework which the budget is set against and the impact:

A self financing business plan has been produced which shows the Council is able to maintain and improve its stock and provide good quality housing services throughout the life of the plan.

The HRA budget has been designed to maintain a decent level of service, and inject further resources into a programme of capital investment in the housing stock that will eventually achieve the Decent Homes standard for the housing stock.

64.3% of Havering council tenants are in receipt of Housing Benefit. The proposed rents and service charges eligible for housing benefit are within the housing benefit caps for Havering, therefore those in most financial hardship, which can include particular protected characteristics or socio-economic groups will be protected.

For example, the proposed rent free weeks for 2013/14 are week commencing 26 August 2013, the two weeks commencing 23 December 2013, and the week commencing 31 March 2014.

These weeks coincide with public holidays, which might be of help to families with children of school age, by leaving a bit more money to spend on the household bills during these periods.

The rent restructuring formula was introduced by government in 2002/03. This provides a target rent for each property. There are many Council's with rents below target, including Havering, which must meet the target rent by 2015/16.

The fact is that to achieve this target, rent has to increase by an amount above the basic annual amount of RPI + 0.5% increase. Applying the formula will increase the rent from around £81.21 a week in 2012/13 to £85.72 a week in 2013/14.

The increased income from this rent rise will be used to increase the HRA contribution to the HRA capital programme to directly deliver a greater number of decent homes in 2013/14 in line with the Council tenants' number one priority as stated in the tenant survey undertaken in the summer of 2012.

In carrying out service reviews the Council is able to reduce the service charge for services listed below due to the efficiencies made in the cost of the services:

- | | | |
|----------------------------------|--------|-------|
| • Caretaking services | -£0.08 | -2.3% |
| • Bulk refuse collection service | -£0.04 | -8.1% |
| • Neighbourhood wardens | -£0.02 | -2.4% |
| • Grounds maintenance | -£0.18 | -7.0% |

An analysis was carried out on the Heating and hot water charges which were increased in 2007 to cover cost of gas over the previous years. Due to this analysis the Council can now reduce these charges for 2013/14 as follows:

- | | | |
|-------------------------|--------|--------|
| • Heating and hot water | -£1.33 | -12.3% |
| • Hot water only | -£2.20 | -24.3% |

MONITORING AND REVIEW

10. Once implemented, how often do you intend to monitor the actual impact of the activity?

10 (a) Staff

The budget will be monitored on an annual basis by the Head of Resources (Housing).

10 (b) Community

There are a number of ways which council tenants and the community in general can feedback and monitor the impact of the budget, these are:

- complaints and compliments

- customer surveys through the repairs and maintenance system, capital works programmes, customer diversity surveys
- face to face contact
- See my data (internet webpage)

SIGN OFF AND PUBLICATION

11. **When completed, the Equality Analysis needs to be signed off by the Head of Service. Once signed off, it should be forwarded to the Directorate Equality Analysis Web administrator to publish it on the council's website.**

HEAD OF SERVICE

Name:

Date:

Signature:

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

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CABINET
13 February 2013

Subject Heading:	Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2013/14
Cabinet Member:	Cllr Roger Ramsey
CMT Lead:	Andrew Blake-Herbert
Report Author and contact details:	Mark White Capital & Treasury Manager 01708 433624
Policy context:	The Council is required to formally approve the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and the Annual Investment Strategy following recommendation from Cabinet
Financial summary:	There are no direct financial implications from the strategy. Treasury management activities are considered as part of the overall budget strategy.
Is this a Key Decision?	No
Is this a Strategic Decision?	No
When should this matter be reviewed?	Bi-Annually
Reviewing OSC:	Audit Committee

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

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

SUMMARY

The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are required to be adequately scrutinised by committee before being recommended to the Council. This role is undertaken by the Audit Committee.

Prudential and Treasury Indicators and Treasury Strategy (This report) - The first, and most important report covers:

- the capital plans (including prudential indicators);
- a Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

A Mid Year Treasury Management Report – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision.

An Annual Treasury Report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

RECOMMENDATIONS

Cabinet to agree the Treasury Management Strategy Statement (TMSS) which incorporates the MRP Strategy and the Annual Investment Strategy 2013/14 and to recommend to full Council that the TMSS be approved.

REPORT DETAIL

Please refer to Appendix A for the Treasury Management Strategy Statement which incorporates the Minimum Revenue Provision Policy Statement and the Annual Investment Strategy.

Some minor changes have been made to the group and Institution limits included in the Treasury Management Strategy Statement. These are summarised as follows:

- a) The Group and Institution lending limit will continue to be reset at the beginning of each month but will be reviewed more frequently and reset during the month if cashflows have moved by greater than £10m since the beginning of that period.
- b) The limit for investments in overseas institutions has been increased to £10m which matches the country lending limit.

Further detail is included at page 17 of the report.

REASONS AND OPTIONS

Reasons for the decision:

The statutory Codes set out that the Council ought to approve a Treasury Management Strategy Statement, the MRP Strategy and the Annual Investment Strategy for 2013/14.

Other options considered:

There are no good reasons to depart from the provisions of the relevant Codes.

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no direct financial implications arising from this report. Treasury management activities are considered as part of the overall budget strategy. Changes to the TMSS have no direct financial implications but are intended to better manage Investment risk in response to fluctuations in cashflow.

Legal implications and risks:

There are no apparent legal implications arising as a result of this Report.

Human Resources implications and risks:

There are no direct Human Resources implications arising as a result of this report

Equalities implications and risks:

There are no equalities implications within this report

BACKGROUND PAPERS

None

Appendix A – Treasury Management Strategy Statement

1 Introduction

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

CIPFA defines treasury management as:

“The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

1.2 Treasury Management Strategy

The strategy for 2013/14 covers two main areas:

Capital Issues

- the capital plans and the prudential indicators;
- the MRP strategy.

Treasury management Issues

- the current treasury position;
- treasury indicators which will limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;

- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the CLG MRP Guidance, the CIPFA Treasury Management Code and the CLG Investment Guidance.

2. The Capital Prudential Indicators 2012/13 – 2015/16

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans are reflected in prudential indicators, which are designed to assist members overview and confirm capital expenditure plans.

Capital Expenditure. This prudential Indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding need (borrowing).

Capital Expenditure £'000	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
Non-HRA	55,748	36,828	49,039	28,453	22,655
HRA	17,623	28,138	36,910	45,500	20,192
HRA settlement	165,248	-	-	-	-
Total	238,619	64,966	85,949	73,953	42,847
Financed by:					
Capital receipts	11,528	8,915	16,814	10,296	6,922
Capital grants	35,064	38,200	47,225	41,738	15,733
Capital reserves	3,002	8,712	0	0	0
Revenue	10,158	9,139	21,910	21,919	20,192
Net financing need for the year	178,867	0	0	0	0

The Council's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

Following accounting changes the CFR includes any other long term liabilities (e.g. PFI schemes, finance leases) brought onto the balance sheet. Whilst

this increases the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes.

£,000	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
Capital Financing Requirement					
CFR – non housing	48,931	47,603	46,275	44,947	43,619
CFR - housing	191,918	191,918	191,918	191,918	191,918
Total CFR	240,849	239,521	238,193	236,865	235,537
Movement in CFR	177,540	(1,328)	(1,328)	(1,328)	(1,328)

Movement in CFR represented by					
Net financing need for the year (above)	178,868	0	0	0	0
Less MRP/VRP and other financing movements	1,328	1,328	1,328	1,328	1,328
Movement in CFR	177,540	(1,328)	(1,328)	(1,328)	(1,328)

MRP Policy Statement

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

CLG Regulations have been issued which require the full Council to approve **an MRP Statement** in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement:

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- **Existing practice** - MRP will follow the existing practice outlined in former CLG regulations (option 1)

This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be:

- **Asset Life Method** – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3);

These options provide for a reduction in the borrowing need over approximately the asset's life.

No revenue charge is currently required for the HRA. However under HRA reform the HRA will be required to charge depreciation on its assets, which will have a revenue effect. In order to address any possible adverse impact, regulations will allow the Major Repairs Allowance to be used as a proxy for depreciation for the first five years.

Affordability Prudential Indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances:

Actual and estimates of the ratio of financing costs to net revenue stream.

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
Non-HRA	1.47	1.19	1.11	1.03	0.95
HRA (inclusive of settlement)	6.47	5.27	5.27	5.27	5.27

The estimates of financing costs include current commitments and the proposals in this budget report.

Estimates of the incremental impact of capital investment decisions on council tax.

This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

£	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
Council tax - band D	0.00	0.00	0.00	0.00	0.00

Estimates of the incremental impact of capital investment decisions on housing rent levels.

Similar to the council tax calculation, this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in this budget report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels.

£	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
Weekly housing rent levels	0.00	0.00	0.00	0.00	0.00

This indicator shows the revenue impact on any newly proposed changes, although any discrete impact will be constrained by rent controls.

3. Treasury Management Strategy

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 Current Portfolio Position

The Council's treasury portfolio position at 31 March 2012, with forward projections are summarised below. The table shows the actual external borrowing (the treasury management operations), against the capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£'000	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
External borrowing					
Borrowing at 1 April	210,234	210,234	210,234	210,234	210,234
Expected change in borrowing	0	0	0	0	0
Other long-term	0	0	0	0	0

liabilities (OLTL)					
Expected change in OLTL	0	0	0	0	0
Actual borrowing at 31 March	210,234	210,234	210,234	210,234	210,234
CFR – the borrowing need	240,849	239,521	238,193	236,865	235,537
Under / (over) borrowing	30,615	29,287	27,959	26,631	25,303
Investments	71,767	92,258	92,258	92,258	92,258
Net borrowing	138,467	117,976	117,976	117,976	117,976

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well defined limits. One of these is that the Council needs to ensure that its total borrowing, net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2012/13 and the following two financial years (shown as net borrowing above). This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Director of Finance reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

3.2. Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary. This is the limit beyond which external borrowing is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual borrowing.

Operational boundary £'000	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
Borrowing	263,500	262,000	260,500	259,000
Other long term liabilities	2,000	2,000	2,000	2,000
Total	265,500	264,000	262,500	261,000

The Authorised Limit for external borrowing. A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external borrowing is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control

either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

Authorised limit £'000	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
Borrowing	290,000	288,500	287,000	285,500
Other long term liabilities	2,000	2,000	2,000	2,000
Total	292,000	290,500	289,000	287,500

3.3 Borrowing Strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is high.

Against this background and the risks within the economic forecast, caution will be adopted with the 2013/14 treasury operations. The Director of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in long and short term rates, e.g. due to a marked increase of risks around relapse into recession or of risks of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.*
- *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.*

Treasury Management Limits on Activity

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments

- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

	2013/14	2014/15	2015/16
Interest rate Exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	25%	25%	25%
Maturity Structure of long term borrowing 2013/14			
	Lower	Upper	
Under 12 months	0%	40%	
12 months to 2 years	0%	40%	
2 years to 5 years	0%	60%	
5 years to 10 years	0%	75%	
10 years and above	0%	100%	

3.4 Policy on Borrowing in Advance of Need

The Council will not borrow more, than or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Borrowing in advance will be made within the constraints that:

- It will be limited to no more than 50% of the expected increase in borrowing need (CFR) over the three year planning period; and
- Would not look to borrow more than 12 months in advance of need.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.5 Debt Rescheduling

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings

by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to the Audit Committee, at the earliest meeting following its action.

3.6 Annual Investment Strategy

Investment Policy

The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, then return.

In accordance with the above, and in order to minimise the risk to investments, the Council has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings and watches published by all three ratings agencies with a full understanding of what the ratings reflect in the eyes of each agency. Using the Sector ratings service banks' ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

Further, the Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "Credit Default Swaps" and overlay that information on top of the credit ratings. This is encapsulated within the credit methodology provided by the advisors, Sector.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.

The intention of the strategy is to provide security of investment and minimisation of risk.

Investment instruments identified for use in the financial year are listed below in the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.

Creditworthiness policy

The Council applies a 2 stage approach when establishing its creditworthiness policy.

Stage 1

The Council uses a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moodys and Standard and Poors. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system, which is then combined with an overlay of CDS spreads. This produces a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the duration for investments. The Council will therefore use counterparties within the following durational bands:

- Yellow 5 years *
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 3 months

** this category is for AAA rated Government debt or its equivalent*

Typically the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of Short Term rating F1, Long Term rating A-, Individual of Viability ratings of C- (or BB+), and a Support rating of 3. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored on a daily basis and prior to any significant deposits. The Council is alerted to changes to ratings of all three agencies through its use of the Sector creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Stage 2

The list of eligible counterparties from stage 1 will then be reviewed by the Lead Member and the Group Director for Finance & Commerce on a quarterly basis where a shortened, revised list of eligible counterparties will be established and an appropriate duration limit placed on each.

Any changes to the final list of eligible counterparties will need approval from both the lead Member and the group director for Finance & Commerce

By using this 2 stage process, sole reliance will not be placed on the use of the Authority's treasury advisers. In addition the Council will also be using the latest market data and market information, information on government support for banks and the credit ratings of that government support when assessing which banks will be eligible for deposits under the second stage.

In addition to the above criteria, it is proposed that the counterparty listing will include :

- UK guaranteed institutions. The maximum duration of deposit will depend on the guarantee from the UK government in place.

- The Council's banker for deposits via the current and liquidity account. No new fixed term deposits would be made, should the ratings not meet the above criteria.

Country limits

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA+ from Fitch. Due care will be taken when considering the country exposure of the Council's investments. No more than £10m will be placed with any non UK country at any one time.

Group & Institution Limits

The Council has the following group & institution limits in place:

- UK institutions group limit - the higher of £25m or 25% of the investments overall balance as determined at the start of the month or more frequently if required.. The overall balance will be monitored routinely in order to determine the appropriateness of prevailing group limit. If the review reveals a change in the balance of more £10m or more since the last review it will trigger a recalculation of the lending limits Any foreign institution - maximum of £10m
- Local Authorities – maximum of £50m with no more than £10m with any one Authority
- Debt Management Office – maximum of £100m
- Triple A rated Government Bond Funds and/or AAA rated Money market Funds (MR1+), maximum of £25m per Fund.
- In addition, a short term limit of £10m (in excess of any previously set limit) with the Council's banker to allow for temporary changes in movement enabling a pragmatic approach to the changes in patterns of cashflow more effectively.

Investment Instruments

Investment Instruments can be split into 2 categories, specified investments and non-specified investments:

Specified Investments - These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small.

Non-Specified Investments – Non-specified investments are any other type of investment (i.e. not defined as Specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below.

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the above categories. Listed below are the types of specified and non-specified investments allowable under this treasury strategy:

Specified Investments	* Minimum credit criteria / colour band	£ limit per institution	Max. maturity period
DMADF – UK Government	N/A	£100m	6 months
Money market funds / Government Liquidity Funds	Long-term AAA volatility rating MR1+	£25m	Liquid
Local authorities	N/A	£10m	Up to 1 year
Term deposits with banks and building societies	Blue Orange Red Green	See group and institution limits above	Up to 1 year Up to 6 Months Up to 3 months
CDs or corporate bonds with banks and building societies	Blue Orange Red Green	See group and institution limits above	Up to 1 year Up to 6 Months Up to 3 months

Non-Specified Investments	* Minimum credit criteria / colour band	£ limit per institution	Max. maturity period
Term deposits with banks and building societies	Yellow Purple	See group and institution limits above	Up to 5 years Up to 2 years
CDs or corporate bonds with banks and building societies	Yellow Purple	See group and institution limits above	Up to 5 years Up to 2 years
Local authorities	N/A	£10m	5 years

Cabinet, 13 February 2013

Bonds issued by multilateral development banks	AAA	£10m	Up to 6 months
Property/Equity Funds	Individually Assessed	£10m	N/A
Collateralised deposit (see note 1)	UK sovereign rating	£10m	5 years
UK Government gilts	AAA	£10m	5 years
UK Government Treasury bills	AAA	£10m	5 years

Note 1. as collateralised deposits are backed by collateral of AAA rated local authority LOBOs, this investment instrument is regarded as being a AAA rated investment as it is equivalent to lending to a local authority.

Investment treasury indicator and limit - total principal funds invested for greater than 364 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

Maximum principal sums invested > 364 days			
£m	2013/14	2014/15	2015/16
Principal sums invested > 364 days	£75	£75	£75

Icelandic Bank Investments – The Icelandic courts have supported the view that the Council will be treated as a preferred creditor, thereby seeing a high proportion of the investment being returned. The actual repayment is currently expected to be partially in foreign currency assets. It is currently too early to provide a definitive policy on how this exchange rate risk will be managed, but the expectation will be that the risk will be managed proactively and assets converted to sterling at the earliest opportunity.

3.7 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

3.8 Policy on the use of external service providers

The Council uses Sector as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

3.10 Scheme of delegation

(i) Full Council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

(ii) Audit Committee

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Lead Member

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

3.11 Role of the section 151 officer

The S151 (responsible) officer

Cabinet, 13 February 2013

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

<p>CABINET 13 February 2013</p>	
<p>Subject Heading:</p>	<p>Review of Children’s Centres</p>
<p>Cabinet Member:</p>	<p>Councillor Paul Rochford</p>
<p>CMT Lead:</p>	<p>Joy Hollister, Group Director, Social Care & Learning</p>
<p>Report Author and contact details:</p>	<p>Ann Domeny, Early Help Service Manager Tel, 01708 433042; email Ann.Domeny@havering.gov.uk</p> <p>Children, Families and Learning Transformation Team cfp@havering.gov.uk</p>
<p>Policy context:</p>	<p>These proposals will enable Children’s Centre resources to be targeted where they are most needed, to support vulnerable children and families, particularly in areas of higher deprivation.</p> <p>These proposals will take forward the practical delivery of the council’s offer for early help and support for troubled families, whilst saving on building running costs.</p>
<p>Financial summary:</p>	<p>Beyond the anticipated service benefits. these proposals are forecast to contribute £138,000 per annum to MTFs Savings.</p> <p>The issue of clawback has been explored with DfE and feedback is that it is unlikely that these proposals will attract a claw back of Surestart capital grant.</p>
<p>Is this a Key Decision?</p>	<p>Yes</p>

Is this a Strategic Decision?	Yes
When should this matter be reviewed?	February 2014
Reviewing OSC:	Children's Services

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 checked="" type="checkbox"/>
Providing economic, social and cultural activity in thriving towns and villages	<input type="checkbox"/>
Valuing and enhancing the lives of our residents	<input checked="" type="checkbox"/>
Delivering high customer satisfaction and a stable council tax	<input type="checkbox"/>

SUMMARY

This report presents the findings from the recent consultation on a review of Children Centres, which proposed the merger of Children Centre activities around 6 hub sites that took place between 15th October 2012 and 4th January 2013. Alternative operators (such as Schools and Libraries) would run and maintain the other smaller and less-used sites, which would be decommissioned as Children Centres, but continue to provide early years services such as pre-school provision.

Overall, the consultation responses received are supportive of the proposals which Cabinet are asked to approve.

RECOMMENDATIONS

Members are asked to:

- I. Note the comments received and the overall findings from the consultation on the review of Children's Centres.
- II. Approve the decommissioning of the following Children's Centres and the services currently provided within them to be transferred to the remaining hub sites by 2nd April 2013, subject to receiving final approval from the Department for Education:
 - Airfield
 - Harold Court
 - Hilldene
 - Pyrgo
 - South Hornchurch
 - Thistledene

- Upminster

III. Approve the continued provision of services from the following larger hub centres:

- Collier Row
- Chippenham Road
- Elm Park
- Ingrebourne
- St Kildas
- Rainham Village

REPORT DETAIL

1. Introduction

1.1 Following an Executive Decision by Cllr Rochford on 8th October 2012, a 12 week extensive public consultation took place between 15th October 2012 and 4th January 2013 on proposals to change how Children's Centre services will be delivered, with particular focus on changes to Children's Centre sites.

1.2 The consultation proposed to reduce the number of Children's Centre sites from 13 to 6 hub centres from April 2013, transferring all staff and services to hub sites. The following larger hub Centres would remain open:

- Collier Row
- Chippenham Road or Hildene (to be determined)
- Elm Park
- Ingrebourne
- St Kildas
- Rainham Village

1.3 The proposals would enable the Children's Centres Service to:

- Reduce the amount of time staff (administrators, managers and professionals) spend staffing and running multiple sites.
- Deliver all services from the more widely-used Children's Centres Hubs by transferring operations from smaller and less-used sites.
- Redirect more staff time towards more targeted front-line work, supporting vulnerable families and children.
- Increase outreach work with children and families throughout the Borough.
- Emphasise preventative working and early help (delivering the Council's Prevention Strategy) through an integrated multi-agency approach.
- Continue to offer wider universal advice, support and guidance, focused in areas of higher deprivation and need, primarily via volunteer groups being set up across the borough.
- Contribute to meeting the Council's MTFs savings.

1.4 The consultation sought views from the public and stakeholders on whether to deregister the following smaller and less-used sites:

- Airfield
- Harold Court
- South Hornchurch

- Thistledene
- Upminster Library
- Either Chippenham Road or Hilldene

1.5 The consultation was advertised widely in the local press and Children's Services. Staff also actively encouraged Service Users to complete a survey and share their views. A wider range of Stakeholders were also consulted, both at formal consultation events and other meetings. Consultees included: Health, Police, Job Centre Plus, local charities, schools, faith organisations, all Council services and the Department for Education.

2. Background Evidence

2.1 The decision to consult was based upon the following body of evidence as detailed in the October 2012 Executive Key Decision report, which was approved by Councillor Rochford on 8th October.

3. 2012 Children's Centre Needs Analysis

3.1 This was a comprehensive and in-depth examination of Children Centres in Spring 2012, which included demographic and performance data, alongside consideration of customer feedback. This concluded that:

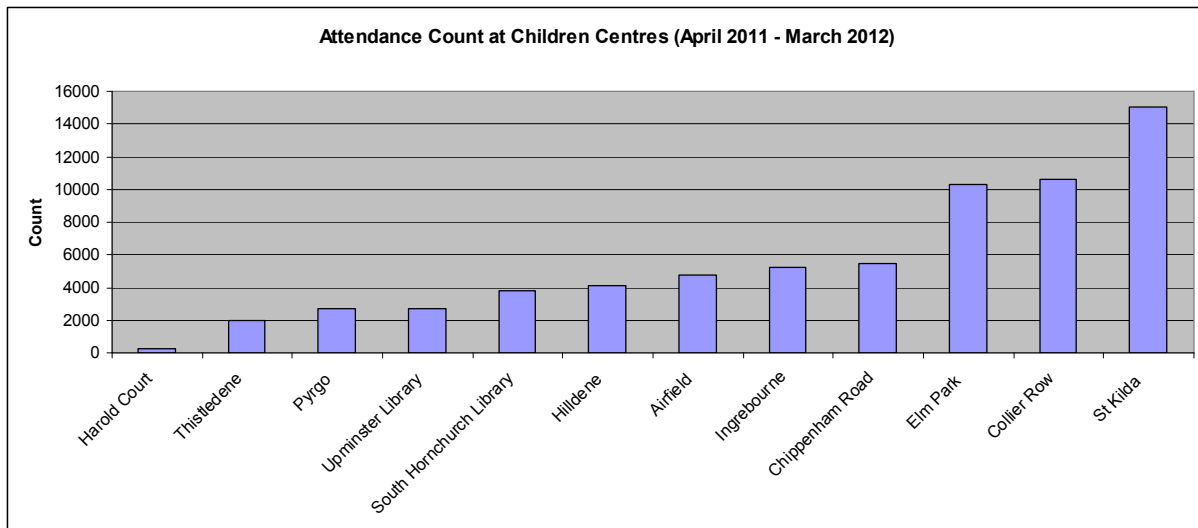
- Some Children's Centres were used more than others.
- Not all families used their closest Centre – they shop around.
- Some Children's Centres are located in areas of higher deprivation and family need, whereas others are not.
- Some areas have multiple centres (for example around Harold Hill) close by, whereas in other areas, residents may have to travel further to access a centre.
- Customer feedback is highly positive about the services received.
- Children's Centres undertake a significant amount of targeted work and received 550 referrals in 2011, mainly from Social Care and Health services.

4. Examination of Children's Centre Service User Demand

4.1 The conclusions of the Needs Analysis are supported by more research into Children Centre usage data from the Children's Centre database, E-Start. This shows, as detailed in the chart below, that some smaller sites have significantly lower overall attendance counts, namely: Harold Court, Thistledene, Hilldene, Pyrgo, Upminster Library, South Hornchurch Library and Airfield.

4.2 These proposals therefore focus on the amalgamation of these less popular sites into the larger hubs. In making the decision as to which sites should be amalgamated, factors other than attendance have also been considered, in particular the cost of running a site alongside the size and quality of building and facilities.

Chart 1. Attendance Count at Havering Children's Centres



5. Consideration of new Children Centre Guidance

5.1 These proposals will ensure the Council is in line with recent guidance (Department for Education, Government's Vision for Children's Centres, 2012) for Children's Centres. This can be most effectively achieved with fewer sites, as staff will spend less time staffing smaller and lesser-used sites. Instead they will have more time to deliver front-line services.

5.2 The guidance also states Children's Centres will:

- Provide access to universal early years services in the local area including high quality and affordable early years education and childcare
- Provide targeted evidence based early interventions for families in greatest need, in the context of integrated services
- Act as a hub for the local community, building social capital and cohesion.
- Share expertise with other early years settings to improve quality.

5.3 Changes to Children's Centre funding also allow Havering greater flexibility in how Children's Centre services are delivered on the ground. Funds were originally ring fenced but now local authorities have discretion on how they are spent.

6. Supporting Other Government Policies

6.1 The proposals will also support the delivery of other Government Policies, most notably:

6.2 The Troubled Families Programme. As key service centres within local communities, Children's Centre Staff will become increasingly involved in working with troubled families. The new Children's Centre teams, working over six hub sites, will bring together local partner agencies to identify and better meet the needs of families with multiple and complex needs.

6.3 The Munro Review of Child Protection. The proposals will enable greater multi-agency working with social care to support the taking forward of Munro's aspiration of getting the right help to the right child at the right time: the child's journey, from

needing to receiving help. Children's Centres will help deliver the Munro recommendations through delivering a service to families in the greatest need which exceeds minimum requirements.

6.4 Field's "Independent Review on Poverty and Life Chances" (2011), alongside Allen's reports on Early Intervention (2011). These highlight the importance of early help within early years as absolutely essential to tackling problems of child poverty later in life. In practice in communities, Havering Children Centres and their staff, alongside families will continue to play a role in addressing Child Poverty. These proposals support ongoing work in this area by siting hub Centres and their respective interventions in areas of high material deprivation.

7. Service mapping

7.1 The proposals will not result in a reduction of universal or targeted services. Service mapping of alternative health and early years provision undertaken affirms this and concluded that in areas where a smaller Children's Centre site is proposed to close, a wide range of alternative early years and health services are available. Consequently closure of a site will not disadvantage families.

8. Contribution to Council Savings

8.1 By reducing the number of sites, the proposals will enable staff resources to do more work with children and families, and contribute to the Council's MTFs savings target. In the main this will be achieved by transferring operations to schools, libraries and other services thereby reducing building rent and utilities.

9. Consultation Approach

9.1 The consultation took place between 15th October 2012 and 4th January 2013. The consultation included a variety of consultation approaches, to ensure it was as comprehensive, far-reaching and inclusive as possible.

9.2 Approaches included a survey, developed to capture the views and opinions of Havering's residents and especially those who are connected with Children's Centres. The survey was advertised widely in the local press and via posters at Children's Centres. Staff also actively encouraged Service Users to complete the surveys and share their views, either via a paper version or online survey.

9.3 To ensure the consultation included the views of all relevant partner agencies, in particular those working with Children's Centres, a briefing was held on the 15th November 2012 for Children Centre Local Area Groups (CCLAG) to give them an opportunity to feedback and ask questions about the proposal. Consultation also took place with partner agencies at the Children, Families and Learning Transformation Board meetings (September and October 2012) and via other informal briefings and meetings.

9.4 Staff were also consulted, encouraged to offer feedback and also encourage Children's Centre Service Users to do the same. Two staff briefings were held on the

10th October 2012. The briefings gave children centre staff an opportunity to feedback their views and to ask any questions they had.

9.5 Consultation meetings were also held with other stakeholders, including the PCT and Clinical Commissioning Group, East London NHS, Job Centre Plus, Havering Voluntary Community Sector representatives, Local Members of Parliament, other Council departments and the Department for Education.

10. Key Survey Findings

10.1 Whilst the consultation was widely advertised, the number of responses received was lower than expected. Feedback from Staff suggested that a reason for the low response could be that Service Users did not appear particularly interested in the survey and proposals, because they typically did not use the centres proposed for merger. A total of 69 survey responses (58 in hard copy format and 11 online) were received. Where indicated, 83% of respondents were female. The key points which have been identified from the consultation are as follows:

- 46% of those responding indicated that they either strongly agreed or agreed with the proposed changes to centres
- According to the responses received, the most commonly used Children's Centres were Collier Row, St Kildas and Hilldene. However, this may be unrepresentative due to the low response number.
- The most commonly used services mentioned were midwifery and ante-natal support, one-to-one meetings and health visitor sessions.

10.2 A number of comments were received during the public consultation. Most were positive, as detailed in comments detailed in the consultation report and many respondents understood why there was a need to reduce the number of Children's Centres and to merge the services into 6 main hubs.

10.3 A small number of comments raised queries on whether services would be affected by the changes and requested more detail on this. The consultation document attached at Appendix 3 was designed to be short, accessible and in plain English, and gave adequate information in the circumstances and did assure that services would not be reduced as a result of these proposals.

10.4 Some responses requested Council support (most commonly in terms of training and funding) to establish parent-led groups and activities at Children's Centres.

10.5 In conclusion, whilst the number of responses was low and indicated a degree of public disinterest in the proposals, those individuals that did respond were supportive overall.

11. Key Stakeholder Consultation Findings

11.1 Consultation of local partners via formal consultation and other meetings identified wide-ranging support for the proposals to go ahead. The following detailed points are also noted:

- There was a general consensus that Chippenham Road Children Centre should remain open as it is well used and has a good foot fall as demonstrated in Chart 1.
- One respondent queried whether the proposals would increase room booking demand at the remaining 6 hubs. Centre Managers have also subsequently examined this and consider the site of the larger centres will be sufficient to meet demand and assure there is space available, however, if any issues arise this will be addressed at local Children Centre Stakeholder Meetings.
- One Stakeholder raised concern that families who have children with disabilities, may find it harder to access Children’s Centres in the future due to longer travel distances, particularly by public transport. Centre Managers assured that a solution was already in place to avoid this scenario. Outreach work has already been identified and utilised as a way to reach families who are unable to travel to the hubs. It is anticipated that Children’s Centre staff will meet with families at a building which is more accessible to them.

11.2 Over 50 hours consultation has also taken place with schools and libraries affected to develop detailed proposals for individual sites to be decommissioned and transferred to their operation. Affected schools and libraries have indicated that they are highly supportive of the proposals. A legal agreement (covering future use of the buildings and maintenance) has also been drafted with schools.

11.3 Detailed site-specific proposals are listed as background papers. A summary of these proposals are detailed in the table below.

Table 1. Summary of Proposals

Centre to Merge	Received Sure Start Grant?	Future Proposal
Airfield (22528)	Yes	Expansion to the Bridge Nursery Offer for children with additional needs.
South Hornchurch (22766)	Yes	Alternative provision will be provided at the Library.
Harold Court (21381)	Yes	To be used by the school to offer pre school provision.
Pyrgo (22439)	Yes	To be used by the school to offer pre school provision.
Hilldene (21499)	Yes	To be used by the school for early years and pre-school provision.
*Thistledene (22381)	No	To be used by Pinewood School to provide new classrooms.
*Upminster Library (23383)	No	Currently looking into the possibility of using the site to offer pre school provision.

**Sure Start grant was not spent on these two sites. Therefore the future use of these sites is more flexible and does not need to focus predominantly on early years services.*

11.4 Discussions with schools continue on technical details, such as confirming the precise assets to transfer including ICT equipment, finalising lease agreements and undertaking building condition surveys. It is anticipated that these discussions will have been finalised by the time Cabinet meets to consider this report.

11.5 In conclusion, the findings of the survey and stakeholder consultations overall indicate support for the progression of the proposals.

REASONS AND OPTIONS

Reasons for the decision

Alongside the background evidence base, feedback from the consultation suggests support for the merger of Centres as indicated. Consultation feedback as detailed in stakeholder consultation minutes attached also indicates that Chippenham Road should remain open as a Children's Centre.

The implementation of this proposal will continue the delivery of service provision to a high standard without affecting current staffing levels and allow for closer co-location of staff to deliver targeted and preventative services for families.

Children's Centres will still offer free services to all, although resources will be mainly focused on more targeted and specialist work with families. Wherever possible, the voluntary sector and parent volunteers will continue to be encouraged to deliver these services, supported with training where necessary or families signposted to other opportunities in the area.

The proposals will ensure:

- Havering still meets its statutory duty to have sufficient centres to meet local need
- (demand at the larger Hub Centres is far higher as detailed in the evidence section, and positive informal feedback has been received from Department for Education on initial proposals).
- That the impact on local communities will be minimal, due to the provision of alternative early years services from former sites. Increased outreach provision will also ensure that services are accessible and all communities can be served.
- Provision of local childcare, particularly given significant recent increases in the early years population in Havering are likely to increase placement demand¹. The proposals will also help the Council implement its Childcare Sufficiency Audit Objectives² and provide additional free places for two year olds from vulnerable families.³

¹Havering Joint Strategic Needs Assessment 2011/12, Demographics Update. Available online at <http://www.haveringdata.net/resource/view?resourceId=JSNAtwentytwelveDemographicsUpdate>.

²Havering Childcare Sufficiency Review 2011/12. Available online at: http://www.havering.gov.uk/Documents/London_Borough_of_Havering_Childcare_Sufficiency_Review_2010-11.pdf

³Further information on the new Two year old offer and eligibility criteria are available at <http://www.havering.gov.uk/Pages/Services/Education-early-years-grant.aspx>

Table 2. Proposed Timeline

Date	Activity
Friday 15 th February, or as soon as possible if the report is called in	<p>Cabinet considers and approves proposals..</p> <p>Proposals are sent formally to Department for Education for sign off.</p> <p>Building condition surveys completed and all other technical queries asked by schools are answered.</p> <p>Following any Cabinet approval, consultation feedback, alongside final proposals are distributed at Children Centres and on-line.</p>
Friday 1 st March	<p>Legal agreements with schools/libraries are finalised and transfer preparations commence.</p> <p>Any amendments are made based on Department for Education’s formal response to site-specific proposals.</p>
Tuesday 2 nd April	Centres are deregistered and formerly transfer to new operators.
Summer term / holiday	Schools begin commence early years activities from sites, modify buildings as needed, and develop a variety pre-school offers to open from September 2013.

Other options considered

Alternative options considered have included:

1. Keeping all centres open - this is not a long-term option. It would mean staff resources remain over-stretched across multiple sites and are unable to deliver a new targeted and early help service. In addition, this option would not allow the Service to make financial savings.

2. Keeping Hilldene Children’s Centre rather Chippenham Road open. This would be unattractive because
 - Consultation findings and background evidence reveal the Chippenham Centre is well use, popular and should remain open.
 - It is in a central and densely populated area.
 - Due to the high rent costs, alternative early years provision (such as pre-school provision) is not financial. Without alternative early years provision from the site, DfE would be entitled to claw back Sure Start capital grant.
 - In comparison, Hilldene Primary School is interested in using Hilldene Children’s Centre for pre-school provision and family activities.

IMPLICATIONS AND RISKS

Legal implications and risks

Local authorities have a duty under the Childcare Act 2006 to provide sufficient children's centres in order to meet local need.

In the event that authorities propose changes such as opening, closing or merging centres they have a statutory duty to consult all those likely to be affected by the proposed changes. Guidance indicates that there is a presumption against the closure of children's centres and therefore a strong case must be established to justify closure.

Where Children's Centre projects were originally funded by the Sure Start and Early Years Capital Grant, a subsequent change of use may no longer fulfil the original grant conditions and therefore trigger a claw back of the original grant funding. Claw back can only be avoided by a specific consent for waiver or deferral from the Department for Education (DfE).

DfE have advised formal application can only be made following a consultation period, report and final sign off by Cabinet. However initial informal consultation with DfE on draft proposals indicates that clawback can be deferred for up to the balance of 25 years since the grant was given where a former children's centre continues to be used predominantly for early years provision.

In so far as new proposals may involve changes of use of the Children's Centre buildings it will be necessary to also ensure that such changes do not contravene the provisions of any applicable leases or other occupation agreements.

It has been previously advised that the Council draws up agreements with Schools to agree the details of future use of former Centre sites located on school premises, where Sure Start capital grant has been spent. This would also ensure that any change of use does not prejudice the Council to be liable to claw back, and that the School does ensure buildings are maintained in good condition. Schools have also requested condition surveys are undertaken, to ensure any pre-existing structural issues are identified before any such agreements are signed – problems arising are unlikely however, given these are newly constructed buildings.

Cabinet Members are reminded that, when considering what decision to make, they are under a personal duty pursuant to section 149 Equality Act 2010 to have due regard to the need to—

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having had careful regard to the Equality Analysis, and also the Consultation responses, Cabinet members are under a personal duty to have due (that is, proportionate) regard to

the matters set out above and (i) to consider and analyse how the decision is likely to affect those with protected characteristics, in practical terms, (ii) to remove any unlawful discrimination, harassment, victimisation and other prohibited conduct, (iii) to consider whether practical steps should be taken to mitigate or avoid any adverse consequences that the decision is likely to have, for persons with protected characteristics, and, indeed, to consider whether the decision should not be taken at all, in the interests of persons with protected characteristics, (iv) to consider whether steps should be taken to advance equality, foster good relations and generally promote the interests of persons with protected characteristics, either by varying the recommended decision or by taking some other decision.

However, whilst Cabinet Members are under a duty to have serious regard to the need to protect and promote the interests of persons with protected characteristics, in the ways just described, in reaching their decision, they may also take into account other considerations, such as the desirability of providing cost-effective and good quality services and, in particular in the current climate, the need to make budgetary savings. They may decide that those types of considerations ultimately justify their decision.

Consultation on the Children’s Centre proposals has been undertaken. In order to be lawful it must be meaningful. In other words the consultees must have received sufficient information and time to respond meaningfully. The decision maker must then take all the consultation comments conscientiously into account before taking its decision. Cabinet members are therefore requested to carefully consider the responses to the consultation contained in the Report.

Financial implications and risks:

The proposals outlined within this report would contribute towards a Children and Young Peoples (CYPS) MTFS target of £1m from April 2013. The projected savings to be achieved are per the table below, totalling £137,640 in a full financial year. These savings are in the form of running costs budgets that would no longer be needed once services merge into fewer hub sites.

Table 3. MTFS Savings:

Children’s Centre	Savings
Thistledene	£9,760
Upminster Library	£15,700
Pyrgo	£22,700
Hilldene	£20,700
Airfield	£27,720
South Hornchurch	£20,700
Harold Court	£20,360
Total	£137,640

A considerable risk around these proposals is the potential for the Department for Education (DfE) to claw back the equivalent sum of Sure Start capital grant that funded the development of these centres. In total the relevant capital grant totalled £1,931,855 per the table below:

Table 4. Sure Start Capital Grant Funding

Children's Centre	Sure Start Grant Capital Funding
Upminster Library	£0
Thistledene	£0
South Hornchurch	£202,688
Airfield	£372,254
Pyrgo	£435,056
Hilldene	£447,991
Harold Court	£473,896
Total	£1,931,855

Similar exercises undertaken in Bromley, Haringey and Brent have shown that negotiated agreement to defer claw back can be achieved if alternative early years use for the premises can be agreed. The process involves identification and drawing up of site-specific proposals, which are then discussed directly with DfE.

Therefore the proposed mitigation against this key risk of grant claw back is to agree with DfE alternative early years use of the centres. It should be noted that although other councils have made such agreements, the DfE deferral period is up to twenty five years, so there will be some risk of claw back during whatever period DfE stipulate the deferral shall be in place for.

When considering whether claw back should apply to an asset funded by Sure Start capital funding, DfE consider whether the changes to the asset cause the asset to no longer satisfy the conditions of the grant. The conditions for Sure Start funded assets are that they are predominantly used to provide services for 0-5 year olds and their parents and carers. If an authority transfers or leases the asset to a school or private provider DfE will still hold the local authority responsible for the asset (for the life of the asset).

DfE have been sent pro-forma proposals for all the sites although no formal decisions on claw back have as yet been made.

Although some centres will transfer to schools (or libraries), the buildings will remain owned by the Council. A legal agreement will be put in place to underpin the arrangement, this will include a clause that maintenance of the building and site will fall to the third party. The Council would remain liable for any pre-existing structural condition.

Decommissioning costs have not yet been fully scoped but would include condition surveys for the three sites on school premises to be run by schools (Pyrgo, Hilldene and Harold Court). The one off cost of this is estimated to be £6,000 to be met from transformation budgets. There will also be some ICT related cost such as the removal of network connections (an ICT survey is to be conducted) and removal costs. All one off costs will need to be met from within existing resources; until these are fully scoped there is the risk that a funding source may not be available.

There will be the need for ongoing maintenance of the hub buildings, which would be the case if the current position were to be maintained. The need for any capital expenditure should be assessed and a funding source identified as necessary (as part of the Councils Capital Programme if applicable).

The Upminster Library site saving to CYPS would be in the form of rent paid, meaning there would be a corresponding reduction in income to be absorbed by the Culture and Leisure Directorate.

There will be changes to the management structure to reflect changes to Children's Centre provision, these are being managed through the Councils Organisational Change policy.

Children's Centres revenue budgets were formerly Sure Start grant funded. This was superseded from 2011/12 by the Early Intervention Grant. From April 2013 this grant will be rolled up as part of the Councils' annual Revenue Support Grant settlement. This has transposed as a funding reduction that the Council is currently addressing as part of the overall budget strategy. Children's Centre budgets will be included within an overall review of former EIG funded services.

HR implications and risks:

This proposal focuses on how services are delivered to the community and from where. The direct impact on front-line staffing in implementing the recommendation in this report is expected to be minimal, in that the majority of staff work at the larger centres already. All of the affected staff have mobility clauses in their contracts of employment, which require them to work across sites within the borough. The overall intention is for a 'transformation', rather than a reduction, of services. Reviews of services will continue to take place across Havering Council. Therefore, this proposal does not mean that the structure of this service is excluded from any future scrutiny that may be required in order to ensure the effective and efficient delivery of services to the Havering community in line with national and local policy frameworks.

Equalities implications and risks:

A full Equality Impact Assessment has been undertaken and is attached.

BACKGROUND PAPERS

Attached

1. Consultation Report
2. Equality Impact Assessment
3. Consultation Document
4. Stakeholder and Staff Consultation Minutes
5. Other Meeting Minutes of Relevance

Other

6. In-depth evidence background report (August 2012)
7. Children's Centre Needs Assessment

8. E-mail correspondence with Department for Education (October 2012 to January 2013)
9. Site specific proposals (draft) for:
 - Airfield Children's Centre
 - Harold Court Children's Centre
 - Hilldene Children's Centre
 - Pyrgo Children's Centre
 - South Hornchurch Children's Centre
 - Thistledene Children's Centre
 - Upminster Children's Centre



Children Centre Review Consultation

Results Analysis

31st January 2013

Children, Families and Learning Transformation Programme

Executive Summary

This report feeds back on responses from the Review of Children's Centres Consultation, which took place between 15th October 2012 and 4th January 2013. The consultation included a variety of consultation approaches, to ensure it was a comprehensive, far-reaching and inclusive as possible.

Overall, careful analysis of the responses received indicates general support for the proposals to go ahead.

Introduction

This report presents the key findings from the consultation feedback received in respect of the review of Havering's Children Centres, which took place between the 15th October 2012 and the 4th January 2013. Respondents were able to send back their feedback via an online survey or by completing a hard copy survey available from within Havering's children centres.

The public consultation generated 69 survey responses (58 hard-paper responses, 11 online). Not all respondents replied to or commented on every question.

This report provides a written summary and analysis of the responses. The key points which have been identified from the consultation are as follows:

- 46% of those responding indicated that they either strongly agree or agree with the proposed changes to centres
- From the responses the most commonly used Children's Centres were Collier Row, St Kildas and Hilldene.. However, this may be unrepresentative due to the low response number.
- The most commonly used services mentioned were related health services, most commonly Midwifery, Ante-natal and Health Visitor support.

Consultation Findings

Approaches included a survey, developed to capture the views and opinions of Havering's residents and especially those who are connected with Children's Centres. The survey

was advertised widely in the local press and via posters at Children's Centres. Staff also actively encouraged Service Users to complete the surveys and share their views, either via a paper version or online survey.

To ensure the consultation included the views of all relevant partner agencies, in particular those working with Children's Centres, a briefing was held on the 15th November 2012 for Children Centre Local Area Groups (CCLAG) to give them an opportunity to feedback and ask questions about the proposal. Consultation also took place with partner agencies at the Children, Families and Learning Transformation Board meetings (September and October 2012) and via other informal briefings and meetings.

Staff were also consulted, encouraged to offer feedback and also encourage Children's Centre Service Users to do the same. Two staff briefings were held on the 10th October 2012. The briefings gave children centre staff an opportunity to feedback their views and to ask any questions they had.

Consultation meetings were also held with other stakeholders, including the PCT and Clinical Commissioning Group, East London NHS, Job Centre Plus, Havering Voluntary Community Sector representatives, Local Members of Parliament, other Council departments and the Department for Education.

Key Survey Findings

Whilst the consultation was widely advertised, the number of responses received was lower than expected. Feedback from Staff suggested that a reason for the low response could be that Service Users did not appear particularly interested in the survey and proposals, because they typically did not use the centres proposed for merger. A total of 69 survey responses (58 in hard copy format and 11 online) were received. Where indicated, 83% of respondents were female. The key points which have been identified from the consultation are as follows:

- 46% of those responding indicated that they either strongly agreed or agreed with the proposed changes to centres

- According to the responses received, the most commonly used Children's Centres were Collier Row, St Kildas and Hilldene. However, this may be unrepresentative due to the low response number.
- The most commonly used services mentioned were midwifery and ante-natal support, one-to-one meetings and health visitor sessions.

A number of comments were received during the public consultation. Most were positive, as detailed in comments detailed in the consultation report and many respondents understood why there was a need to reduce the number of Children's Centres and to merge the services into 6 main hubs.

A small number of comments raised queries on whether services would be affected by the changes and requested more detail on this. The consultation document attached at Appendix 3 was designed to be short, accessible and in plain English, and gave adequate information in the circumstances and did assure that services would not be reduced as a result of these proposals.

Some responses requested Council support (most commonly in terms of training and funding) to establish parent-led groups and activities at Children's Centres.

In conclusion, whilst the number of responses was low and indicated a degree of public disinterest in the proposals, those individuals that did respond were supportive overall.

Key Stakeholder Consultation Findings

Consultation of local partners via formal consultation and other meetings identified wide-ranging support for the proposals to go ahead. The following detailed points are also noted.:

- There was a general consensus that Chippenham Road Children Centre should remain open as it is well used and has a good foot fall as demonstrated in Chart 1.
- One respondent queried whether the proposals would increase room booking demand at the remaining 6 hubs. Centre Managers have also subsequently examined this and consider the site of the larger centres will be sufficient to meet

demand and assure there is space available, however, if any issues arise this will be addressed at local Children Centre Stakeholder Meetings.

- One Stakeholder raised concern that families who have children with disabilities, may find it harder to access Children's Centres in the future due to longer travel distances, particularly by public transport. Centre Managers assured that a solution was already in place to avoid this scenario. Outreach work has already been identified and utilised as a way to reach families who are unable to travel to the hubs. It is anticipated that Children's Centre staff will meet with families at a building which is more accessible to them.

Over 50 hours consultation has also taken place with schools and libraries affected to develop detailed proposals for individual sites to be decommissioned and transferred to their operation. Affected schools and libraries have indicated that they are highly supportive of the proposals. A legal agreement (covering future use of the buildings and maintenance) has also been drafted with schools.

Breakdown of Respondents

1. A total of 69 survey responses (58 in hard copy format and 11 online) were received.

2. Of those that provided equalities information (36/60):
 - 83% were female
 - 61% aged 18-35
 - 81% spoke English as a first language
 - 5 or less had physical disabilities or suffered from a long-term illness

3. Given this is a limited response, the findings and data are highly unlikely to be representative of all service users/wider public opinion, but do offer useful insight into the views of some people who use or are connected with Children's Centre services.

Consultation questions 1 & 2

Which children's centre do you usually use? Have you used other Children's Centres in Havering?

4. The top three Centres used were identified as follows:
1. Collier Row / St Kilda's (Collier Row for Question 1, St Kilda's for Question 2)
 2. Hilldene

Interestingly, with the exception of Hilldene, the other Centres proposed for merger with larger centres, appears extremely low, corresponding significantly with overall reported attendance counts examined via e-start in June 2012. However, some caution is needed, as due to small numbers, this sample group may not be representative of overall service usage.

Chart 1. Which Children's Centre do you usually use?

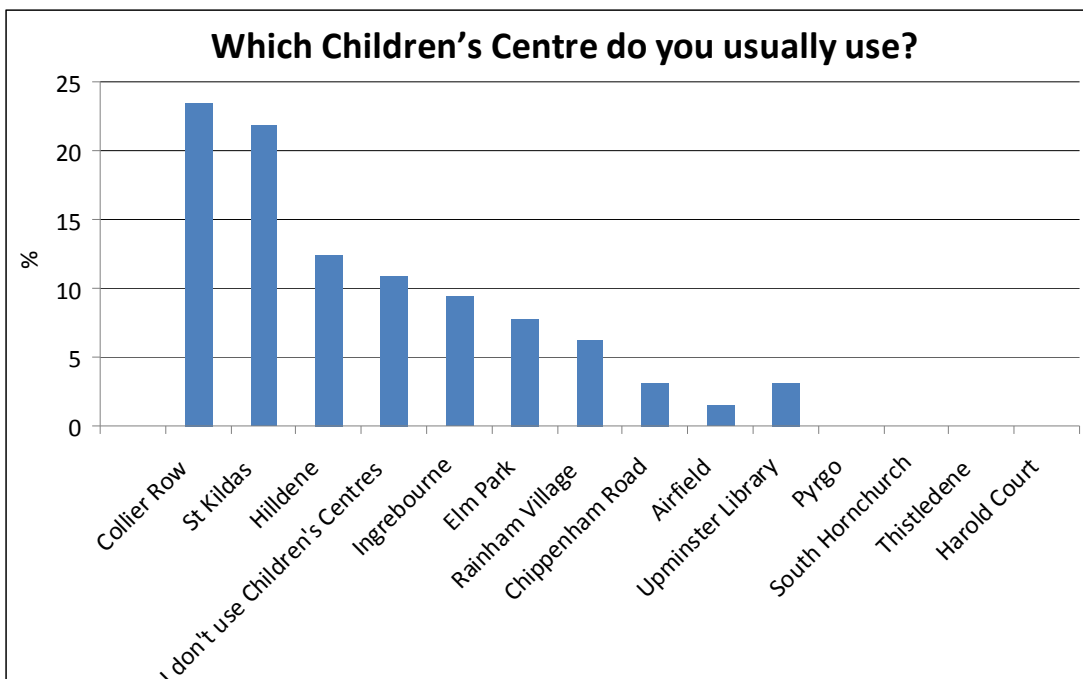
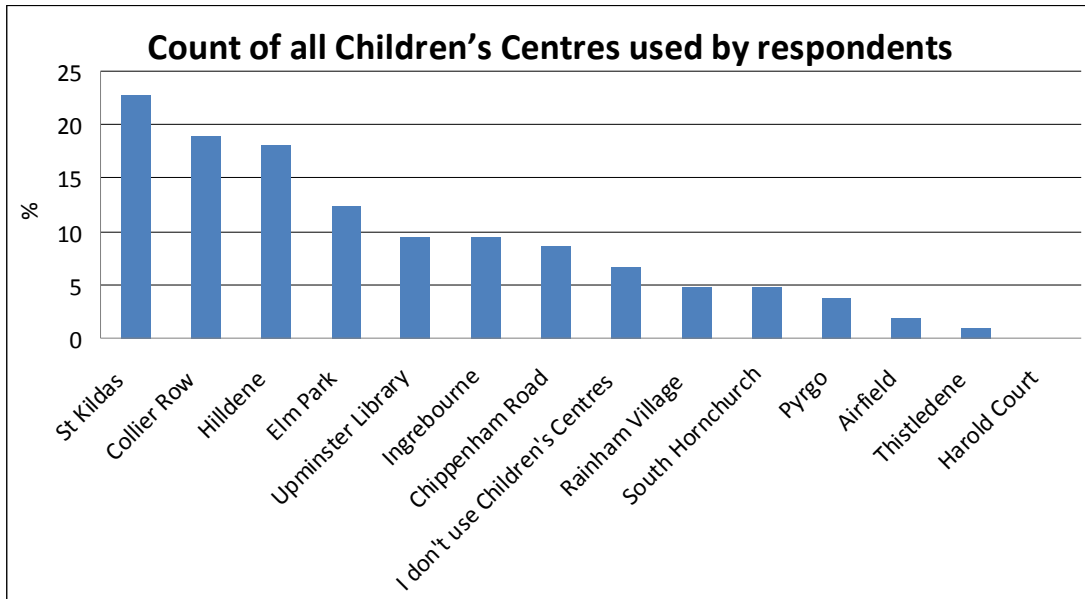


Chart 2. Count of all Children's Centres used by respondents

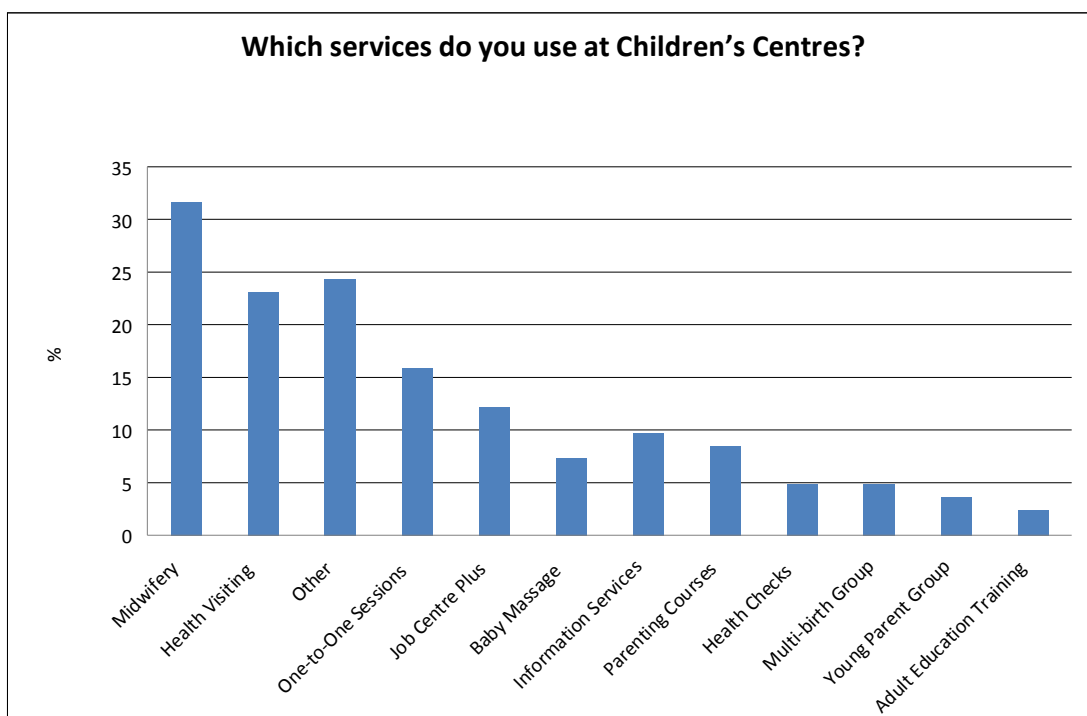


Consultation question 3

Which Children's Centre services have you used in the last year?

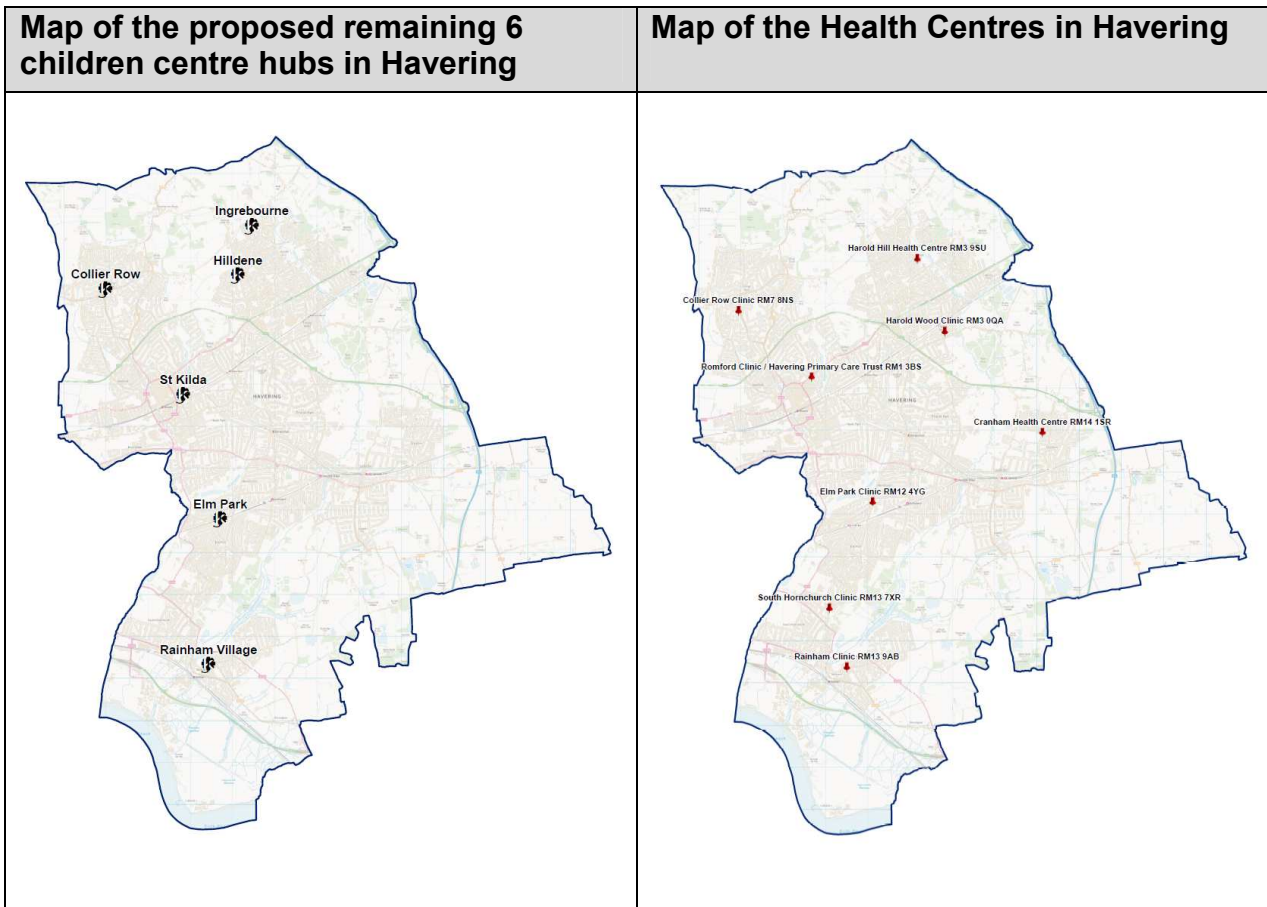
- 5. The most popular services are typically health service-related:
 - 1. Midwives ante-natal support services
 - 2. Health Visiting services
 - 3. Other services (please see table on page 9 for further details)
 - 4. One to One sessions

Chart 3. Which services do you use at Children's Centres?



- 6. The public consultation highlighted some concerns in relation to service delivery for Midwives ante-natal support. Some respondents felt as a consequence of merging children centres into 6 main hubs, mums-to-be in Havering would not have adequate access to the midwifery service. However, this will not be the case as the hubs will still continue to offer the service as well as Havering's Health Centres. Furthermore, the two maps below identify the borough's coverage for delivering Midwifery ante-natal support services and identifies that even though some areas may have reduced children centres, there are still alternative Health Centres close whereby such services can be accessed

Chart 4. Illustrating Health Centre Locations and Proposed Children Centres in Havering



7. We asked respondents to identify any other services which they attend but were not listed in question 3. The following responses were given:

Children Centres	Other services used
Collier Row	<ul style="list-style-type: none"> • Baby yoga • Baby Weighing • Drop in centre
Elm Park	<ul style="list-style-type: none"> • Baby group • Breast feeding café • Messy play
Hilldene	<ul style="list-style-type: none"> • Stay and play • Coffee morning • Photo taking classes • Toys donated to the brilliant Dads club • Cake making classes • Caring news • Santa sack making classes • Dolls bedding making • Curtain making
Ingrebourne	<ul style="list-style-type: none"> • Stay and play
Rainham Village	<ul style="list-style-type: none"> • To get advice and leaflets • To use the phone to speak to someone about benefits
St Kilda's	<ul style="list-style-type: none"> • Ante-natal classes • Toddler Group • Children's First Aid course • Newborn baby group • Breast feeding Café • Inbetweeners play group • Messy Play
Upminster Library	<ul style="list-style-type: none"> • Baby bounce

Consultation question 4

How much do you agree or disagree with our proposals for Children's Centres?

8. The survey asked respondents if they agreed with the proposals which had been outlined by Havering council in its review of children centres. The results showed that 46% of the respondents agreed with the proposals, whilst 31% disagreed, and 22% neither agreed nor disagreed. Further details are listed in the table below.

How much do you agree or disagree with our proposals for children's centres?	% of responses
Yes, I strongly agree	16%
Yes, I agree	30%
I neither agree nor disagree	22%
No, I disagree	14%
No, I strongly disagree	17%

9. We asked respondents to comment on why they felt this way about Havering's proposals. The following comments were submitted:

"These proposals on the two centres do not affect me. I have many views on the children's centre in Romford. The only reason I used the Harold Hill ones was because the group's facilities were not offered at Romford."

"I agree very cautiously. I see the need for a shakeup considering the complicated economics of people, time and money and the present times. However, you seem very quick to propose cuts without having worked out the finer details of how else you are going to support families in these baby boom times. Ideas of including parents, childminders etc are incredibly sketchy. You don't really know how you are going to pay for these areas or what you will support. Promises of facilities and contractual savings are not quantified with figures or 'by when' expected dates. Your general advertising of the facilities as they are was pretty dire, how are you encouraging usage going forwards with cuts in services and presumably budgets? You seem to be trying to slowly remove these services and just hoping nobody is going to notice! You had 8000 births registered in 2011. These kids are already growing up. That's the point you seem to be woefully underestimating."

*"I agree that something should be done because support is needed in the area."
"As a first time mum depending on public transport it was difficult enough for me to get to groups and meet people in a similar situation to mine. Now I have two under two it will be even more so."*

"Elm Park is a wonderful children's centre and has continued to offer classes (such as messy play) by allowing parents that value them to pay a small fee. Rather than just "closing" facilities perhaps ask parents what they value and are prepared to help contribute towards."

"You have a great building in Romford you have spent thousands on it and yet it is hardly used. You only seem to aim at the most disadvantaged in Romford Why? We all struggle with children! We all want support. Instead you supply Multicultural groups which white families are excluded from. You have no baby massage or any groups really for the bulk of the families that live in Romford. We are all struggling in some way or another. If the council can not afford to run these centres properly then hand the facilities over to charity organisations who know what they are doing and can pull in the families so the facilities get used to their full capacity."

"I agree that savings need to be made and buildings lost money to run, however stopping some services within them have left large parts of the buildings empty!"

"Usually when a unit merges into another the quality of care usually deteriorates. Some Children's Centres are already very busy and [proposals] will add further stress to the staff at these Children's Centres - usually the community does not benefit."

"I am sure the Council could find savings elsewhere - Children Centres are needed for the growing population and are very important for young mothers. Savings can be made by reducing agency staff for example, and better management of public services."

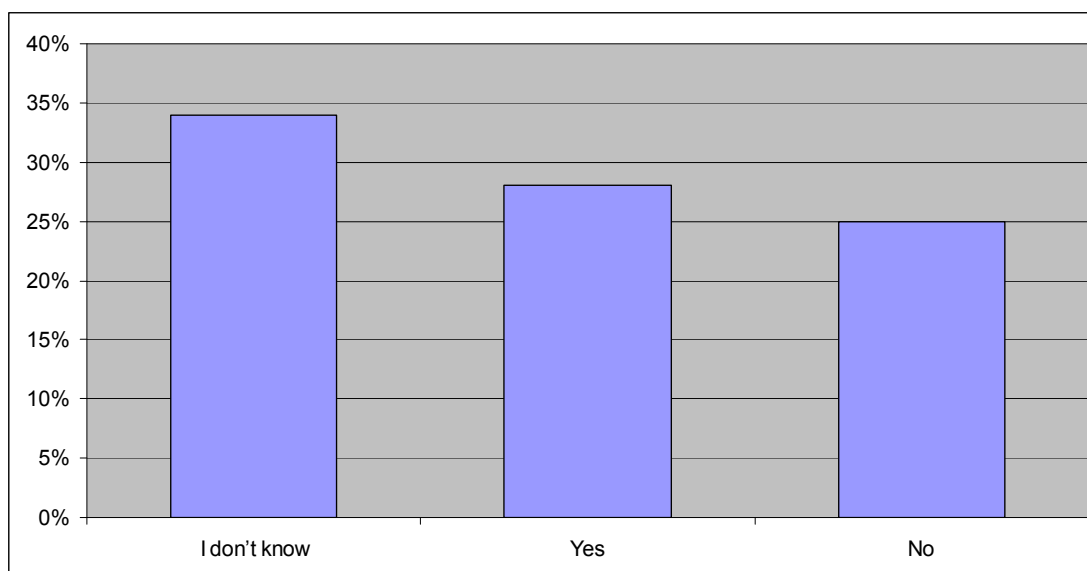
"It is important that childrens services are accessible to all. Having a few distant centres does not help as it is expensive to travel and young children do not find long trips easy. Some centres are not much used because activities have been cut not due to a lack of interest. Keeping them going is relatively cheap in the context of other council expenditure and there is growing evidence that investment in the early years has a very significant effect on child development."

"I think Upminster should have its own centre."

Consultation question 5

Havering Council is interested in supporting parents, carers and childminders to set up their own groups or activities. Is there any specific help or support that we can offer to achieve this?

10. 28% of the respondents felt that the council should support parents, carers and childminders to set up their own groups or activities.



11. The following responses were given:

- Guidance in setting up groups
- Funding for groups
- Training in first aid
- CRB's
- Police checks
- Children centre offices support in the monitoring of groups
- Help in promoting the groups
- Paper required to set up the group outlining what it does
- Staff to be used as play group mentor

Consultation question 6

Do you have any other comments, or thoughts or ideas for children's centres in Havering?

12. The following comments were submitted:

"I feel that they strongly need groups to be run at Children's Centres as they are not meeting the needs for our local children and parents."

"More groups for parents and children i.e. baby groups."

"Professionals to run professional groups please."

"Organising day trips e.g. zoo. Provide groups/courses to build friendships"

"More free groups/activities for babies/toddlers."

"More activities not less. I would like to see activities and sessions held in my local area."

I agree some have to close. Only keep good staff. All parents/children/babies need support in some way at times."

"I agree you have to close some centres. But children's offices are needed to support these new groups. That's why parents come along in the 1st place. Children and babies are so vulnerable. They need the protective eye of a children's officer, who spot problems. DONT DESERT THEM! :o)"

"I am a carer who looks after a little girl who is 2 in January. She is very active and gets bored very quickly, I think it is good for her and other children to get together and play. My daughter is also pregnant and due her first baby in a few weeks, I strongly believe there should be support for people like myself and my daughter who is a first time mum and not very confident."

"They at Chippenham Road are very helpful and a joy to have help from."

"They are a huge benefit to society those on the cusp that miss these targeted services could end up costing the borough/government more in the long run if support services are not more universal."

"I personally found children centres useful. The childminder we use also uses children centres and finds them most helpful."

"Our Elm Park centre is fantastic the staff here are very helpful and my granddaughter who is 7+ months has benefited greatly from being given an ongoing placement at baby crèche she has come on in leaps and bounds."

"This consultation is ridiculous. It has been delivered to justify/validate the proposals, rather than to give parents the opportunity to express their views. Parents view and children's needs

are not in scope of the consultation. A consultation should be a 2 way process. What feedback mechanism is in place to provide an overview of views back to parents? How will you demonstrate how feedback has been taken into account within the proposals? And has informed the overall decision making process? I would be interested to receive a response to my questions. [e-mail address supplied]"

For more people to know about the centres more. Too many people miss out on help, as unaware of the courses."

"You majorly underuse Romford. You did not have half the courses and activities that the other children centres have. The library and churches do more for me than the centre ever did (although the multiple birth groups which you do not run has kept me going!) I can not say where I would be without the church clubs and library and birth group I honestly think if it was not for them I would have left my family through the stress but they kept me sane. The children's centre however offered me nothing, when I asked for help I got complete incompetence from the staff. I honestly see no value in the centre apart from the building itself which is great and underused. Harold hill is no longer the poor area families in Romford are struggling and need just as much help support and advice."

"I am shocked by this survey. There's no questions or consultation at all. There's very little information as to your plans apart from a brief introduction. You have paid employees but this survey suggests that local parents are coming up with all the improvements! You haven't thought about this questionnaire but expect us to trust that you have thought about and have an organised plan on how to move forwards."

"Bring back the baby group. It doesn't have to be completely free. I am sure parents would make a small donation of £1 per session or combine it with breastfeeding group. None of the other parent and child groups in the area [Collier Row] are suitable for babies, its a great way to meet mums in the same situation to share views and get advice. If I didn't go to these groups when I had my children I would have stayed at home all day and struggled to meet people and for my son to play with other children his own age (without toddlers climbing all over them). I have made good friends via these groups (especially baby one) and knew there was always advice on hand. The breastfeeding video and visit from the local safety lady advising on the use of car seats and when to move up was especially useful. Please utilise the space you have at these centres to its full capacity and font leave out those of us that are not classed as 'vulnerable'. Thank you."

"I am very disappointed that Havering has cut back so drastically on provision for young children. This does not encourage people to move to the borough. Focussing on target groups only services to ghettoise and stigmatise provision. One of the best things about the centres is that they help people from different social groups meet and get to know each other better, surely a great way to promote mutual understanding in a diverse population."



EQUALITY IMPACT ANALYSIS

OPTIONS FOR CHILDREN'S CENTRES

31st January 2013

Question 1	What is the scope and intended outcomes of the activity being assessed; in terms of both the Council's organisation and staffing, and services to the community?
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SCOPE OF PROPOSAL

The scope and intended outcome of this proposal is to reduce the number of Children's Centre sites from 13 to 6 hub centres from April 2013. This would not necessarily require a reduction in services delivered, but more a geographical concentration and transformation towards greater targeted work with families.

It is proposed that services would be transferred to the following larger hub Centres:

1	Collier Row	Former early years centre	Collier Row and north west of borough
2	Elm Park	Former early years centre	Elm Park and central to the borough
3	St Kilda's	Former early years centre	Romford
4	Ingrebourne	Former primary school building	Harold Hill, Gooshays
5	Chippenham Road*	Former early years centre on a row of shops	Harold Hill , Gooshays
6	Rainham Village	Former nursery attached to RVPS	South of the district

*Please note that the initial proposals highlighted that there was the option of keeping either Chippenham Road or Hilldene Children's Centre open. After a consultation with key stakeholders who indicated a strong preference to keep Chippenham Road rather than Hilldene open, it was decided to keep Chippenham Road.

This Equality Analysis is supported and evidence based by an extensive public consultation on proposals, which took place between 15th October 2012 and 4th January 2013. The public consultation generated a total of 69 survey responses (58 paper-based and 11 online responses), the majority (83%) of whom were women. It should be noted that not all respondents replied to or commented on every question.

The consultation was also advertised widely via the local press, staff-client interactions (staff encouraged clients to respond to the consultation), posters in children's centres and the Internet. All information on the project was available in different languages and alternative formats upon request. Last but not least, we ensured that our communication materials are written in clear English and were easy to understand.

The public were encouraged to send back their feedback via their preferred method: by completing an online survey or a hard copy survey available at Havering's Children Centres.

Additionally, a specific telephone number and e-mail address were provided as

alternative ways of providing feedback. Staff were also available to respond to questions and queries and/or to assist service users in completing the forms on request.

Employees and other stakeholders (e.g. PCT, Job Centre Plus, libraries, schools, voluntary and community sector and Department for Education) were also consulted via 3 consultation briefings:

- Two staff briefings were held on the 10th October 2012. The briefings gave children centre staff an opportunity to feedback their views and to ask any questions they had.
- A briefing was held on the 15th November 2012 for Children Centre Local Area Groups (CCLAG) to give them an opportunity to feedback and ask questions about the proposal.

Further information on the consultation and feedback is available in section 4.

1a Organisation and Staffing

The proposal is focused on how services are delivered by the Children's Centres to the community and from where.

The immediate impact on staffing is likely to be minimal, in that the majority of staff work at the larger centres already and all staff have mobility clauses in their contracts of employment and work across sites within the borough. The intention is for a transformation rather than reduction of services.

This is not to guarantee that structures will always remain the same in the longer term – reviews of services continue across Havering Council and these reviews will be subject to separate EAs.

1b Services to the Community

The proposed changes will offer an opportunity of a new way of running Children's Centres which will:

- Better support vulnerable families and children – by outreach work throughout the Borough.
- Focus on preventative working (delivering the Council's Prevention Strategy) by an integrated multi-agency approach.
- Continue to offer a wide universal advice, support and guidance, focused in areas of higher deprivation and need.

The proposals are also designed to take forward and reflect the national and local policies where:

- Funds were originally ring-fenced but now local authorities have discretion on how they are spent.
- A key focus is now on prevention and intervention, engaging with families with multiple complex needs, and evidencing the difference we

make.

- There is greater focus on providing services (including universal services) in areas of higher deprivation and need.

These proposals will ensure that we adhere to new guidance for Children's Centres that requires Children's Centres to:

1. Provide access to universal early years services in the local area including high quality and affordable early years education and childcare.
2. Provide targeted evidence based early interventions for families in greatest need, in the context of integrated services.
3. Act as a hub for the local community, building social capital and cohesion.
4. Share expertise with other early years settings to improve quality.

Universal services to be provided at Children's Centres include:

- **High quality, inclusive, early learning and childcare**, particularly for disadvantaged families or those with particular needs (for example disabled children) or living in disadvantaged areas.
- **Information and activities for families so that parents can make informed choices.** This includes provision of family activities to improve outcomes (for example, learning through play or healthy eating) and could also involve access to wider sources of support (for example benefit or debt advice).
- **Adult learning and employment support:** this includes language, literacy and numeracy support, family learning, access to apprenticeships and volunteering opportunities as steps toward employment and links to Jobcentre Plus. It is supported by good quality and inclusive childcare services.
- **Integrated child and family health services:** this includes Health Visitors delivering the Healthy Child programme, engagement with midwives and GPs.

Specific targeted services to be provided by the Children's Centres include:

- **Parenting and family support**, including outreach work and relationship support (the quality of the relationship between parents is linked to positive parenting and better outcomes for children).
- **Provision of integrated support** in response to identified strengths and risk factors within individual families via targeted evidence-based early intervention programmes and links with specialist services for families with the most complex health and/or social care needs.

Source: Government's Vision for Children's Centres, 2012

These proposals will also allow us to focus resources on addressing the Government's Families with multiple complex needs agenda. The Government has estimated the number of 'families with multiple complex needs' in each local

authority area and has identified 415 families in Havering who we should be working with over the next 3 years, 135 in the first year. The majority of these families live in areas of higher deprivation and consequently close to the six hub sites. The service is committed to contribute to the Harold Hill's development due to its high deprivation levels and high take-up of our services, hence the proposed retention of two sites.

As Children's Centres provide key services within local communities, Children's Centre staff members will become increasingly involved in assisting families with multiple complex needs and the development of this project. The new Children Centre teams working over six sites will bring together local partner agencies to identify and better meet the needs of families with multiple and complex needs.

The focus of these changes will be about delivering services differently. The community may experience a difference in how services are delivered, but quality and access to all should not be affected as equalities issues will continue to be considered and associated training undertaken.

In conclusion, through these proposals, Children's Centres can ensure service resilience and improve the quality and scale of services to families and children from all protected characteristics and socio-economic backgrounds. We will particularly target vulnerable and disadvantaged families and children with multiple and complex needs.

At the same time, Children's Centres whilst resources and staff time will increasingly focus on targeted activity, they will remain accessible to all families. For example, parents and carers will continue to be offered insurance, support and training to set up stay and play groups.

Question 2	Which individuals and groups are likely to be affected by the activity?
<p>2a Staff Individuals and Groups</p> <p>This proposal is focusing on how services are delivered to the community and from where. A staffing restructure took place in September 2011 and it is therefore not proposed that any further changes to staff will be likely in the immediate term.</p> <p>The immediate impact on staffing is minimal, in that the majority of staff work at the larger centres already and all have mobility clauses in their contracts of employment which require them to work across sites within the borough. The intention is for a transformation rather than reduction of services. Staff are also contracted to work at any centre in Havering.</p> <p>This is not to guarantee that structures will always remain the same – reviews of services continue across Havering Council and these reviews will be subject to separate EAs.</p> <p>2b Community Individuals and Groups <i>(including voluntary organisations)</i></p> <p>As pointed out in section 1(b) above, the proposed changes will not affect the</p>	

quality of services families with young children receive but the focus of provision will become more targeted towards families and their children who are experiencing or who are demonstrating need or vulnerability.

We recognise that the closure of some Children's Centres may cause inconvenience to some families who used to using them and could involve a bus journey to get to another Children's Centre which will impact on their finances. In order to minimise the potential negative impact for service users affected by the proposed changes, two hubs will remain open in the North of the Borough where there are high levels of disadvantage.

For further information on the impact of the proposed changes on service users with protected characteristics and specific needs, please refer to section 5(b).

Question 3

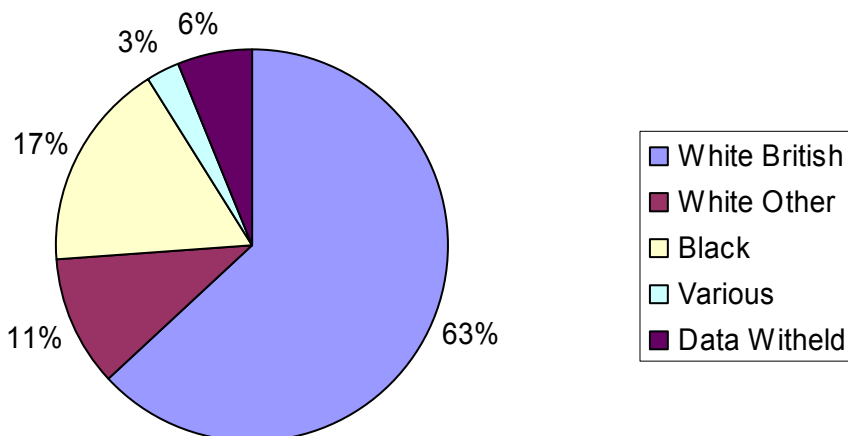
What data/information do you have about the people with 'protected characteristics' (age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sexual orientation) or other socio-economic disadvantage (e.g. disabled and part-time workers, low income and/or lone parents (mothers and fathers), looked-after children, other vulnerable children, families and adults) among these individuals and groups? What information do you have about how they will be affected by the activity? Will you be seeking further information in order to assess the equalities impact of the activity? How is this information being used to influence decisions on the activity?

3a Organisation and Staffing

There are 61 FTE members of staff including management across Children's Centres, 59 of whom are female. The Group Manager is male. Across the wider Prevention and Intervention Service, the latest equalities audit (winter 2011) indicated that 94% of staff were female and 6% male. The age range of staff was 21-65.

The latest survey of staff ethnic background was undertaken at the time of the wider Management of Change report for Prevention and Intervention Services. This indicated that 74% of the staff originated from a White British or White Other background, 17% from a Black background, 3% from other ethnic backgrounds (Asian, Asian Other, Indian, Bangladeshi, Dual Heritage). Data was withheld in the case of 6% of staff.

Prevention and Intervention Services Staff By Ethnic Group 2011



Across the Prevention and Intervention service in winter 2011, 4% of staff declared a disability or long-term illness.

Information is not held on religion or belief, sexual orientation, marriage or civil partnership.

3b Services to the Community

The proposals are based on comprehensive and in-depth examination of demographic, service user and performance data, alongside consideration of customer feedback gathered through consultation.

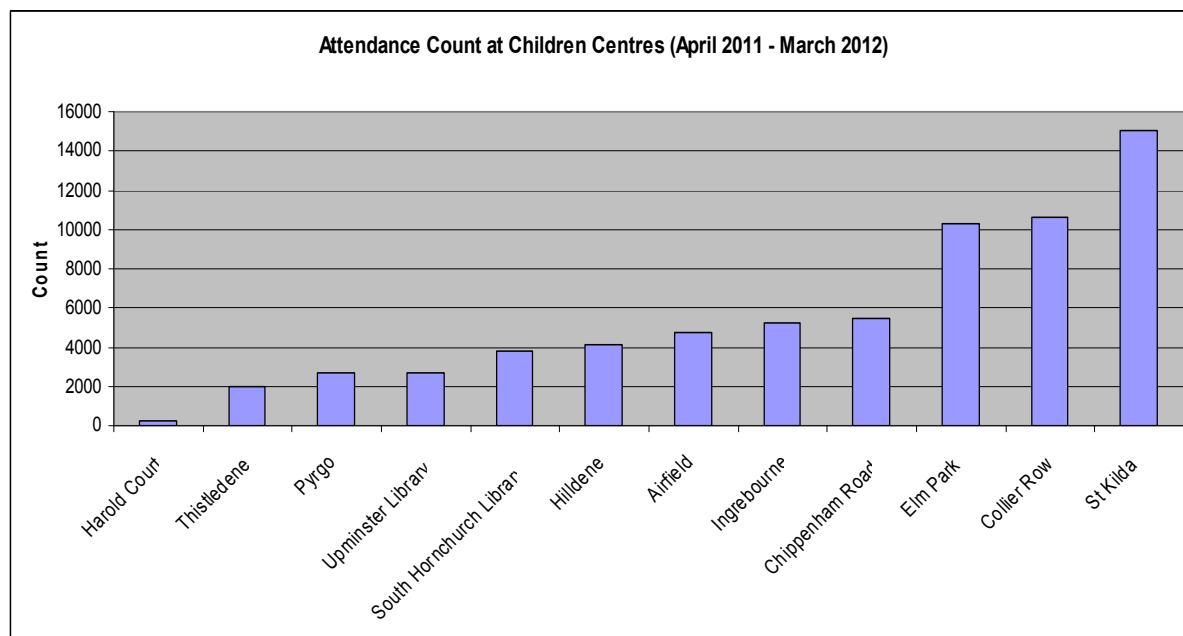
We also examined carefully the needs of our service users by carrying out comprehensive needs assessment – the spring 2012 Children’s Centre Needs Analysis.

The evidence showed that:

- Some Children’s Centres were used more than others
- Not all families used their closest Children’s Centre – i.e. they shop around
- Some Children’s Centres are located in areas of higher deprivation and family need, whereas others are not
- Some areas have multiple centres (for example around Harold Hill) close by, whereas in other areas, residents may have to travel further to access a centre
- Customer feedback is highly positive about the services received
- Children’s Centres undertake a significant amount of targeted work and received

550 referrals in 2011, mainly from Social Care and Health services

These conclusions are backed up by further research examining Children Centre usage and service supply and demand using data from the Children's Centre database, E-Start. The chart below shows that some smaller sites have significantly lower overall attendance counts, namely: Harold Court, Thistledene, Pyrgo, Upminster Library and Airfield. These proposals therefore focus on amalgamation of these less popular sites.



Source E-start (accessed 02/08/2012)

E-start database evidence also shows that Children's Centres are already doing a significant amount of targeted and preventative work as detailed in the table below, demonstrating that at least 2295 services were delivered to 1325 families between 1 April 2011 and 31 March 2012.

Vulnerable groups for period 1 April 2011 to 31 March 2012 at Children's Centres

Custom Label	Families registered	Registered & seen at any centre.
2 Year Pilot Total	143	261
Additional Needs Total	89	165
Asylum seeker Total	4	4
CAF in process or completed Total	103	205
Child Protection Plan Total	51	114
CIN Plan Total	20	38
Domestic Violence Total	162	270
Drug/Alcohol misuse Total	79	147
English not first language Total	121	141
Family member in prison Total	11	16

Looked After Children Total	25	51
Mental health issues Total	99	200
Referral Total	384	639
Temporary Accommodation Total	34	44
	1325	2295

Source: E-Start Database (accessed 02/08/2012)

Another evidence source has been an examination of the levels of deprivation in places where sites are currently based. Our proposals prioritise the larger sites to ensure continued service access in areas of high deprivation and child poverty. The one exception is South Hornchurch, which is a small site and the view here is that this area can be better served via outreach services from the new Rainham Centre that is due to open in September 2012. The facilities are based within the South Hornchurch Library, from where early years activities will continue to be provided. The Children's Centre space there will also remain available for Children Centre outreach activity.

We also carried out a service mapping evidence that identified a wide range of alternative services in addition to the services to remain delivered from Hubs are available across Havering. This includes nearby Health Services, such as baby weighing. In addition to their remaining nearby Children's Centre, families will still have many other options and places to go (please refer to Appendix 1).

Other factors that were considered in making the decision as to which sites should be amalgamated are the cost of running a site, the size and quality of building and facilities.

Last but not least, the final proposals were informed by an extensive public consultation which took place between 15th October 2012 and 4th January 2013. The public consultation generated a total of 69 survey responses (58 paper-based and 11 online responses), the majority (83%) of whom were women. It should be noted that not all respondents replied to or commented on every question.

Please refer to sections 1 and 4 for detailed information on the consultation and feedback.

Question 4	If no data and information is available about the groups likely to be affected by the activity, how would you inform your EA? Will you be considering carrying out some consultation to inform your EA?
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4a Organisation and Staffing

Consultation with staff was a crucial part of the consultation process. As part of the consultation we invited all staff to attend workshops, circulate to colleagues not present and share their views. An email address and telephone number were also

shared for any confidential comments, but none were received. Overall, the staff group appeared positive about the proposals and no concerns specific to staff requirements were raised.

Although no major impact has been identified as a result of these proposals, disabled staff members were actively consulted on the proposed changes of office location and on any specific reasonable adjustment needs they might have (including ICT equipment and software) to enable them to continue to work effectively.

Flexible working requests will also continue to be carefully considered on a case by case basis.

4b Services to the Community.

As outlined in section 1, further data has been gathered through a public consultation on the proposed changes on the future of Children's Centres. Other key stakeholders including libraries, voluntary sector organisations and the health sector were also actively engaged in the consultation to ensure that we reach as many current and potential service users as possible.

The consultation was advertised widely via the local press, staff-client interactions (staff encouraged clients to respond to the consultation), posters in children's centres and the internet. Service users were provided with various ways of giving their feedback: on-line, by filling in a hard copy survey or via telephone. A specific telephone number and e-mail address were provided. Staff were also available to respond to questions and queries and/or to assist service users in completing their form. All information on the project was available in different languages and alternative formats upon request. Last but not least, we ensured that our communication materials are written in clear English and were easy to understand.

Consultation responses have been carefully considered within the Cabinet Report, with particular consideration given to groups with protected characteristics. As responses were broadly supportive, the proposals have not been significantly changed, except on the following issues:

- At the beginning of the consultation, the proposals highlighted that there was the option of keeping either Chippenham Road or Hilldene Children's Centre open. Comments received by stakeholders and survey respondents indicated a strong preference to keep Chippenham Road rather than Hilldene open, the main reasons being its central location in Harold Hill (near the shops), its accessibility and popularity. As a result, we will keep the Chippenham Road Children's Centre open.
- Issues raised on access to centre for families with children with disabilities, or with low income will be mitigated through increased outreach activity.
- Further background information on background data and evidence was requested by one respondent although no contact details were supplied. This is therefore included within this Cabinet Report and supporting papers.
- The Service has confirmed that support will be given to parents and carers wishing to set up universally accessible stay and play groups.

Question 5	Based on the collected data and information, what will be the likely impact of the activity on individuals and groups with protected characteristics or other socio-economic disadvantage?
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5a Organisation and Staff

As outlined in sections 1(a) and 2(a), no major negative impact on staff members is anticipated to arise from this proposal in that the majority of staff work at the larger centres already and all staff have mobility clauses in their contracts of employment and work across sites within the borough. The intention is for a transformation rather than reduction of services.

5b Services to the Community

Although the consultation feedback did not identify any major impacts arising from the proposed changes on groups with protected characteristics which cannot be mitigated, the following issues and concerns were raised:

Stakeholder consultation did identify a potential adverse impact on families who have children with disabilities in that they could potentially be further isolated from services as a result of the proposed merger due to extended travel times by public transport.

Likewise, although not identified in consultation responses, the proposed changes could also negatively affect families reliant on public transport and/or on low incomes.

Stakeholders and a number of consultation responses also identified a need to ensure that universally available group activities for families and children continues to take place in some form at Children's Centres.

Some consultation responses indicated concerns that the changes would reduce access to midwifery and ante-natal services for families. Some respondents felt that, as a consequence of merging children centres into 6 main hubs, mums-to-be in Havering would not have adequate access to the midwifery service.

Please refer to section 6 (b) for information on actions taken to reduce or eliminate the potential negative impact arising from the proposals.

The proposed changes are aimed at ensuring that our services are reflective of and responsive to our service users' needs and are particularly targeted at the most vulnerable and disadvantaged families and children. Furthermore, the locations of the remaining six Children's Centres are specifically chosen to provide services where there are mostly needed.

These proposals will also allow us to focus resources on families and children with multiple complex needs. The majority of these families live in areas of higher deprivation and close to the six hub sites. The service is committed to contribute to the Harold Hill's development due to its high deprivation levels and high take-up of our services, hence the proposed retention of two sites.

As Children's Centres provide key services within local communities, staff members will become increasingly involved in assisting families with multiple complex needs and the development of this project. The new Children Centre teams working over six sites will bring together local partner agencies to identify and better meet the needs of families with multiple and complex needs.

Through these proposals, Children's Centres can ensure service resilience and improve the quality and scale of services to families and children from all protected characteristics and socio-economic backgrounds. We will particularly target vulnerable and disadvantaged families and children with multiple and complex needs.

All the remaining Children Centres are accessible to people with physical disabilities including people with hearing or sensory difficulties. Most families currently travel to Children's Centres and will still be the case in the future. Staff will continue to monitor any access issues raised and will support families on an individual basis. Family support outreach activity via home visits will also continue where necessary.

The closure of some Children's Centre may also have financial implications for some families affected by the closure of their local Children's Centre who might not be able to afford the travel expenses. In order to minimise the potential negative impact for service users affected by the proposed changes, two hubs will remain open in the North of the Borough where there are high levels of deprivation. In Rainham Village, a programme of regular outreach work will be undertaken in the South Hornchurch area.

To conclude, the focus of these changes will be about delivering services differently. The community may experience a difference in how services are delivered, but quality and access to all should not be affected as equalities issues will continue to be carefully considered and associated training undertaken.

For further information, please refer to section 6 (b).

Question 6	What is the potential impact on arrangements for safeguarding children or safeguarding vulnerable adults?
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6 (a) Vulnerable children

Please refer to section 5(b) above.

This new and more targeted approach should assist safeguarding as long as staff members are kept up-to-date with safeguarding protocols and referral systems. We will ensure that staff members are provided with relevant training and updates in relation to vulnerable children, identifying risks and raising concerns regarding vulnerability to appropriate statutory services.

Furthermore, linkage with the new MASH system and efficient multi-agency teams working with families with multiple complex needs will ensure consistency and best outcomes for service users. We will also ensure that transition work does not affect service quality or delivery.

6 (b) Vulnerable adults

As above, for families.

Question 7	If any negative impact is identified, is there a way of eliminating or minimising it to reasonable level? If not, how can the negative impact be justified?
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Please refer to sections 5(a) and 5(b).

7a. Organisation and Staff

Although no major impact has been identified as a result of these proposals, we have carried out an extensive staff consultation with staff members and any issues or concerns were carefully considered. Furthermore, disabled staff members were actively consulted on the proposed changes of office location and on any specific reasonable adjustment needs they might have (including ICT equipment and software) to enable them to continue to work effectively.

Flexible working requests will also continue to be carefully considered on a case by case basis.

We also recognise that ongoing awareness of equalities, training and promotion of a proactive approach to equalities will be essential. This will include ensuring full consideration of the specific needs of all protected groups, particularly vulnerable and/or disabled children, as well as children and families from disadvantaged backgrounds and living in deprived areas. In addition it will be important to continue to deliver the recommendations of the national and local policies as described earlier.

In order to avoid any potential negative impact, staff involved in the implementation of the projects will be fully versed on the objectives and expected outcomes. They will also be required to:

- be aware of and comply with our duties under the Equality Act 2010 and other relevant legislation;
- be sensitive to the different needs and experiences of service users;
- treat both service users and colleagues with dignity and respect at all times;
- consider service users' needs and experiences on a case by case basis so as to avoid and address any potential negative impact, and ensure we are providing quality, children-focused and value for money services;
- report any discriminatory or inappropriate behaviour and escalate any concerns to their manager or another senior officer, following corporate policies and processes;
- ensure that the provisions of the Equality Act are implemented within service plans, self evaluation frameworks, monitoring and external contracts.

7b. Services to the Community

Please refer to section 5 (b).

Although the consultation feedback did not identify any major impacts arising from the proposed changes on groups with protected characteristics which cannot be mitigated, the following issues and concerns were raised:

At the beginning of the consultation, the proposals highlighted that there was the option of keeping either Chippenham Road or Hilldene Children’s Centre open. Comments received by stakeholders and survey respondents indicated a strong preference to keep Chippenham Road rather than Hilldene open, the main reasons being its central location in Harold Hill (near the shops), its accessibility and popularity. As a result, we will keep the Chippenham Road Children’s Centre open.

Stakeholder consultation did identify a potential adverse impact on families who have children with disabilities in that they could potentially be further isolated from services as a result of the proposed merger due to extended travel times by public transport. Likewise, although not identified in consultation responses, the proposed changes could also negatively affect families reliant on public transport and/or on low incomes. Service Managers have already proactively sought to mitigate this through developing programmes of outreach, which will continue under new proposed arrangements. Outreach work has therefore been identified as a way to reach families who are unable to travel to the hubs. It is anticipated that children centre staff will meet with families at a building which is more accessible to them.

Stakeholders and a number of consultation responses also identified a need to ensure that universally available group activities for families and children continues to take place in some form at Children’s Centres. The Service has confirmed that whilst funding for group workers has decreased with a view to an increased focus on targeted activities, it will continue to encourage parents and carers to run such groups with support in terms of training and insurance.

Some consultation responses indicated concerns that the changes would reduce access to midwifery and ante-natal services for families. Some respondents felt that, as a consequence of merging children centres into 6 main hubs, mums-to-be in Havering would not have adequate access to the midwifery service. However, this will not be the case as the hubs will still continue to offer the service as well as Havering’s Health Centres. Furthermore, with the exception of the Upminster centre, Health Services are not currently operating from the smaller sites proposed for merger. In the case of Upminster Library, however, alternative services will remain available at Cranham nearby and discussions are ongoing between Library and Health Services to potentially continue this clinic at Upminster Library once a week.

Question 8	How will the activity help the Council fulfil its legal duty to advance equality of opportunity in the way services are provided?
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8a Organisation and Staffing

Please refer to sections 7(a) and 7(b).

In addition, the following arrangements will be put in place:

- Continued investment in equalities training and impact monitoring, alongside more informal awareness-raising.
- Ensuring consideration of equalities allows for and encourages constructive challenge of existing ways of doing where a concern is noticed either by staff, service user, family or client. Open, approachable and flexible management support will be essential.
- Inviting a staff equalities champion to attend redesign steering events will help ensure that equalities issues are given appropriate weight in the change process.

8b Services to the Community

Children's Centres have individual Local Advisory Groups and Parents Forums and will continue to regularly raise and consider equalities issues at these meetings. Recommendations would then made to the Children's Trust Board.

We will also ensure equality questions are included within any further public consultations and will consult with the corporate Diversity Programme Team.

This approach will demonstrate that the authority is proactively fulfilling its duties under the Equality Act 2010 and other relevant legislation.

Question 9	What actions will you be taking in order to maximise positive impact and minimise negative impact from the activity?
	<p>9a Organisation and Staffing</p> <ol style="list-style-type: none">1. An extensive consultation with staff members, particularly disabled staff members, was carried out to ensure they are able to continue working effectively under the proposed changes of office locations.2. Ensure equalities training and consideration of equalities issues remains a core requirement in contracts with external providers. <p>Please also refer to section 9 (b).</p> <p>9b Services to the Community</p> <ol style="list-style-type: none">1. An extensive public consultation including consideration of equalities issues was carried out to identify and issues and concerns regarding the proposed changes and address those early on.2. Consultation feedback was carefully considered and informed our final decision on the proposed changes.3. Effectively communicated and continue to communicate the changes to both staff and our current and potential service users.

Question 10	Once implemented, how often do you intend to monitor the actual impact of the activity?
<p>Monitoring of the impact will be undertaken annually through regular collection of views from staff and stakeholder forums, at which equalities issues will be discussed specifically.</p> <p>Learning from the project will be recorded and regularly reported to the Children & Families and Learning Transformation Programme Boards.</p>	

Equalities Impact Assessment: Appendix 1

EXAMPLES OF LOCAL ACTIVITIES FOR CHILDREN AND FAMILIES

Parents are advised to complete their own checks for the suitability of the activities

NAME OF VENUE	ADDRESS
Rainham, South Hornchurch and Airfields areas	
Mardyke Minis	Mardyke Community Centre, South Street, Rainham, RM13 8PJ
Cherubs	St Helen's Court, Rainham, RM13 9YN
Baby Stay and Play	Mardyke Community Centre, South Street, Rainham, RM13 8PJ
Scribblers Parent and Baby and Toddler Group	Royals Youth Centre, Viking way, Rainham, RM13 9YG
M.Y.C.A. Parent and Toddler Group	Mardyke Community Centre, South Street, Rainham, RM13 8PJ
St John Pre-School	South End Road, Rainham RM13
Cottage pre-School	Royals Youth Centre, Viking way, Rainham, RM13 9YG
South Hornchurch Library Service	Rainham Road, Rainham, RM13 7RD
Rainham Village Library	Upminster Road South, Rainham, RM13 9YW
Brittons Babes	Brittons School, Ford Lane, Rainham RM13 7BB
Little Rascals	Whybridge School, Rainham
Tiddlers Mother and Toddler Group	St Johns Church, South End Road, Rainham RM13 7XT
Rainham Marshes and the new Trackway - Toddler play area, Wildlife garden and Adventure Play Ground	RSPB, Rainham Marshes Nature Reserve, New Tank Road, Purfleet, RM19 1SZ
Lady Bird Nursery	11 Ryder Gardens, South Hornchurch, RM13 7LS

Chippenham Road, Pyrgo, Hilldene and Ingrebourne areas	
Betty Whiting Parent and Toddler Groups	Betty Whiting Centre, 35a Briar Road, Harold Hill
Hillene Primary School Parent and Toddler Group	Hilldene Primary School, Grange Road, Harold Hill

Salvation Army Parent and Toddler Group	Salvation Army, Petersfield Avenue, Harold Hill
Little Stars Parent and Toddler Group	Little Stars, St Pauls Church, Petersfield Avenue, Harold Hill
Tommy Tots Parent and Toddler Group	Tommy Tots St Thomas Church, Church Road, Harold Wood
Kiddie Koas Parent and Toddler Group	Kiddie Koas, St Georges Church, Chippenham Road, Harold Hill

Romford St Kildas area	
Havering Museum	Havering Museum, 19-21 High Street, Romford, RM1 1JU
Buttercup Club	Gidea Park Methodist Church, 398 Brentwood Road, Romford RM2 6DH
United Reformed Church Parent and Toddler Group	58-60 Western Road, Romford RM1 3JL
Buttercup	Kids Space, The Brewery, Romford RM1 1AU

Elm Park and Upminster area	
Stubbers Adventure Centre	Stubbers Adventure Centre, Ockendon Road, Upminster, RM14 2TY
Thames Chase Visitor Centre	The Forest Centre, Broadfields, Pike Lane, Upminster, RM14 3NS
St Joseph's Social Centre	117 St Marys Lane, Upminster, RM14 2QB
ABC Parents and Toddler Group	St Matthews Church Hall, Chelmsford Drive, Upminster, RM14 2PH
Salvation Army	Hornchurch, Essex, RM11 2RB
Busy Bees Parent and Toddler Group	Havering Christian Fellowship, 2a Newmarket Way, Hornchurch, RM12 6EA
Funtasia @ The Hacton Lane Hall	Hacton Social Hall Haydock Close, Hornchurch, RM12 6EA

Collier Row and Thistledene areas	
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There are many other activity sites in neighbouring Barking and Dagenham. Brentwood, Ilford, Grays, Hainault

Consultation on Review of Children's Centres



Introduction

Havering Council is looking to make some changes to how it provides services from its children's centres and would like your views on the proposed changes.

Children's centres provide a wide range of services to children and families:

- Support and outreach
- Midwifery and health visiting clinics
- Information and advice to parents and carers on a range of subjects
- Support to childminders
- Drop-in sessions and other activities for children and carers.

There are 13 children's centres in Havering which vary in size and opening times. The larger centres have longer opening hours and are used more often.

The Council is proposing to merge children's centres from April 2013 and to transfer activities from smaller sites to the larger children's centres.

Children's Centres from April 2013

Collier Row	Collier Row, covering the north west of Havering
Elm Park	Elm Park and covering the centre of Havering
St Kilda's	Ramford
Ingrebourne	Harold Hill, Gooshays
Hilldene* and Chippenham Road*	Harold Hill, Gooshays
Rainham Village	Covering the south of Havering

*Services would be merged into one of these Centres.

This document will tell you more about the proposed changes and give you a chance to share your views on them. All responses will be considered before a final decision is made in February 2013.

Why are these changes needed?

Like all local authorities, the Council must make savings to ensure we can protect our valuable frontline services. By merging centres we can ensure the future of the services they provide which we know are so valued.

The proposals are for a new way of running children's centres and services will not be further reduced:

- Children and families will continue to have access to any children's centre across the borough
- Outreach work across Havering and family support workers will continue to work with vulnerable families wherever they are
- Services provided with local partners, including health and maternity services, will continue across all six remaining children's centres
- The quality of services will continue to be checked and inspected by OFSTED, an independent body.

The new children's centre service will:

- Allow us to focus on the children and families most in need and spend more time directly working with vulnerable families
- Continue to deliver a high quality service to the public from the most well used centres. Some of the smaller centres are open only a few hours a week and are not widely used
- Help more vulnerable families by working with families earlier, before problems can become bigger issues
- Reduce the cost of running children's centre buildings.

We are also looking at ways to increase opportunities for parents, carers and childminders to get involved in children's centres activities, for example, to support at crèches and stay and play groups.

What will happen to the closed centres?

The Council is looking into the options for how to use the sites of these centres in a way which will benefit the community.

Some of the smaller centres could transfer to provide early years provision or be used by schools. There are also opportunities for some sites to provide additional nursery places given the high demand for quality childcare, which is likely to rise once the two-year offer for 15 hours free childcare for two-year-olds is in place from September 2013 onwards.

What happens next?

The Council will consult on the proposals from October 15 to January 4 2013. All responses will be considered after the consultation ends and will inform the recommendations made to the Council's Cabinet before any final decision is made.

How to give us your views?

Parents, carers and childminders can give their views online at www.surveymonkey.com/s/childrencentresreview

Alternatively, please complete the Children's Centres Consultation Response Form attached, place in an envelope and return to your nearest children's centre, or to the address below:

Please also complete and enclose the Equal Opportunities Form.

Children Centre Consultation
c/o Children and Families Transformation Team
Floor 11, Mercury House
Romford RM1 3SL

How will your comments be used?

Your comments will be extremely helpful and used to inform decision-making on these proposals. They will be carefully considered and summarised in a consultation report to Cabinet members in February 2013.

Your information will remain anonymous in the consultation report. Please note that any individual response may be read by members if requested.

Please return all responses as soon as possible. The latest date we can accept comments is Friday 4 January 2013.

Getting information in another language or format

If you would like to get this document in a different language or in another format (large print, Braille, audiotape or easy read), please contact the transformation team via email at cfp@havering.gov.uk or on 01708 433338



Review of Children's Centres Consultation Response Form

1. Which Children Centre do you usually use?

Please tick one box

- Elm Park
- Uppminster
- Airfield
- South Hamchurch Library
- Rainham Village
(open October 2012)
- Collier Row
- Thistledeane
- St Kildas
- Harold Court
- Ingrebourne
- Pyrgo
- Hilldene
- Chippenham Road
- I don't use children's centres
- I don't know

2. Have you used other children centres in Havering?

Please tick all boxes that apply

- Elm Park
- Uppminster Library
- Airfield
- South Hamchurch Library
- Rainham Village (open Sept 2012)
- Collier Row
- Thistledeane
- St Kildas
- Harold Court
- Ingrebourne
- Pyrgo
- Hilldene
- Chippenham Road
- I don't use Children's Centres
- I don't know

3. Which children's centre services have you used in the last year?

Please tick all boxes that apply

- Respite Care
- One-to-one Family Support
- Baby Massage

- Small talk
- Sensory room
- Parenting courses
- Job Centre Plus
- Lifeline - getting ready for your baby
- Health 1 and 2 year development checks
- Midwives ante-natal support
- Health visitors services including nutrition advice
- Young Parents group
- Multiple birth group
- Information services
- Adult education and training
- Other

If you have ticked the 'Other' box, please could you provide further detail?

4. How much do you agree or disagree with our proposals for children's centres?

Please tick one box

- Yes, I strongly agree
- Yes, I agree
- I neither agree nor disagree
- No, I disagree
- No, I strongly disagree

Why is this

Continue overleaf



5. Havering Council is interested in supporting parents, carers and childminders to set up their own groups or activities. Is there any specific help or support that we can offer to achieve this?

Please tick one box

- Yes
- No
- I don't know

If you have ticked 'Yes' what help or support would be needed?

6. Do you have any other comments, or thoughts or ideas for children's centres in Havering?

Thank you for taking part in this consultation.

Appendix 4

CCLAG Children's Centre Consultation Briefing 15th November 2012

Introduction

As part of the public consultation on the review of Children Centres (15th October 2012 to 4th January 2013), Ann Domeney (Family Support Service Manager) and Helen Morris (Team Manager) led a stakeholder/partner briefing session to the Children Centre Local Area Groups in Havering (CCLAG).

Rowan Griffin (Interim Senior Project Manager) and Samantha Kitt (Senior Programme Officer) attended from the Transformation Children, Families and Learning Team to help facilitate the briefing and answer any questions.

The meeting was attended by:

Kim O'Neil	Parents in Partnership Service
Lesley Odams	Havering Adult College
Sharon Hinds	The Family Information Group
Julie Byrne	Under Fives Inclusion
Richard Shorter	Harold Hill Baptist Minister
Amanda Galvin	Job Centre Plus
Nicolette Middleton	Action for Children
Sally Turner	Community Nursery Nurse Romford Health Centre
Emma Zahra	Student Health Visitor Romford Health Centre

The reason for holding the briefing was to inform groups of the proposals, listen to and consider groups views and ensure:

- Purpose of the Children's Centre consultation was understood.
- Groups have the information needed to explain to its users the reasons for the proposed merger of 7 Children's Centres.
- To encourage groups to feedback their views by completing a survey, found in children's centre or via Survey Monkey.

AD explained that the public consultation started on the 15th October and will continue until 4th January. The consultation includes the following core recommendations:

- To merge a number of smaller and less-used Children's Centre sites to 6 hub centres from April 2013.
- Activities would not be reduced, but transfer from smaller less-used sites to larger hubs.
- The focus will be on changes to sites not Havering council front-line staff numbers.

AD further explained that the proposals do not:

- Change existing services and activities. These will be retained and transferred to other sites.
- Make proposals to change front-line staff structures.
- Make proposals for how specific services should be delivered in detail.

AD also acknowledged that parallel to this consultation on Children's Centre sites, work is ongoing to develop opportunities for parents and carers to run activities and groups.

At the end of the briefing the group were asked to form pairs and discuss the following questions:

1. What work are you currently doing with Children's Centres?
2. What other work are you doing in local areas, but not with Children's Centres?
3. How do you feel the proposed changes will affect your ongoing work in local areas?

The groups then fed back their views to AD and Helen Morris (HM).

Key points/comments made:

There was an understanding and general agreement from the group on the proposed changes to the Children's Centres.

The current work being offered by the groups are parenting courses, targeted work, referral work, block courses such as baby massage, early year's health review, and parenting groups.

Sharon Lockey (SL) Job Centre Plus informed the group that it previously delivered a general employment service at Chippenham Road for families who had children under the age of 5. This was a well used service but due to organisational constraints the resources were needed in another area within Job Centre Plus. This highlighted that all services, not just the council have had to rethink how they deliver their service due to the current economic climate.

Richard Shorter (RS) Harold Hill Baptist Minister felt that Sure Start removed the stigma around mixed economy offering free groups and stay and play session for families to attend. Making these groups free allowed children from all societies to be able to attend including those living in deprivation. Would the council commit to ensure that this continues? HM explained that up to 8 families attending the services provided are intended for targeted work. It is anticipated that room will be available for other families who are not targeted to attend. Children Centres remain a place within the community and have some universal services running from the centres. The remaining centres will be committed to supporting but not running groups.

HM explained in more depth that the council is supporting parent led groups. The council is supporting universal services to run free groups in the centres such as baby group, stay and play, messy play etc. The groups would be offered as a drop in service and would mean no waiting list (first come first serve basis). After much research the council is now able to guide groups on the process for obtaining the relative insurance needed, CRB checking, training such as First Aid and other appropriate courses. The aim is to support the groups but not to have children centre staff running the groups.

Nicolette Middleton's (NM) Action for Children main concern was that her service delivered targeted work to families with children, but was unable to find provision for crèche support from the children's centre. HM explained that originally there were 16 group workers but now 8 remain and as a result they are unable to offer the crèche support anymore. The other groups which use the children centre provide their own crèche staff and equipment. This is possibly an avenue that could be explored by Action for Children.

Lesley Odams (LO) Havering Adult College asked if the increase on other sites will cause a bigger issue when block booking space at the children's centres to provide her service.

HM suggested that this is brought up at CCLAG meetings to identify alternative locations to run courses from if children centres are booked already.

Emma Zahra (EZ) raised concerns for families with children with disabilities being able to reach centres via public transport. The families are already isolated and this could isolate them even more. HM recognised this concern and explained that these families would not be expected to travel to centres, instead outreach work takes place and families are visited at a place more appropriate such as their home. The aim is to sign post families to local community run groups as well as children centres. This will give them the opportunity to meet other families at groups which are available locally.

The group asked how the children's centre would be sign posting the families to community run groups. HM referred to the Family Information Service (FIS) community board in the children's centres. The community board identifies all known community led groups that are meeting in the area (the children centres do not recommend any groups). The group then asked if this information is available online, HM confirmed that it wasn't online as it changes too often to be up to date. There are plans to explore further options for promoting the services/groups available to families which are run by the community. This point has been noted by AD and HM for action.

RS raised concerns over the closure of Chippenham Road. As a user of the centres he felt that the training rooms at Hildene would be unsuitable to deliver his service. He also felt that Chippenham Road was well used and a good children's centre.

There was a general consensus that Chippenham Road Children Centre should not be closed as it is well used and has a good foot fall.

RS asked where the family support workers are going to be based. HM explained that there has been some re-jigging in the centres to make space for family support workers and IT has been upgraded to allow this.

Note on Children's Centre Staff Briefing Town Hall, 10th October

Kathy Bundred (KB) (Head of Children and Young People's Services) led two briefing sessions on emerging proposals, which were attended by approximately 40 members of staff.

The reason for holding the briefing was to inform staff of latest proposals prior to consultation launch, to listen to and consider staff views and ensure:

- Staff have the information needed to explain to the public the reasons for the proposed merger of 7 Children's Centres.
- Explain the purpose of the Children's Centre consultation.
- Staff are informed to help Service Users complete the consultation response form.

KB noted that the public consultation will run from 15th October until 4th January and will include the following core recommendations:

- To merge a number of smaller and less-used Children's Centre sites to create 6 hub centres in total from April 2013.
- Activities would not be reduced, but transfer from smaller less-used sites to larger hubs.
- The focus will be on changes to the sites not our front-line staff numbers.

Explaining the key rationale behind the proposals, KB explained they will:

- Support vulnerable families and children by continuing outreach work throughout the borough.
- Emphasise preventative working (delivering the Council's Prevention Strategy) by integrated multi-agency approach.
- Continue to offer wider universal advice, support and guidance, focused in areas of higher deprivation and need.
- Ensure our resources are not spread too thinly over too many (often underused) sites.
- Contribute to meeting the Council's MTFS Savings.

KB further explained that the proposals do not:

- Change existing services and activities. These will be retained and transferred to other sites.
- Make proposals to change front-line staff structures.
- Make proposals for how specific services should be delivered in detail.

KB also noted that parallel to this consultation on Children's Centre sites, work is ongoing to develop opportunities for parents and carers to run activities and groups.

The surveys and boxes will be distributed to St Kilda's on the 12th October 2012.

The following comments were made:

1. Chippenham Road

All participants considered that if only either Chippenham Road or Hilldene should remain open, Chippenham Road should stay open and it would be better to focus on merging the

Hilldene site. Staff felt that the site is very well used, that the location and passing trade was ideal for a Children's Centre. They felt that it is especially good for sign posting to other services as the general public often walk into the centre to ask for advice and help.

2. Universal Groups

Staff mentioned a key ongoing issue of relevance to the consultation was the disbanding of universal groups earlier this year. This has caused significant public concern, particularly in the Elm Park, St Kilda's and Upminster areas. Helen Morris (HM) (Deputy Manager Children and Young People Service) notes that this is now being resolved as insurance can now be purchased to cover parent/carer groups. Once CRB checks have been completed the training support can be put in place and provided. It will then be possible for parent/carer groups to be established.

3. Consultation with Stakeholders

HM clarified that the consultation will also involve discussions with many stakeholders, including health services. This will initially take place via a single CLAG group meeting at the Town Hall, date and time to be confirmed.

The role of Schools in the consultation was also queried. It was confirmed that they will have a central role. School staff, pupils and their families will be able to input into the consultation. It was also noted that meetings are ongoing with various schools which have Children's Centres on site, with a view to the school operating these sites in the future.

4. Children Centre Reach Areas

It was highlighted and agreed that if the proposals go ahead, existing centre reach areas would need to be recalculated. This would ensure a balanced distribution of case work between centres. This would require input from Capita E-Start.

This would need to factor in recent increases in the under 8 population in some areas (especially around St Kilda's) and the potential impact this could have on early years work and demand in those areas.

5. Office Accommodation

Office accommodation was discussed. Systems were changed earlier this year, introducing hot desking at the larger centres. This would continue under the new proposals.

6. Possible Government cuts December 2012

Colin Kerr, representative for GNB union asked KB whether she thought the further budget cuts which are due to take place on the 5th December (estimated £10 million) would have any affect on this consultation. It is felt that until the budget cut is announced we would not know the affects it could have on the Children's Centre services.

Appendix 5

Children, Families' & Learning Transformation Programme Board

Notes of Meeting

Date: 18 September
2012

Time: 12.30pm

Venue: CR2, Town Hall, Romford

Present:

Sue Butterworth	(SB)	Group Director, Childrens Services
Jacqui Himbury	(JH)	Borough Director, CCG
Mary Pattinson	(MP)	Head of Learning & Achievement
Caroline Woolf	(CW)	Programme Manager, Corporate Transformation
Stephen Doye	(SD)	Legal Services Manager
Cameron Hill	(CH)	Strategic Commissioning Lead (Inclusion)
Julie Brown	(JB)	Programme Manager, Children Services Transformation
John Green	(JG)	Programme Office Manager, Children Services Transformation
Paul Ryrie	(PR)	Interim Consultant for Housing & Public Protection
Martin Shipp	(MS)	Acting Service Manager for Foundation Years
Trevor Cook	(TC)	14 – 19 Manager
Rowan Griffin	(RG)	Senior Programme Officer, Children's Services Transformation
Eve Anderson	(EA)	HR Business Partner

3.	Children's Centre Transformation Project Update	<p>On behalf of KB, RG presented proposals for consultation on Children's Centres (presentation attached), to consult on the amalgamation of activities held with smaller and less used Centres into 6 hub sites. The rationale is to ensure staff are used effectively to increase and improve early help provision with children and families. Subject to approval of the Executive Decision, the consultation would commence October 8 through to January 4. Members were in agreement with the proposed approach.</p> <p>During discussions, the way forward was broadly welcomed by the Board. There is a need for further discussion with the CCG regarding the health clinics that take place at Upminster Library.</p> <p>SB stressed the need for thorough planning of the consultation process and she outlined the need to link up with the draft Consultation Toolkit developed by the corporate Policy Team.</p> <p>SB referred to a small management restructure that was planned to run in parallel to the consultation process, to reflect the revised service management requirement and to realise a small MTFS saving.</p>
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EQUALITY IMPACT ANALYSIS

OPTIONS FOR CHILDREN'S CENTRES

31st January 2013

Question 1	What is the scope and intended outcomes of the activity being assessed; in terms of both the Council's organisation and staffing, and services to the community?
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SCOPE OF PROPOSAL

The scope and intended outcome of this proposal is to reduce the number of Children's Centre sites from 13 to 6 hub centres from April 2013. This would not necessarily require a reduction in services delivered, but more a geographical concentration and transformation towards greater targeted work with families.

It is proposed that services would be transferred to the following larger hub Centres:

1	Collier Row	Former early years centre	Collier Row and north west of borough
2	Elm Park	Former early years centre	Elm Park and central to the borough
3	St Kilda's	Former early years centre	Romford
4	Ingrebourne	Former primary school building	Harold Hill, Gooshays
5	Chippenham Road*	Former early years centre on a row of shops	Harold Hill , Gooshays
6	Rainham Village	Former nursery attached to RVPS	South of the district

*Please note that the initial proposals highlighted that there was the option of keeping either Chippenham Road or Hilldene Children's Centre open. After a consultation with key stakeholders who indicated a strong preference to keep Chippenham Road rather than Hilldene open, it was decided to keep Chippenham Road.

This Equality Analysis is supported and evidence based by an extensive public consultation on proposals, which took place between 15th October 2012 and 4th January 2013. The public consultation generated a total of 69 survey responses (58 paper-based and 11 online responses), the majority (83%) of whom were women. It should be noted that not all respondents replied to or commented on every question.

The consultation was also advertised widely via the local press, staff-client interactions (staff encouraged clients to respond to the consultation), posters in children's centres and the Internet. All information on the project was available in different languages and alternative formats upon request. Last but not least, we ensured that our communication materials are written in clear English and were easy to understand.

The public were encouraged to send back their feedback via their preferred method: by completing an online survey or a hard copy survey available at Havering's Children Centres.

Additionally, a specific telephone number and e-mail address were provided as alternative ways of providing feedback. Staff were also available to respond to questions and queries and/or to assist service users in completing the forms on request.

Employees and other stakeholders (e.g. PCT, Job Centre Plus, libraries, schools, voluntary and community sector and Department for Education) were also consulted via 3 consultation briefings:

- Two staff briefings were held on the 10th October 2012. The briefings gave children centre staff an opportunity to feedback their views and to ask any questions they had.
- A briefing was held on the 15th November 2012 for Children Centre Local Area Groups (CCLAG) to give them an opportunity to feedback and ask questions about the proposal.

Further information on the consultation and feedback is available in section 4.

1a Organisation and Staffing

The proposal is focused on how services are delivered by the Children's Centres to the community and from where.

The immediate impact on staffing is likely to be minimal, in that the majority of staff work at the larger centres already and all staff have mobility clauses in their contracts of employment and work across sites within the borough. The intention is for a transformation rather than reduction of services.

This is not to guarantee that structures will always remain the same in the longer term – reviews of services continue across Havering Council and these reviews will be subject to separate EAs.

1b Services to the Community

The proposed changes will offer an opportunity of a new way of running Children's Centres which will:

- Better support vulnerable families and children – by outreach work throughout the Borough.
- Focus on preventative working (delivering the Council's Prevention Strategy) by an integrated multi-agency approach.
- Continue to offer a wide universal advice, support and guidance, focused in areas of higher deprivation and need.

The proposals are also designed to take forward and reflect the national and local policies where:

- Funds were originally ring-fenced but now local authorities have discretion on how they are spent.
- A key focus is now on prevention and intervention, engaging with families with multiple complex needs, and evidencing the difference we make.
- There is greater focus on providing services (including universal services) in areas of higher deprivation and need.

These proposals will ensure that we adhere to new guidance for Children's Centres that requires Children's Centres to:

1. Provide access to universal early years services in the local area including high quality and affordable early years education and childcare.
2. Provide targeted evidence based early interventions for families in greatest need, in the context of integrated services.
3. Act as a hub for the local community, building social capital and cohesion.
4. Share expertise with other early years settings to improve quality.

Universal services to be provided at Children's Centres include:

- **High quality, inclusive, early learning and childcare**, particularly for disadvantaged families or those with particular needs (for example disabled children) or living in disadvantaged areas.
- **Information and activities for families so that parents can make informed choices**. This includes provision of family activities to improve outcomes (for example, learning through play or healthy eating) and could also involve access to wider sources of support (for example benefit or debt advice).
- **Adult learning and employment support**: this includes language, literacy and numeracy support, family learning, access to apprenticeships and volunteering opportunities as steps toward employment and links to Jobcentre Plus. It is supported by good quality and inclusive childcare services.
- **Integrated child and family health services**: this includes Health Visitors delivering the Healthy Child programme, engagement with midwives and GPs.

Specific targeted services to be provided by the Children's Centres include:

- **Parenting and family support**, including outreach work and relationship support (the quality of the relationship between parents is linked to positive parenting and better outcomes for children).
- **Provision of integrated support** in response to identified strengths and risk factors within individual families via targeted evidence-based early intervention programmes and links with specialist services for families with the most complex health and/or social care needs.

Source: Government's Vision for Children's Centres, 2012

These proposals will also allow us to focus resources on addressing the Government's Families with multiple complex needs agenda. The Government has estimated the number of 'families with multiple complex needs' in each local authority area and has identified 415 families in Havering who we should be working with over the next 3 years, 135 in the first year. The majority of these families live in areas of higher deprivation and consequently close to the six hub sites. The service is committed to contribute to the Harold Hill's development due to its high deprivation levels and high take-up of our services, hence the proposed retention of two sites.

As Children's Centres provide key services within local communities, Children's Centre staff members will become increasingly involved in assisting families with multiple complex needs and the development of this project. The new Children Centre teams working over six sites will bring together local partner agencies to identify and better meet the needs of families with multiple and complex needs.

The focus of these changes will be about delivering services differently. The community may experience a difference in how services are delivered, but quality and access to all should not be affected as equalities issues will continue to be considered and associated training undertaken.

In conclusion, through these proposals, Children's Centres can ensure service resilience and improve the quality and scale of services to families and children from all protected characteristics and socio-economic backgrounds. We will particularly target vulnerable and disadvantaged families and children with multiple and complex needs.

At the same time, Children's Centres whilst resources and staff time will increasingly focus on targeted activity, they will remain accessible to all families. For example, parents and carers will continue to be offered insurance, support and training to set up stay and play groups.

Question 2	Which individuals and groups are likely to be affected by the activity?
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2a Staff Individuals and Groups

This proposal is focusing on how services are delivered to the community and from where. A staffing restructure took place in September 2011 and it is therefore not proposed that any further changes to staff will be likely in the immediate term.

The immediate impact on staffing is minimal, in that the majority of staff work

at the larger centres already and all have mobility clauses in their contracts of employment which require them to work across sites within the borough. The intention is for a transformation rather than reduction of services. Staff are also contracted to work at any centre in Havering.

This is not to guarantee that structures will always remain the same – reviews of services continue across Havering Council and these reviews will be subject to separate EAs.

2b Community Individuals and Groups *(including voluntary organisations)*

As pointed out in section 1(b) above, the proposed changes will not affect the quality of services families with young children receive but the focus of provision will become more targeted towards families and their children who are experiencing or who are demonstrating need or vulnerability.

We recognise that the closure of some Children’s Centres may cause inconvenience to some families who used to using them and could involve a bus journey to get to another Children’s Centre which will impact on their finances. In order to minimise the potential negative impact for service users affected by the proposed changes, two hubs will remain open in the North of the Borough where there are high levels of disadvantage.

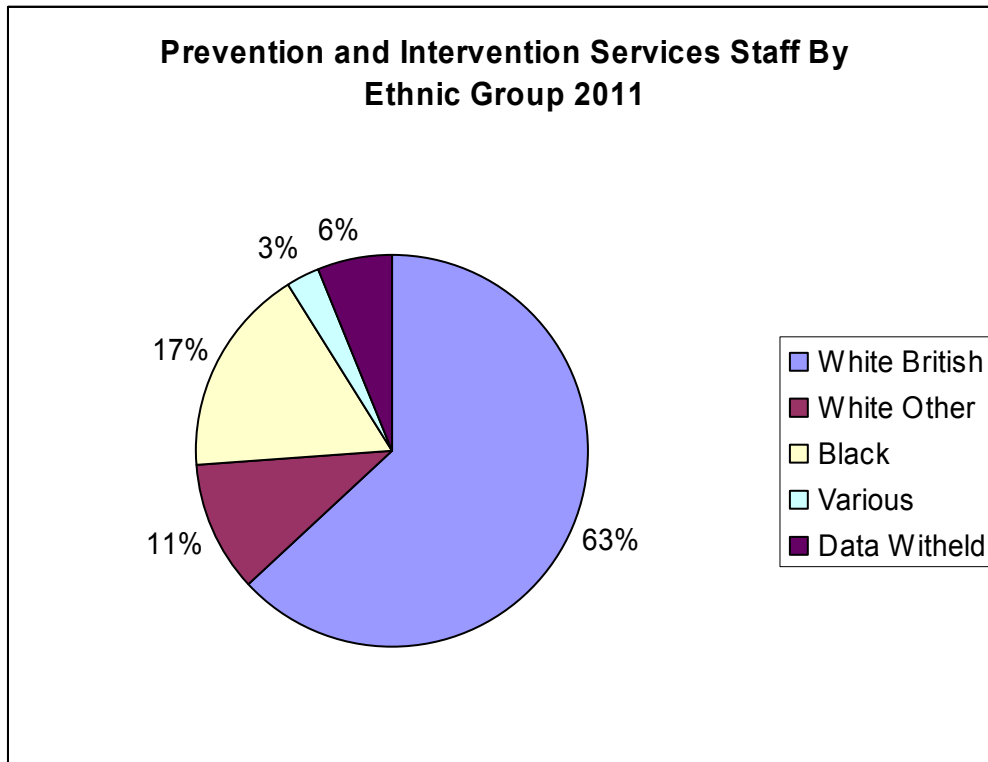
For further information on the impact of the proposed changes on service users with protected characteristics and specific needs, please refer to section 5(b).

<p>Question 3</p>	<p>What data/information do you have about the people with ‘protected characteristics’ (age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sexual orientation) or other socio-economic disadvantage (e.g. disabled and part-time workers, low income and/or lone parents (mothers and fathers), looked-after children, other vulnerable children, families and adults) among these individuals and groups? What information do you have about how they will be affected by the activity? Will you be seeking further information in order to assess the equalities impact of the activity? How is this information being used to influence decisions on the activity?</p>
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3a Organisation and Staffing

There are 61 FTE members of staff including management across Children’s Centres, 59 of whom are female. The Group Manager is male. Across the wider Prevention and Intervention Service, the latest equalities audit (winter 2011) indicated that 94% of staff were female and 6% male. The age range of staff was 21-65.

The latest survey of staff ethnic background was undertaken at the time of the wider Management of Change report for Prevention and Intervention Services. This indicated that 74% of the staff originated from a White British or White Other background, 17% from a Black background, 3% from other ethnic backgrounds (Asian, Asian Other, Indian, Bangladeshi, Dual Heritage). Data was withheld in the case of 6% of staff.



Across the Prevention and Intervention service in winter 2011, 4% of staff declared a disability or long-term illness.

Information is not held on religion or belief, sexual orientation, marriage or civil partnership.

3b Services to the Community

The proposals are based on comprehensive and in-depth examination of demographic, service user and performance data, alongside consideration of customer feedback gathered through consultation.

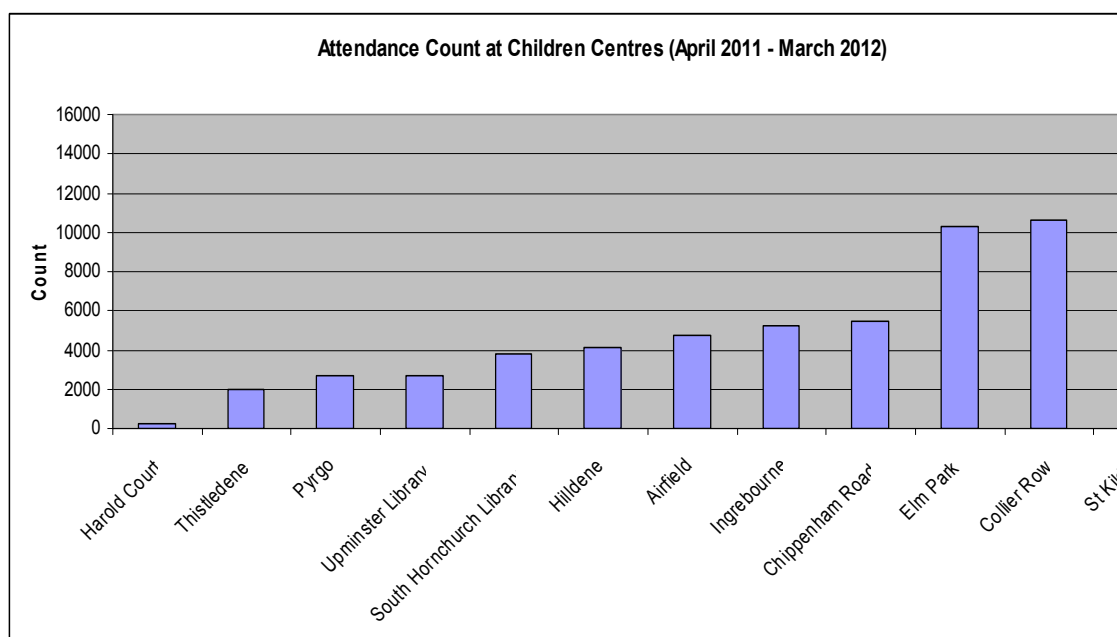
We also examined carefully the needs of our service users by carrying out comprehensive needs assessment – the spring 2012 Children’s Centre Needs Analysis.

The evidence showed that:

- Some Children’s Centres were used more than others

- Not all families used their closest Children’s Centre – i.e. they shop around
- Some Children’s Centres are located in areas of higher deprivation and family need, whereas others are not
- Some areas have multiple centres (for example around Harold Hill) close by, whereas in other areas, residents may have to travel further to access a centre
- Customer feedback is highly positive about the services received
- Children’s Centres undertake a significant amount of targeted work and received 550 referrals in 2011, mainly from Social Care and Health services

These conclusions are backed up by further research examining Children Centre usage and service supply and demand using data from the Children’s Centre database, E-Start. The chart below shows that some smaller sites have significantly lower overall attendance counts, namely: Harold Court, Thistledene, Pyrgo, Upminster Library and Airfield. These proposals therefore focus on amalgamation of these less popular sites.



Source E-start (accessed 02/08/2012)

E-start database evidence also shows that Children’s Centres are already doing a significant amount of targeted and preventative work as detailed in the table below, demonstrating that at least 2295 services were delivered to 1325 families between 1 April 2011 and 31 March 2012.

Vulnerable groups for period 1 April 2011 to 31 March 2012 at Children's Centres

Custom Label	Families registered	Registered & seen at any centre.	
2 Year Pilot Total	143		261
Additional Needs Total	89		165
Asylum seeker Total	4		4
CAF in process or completed Total	103		205
Child Protection Plan Total	51		114
CIN Plan Total	20		38
Domestic Violence Total	162		270
Drug/Alcohol misuse Total	79		147
English not first language Total	121		141
Family member in prison Total	11		16
Looked After Children Total	25		51
Mental health issues Total	99		200
Referral Total	384		639
Temporary Accommodation Total	34		44
	1325		2295

Source: E-Start Database (accessed 02/08/2012)

Another evidence source has been an examination of the levels of deprivation in places where sites are currently based. Our proposals prioritise the larger sites to ensure continued service access in areas of high deprivation and child poverty. The one exception is South Hornchurch, which is a small site and the view here is that this area can be better served via outreach services from the new Rainham Centre that is due to open in September 2012. The facilities are based within the South Hornchurch Library, from where early years activities will continue to be provided. The Children's Centre space there will also remain available for Children Centre outreach activity.

We also carried out a service mapping evidence that identified a wide range of alternative services in addition to the services to remain delivered from Hubs are available across Havering. This includes nearby Health Services, such as baby weighing. In addition to their remaining nearby Children's Centre, families will still have many other options and places to go (please refer to Appendix 1).

Other factors that were considered in making the decision as to which sites should be amalgamated are the cost of running a site, the size and quality of building and facilities.

Last but not least, the final proposals were informed by an extensive public consultation which took place between 15th October 2012 and 4th January 2013. The public consultation generated a total of 69 survey responses (58 paper-based and 11 online responses), the majority (83%) of whom were

women. It should be noted that not all respondents replied to or commented on every question.

Please refer to sections 1 and 4 for detailed information on the consultation and feedback.

Question 4	If no data and information is available about the groups likely to be affected by the activity, how would you inform your EA? Will you be considering carrying out some consultation to inform your EA?
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4a Organisation and Staffing

Consultation with staff was a crucial part of the consultation process. As part of the consultation we invited all staff to attend workshops, circulate to colleagues not present and share their views. An email address and telephone number were also shared for any confidential comments, but none were received. Overall, the staff group appeared positive about the proposals and no concerns specific to staff requirements were raised.

Although no major impact has been identified as a result of these proposals, disabled staff members were actively consulted on the proposed changes of office location and on any specific reasonable adjustment needs they might have (including ICT equipment and software) to enable them to continue to work effectively.

Flexible working requests will also continue to be carefully considered on a case by case basis.

4b Services to the Community.

As outlined in section 1, further data has been gathered through a public consultation on the proposed changes on the future of Children's Centres. Other key stakeholders including libraries, voluntary sector organisations and the health sector were also actively engaged in the consultation to ensure that we reach as many current and potential service users as possible.

The consultation was advertised widely via the local press, staff-client interactions (staff encouraged clients to respond to the consultation), posters in children's centres and the internet. Service users were provided with various ways of giving their feedback: on-line, by filling in a hard copy survey

or via telephone. A specific telephone number and e-mail address were provided. Staff were also available to respond to questions and queries and/or to assist service users in completing their form. All information on the project was available in different languages and alternative formats upon request. Last but not least, we ensured that our communication materials are written in clear English and were easy to understand.

Consultation responses have been carefully considered within the Cabinet Report, with particular consideration given to groups with protected characteristics. As responses were broadly supportive, the proposals have not been significantly changed, except on the following issues:

- At the beginning of the consultation, the proposals highlighted that there was the option of keeping either Chippenham Road or Hilldene Children’s Centre open. Comments received by stakeholders and survey respondents indicated a strong preference to keep Chippenham Road rather than Hilldene open, the main reasons being its central location in Harold Hill (near the shops), its accessibility and popularity. As a result, we will keep the Chippenham Road Children’s Centre open.
- Issues raised on access to centre for families with children with disabilities, or with low income will be mitigated through increased outreach activity.
- Further background information on background data and evidence was requested by one respondent although no contact details were supplied. This is therefore included within this Cabinet Report and supporting papers.
- The Service has confirmed that support will be given to parents and carers wishing to set up universally accessible stay and play groups.

Question 5	Based on the collected data and information, what will be the likely impact of the activity on individuals and groups with protected characteristics or other socio-economic disadvantage?
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5a Organisation and Staff

As outlined in sections 1(a) and 2(a), no major negative impact on staff members is anticipated to arise from this proposal in that the majority of staff work at the larger centres already and all staff have mobility clauses in their contracts of employment and work across sites within the borough. The intention is for a transformation rather than reduction of services.

5b Services to the Community

Although the consultation feedback did not identify any major impacts arising from the proposed changes on groups with protected characteristics which cannot be mitigated, the following issues and concerns were raised:

Stakeholder consultation did identify a potential adverse impact on families

who have children with disabilities in that they could potentially be further isolated from services as a result of the proposed merger due to extended travel times by public transport.

Likewise, although not identified in consultation responses, the proposed changes could also negatively affect families reliant on public transport and/or on low incomes.

Stakeholders and a number of consultation responses also identified a need to ensure that universally available group activities for families and children continues to take place in some form at Children's Centres.

Some consultation responses indicated concerns that the changes would reduce access to midwifery and ante-natal services for families. Some respondents felt that, as a consequence of merging children centres into 6 main hubs, mums-to-be in Havering would not have adequate access to the midwifery service.

Please refer to section 6 (b) for information on actions taken to reduce or eliminate the potential negative impact arising from the proposals.

The proposed changes are aimed at ensuring that our services are reflective of and responsive to our service users' needs and are particularly targeted at the most vulnerable and disadvantaged families and children. Furthermore, the locations of the remaining six Children's Centres are specifically chosen to provide services where there are mostly needed.

These proposals will also allow us to focus resources on families and children with multiple complex needs. The majority of these families live in areas of higher deprivation and close to the six hub sites. The service is committed to contribute to the Harold Hill's development due to its high deprivation levels and high take-up of our services, hence the proposed retention of two sites.

As Children's Centres provide key services within local communities, staff members will become increasingly involved in assisting families with multiple complex needs and the development of this project. The new Children Centre teams working over six sites will bring together local partner agencies to identify and better meet the needs of families with multiple and complex needs.

Through these proposals, Children's Centres can ensure service resilience and improve the quality and scale of services to families and children from all protected characteristics and socio-economic backgrounds. We will particularly target vulnerable and disadvantaged families and children with multiple and complex needs.

All the remaining Children Centres are accessible to people with physical disabilities including people with hearing or sensory difficulties. Most families currently travel to Children's Centres and will still be the case in the future. Staff will continue to monitor any access issues raised and will support families on an individual basis. Family support outreach activity via home

visits will also continue where necessary.

The closure of some Children's Centre may also have financial implications for some families affected by the closure of their local Children's Centre who might not be able to afford the travel expenses. In order to minimise the potential negative impact for service users affected by the proposed changes, two hubs will remain open in the North of the Borough where there are high levels of deprivation. In Rainham Village, a programme of regular outreach work will be undertaken in the South Hornchurch area.

To conclude, the focus of these changes will be about delivering services differently. The community may experience a difference in how services are delivered, but quality and access to all should not be affected as equalities issues will continue to be carefully considered and associated training undertaken.

For further information, please refer to section 6 (b).

Question 6	What is the potential impact on arrangements for safeguarding children or safeguarding vulnerable adults?
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6 (a) Vulnerable children

Please refer to section 5(b) above.

This new and more targeted approach should assist safeguarding as long as staff members are kept up-to-date with safeguarding protocols and referral systems. We will ensure that staff members are provided with relevant training and updates in relation to vulnerable children, identifying risks and raising concerns regarding vulnerability to appropriate statutory services.

Furthermore, linkage with the new MASH system and efficient multi-agency teams working with families with multiple complex needs will ensure consistency and best outcomes for service users. We will also ensure that transition work does not affect service quality or delivery.

6 (b) Vulnerable adults

As above, for families.

Question 7	If any negative impact is identified, is there a way of eliminating or minimising it to reasonable level? If not, how can the negative impact be justified?
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Please refer to sections 5(a) and 5(b).

7a. Organisation and Staff

Although no major impact has been identified as a result of these proposals, we have carried out an extensive staff consultation with staff members and any issues or concerns were carefully considered. Furthermore, disabled staff members were actively consulted on the proposed changes of office location and on any specific reasonable adjustment needs they might have (including ICT equipment and software) to enable them to continue to work effectively.

Flexible working requests will also continue to be carefully considered on a case by case basis.

We also recognise that ongoing awareness of equalities, training and promotion of a proactive approach to equalities will be essential. This will include ensuring full consideration of the specific needs of all protected groups, particularly vulnerable and/or disabled children, as well as children and families from disadvantaged backgrounds and living in deprived areas. In addition it will be important to continue to deliver the recommendations of the national and local policies as described earlier.

In order to avoid any potential negative impact, staff involved in the implementation of the projects will be fully versed on the objectives and expected outcomes. They will also be required to:

- be aware of and comply with our duties under the Equality Act 2010 and other relevant legislation;
- be sensitive to the different needs and experiences of service users;
- treat both service users and colleagues with dignity and respect at all times;
- consider service users' needs and experiences on a case by case basis so as to avoid and address any potential negative impact, and ensure we are providing quality, children-focused and value for money services;
- report any discriminatory or inappropriate behaviour and escalate any concerns to their manager or another senior officer, following corporate policies and processes;
- ensure that the provisions of the Equality Act are implemented within service plans, self evaluation frameworks, monitoring and external contracts.

7b. Services to the Community

Please refer to section 5 (b).

Although the consultation feedback did not identify any major impacts arising from the proposed changes on groups with protected characteristics which cannot be mitigated, the following issues and concerns were raised:

At the beginning of the consultation, the proposals highlighted that there was the option of keeping either Chippenham Road or Hilldene Children’s Centre open. Comments received by stakeholders and survey respondents indicated a strong preference to keep Chippenham Road rather than Hilldene open, the main reasons being its central location in Harold Hill (near the shops), its accessibility and popularity. As a result, we will keep the Chippenham Road Children’s Centre open.

Stakeholder consultation did identify a potential adverse impact on families who have children with disabilities in that they could potentially be further isolated from services as a result of the proposed merger due to extended travel times by public transport. Likewise, although not identified in consultation responses, the proposed changes could also negatively affect families reliant on public transport and/or on low incomes. Service Managers have already proactively sought to mitigate this through developing programmes of outreach, which will continue under new proposed arrangements. Outreach work has therefore been identified as a way to reach families who are unable to travel to the hubs. It is anticipated that children centre staff will meet with families at a building which is more accessible to them.

Stakeholders and a number of consultation responses also identified a need to ensure that universally available group activities for families and children continues to take place in some form at Children’s Centres. The Service has confirmed that whilst funding for group workers has decreased with a view to an increased focus on targeted activities, it will continue to encourage parents and carers to run such groups with support in terms of training and insurance.

Some consultation responses indicated concerns that the changes would reduce access to midwifery and ante-natal services for families. Some respondents felt that, as a consequence of merging children centres into 6 main hubs, mums-to-be in Havering would not have adequate access to the midwifery service. However, this will not be the case as the hubs will still continue to offer the service as well as Havering’s Health Centres. Furthermore, with the exception of the Upminster centre, Health Services are not currently operating from the smaller sites proposed for merger. In the case of Upminster Library, however, alternative services will remain available at Cranham nearby and discussions are ongoing between Library and Health Services to potentially continue this clinic at Upminster Library once a week.

Question 8	How will the activity help the Council fulfil its legal duty to advance equality of opportunity in the way services are provided?
<p>8a Organisation and Staffing</p> <p>Please refer to sections 7(a) and 7(b).</p> <p>In addition, the following arrangements will be put in place:</p> <ul style="list-style-type: none"> Continued investment in equalities training and impact monitoring, 	

alongside more informal awareness-raising.

- Ensuring consideration of equalities allows for and encourages constructive challenge of existing ways of doing where a concern is noticed either by staff, service user, family or client. Open, approachable and flexible management support will be essential.
- Inviting a staff equalities champion to attend redesign steering events will help ensure that equalities issues are given appropriate weight in the change process.

8b Services to the Community

Children's Centres have individual Local Advisory Groups and Parents Forums and will continue to regularly raise and consider equalities issues at these meetings. Recommendations would then made to the Children's Trust Board.

We will also ensure equality questions are included within any further public consultations and will consult with the corporate Diversity Programme Team.

This approach will demonstrate that the authority is proactively fulfilling its duties under the Equality Act 2010 and other relevant legislation.

Question 9	What actions will you be taking in order to maximise positive impact and minimise negative impact from the activity?
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9a Organisation and Staffing

1. An extensive consultation with staff members, particularly disabled staff members, was carried out to ensure they are able to continue working effectively under the proposed changes of office locations.
2. Ensure equalities training and consideration of equalities issues remains a core requirement in contracts with external providers.

Please also refer to section 9 (b).

9b Services to the Community

1. An extensive public consultation including consideration of equalities issues was carried out to identify and issues and concerns regarding the proposed changes and address those early on.
2. Consultation feedback was carefully considered and informed our final decision on the proposed changes.
3. Effectively communicated and continue to communicate the changes to both staff and our current and potential service users.

Question 10	Once implemented, how often do you intend to monitor the actual impact of the activity?
<p>Monitoring of the impact will be undertaken annually through regular collection of views from staff and stakeholder forums, at which equalities issues will be discussed specifically.</p> <p>Learning from the project will be recorded and regularly reported to the Children & Families and Learning Transformation Programme Boards.</p>	

Equalities Impact Assessment: Appendix 1

EXAMPLES OF LOCAL ACTIVITIES FOR CHILDREN AND FAMILIES

Parents are advised to complete their own checks for the suitability of the activities

NAME OF VENUE	ADDRESS
Rainham, South Hornchurch and Airfields areas	
Mardyke Minis	Mardyke Community Centre, South Street, Rainham, RM13 8PJ
Cherubs	St Helen's Court, Rainham, RM13 9YN
Baby Stay and Play	Mardyke Community Centre, South Street, Rainham, RM13 8PJ
Scribblers Parent and Baby and Toddler Group	Royals Youth Centre, Viking way, Rainham, RM13 9YG
M.Y.C.A. Parent and Toddler Group	Mardyke Community Centre, South Street, Rainham, RM13 8PJ
St John Pre-School	South End Road, Rainham RM13
Cottage pre-School	Royals Youth Centre, Viking way, Rainham, RM13 9YG
South Hornchurch Library Service	Rainham Road, Rainham, RM13 7RD
Rainham Village Library	Upminster Road South, Rainham, RM13 9YW
Brittons Babes	Brittons School, Ford Lane, Rainham RM13 7BB
Little Rascals	Whybridge School, Rainham
Tiddlers Mother and Toddler Group	St Johns Church, South End Road, Rainham RM13 7XT
Rainham Marshes and the new Trackway - Toddler play area, Wildlife garden and Adventure Play Ground	RSPB, Rainham Marshes Nature Reserve, New Tank Road, Purfleet, RM19 1SZ
Lady Bird Nursery	11 Ryder Gardens, South Hornchurch, RM13 7LS
Chippenham Road, Pyrgo, Hilldene and Ingrebourne areas	
Betty Whiting Parent and Toddler Groups	Betty Whiting Centre, 35a Briar Road, Harold Hill

Hillene Primary School Parent and Toddler Group	Hilldene Primary School, Grange Road, Harold Hill
Salvation Army Parent and Toddler Group	Salvation Army, Petersfield Avenue, Harold Hill
Little Stars Parent and Toddler Group	Little Stars, St Pauls Church, Petersfield Avenue, Harold Hill
Tommy Tots Parent and Toddler Group	Tommy Tots St Thomas Church, Church Road, Harold Wood
Kiddie Koas Parent and Toddler Group	Kiddie Koas, St Georges Church, Chippenham Road, Harold Hill

Romford St Kildas area	
Havering Museum	Havering Museum, 19-21 High Street, Romford, RM1 1JU
Buttercup Club	Gidea Park Methodist Church, 398 Brentwood Road, Romford RM2 6DH
United Reformed Church Parent and Toddler Group	58-60 Western Road, Romford RM1 3JL
Buttercup	Kids Space, The Brewery, Romford RM1 1AU

Elm Park and Upminster area	
Stubbers Adventure Centre	Stubbers Adventure Centre, Ockendon Road, Upminster, RM14 2TY
Thames Chase Visitor Centre	The Forest Centre, Broadfields, Pike Lane, Upminster, RM14 3NS
St Joseph's Social Centre	117 St Marys Lane, Upminster, RM14 2QB
ABC Parents and Toddler Group	St Matthews Church Hall, Chelmsford Drive, Upminster, RM14 2PH
Salvation Army	Hornchurch, Essex, RM11 2RB
Busy Bees Parent and Toddler Group	Havering Christian Fellowship, 2a Newmarket Way, Hornchurch, RM12 6EA
Funtasia @ The Hacton Lane Hall	Hacton Social Hall Haydock Close, Hornchurch, RM12 6EA

Collier Row and Thistledene areas	
Wellgate Community Farm	Wellgate Community Farm, Collier Row Road, Collier Row, RM5 2BH

There are many other activity sites in neighbouring Barking and Dagenham. Brentwood, Ilford, Grays, Hainault

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CABINET

13 February 2013

Subject Heading:

Future of Youth Offending Services (YOS) in Havering

Cabinet Member:

Councillor Paul Rochford

CMT Lead:

Joy Hollister, Group Director, Social Care & Learning

Report Author and contact details:

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Policy context:

Mandated by previous Member commitments to East London Solutions, to seek cross-boundary working to improve services.

The proposal to merge the Youth Offending Service with LBBDD would improve the quality of services for young people of both boroughs as well as allow greater flexibility within the service and enabling each borough to focus their resources where they are most needed, helping troubled young people, while also protecting the future of youth offending services in each area.

Financial summary:

Existing MTFS of £85k and £40k already within the Councils 2013/14 budget. No direct savings as a result of this merger.

Related costs and potential for future efficiency savings to be quantified; subject to decisions that are currently pending.

Is this a Key Decision?

Yes

When should this matter be reviewed?

By September 2014

Reviewing OSC:

Children & Learning
Crime & Disorder

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 checked="" type="checkbox"/>
Providing economic, social and cultural activity in thriving towns and villages	<input type="checkbox"/>
Valuing and enhancing the lives of our residents	<input checked="" type="checkbox"/>
Delivering high customer satisfaction and a stable council tax	<input type="checkbox"/>

SUMMARY

This report informs Cabinet of interim arrangements which are being put in place with London Borough of Barking and Dagenham (LBBD) to manage Havering Youth Offending Service, whilst more detailed discussions take place to establish an integrated service model across both Havering and Barking and Dagenham.

The interim arrangements include the secondment of one LBBD YOS Manager to Havering for 60% of his time and additional support from other LBBD YOS Management staff. During the intervening period continued work will be undertaken to explore options for a fully integrated service.

RECOMMENDATIONS

Members are asked to:

1. Note and agree the direction of travel to merge Youth Offending Services with London Borough of Barking and Dagenham over time.
2. Note the current accommodation issues for the location of the YOS once the lease expires on Portman House.
3. Delegate authority to the Lead Member for Children's Services to take any decisions required to complete a merger of Youth Offending Services with London Borough of Barking and Dagenham.

REPORT DETAIL

Introduction and Background

- 1.1 The role of Youth Offending Services is to improve the lives of young people at risk of offending and social exclusion and those within the Criminal Justice System. It aims to reduce the high levels of young people in custody and to enable equal access to services for all.
- 1.2 The Youth Offending Service is a multi-agency operation comprising staff from Police, Probation, Council and NHS. It works closely with young offenders and their parents or carers as well as with courts, Young Offender Institutions, other criminal justice agencies and other organisations or groups that support young people and recognise the unique value and contribution that they make to society.
- 1.3 Other key providers and supporters include the youth service, education, training and employment providers, accommodation and leisure services and many voluntary sector agencies.
- 1.4 Youth Offending Services are committed to the following outcomes;
- Prevent offending by children and young people
 - Deliver evidence-based interventions in young peoples' lives which enhance their opportunities
 - Improve victim satisfaction
 - Work with the local crime reduction strategy to reduce the fear of youth crime
 - Achieve these outcomes irrespective of the ethnic origin, gender, religion, disability or sexuality of service users.
- 1.5 At the heart of the work of any Youth Offending Service is the focus on safeguarding – both of the community and the young person to ensure the best outcome for the future. The enforcement/breach role within the Youth Offending arena is a key contributor to the delivery of this outcome.

Youth Offending in Havering

- 2.1 A recent HMI Probation Inspection of Youth Offending Services of Havering identified good practice but also saw some areas for development and improvement. Overall the inspection concluded that “substantial improvement” was required in public protection and safeguarding work¹.

¹Criminal Justice Joint Inspection, 2011, Report On Youth Offending Work in Havering, available online at: <http://www.justice.gov.uk/downloads/publications/inspectorate-reports/hmiprobation/youth-inspection-reports/core-case/havering-august-2011.pdf>.

- 2.2 In comparison, Barking and Dagenham received a very good inspection which placed it within the top quartile of YOS nationally and top 5 in London in terms of managing risks and keeping young people safe. Subsequent discussions between representatives of the two authorities identified that both Boroughs would benefit from exploring an integration of the statutory services delivered by YOS in order to build on good practice from both Boroughs and bring resilience.
- 2.3 Both Havering and Barking and Dagenham deliver services to young people aged 10-18 who are at risk of, or are involved in, criminal behaviour. The services have a statutory duty to assess young people, take them through the criminal justice system and see their reintegration into mainstream services.

Current Position

- 3.1 Havering identified that it needed support on integration and day-to-day management of the current service as well as a potential restructure of the service to reflect the model in Barking and Dagenham, so that, should full merger go ahead in 2013, the services will be complimentary and fit for purpose.
- 3.2 A manager from the Barking and Dagenham Youth Offending service has been seconded part-time to manage Havering YOS through this transition with effect from 1st October 2012 to 31st March 2013. In addition, other LBBB managers will also lend support under part-time secondment arrangements, whilst the service manager role that covers Havering YOS is recruited to in January 2013.
- 3.3 LB of Havering have agreed to pay a management fee to LBBB for the six month period amounting to £54,200. The final fee is subject to ongoing discussion and additional fees have arisen of £14,200.
- 3.4 An officer-led Joint Programme Board comprising representatives from both Havering and Barking and Dagenham was established in June 2012 and has undertaken work to explore and understand the implications of the proposed merger and make background preparations in areas such as human resources, accommodation, internal/external communications, finance, ICT, governance and service processes and procedures.
- 3.5 Key achievements to date include:
- Secondment of an officer from Barking and Dagenham to manage the Havering YOS. This has already led to major systemic change in how the service is run and notable positive feedback has been received from Havering YOS staff at consultation meetings.
 - Joint agreement in principle to pursue a joint accommodation and ICT solution at the earliest opportunity, most probably in the Havering/Dagenham border area.

- Joint agreement to establish a joint service by April 2014.
 - Engagement with Staff and Unions on emerging accommodation proposals and a joint staff meeting.
- 3.6 Ongoing work continues on a number of technical areas, which should be concluded by September 2013 at the latest. These include agreeing:
- The future staff structure of the service towards supporting the full integration model for the existing Havering and Barking and Dagenham services..
 - The cost of the new joint service.
 - The cost and system for administration of management charges between the boroughs (either an SLA or pooled budget agreement).
 - Suitable longer-term accommodation options.
 - A joint ICT solution (likely to involve a joint-migration towards the new Childview system). Costings are expected to be known by March 2013.

Short-term Accommodation for Havering YOS

- 4.1 The YOS requires new short term premises due to the expiry of its lease of Portman House in central Romford from late February 2013 for approx 9 months, ahead of a longer-term solution for joint accommodation with Barking and Dagenham. Negotiations to extend the lease for the current building have not succeeded as the landlord is trying to sell the building.
- 4.2 An extensive search for alternative accommodation has taken place since August 2012, covering both Havering and Barking and Dagenham areas, involving the YOS Service, Children Families and Learning Transformation Team, Property Services, Asset Management, Risk Management and liaison with Barking and Dagenham colleagues but no realistic short-term option has been identified.
- 4.3 Therefore as an interim measure, the Havering YOS administrative base will relocate to the council offices at Mercury House in central Romford, with some YOS staff working from Bridge House in Barking. Clients would be met mainly at the Youth Zone premises in central Romford. A risk assessment has been completed to identify any immediate risks to clients and staff of changes to working practice and where they are met, with a number of control measures determined to reduce the risk of verbal and physical assault and unrestricted access at Youth Zone.
- 4.4 Both Staff and Unions have been consulted on this approach and detailed preparations are underway.

4.5 Officer Consultation has taken place at the YOS Chief Officer's Group and at the Board overseeing the project, Children, Families and Learning Transformation Board, which includes Officer representatives from the Police, Clinical Commissioning Group, and Voluntary Community Sector (Action for Children and HAVCO). Havering staff and Trade Union representatives have also been engaged via two consultation meetings to date. More detailed consultation planning is forthcoming, to be discussed at January Transformation Board.

REASONS AND OPTIONS

The Council is committed to building a community where people are safe and feel safe. Good quality youth offending services reduce offending and reoffending amongst 10-18 year olds. Barking and Dagenham YOS had a very good thematic inspection in 2011/12 and the integration will allow opportunities for building on good practice and resilience in the Youth Offending Services in both boroughs.

Other options considered:

There were two main options considered, namely:

- Option 1 – To maintain standalone YOS for Havering.
- Option 2 – To collaborate with a neighbouring authority with a view to realising benefits for both authorities.

Option 2 is the recommended option for the reasons outlined in this report.

IMPLICATIONS AND RISKS

Financial implications and risks:

The Havering Youth Offending Service (YOS) 2012/13 budget is £976,605, as per the table below:

Cabinet, 13 February 2013

Current funding - 12/13	£
Budget	
Community Safety	4,000
MOPAC *	41,580
Early Intervention Grant	144,500
Youth Justice Board Grant	328,510
Health Contribution	14,801
LA - Core funding	443,214
	976,605
Deduction of Prevention Costs	-197,500
Budget Remaining	779,105
13/14 savings:	
Management Costs	-85,721
Accommodation	-40,000
Indicative 13/14 Budget	653,384

* MOPAC – Mayors' Office of Police & Crime

NB. All 2013/14 funding sources are subject to confirmation.

There are ongoing discussions on whether the preventative elements will fall outside the scope of any merger. The prevention budget of £197k is an indicative figure in line with current costs. Budgets for the financial year 2013/14 are not yet finalised.

The Council has existing YOS MTFs savings targets with effect from 2013/14. These are £85k in respect of management costs and £40k in respect of accommodation. The merger with Barking and Dagenham is being driven by resilience purposes and as such there are no direct savings arising. Potentially there could be some efficiency savings post merger, however it is too early to quantify what these might be.

From October 2012 a management recharge arrangement has applied, in that Barking and Dagenham will invoice Havering for management costs incurred. In terms of the interim arrangement, subject to ongoing discussion, LB Havering have agreed to pay Barking and Dagenham the sum of £54,000 as a management fee from 1st October 2012 to 31st March 2013. The final fee is subject to ongoing discussion and additional fees have arisen of £14,200. There will need to be an agreement underpinning this arrangement moving forward, which will form the basis of a future SLA or pooled budget agreement. Should a pooled fund be deemed the appropriate approach this will be subject to Cabinet approval.

There will be ICT costs which have not yet been quantified. It is also expected there will be accommodation costs and staff traveling expenses could become payable. There is no additional funding so all cost implications will need to be met from within existing Childrens Services budgets to avoid budgetary pressure emerging. The approach is that the new structure will fit within the existing funding envelope. There is the risk that unforeseen costs could arise; again these would need to be met from within existing resources.

HR implications and risks:

The proposed integration of the Youth Offending services for Havering and Barking and Dagenham will have a direct impact on Havering employees and on the accommodation used to deliver Youth Offending services to the Havering community. The first phase will see Havering YOS staff working from two sites – one based in Barking & Dagenham borough – in response to an urgent accommodation issue facing Havering YOS, which will have implications for Havering employees around their mobility clause and any incurring of additional travel expenditure required to carry out their duties for Havering Council. This issue will be addressed by Children's Services senior management, with HR advice, using the existing terms and conditions afforded to APT&C employees.

From the earliest stages of this project, Havering Staff and Trade Unions have been informed of, and consulted on, proposed changes and identified options affecting the transition towards joint service delivery with Barking and Dagenham. Longer term plans to effect full integration of the two Youth Offending services will involve a new structure being put in place based on the joint model that will be developed and agreed between the two boroughs. The basis on which Havering employees will move into the joint service to be managed by Barking and Dagenham has yet to be agreed. In advance of this decision, any new agreed structure will be subject to the Council's Organisational Change & Redundancy Policy processes in order to be implemented locally, including any contractual changes required to support the proposed joint service delivery model.

Legal implications and risks:

Section 39 of the Crime and Disorder Act 1998 provides that "two (or more) local authorities acting together may establish one or more Youth Offending Teams for both (or all) their areas".

In addition, Local Authorities have a range of powers which enable them to share services including the power to provide professional services to one another and the delegation of functions from one authority to another.

In terms of staffing issues it will be important for legal advice to be obtained if joined services are to be realised as a number of potentially complex and sensitive issues may arise.

The merger proposals are at an early stage and accordingly the risks are minimal because no substantive decisions are being taken, however, it is anticipated that further work will be undertaken on the costs and benefits. At the point at which any substantive decision is taken to merge services it will be necessary to examine the substantive justification for it and to properly consider any equality impacts.

Equalities implications and risks:

An Equalities Impact Assessment has been undertaken in relation to the accommodation issues and is attached to this report.

BACKGROUND PAPERS

Equalities Impact Assessment

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Havering
LONDON BOROUGH

YOUTH OFFENDING SERVICE RELOCATION

EQUALITY ANALYSIS REPORT

4th January 2013

Question 1**What is the scope and intended outcomes of the activity being assessed; in terms of both the Council's organisation and staffing, and services to the community?****1 (a) Organisation and Staffing****Background**

The relocation of the Havering Youth Offending Service (YOS) to new accommodation was identified as part of the MTFS savings plan to achieve £40000 per annum. This was timely as the five year lease of their current accommodation at Portman House in central Romford expires in March 2013.

Negotiations to extend the lease for the current building have not succeeded as the landlord is trying to sell the building. Consequently Havering YOS need to vacate Portman House by 22nd February 2013.

Approximately 20 staff will need to be relocated from Portman House. Small groups of staff will need to remain in Havering to attend client meetings.

An extensive search for alternative accommodation has taken place since August 2012, covering both Havering and Barking and Dagenham areas. The search has involved regular liaison with the Youth Offending Service (YOS), Children, Families and Learning Transformation Team, Property Services, Asset Management, Risk Management and liaison with Barking and Dagenham colleagues. Numerous options have been explored to date.

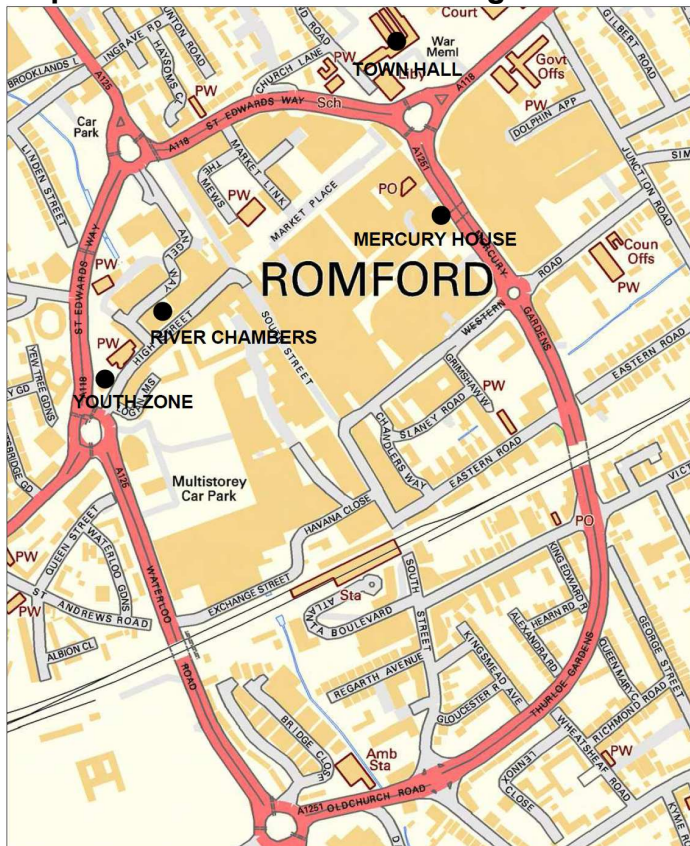
The scope of this EA is to assess the identified short term relocation arrangement and complementing temporary contingency plan to move all staff members to Bridge House, with remote working from Mercury House (Romford) for up to eight members of staff.

The following temporary contingency plan has been identified. The arrangement will be short term with a view to establish a Dagenham based solution for a Joint YOS in 9 months time.

- Client meetings will be based at Youth Zone.
- Remote working for up to 3 members of staff at Youth Zone will be encouraged when client meetings are taking place to make efficient use of staff time.
- Back office administration will be based at Mercury House.

Discussions to find the best long term relocation solution are ongoing, with a view to establish a Dagenham based solution for a Joint YOS in 9 months' time. The long term arrangements will be subject to a separate EA.

Map of Romford council buildings



1 (b) Services to the community

The London Borough of Havering is committed to providing a timely, accessible and inclusive Youth Offending Service. The location of the service will ultimately change due to the lease expiring on Portman House in February 2013. A temporary contingency plan has been developed and will be implemented in order to maintain the quality and efficiency of the current service provision delivered to the young offenders in Havering.

Whilst the administrative base would in the main move to Barking, a core YOS presence would be maintained in Romford at all times, through use of five hot desks at Mercury House and up to 3 remote working stations at Youth Zone. As some young offenders are legally required to attend YOS meetings, the client meetings will continue to take place at Youth Zone as before.

By continuing a presence in Romford this will reduce the risk of young offenders missing their meetings and breaking the terms set out in their bail. This will also potentially prevent an increase in the number of young offenders in Havering as a consequence of service relocation.

Question 2	Which individuals and groups are likely to be affected by the activity?
<p>1 (a) Staff and Individuals and Groups</p> <p>The main staff groups affected by the relocation of the YOS will be:</p> <ul style="list-style-type: none"> • YOS staff – staff data below in question 3. • Youth Zone staff – currently no data. • Police and Probation services - as external data is currently unavailable further liaison will be needed to ascertain any additional requirements due to the proposed changes. • Addaction – use Portman House for office space. Currently no data. • Youth Inclusion and Support Panel (YISP) Team – based at Portman House. Currently no data. <p>Please see below table which shows the current staff information for Havering YOS in question 3.</p> <p>2 (b) Community Individuals and Groups (including voluntary organisations)</p> <p>The following community individuals and groups are likely to be affected by the relocation of the YOS:</p> <ul style="list-style-type: none"> • Clients of the YOS (no list of clients have been identified yet) • Clients of services provided by Youth Zone (no data is available on current Youth Zone service clients). 	

Question 3	What data/information do you have about the people with ‘protected characteristics’ (age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sexual orientation) or other socio-economic disadvantage (e.g. disabled and part-time workers, low income and/or lone parents (mothers and fathers), looked-after children, other vulnerable children, families and adults) among these individuals and groups? What information do you have about how they will be affected by the activity? Will you be seeking further information in order to assess the equalities impact of the activity? How is this information being used to influence decisions on the activity?
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3 (a) Staff

The YOS staff will be affected by the relocation of its service. Data (sourced from Oracle) for the staff is identified in the table below. Further work will be needed to examine breakdowns by full-time / part-time staff.

Gender	Headcount	FTE
Male	14	8.5
Female	12	7

Ethnicity	Headcount	FTE
White-British	19	11.75
Withheld	5 or less	5 or less
Asian or Asian British – Indian	5 or less	5 or less
Black or Black British – Caribbean	5 or less	5 or less

Age	Headcount
25-35 Years	7
35-45 Years	7
45-55 Years	8
55-65 Years	5 or less
>=70 Years	5 or less

Disability

Staff have not declared any disabilities.

Currently, we do not hold workforce data broken down by religion/belief, sexual orientation or socio-economic status.

Staff members were encouraged to share any equalities or diversity related

concerns with us in relation to the proposed relocation arrangements but no issues have been raised so far .

3 (b) Community

Youth Offending Service Clients

National Indicators from the Criminal Justice systems outline suggest that 36% of first time YOS entrants are aged between 15-17 years. It also indicates 28% of first time entrants are female and 71% are male.

There is currently limited equalities information on YOS clients, but we have put plans in place to start monitoring clients' equalities profile data on a regular basis.

Question 4	If no data and information is available about the groups likely to be affected by the activity, how would you inform your EA? Will you be considering carrying out some consultation to inform your EA?
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4 (a) Staff

No significant issues have been identified so far based upon data available and consultation to date, however the will continue to monitored and steps taken if issues arise. Ongoing consultation with staff on equalities issues has been highlighted at staff meetings and will continue via a monthly HR/Accommodation Work Stream Meeting involving three representatives.

4 (b) Community

No particular issues of concern are present in the data but more consultation will be undertaken via a consultation plan to be completed in January 2013.

Question 5	Based on the collected data and information, what will be the likely impact of the activity on individuals and groups with protected characteristics or other socio-economic disadvantage?
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5 (a) Staff

There will be a limited impact on staff who will remain based in Romford town centre.

For YOS staff members who will be working in Mercury House and Bridge House, there will also be some changes in working patterns as both sites are subject to LBH hot desking policy, However, every effort will be made to consider and accommodate the specific needs of staff members and some home working will also be possible where this does not have an adverse impact on service delivery. .

5 (b) Community

The relocation of YOS is likely to affect some current and potential clients of the service, over two thirds of whom are boys and young men. The relocation is most likely to adversely affect clients with disabilities and those from socio-economic backgrounds,

We recognise that it is important for clients to be met close to their place of residence wherever possible, particularly for young people not in education, employment or training, who may be ineligible for free public transport. For this and other reasons, client meetings have been recommended to remain largely in the central Romford area at Youth Zone and not relocated to Barking.

In order to minimise the potential negative impact for clients, we have developed a temporary contingency plan while we come up with a long term solution. According to the temporary arrangements, YOS staff members will continue to meet clients in central Romford in an accessible ground floor building (Youth Zone) so as to ensure that the proposed temporary relocation will not affect current clients. In addition, we will inform current and potential clients of the relocation (both verbally and visually) and will provide clear directions to the new location by putting clear and visible signage at Portman House to direct YOS users to Youth Zone.

The interaction between YOS clients and other services ongoing at Youth Zone will also be carefully monitored and effectively managed if problems arise.

Question 6	What is the potential impact on arrangements for safeguarding children or safeguarding vulnerable adults?
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6(a) Staff

No potential impacts are identified.

6 (b) Community

There is a potential for a negative impact on young people in crisis who are looking to make contact with the YOS when they are not operating a service from Youth Zone.

Question 7	If any negative impact is identified, is there a way of eliminating or minimising it to reasonable level? If not, how can the negative impact be justified?
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As this is a temporary relocation we will continue exploring potential long-term options and consult with stakeholders to identify the best solution. We will also make sure that our long-term solution is evidence based by putting in place measures to collect relevant clients' and workforce information, including equalities profile.

Meanwhile, CCTV linked to Barking & Dagenham CCTV services would be constructed at Youth Zone to help reduce the risk of potential confrontation

between YOS clients and Youth Zone users.

In addition trained YOS staff would be present at all times to address potential negative impacts identified under Question 6. At least 3 members of the YOS will operate via remote working at all times at Youth Zone, 1 present at all times when client meetings to support young people turning up out of hours. This solution could potentially minimise the impact on Youth Zone users and staff.

Question 8	How will the activity help the Council fulfil its legal duty to advance equality of opportunity in the way services are provided?
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By implementing the contingency plan LBH will ensure continuity, inclusivity and accessibility of the Youth Offending service. Young people will continue to receive support from the YOS in Romford from the Youth Zone building which is accessible to all.

Furthermore, the location of the YOS Client Meetings at Youth Zone will ensure an open and holistic approach to Youth Offending Services, where clients will have access to other youth support services, counselling and information, advice, guidance and signposting.

Please refer to sections 6 and 7 for more detailed information.

Question 9	What actions will you be taking in order to maximise positive impact and minimise negative impact from the activity?
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9 (a) Staff

The service will make every effort to consider and accommodate the specific needs of staff members where this does not have an adverse impact on service delivery and will also:

1. Continue to carry out staff consultation with staff members on the proposed option for the relocation of the service.
2. Staff representatives will attend all YOS HR/Accommodation Sub Group meetings to ensure staff views are included and considered.
3. Identify and develop procedures which need to be in place in order to ensure the safeguarding of the staff and users of Youth Zone, including any additional training that may be required.

9 (b) Community

The negative impact arising from the temporary relocation of YOS on service users is likely to be minimal.

It is anticipated that the decision to keep the Youth Zone as our main hub for meeting with clients will not only ensure the continuity of the service provision, but will also positively impact vulnerable children and young people as the Youth Zone is a provider of a range of services to young people such as:

- Counselling
- Healthwise
- Young Addaction
- Information Shop/Prospects
- Midwives
- Lesbian, Gay, Bisexual, Transgender (LGBT) group.

Additionally, an adult counselling service is also provided by Ashfaq at Youth Zone on a Wednesday between the hours which YOS will be operating.

To conclude, by keeping YOS meetings with clients at Youth Zone will not only ensure continuity of service delivery and will minimise the potential negative impact of the relocation on clients, but will also enable effective multiagency working and signposting clients, particularly vulnerable children and young people, to relevant agencies.

Question 10	Once implemented, how often do you intend to monitor the actual impact of the activity?
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10 (a) Staff

The monitoring of the impact will be undertaken through the following:

- Staff 1-2-1 meetings
- Staff Team meetings
- Staff PDR's

10 (b) Community

Any complaints, compliments or issues arising from the changes will be recorded, reviewed and escalated as appropriate.

We will also start monitoring the equalities profile of our clients which will enable us to make informed and evidence based decisions for the future of the service.

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CABINET

13 February 2013

Subject Heading:

Section 75 Agreement with North East London Foundation Trust

Cabinet Member:

Councillor Steven Kelly, Deputy Leader and Lead Member for Individuals

CMT Lead:

Joy Hollister, Group Director, Social Care & Learning

Report Author and contact details:

Tony Cox, Independent Consultant

Policy context:

The decision supports the Havering Living Ambition Goal for individuals by ensuring vulnerable people receive integrated care and support services

Financial summary:

Havering's budget for mental health services within the pooled fund in 2012/13 is £1,808,020. A standstill budget of the same figure is currently expected for 2013/14.

Is this a Key Decision?

Yes, as this agreement relates to

(a) Expenditure or saving (including anticipated income) of £500,000 or more

and

(c) Significant effect on two or more Wards

When should this matter be reviewed?

October 2014

Reviewing OSC:

Individuals

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

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

SUMMARY

This report considers the current partnership working with North East London Foundation Trust providing integrated health and social care services for people with mental health needs in Havering, identifies the opportunity for further co-operation and recommends that the Council enters into an Overarching Section 75 Partnership Agreement with the Trust encompassing mental health and other community-based health and social care functions for a period of 3 years from 1 April 2013.

RECOMMENDATIONS

The Group Director, Social Care & Learning be authorised to conclude negotiations with North East London Foundation Trust to enter into an Overarching Agreement under Section 75 of the National Health Service Act 2006 with effect from 1 April 2013.

REPORT DETAIL

Background

In 2009 the Council took advantage of the flexibilities available under the National Health Service Act 2006 and entered into a Section 75 Agreement with North East London Foundation Trust (NELFT) for the provision of integrated social care and mental health services for adults. By a Key Decision (10/128) in 2010 the Agreement was extended to include services for older adults over 65. The aim of the Agreement was to improve the efficiency and effectiveness of mental health services by reducing duplication and bureaucracy, to create a seamless service for the local community and to ensure gaps in the service are addressed.

In order to achieve these aims the Council seconded its mental health social work staff to NELFT. The Council and NELFT created a Pooled Fund to provide the Services and agreed that NELFT would host and manage the Services and the Pooled Fund. The current Agreement runs until 31 March 2013, it was extended by a Key Decision in June 2012.

A recent review of the operation of the Section 75 Agreement concluded that it has successfully achieved a number of its aims and recommended that it be extended but was in need of updating and revision. The review also identified scope for further opportunities for increased co-operation and integrated partnership working across health and social care. The partners established a Joint Working Group to refresh and revise the mental health partnership agreement and to develop

proposals for an Overarching Partnership Agreement that would be flexible enough to incorporate other integrated services should the partners so wish.

The proposed Overarching Section 75 Agreement

The Council is seeking to improve the services for adults and older adults with mental health issues by setting more ambitious targets based on its comparator group and England average performance, a stronger focus on outcomes and ensuring that self-directed support, including direct payments, is a particular priority.

The partnership with NELFT has worked well. There are positive working relationships across the two organisations and staff report close working relationships across performance and finance. Seconded staff are integrated into mental health teams and there is good management of placements although reduction in long term placements should now receive greater focus, as well as maintaining tight control of new placements.

Given the above successes and the experience of working together both parties wish to continue the partnership and to agree a new Agreement from 2013 onwards. NELFT has expressed strong interest in strengthening and widening its relationship with the Council to cover areas where improved partnership working can benefit the health and social care of the local community. NELFT has diversified its activities and is now the major provider of community-based health services in Havering. There is significant opportunity for NELFT and the Council to work in partnership to develop integrated services and integrated partnership working across health and social care. Both parties are developing new initiatives to create Integrated Care across health and social care community-based services aimed at minimising hospital admissions, reducing bed blocking and developing more community-based services including working more closely on children's health and social care services.

Discussions are continuing on exactly what form such future co-operation will take but it is very likely that any such joint ventures will operate in accordance with the flexibilities available under a Section 75 Agreement. It is therefore proposed that as the Section 75 Agreement for Mental Health services needs to be revised by 31 March 2013 the opportunity is taken to replace that Agreement with a wider, overarching Agreement that will cover the specific mental health services but can also be utilised as the vehicle for partnership working across a wider range of services. Under this arrangement the Council and NELFT will agree to work in partnership under an Overarching Agreement that sets out the principles, responsibilities and roles of the two parties in the main Agreement and specifies the services to be provided in separate Schedules. In the first instance the only service to be provided and therefore the only Schedule will be for adult and older adult mental health services. It is anticipated that where an additional service is to be provided it will be a relatively simple matter to amend the Agreement by the inclusion of a new Schedule specifying that service.

The Council's financial commitment to this new Overarching Agreement is the funding of its share of the costs of running the mental health service. For 2012/13 this is £1,808,020. It is expected that there will be a standstill on this budget for 2013/14 with one minor adjustment and the anticipated financial budget for 2013/14 will be £1,798,160. If, in the future, other services are proposed under this Overarching Agreement such services will require specific authority from Cabinet.

To avoid the Council being exposed to financial risk the Agreement ensures that any overspend in the health element of the Pooled Budget is entirely the responsibility of NELFT. If there is an anticipated overspend in respect of the Council's functions the Group Director, Social Care & Learning will deal with the issue in accordance with the Council's Financial Regulations.

The Council will continue to second staff to NELFT as in the current Agreement.

REASONS AND OPTIONS

Reasons for the decision:

The Council and North East London Foundation Trust are currently partners in a successful Section 75 Agreement for the provision of an integrated community mental health service in Havering. The Council has seconded its mental health social care staff to the Trust. Following a review of the agreement both partners consider that the mental health partnership should continue and that as there may be a range of other health and social care services which would benefit from such a partnership approach there should be an Overarching Agreement that gives the partners flexibility to agree that other services can be incorporated at a future date.

Other options considered:

The Council considered these other options:

- Ending the current Section 75 Mental Health Agreement and secondment arrangements and delivering mental health social care services in-house. This option would not provide the required integrated health and social care services.
- Ending the current Section 75 Mental Health Agreement with North East London Foundation Trust and negotiating a new Agreement with another specialist mental health organisation. This option would entail considerable expenditure in procuring an alternative provider; the market in specialist mental health provision is not well developed and as the PCT and CCG who are the commissioners of the health mental health services are not intending to open the service to competition the Council would be unable to proceed on a unilateral basis.

- Renewing and revising the current Section 75 Mental Health Agreement with North East London Foundation Trust and developing separate Section 75 Agreements for each new service partnership. In view of the common intention of both parties to develop more partnership working across a wider range of health and social care services it would be more complicated and expensive in terms of developmental costs to produce a range of Agreements.

IMPLICATIONS AND RISKS

Financial implications and risks:

Havering's contribution to the pooled budget is made from within existing Adult Social Care budgets. The agreement will be a continuation of the existing S75 arrangement.

A pooled budget schedule is as attached at Annex A. It should be noted that 2012/13 budget figures are reflected. 2013/14 budgets are not yet approved, although no changes to funding levels are currently anticipated.

Should any changes to the pooled budget be proposed these will be subject to agreement by the Steering Group in the first instance. It will be possible to make changes, in accordance with the S75 protocol, during the three year period as new information or implications come to light. If there are any contract variations these will be subject to the appropriate contract procedure rules, and financial consequences considered as necessary. If any savings are to be achieved this is to be jointly agreed by the Steering Group in advance of targets being set.

There is a risk share arrangement in place that is applicable to Local Authority budgets within the pooled fund in any given financial year. The basis of this is that expenditure variances to budget are shared between the two partners on a 50/50 basis.

The pooled fund is administered from a financial perspective so that the substance of the arrangement is best reflected within each partners ledger: there is an agreed process to avoid "cross charging". The implication for Havering is that there is a liability to contribute £1.808m to the pooled fund, based on 2012/13 budgets. NELFT as host partner are responsible for the monitoring and control of the budget, and reporting such accordingly. NELFT are also responsible for collecting contributions from Health, which will need to be secured from April 2013 (current agreements are with the PCT).

Legal implications and risks:

The terms of the proposed new section 75 agreement will be subject to the prior consideration and approval of the Council's legal service and the Group Director, Social Care & Learning will be advised accordingly.

Human Resources implications and risks:

Trade Unions and Council employees who deliver adult mental health social care services were consulted on the first agreement, following which the employees concerned were seconded to NELFT from 1 June 2009. In 2010, a small number of employees who delivered a service in the Adult Social Care Older People's Mental Health Team were also seconded to NELFT. This proposed overarching agreement has also been subject to Trade Union consultation at corporate and directorate level.

The framework setting out the terms for the secondment of Council employees who will be affected by the revised Section 75 agreement is included in the Schedules for this revised agreement. This continues to ensure that Council employees who are now seconded to NELFT to deliver Adult Mental Health services, and those who will join the service on Council terms and conditions following a recruitment process to fill posts shown in Appendix 3 of Schedule 3 of the revised agreement, have clarity around the full range of working arrangements in place under NELFT.

Equalities implications and risks:

Following a robust review, consultation and equality analysis of the current partnership between the Council and NELFT, it has been recommended to extend this partnership as it has proven to provide quality and value for money services.

It is anticipated that the extension of the current partnership for further three years will not only continue meeting the needs of current service users but will also set more ambitious targets to further improve service provision for current and potential service users from all protected characteristics and socio-economic backgrounds, and particularly those who are most likely to have mental health needs and/or other health and social care needs. Moreover, the proposal to extend the scope of integrated health and social care services will further optimise the positive impact on current and potential service users.

BACKGROUND PAPERS

Review of Section 75 Mental Health Agreement – Nov 2012

Draft Overarching Section 75 Agreement – December 2012



Annex A - Havering Mental Health NHS S75 finance schedule 2013/2014

Note : Annual budget is indicative based on 12/13 Budget, figures will be refreshed on an annual basis following the budget setting process

Budgets included Within Pool

LBH			Annual Budget	WTE Budget	PCT contribution (included within block contract)	Annual Budget
1	Nelft Cost centre	LBH Cost Centre				
	LHCS	A32120	Access to Crisis Services	92,470	0.00	92,470
	LHHT	A32120	Access to Crisis Services	611	0.00	611
	LHMH	A32165	Adult Access & Assessment Service	197,243	5.44	26,820
	LHRO	A32165	Adult Community Recovery Service (Romford)	303,025	7.00	303,025
	LHUP	A32165	Adult Community Recovery Service (Upminster)	268,811	6.50	268,811
	LHE1		Early Intervention in Psychosis	56,219	2.00	56,219
	LHD1	A32125	LA Hav Drop Ins	119,326	0.00	119,326
	LHHL	A32125	LA Hav Harrow Lodge	23,620	0.00	23,620
	LHMH	A32145	LA Hav Mental Health Nursing	104,760	0.00	104,760
	LHPT	A32170	LA Hav Provider Team	195,473	5.00	195,473
	LHSP	A32135	LA Hav Small Works Projects	82,165	2.00	27,960
	LHST	A32175	LA Support Time Rec. Workers	253,196	9.00	148,520
	LHMA	A32140	Management	213,205	3.95	213,205
	LHOP	A32100	Older Adults Community Mental Health Service	128,916	3.00	39,660
	LHPY		Psychological Therapy Service	11,940	0.50	11,940
	Total LA Pooled Budgets			2,050,980	44.39	242,960
						1,808,020

2	NELFT		Annual Budget			Annual Budget
			Access to Crisis Services	1,416,495		1,416,495
			Access to Inpatient Services	3,161,282		3,161,282
			Adult & OA A & E Liaison Service	263,808		263,808
			Adult Access & Assessment Service	847,702		847,702
			Adult Community Recovery Service	2,558,010		2,558,010
			Early Intervention in Psychosis	489,765		489,765
			IAPT Service	412,274		412,274
			Learning Disabilities	1,071,327		1,071,327
			Management	289,010		289,010
			Memory Service	162,429		162,429
			Older Adult Access & Assessment Service	22,287		22,287
			Older Adults Community Mental Health Service	2,307,179		2,307,179
			Psychological Therapy Service	1,312,432		1,312,432
	TOTAL HAVERING NELFT			14,314,000		0
						14,314,000

3	Total Pooled Budgets		Annual Budget	WTE Budget	PCT contribution (included within block contract)	Annual Budget
	Total Pooled Budgets		16,364,980	44.39	242,960	16,122,020
	Total income Pooled Budgets					
	LA Funding		(1,808,020)			(1,808,020)
	CCG Funding		(14,314,000)		(242,960)	(14,556,960)
	Total Pool Funding		(16,122,020)	0.00	(242,960)	(16,364,980)

Budgets Excluded from pool

LBH			Annual Budget	WTE Budget	PCT contribution (included within block contract)	Annual Budget
			Independent MCA	119,530		119,530
			Mental Health Residential	973,390		973,390
			Mental Health Domiciliary	146,520		146,520
			Group Homes - Mental Illness	33,130		33,130
				1,272,570	0	1,272,570
			Indirect Costs/Recharges	113,450		113,450
				113,450	0	113,450
4	Total LA Excluded Budgets			1,386,020	0.00	0
						1,386,020

NELFT			Annual Budget	WTE Budget	PCT contribution (included within block contract)	Annual Budget
			ISA's	2,453,407		2,453,407
			CAMHS	2,325,089		2,325,089
			Low Secure	629,791		629,791
			SMS	530,203		530,203
			Perinatal	256,261		256,261
			Eating Disorders	156,781		156,781
				6,351,531	0	6,351,531
			Indirect Costs/Recharges	8,144,720		8,144,720
				8,144,720	0	8,144,720
5	Total Nelft Excluded Budgets			14,496,251	0.00	0
						14,496,251

6	Total LA Budgets			3,437,000	44.39	242,960	3,194,040
7	Total Nelft Budgets			28,810,250	0.00	0	28,810,250

Risk Share

There is a 50% risk share on any over or underspend within the LA pooled budgets (indicative budgets £1.8m) as detailed in section 1 of the Finance Schedule above

It should be noted all figures are based on 2012/13 budgets, 2013/14 budgets are not yet finalised.

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SECTION 75 AGREEMENT EQUALITY ANALYSIS

Draft of 7 January 2013

Question 1	What is the scope and intended outcomes of the activity being assessed; in terms of both the Council's organisation and staffing, and services to the community?
<ul style="list-style-type: none"> • Working in partnership with North East London Foundation Trust (NELFT) to provide improved integrated health and social care services for the population of Havering. • The Council and NELFT currently work in partnership to provide integrated mental health services in Havering. The intention is to extend this partnership for another 3 years and to enter into an Overarching Section 75 Agreement to enable the development of further integrated health and social care services • The aim is to improve the experience of the local community when they need to access mental health and other health and social care services in Havering. 	

Question 2	Which individuals and groups are likely to be affected by the activity?
<ul style="list-style-type: none"> • This activity will potentially affect all 9 of the protected groups and individuals because of their socio-economic status as mental health issues and health and social care needs can affect any member of the community. 	

The table below identifies the protected characteristics and the (sub-) groups within each of them.

Protected characteristics	Protected groups and sub-groups
Age	When looking at age, consideration should be given to children and young people, older people and carers.
Disability	<p>When looking at disability, consideration should be given to people with different types of impairments: physical, learning, aural or sensory, visible and non-visible impairment.</p> <p>Consideration should also be given to: Deaf people, disabled workers, as well as people with HIV, people with mental health needs and people with drug and alcohol problems.</p>

Protected characteristics	Protected groups and sub-groups
Gender	When looking at gender, consideration should be given to girls and women, boys and men, married people, civil partners, part-time workers, carers (both children and elder care), parents (mothers and fathers), in particular lone parents and parents on low incomes.
Gender reassignment/ identity	When looking at gender reassignment, consideration should be given to transgender people, transsexual people and transvestites.
Marriage and Civil Partnership	When looking at marriage and civil partnership, consideration should be given not only to married people, but also to civil partners.
Pregnancy and Maternity	When looking at pregnancy and maternity, consideration should be given to pregnant women, breastfeeding mothers, part-time workers, women with caring responsibilities, women who are lone parents and parents on low incomes.
Race/ ethnicity	When looking at race, apart from the common ethnic groups, consideration should also be given to Gypsy, Roma and Irish Travellers communities, people of other nationalities outside Britain who reside here, refugees and asylum seekers.
Religion or belief	When looking at religion, as a minimum consideration should be given to the most common religious groups (Christian, Muslim, Hindu, Jews, Sikh, Buddhist) and people with no religion or philosophical belief(s).
Sexual orientation	When looking at sexual orientation, consideration should be given to heterosexual and bisexual men and women, lesbians/gay women and gay men.
Socio-economic groups	When looking at socio-economic groups, consideration should be given to homeless people, carers, vulnerable children, families and adults, parents (mothers and fathers), particularly lone parents and parents on low income, disabled and part-time workers.

Question 3	<p>What data/information do you have about the people with ‘protected characteristics’ (<i>age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sexual orientation</i>) or other socio-economic disadvantage (<i>e.g. disabled and part-time workers, low income and/or lone parents (mothers and fathers), looked-after children, other vulnerable children, families and adults</i>) among these individuals and groups? What information do you have about how they will be affected by the activity? Will you be seeking further information in order to assess the equalities impact of the activity? How is this information being used to influence decisions on the activity?</p>
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- Mental health issues and health and social care needs can have a particular impact on all the groups with protected characteristics and those with socio-economic disadvantage.
- The most vulnerable and disadvantaged groups (e.g. disabled and part-time workers, low income and/or lone mothers and fathers, looked-after children, other vulnerable children, families and adults) in our community face particular pressures and strains which can result in a particular need for care and support.

SCALE OF THE LOCAL ISSUE

- We know a great deal about the local incidence of mental health issues in Havering and this information is used to inform commissioning decisions and to set priorities for the integrated mental health services within the Borough.
- Information from the Indices of Multiple Deprivation (2007) combines information about prescription rates for mood and anxiety disorders, suicide rates, hospital episodes and health benefits data to give an indication of the overall mental health of the community.
- Around 23,200 people in Havering are estimated to have a common mental health disorder. Common mental health disorders cause emotional distress and interfere with daily functioning, but do not usually affect insight or cognition. This includes depression, anxiety disorders, and obsessive compulsive disorder.
- 43% of those claiming incapacity benefit in Havering have a mental health issue.
- Neurotic disorders and mixed anxiety with depression are estimated to be the most widespread common mental health problems among Havering residents
- GPs maintain mental health registers of people with more serious illness (schizophrenia, bipolar disorder, and other psychoses). In 2010/11 there were more than 1500 people in Havering on these disease registers.
- 6,249 people aged 18 and above were in contact with NHS specialist mental health services in 2011. These services include not only in-patient services, but also services provided in the community or through outpatient clinics.
- In 2011 it was more common for people in Havering receiving treatment for severe mental health problems to be in stable accommodation than the average in England and London (93% in Havering are in stable accommodation compared with 73% London and 67% England), Locally this

represents a huge improvement on previous years and is due, in part, to the success of the current Partnership Agreement.

- In 2011 around 7% of people in Havering receiving treatment for severe mental health problems were in employment.
- Information based on the national psychiatric morbidity survey suggests that residents of Gooshays, Heaton and Romford Town are most likely to experience common mental health problems for example depression and anxiety disorders. Residents of these wards are also predicted to be most likely to suffer from severe mental illnesses that may require hospital treatment for example schizophrenia and affective (mood) disorders (MINI and NPMS Needs Indices Data; Glover, Arts and Wooff, 2004).
- It is estimated that in Havering, there are more than 600 people with Borderline Personality Disorder, nearly 600 people with Psychotic Disorder and around 500 people with Antisocial Personality Disorder (PANSI, 2010).
- Predicted future population growth means that the number of adults (aged 18-64) experiencing each of these psychological conditions is expected to increase by 6% in the next 10 years in Havering (PANSI, 2010). Not everyone with these mental health issues wants or seeks help, and some may have already received treatment, so the estimated numbers of those with mental health issues are likely to be higher than the demand for services (NEPHO, 2008).
- Hospital admissions for self harm were higher for Havering in 2011 (159 per 100,000 population) than for London average (128);

OLDER PEOPLE

- Mental health issues are particularly important for the older people in Havering and with an ageing population it is forecast that the numbers of people affected will increase in the coming years.
- It is estimated that 3,760 older people have depression, which is predicted to increase to 4,146 by 2020 (source: JSNA 2011/12)
- It is estimated that around 3,050 people in Havering (aged 65+) currently have dementia
- This is predicted to rise to 4,691 by 2030, with Havering having a greater number of residents with dementia than the majority of other London Boroughs
- The recorded number of people with dementia in Havering is significantly lower than the expected number, suggesting that more than 2,000 local people are living with undiagnosed dementia
- Around 60 people in Havering are estimated to be affected by early onset dementia (age 30-64)
- It is estimated that around 63% of those with late onset dementia live in private homes in the community, and around 37% live in residential care homes

GAPS

- LBH is currently seeking to update its knowledge base by carrying out a brief service user consultation (questionnaire), targeting patients linked into service user groups, current day opportunities, patients receiving services at Community Recovery Teams, and linking back through carers groups to other patients. This questionnaire will gather an opportunity sample of demographic data such as gender and ethnicity, location and severity proxy (FACS banding information).

- The results will feed into new commissioning intentions during the life of this Agreement.

Question 4 | **If no data and information is available about the groups likely to be affected by the activity, how would you inform your EA? Will you be considering carrying out some consultation to inform your EA?**

- The data available above shows we know this client group and the service user consultation will increase and update our knowledge.

Question 5 | **Based on the collected data and information, what will be the likely impact of the activity on individuals and groups with protected characteristics or other socio-economic disadvantage?**

- The proposal to extend the current Agreement will ensure that there is no adverse impact on the groups and individuals identified. The new Agreement will set targets to improve services and so it is intended there will be a positive impact on all groups and individuals. The proposal to extend the scope of integrated health and social care services will also have a positive impact on the groups and individuals

Question 6 | **What is the potential impact on arrangements for safeguarding children or safeguarding vulnerable adults?**

- The proposal will continue and extend the partnership working between the Council and NELFT and has the potential for strengthening the arrangements for safeguarding vulnerable adults and will have close links with the arrangements for safeguarding children.

Question 7 | **If any negative impact is identified, is there a way of eliminating or minimising it to reasonable level? If not, how can the negative impact be justified?**

- No adverse impact identified

Question 8 | **How will the activity help the Council fulfil its legal duty to advance equality of opportunity in the way services are provided?**

- The proposal will improve the access to services for people with mental health or health and social care services for the identified groups and individuals and is therefore a positive step in advancing equality of opportunity.

Question 9 | **What actions will you be taking in order to maximise positive impact and minimise negative impact from the activity?**

- Performance Monitoring as set out in next section
- formal consultation on the impact of the Agreement with service users and

carers during the course of the Agreement

Question 10 **Once implemented, how often do you intend to monitor the actual impact of the activity?**

- The draft Agreement includes a Performance Management Framework which sets out how the operation of the Section 75 Agreement will be monitored. There will be an Annual Plan setting targets for outcomes; quarterly monitoring of performance against this Plan by the Partnership Steering Group and a review every year in order to formulate the Annual Plan for the next year.
- The implementation of the Agreement will be overseen by the Mental Health Partnership Board which will report on progress to the new Health and Wellbeing Board.

SIGN OFF AND PUBLICATION

When completed, the Equality Analysis needs to be signed off by the Head of Service. Once signed off, it should be forwarded to the Directorate Equality Analysis Web administrator to publish it on the council's website.

HEAD OF SERVICE

Name: Joe Coogan

Date:

Signature:

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HAVERING OVERARCHING PARTNERSHIP AGREEMENT

SECTION 75 OF THE NATIONAL HEALTH SERVICE ACT 2006

1. INTRODUCTION

- 1.1. The purpose of this Agreement is to provide a robust framework within which the Partners will provide Services and by which resources will be pooled pursuant to Section 75 of the 2006 Act.
- 1.2. As at the date of this Agreement the Services which the Partners have agreed to be delivered under this new Section 75 Agreement are set out in Schedule 1. As the Partners further develop partnership arrangements the Schedules may be varied or supplemented to include other services which the Partners consider would be better provided through the partnership arrangements under this Agreement. In particular the Partners agree that they shall explore the need for additional schedules for provision of services in the longer term.
- 1.3. For the purposes of the implementation of the partnership arrangements under this Agreement the Council has agreed that the Trust may, in conjunction with exercising its NHS Functions, exercise the Council's Health Related Functions in relation to the integrated provision of the Mental Health Services.
- 1.4. The Partners have agreed to establish Pooled Funds for the following services:-
 - Mental Health
- 1.5. The Partners have given formal notification of the intention to enter into the Partnership Arrangements as required by HSC 2000/010: LAC (2000)9 to the relevant office of the Department of Health and Social Care.
- 1.6. The Partners have carried out consultation on the proposals for the Partnership Arrangements with those persons, user groups, staff and statutory and nonstatutory providers, who appear to them to be affected by the arrangement, as required by Regulation 4(2) of the 2000 Regulations.
- 1.7. The Partners have agreed to enter into this Agreement to fulfil the requirements in Regulation 8(2) of the Regulations and to record their respective rights and obligations under the Partnership Arrangements and the terms on which the Partnership Arrangements will be exercised and the Services will be delivered.

2. PARTNERSHIP PRINCIPLES

- 2.1. The Partners to this Agreement agree to operate the following partnership principles:
 - 2.1.1. The **objective** of this Agreement is to secure effective integrated health and Council services, including social care to people for whom

the Partners have responsibilities. The Partners aim to jointly design and deliver services around the needs of service users rather than focusing on the boundaries of their organisations. These arrangements should help eliminate gaps and duplications and result in improved outcomes and experience for service users and their carers.

- 2.1.2. The Agreement will support the Havering Health & Wellbeing Strategy in the following ways:
 - 2.1.2.1. By formalising the partnership arrangements this offers the potential to deliver savings by exploration of ways to reduce duplication and ensure resources are used to best effect
 - 2.1.2.2. By enabling resources to be used more effectively and prioritised to meet local needs, in line with the Joint Strategic Needs Assessment and local data to outline commissioning needs
 - 2.1.2.3. Quality of service can be improved by the delivery of more seamless health and social care provision that can consider a person's whole needs
- 2.1.3. Partners undertake:
 - 2.1.3.1. To deliver integrated services that are responsive to the needs of people, carers and their communities, localities and neighbourhoods within Havering in accordance with agreed priorities and service standards.
 - 2.1.3.2. To implement joint performance management arrangements as set out in the Schedule for each Service for which integrated provision is made under this Agreement.
 - 2.1.3.3. To provide the Services in accordance with both Partners' statutory duties.
 - 2.1.3.4. To take account of each other's strategic objectives as set out in Council Corporate, Directorate and Divisional Plans, Operational Plans, Local Area Agreement and NELFT Corporate Objectives and Annual Plan.
 - 2.1.3.5. To work within a rolling annually-updated Annual Plan (Section 9)
 - 2.1.3.6. To seek the agreement of the other Partner at the earliest feasible stage to any decisions which are contemplated which would significantly affect the discharge of Services, and to consult the other

Partner about decisions which would affect any other aspects of the responsibilities of the Partner with statutory responsibility for the Service

- 2.1.3.7. To apply the Eligibility Criteria applicable to Services from time to time having regard to Guidance.
- 2.1.3.8. To align initiatives with the intention of improving the health and well being of the people of Havering.
- 2.1.3.9. To establish clearly defined audit arrangements.
- 2.1.3.10. To maintain clear, identifiable procedures for use of the Pooled Funds to enable effective monitoring and reporting.
- 2.1.3.11. The Partners are committed to carrying out their functions in a manner which will ensure the best co-ordination of the functions of the Council and NELFT
- 2.1.3.12. The Partners agree to ensure continuing close co-operation in business planning and decision-making and develop agreed protocols setting out how key interfaces between them will be managed.

3. DURATION, REVIEW, TERMINATION OR EXTENSION OF THE AGREEMENT

- 3.1. This Agreement is effective from the Commencement Date 1 April 2013 and, subject to the provisions for termination and extension under this section 3, will end on 31st March 2016
- 3.2. Subject to Clause 25 either Partner may at any time terminate this Agreement by giving at least 12 months' prior written notice to the other Partner (or such period as may be agreed).
- 3.3. For the avoidance of doubt all arrangements for the integrated provision of services and establishing and operating pooled funds established under this Agreement shall terminate when the notice period in a notice to terminate the Agreement has expired.
- 3.4. Subject to Clause 25 either Partner may at any time terminate this Agreement by serving at least six months written notice on the other Partner (or such other period as may be agreed) under the following circumstances:
 - 3.4.1. following a failure to resolve a dispute under the dispute resolution process of Clause 24 if there is a fundamental irreconcilable

disagreement about the objectives of this Agreement or how they should be achieved

3.4.2. there is a serious breach of this Agreement by a Partner which is either:-

- Not capable of remedy, or
- Capable of remedy but has not been remedied within a reasonable time following receipt of written notice by the Partner not in breach which required the breach to be remedied
- there is a change in law Directions or Guidance which prevents the achievement of the Agreement's objectives or a Partner fulfilling its obligations under this Agreement (but if a change only affects some objectives or obligations the Partners will seek to vary this Agreement in order to achieve its objectives as far as is practicable and enable the Partners to comply with their obligation)

3.5. The period of any notice to terminate shall be sufficiently long as to enable suitable alternative arrangements to be made for the Service Users.

3.6. On termination of this Agreement the provisions of Clause 26 (winding Down) will apply. For the avoidance of doubt, any termination of the arrangements for the delivery of a Service under this Agreement shall only terminate the agreement for the provision of that Service and not the whole of the Agreement.

3.7. The Partners may, subject to approval and any authorisations required under their internal regulations, continue this Agreement beyond the 31st March 2016 for such period or periods and on such varied terms and conditions as they agree.

4. FULFILMENT OF FUNCTIONS

4.1. The Services initially within this Agreement are set out in Schedule 1 and will be subject to ongoing review. The Partners are satisfied that the arrangements will lead to an improvement in health and well-being as set out in the Operational Plans, the Annual Service Plan, and the Commissioning Plans for the individual Services and the Havering Health & Wellbeing Strategy.

4.2. Following consultation the Partners will agree and present to their Boards an Annual Plan for each of the Services at least 4 weeks before the beginning of a Financial Year, including estimates of the required contributions for Pooled Funds for the Financial Year. The Partners' contributions will be determined on the basis of the principles set out in the Financial Framework for Services Schedule.

4.3. The resources committed by each Partner to a Pooled Fund can be used on any of the Services funded through the relevant Pooled Fund. The contributions of each Partner to the Pooled Funds for the Financial Year beginning 1st April 2013 are set out in Schedule 2

4.4. To achieve the objectives of this Agreement the Partners will:-

- 4.4.1. operate and further develop the integrated management structures for their health and social care staff,
- 4.4.2. continue the development of new service models in which health and social care services are provided as an integrated package,
- 4.4.3. pool finances and integrate resources
- 4.4.4. ensure that Services are provided on the basis of:
 - evidence of need
 - evidence of best practice in tackling need
 - principles of best value
 - robust financial planning and management
 - robust risk management
 - locally determined and agreed priorities

4.5. implement joint performance management of Service commissioning to ensure that the Partners know:

- 4.5.1. What the integrated provision arrangements are aiming for (objectives, outcomes and connection with other strategic goals);
- 4.5.2. What they have to do to meet these aims (project and implementation plans);
- 4.5.3. What the priorities are in order to ensure that there are sufficient resources
- 4.5.4. What the current performance is through monitoring and reporting
- 4.5.5. How to review progress, detect problems and risks and take action in a timely manner to ensure objectives are achieved;
- 4.5.6. Their medium term financial commitments.

5. COMMITMENTS OF THE PARTNERS

5.1. The Partners undertake:

- 5.1.1. To provide services that are responsive to the needs of people, carers and their communities, localities and neighbourhoods as described in the Annual Plan in accordance with agreed priorities and service standards.
- 5.1.2. To implement joint performance management arrangements as set out in the Schedule for each Service for which integrated provision is made under this Agreement.

- 5.1.3. To provide the Services in accordance with both Partners' statutory duties.
- 5.1.4. To take account of each other's strategic objectives as set out in the Council's Corporate, Directorate and Divisional Plans, Commissioning and Operational Plans, Local Area Agreement and NELFT's Corporate Objectives and Annual Plan.
- 5.1.5. To work within a rolling annually-updated strategic framework agreement as set out in the Annual Plan
- 5.1.6. To seek the agreement of the other Partner at the earliest feasible stage to any decisions which are contemplated which would significantly affect the discharge of Services, and to consult the other Partner about decisions which would affect any other aspects of the responsibilities of the Partner with statutory responsibility for the Service
- 5.1.7. To apply the Eligibility Criteria applicable to Services from time to time having regard to Guidance.
- 5.1.8. To align initiatives with the intention of improving the health and well being of the people of Havering
- 5.1.9. To establish clearly defined audit arrangements
- 5.1.10. To maintain clear, identifiable procedures for use of the Pooled Funds to enable effective monitoring and reporting

5.2. The Partners are committed to carrying out their functions in a manner which will ensure the best co-ordination of the functions of the Trust and the Council.

5.3. The Partners agree to ensure continuing close co-operation in business planning and decision-making and develop agreed protocols setting out how key interfaces between them will be managed.

6. GOVERNANCE ARRANGEMENTS

6.1. The Partners agree that Mental Health Partnership Board should oversee this Section 75 Agreement and that the Partnership Board will provide regular reports to the Havering Health and Wellbeing Board as the strategic commissioning body covering mental health

6.2. The Partners agree to keep the MHPB informed in relation to proposals relating to the delivery of the Services and to consider any representations received from

the MHPB in relation to such proposals (provided received within a reasonable time) before determining whether to implement such proposals or to refer such proposals back to the Partners for approval as the case may be

6.3. The Partners will establish an Executive Steering Group to oversee the operation of this Agreement.

6.4. The Executive Steering Group shall comprise of five members as follows:

- for NELFT the Chief Operating Officer of NELFT or their nominee
- for Havering LBC the Director of Social Care & Learning or their nominee;
- the Borough Lead (the designated Pooled Fund Manager) or any senior manager who is required to discharge the responsibilities of the Borough Lead post during any period when it is vacant - this post will not have voting rights.
- Two Finance Officers, one from NELFT and one from Havering LBC

6.4.1. The Chairman of the Executive Steering Group shall be the Director of Social Care & Learning. The Chairman shall not have a casting vote in relation to any item of business transacted by the Executive Steering Group.

6.5. The Partners agree that Executive Steering Group's purposes are:

6.5.1. to provide high level management in respect of the Services and to be responsible for agreeing the approach to all relevant issues arising from the provision and procurement of the Services including the commissioning of reports on the provision of the Services and the making of recommendations on their procurement and management;

6.5.2. to identify, where appropriate, senior managers employed by the Partners to manage the Services and to commit through delegated responsibility from the Pooled Fund Manager an agreed level of funding to them from the Pooled Fund.

6.5.3. to consider the Pooled Fund Manager's reports referred to in Clause 3.8 and to ensure that the reports take account of the respective reporting cycles of both Partners and, having regard to the contents and recommendations of such reports, to take all actions which the Executive Steering Group considers appropriate.

6.6. All decisions of the Executive Steering Group must be unanimous in order to bind the Partners.

6.7. The quorum required for the Executive Steering Group shall be one representative of each of the Partners represented on it.

6.8. The Partners shall make such arrangements as may command their unanimous agreement as to the application of all or any of the following matters to the Executive Steering Group:

- attendance requirements
- frequency of meetings (which should be at least quarterly)
- secretarial requirements
- policy and delegation framework from the Partners
- such other constitutional and related matters which are necessary to ensure of Executive Steering Group's effective operation

6.9. The Partners agree that the following responsibilities shall be assigned to the Borough Lead, in accordance with Regulation 7 (4) of the Regulations:

- management of the Pooled Fund
- management of the Budget
- day to day management of the Partnership Posts
- line management responsibility for the Partnership Resources in accordance with the provisions relating the Services
- management of the procurement of Partnership Contracts
- management of the delivery of the targets set by the Partners
- preparation of quarterly reports and annual return to the Executive Steering Group on income of and expenditure from the Pooled Fund
- preparation of quarterly reports and annual return to the Executive Steering Group on the Partnership's aims and objectives (to include achievement and forecasting of the same)
- such other responsibilities as the Executive Steering Group or the Partners may agree

7. POOLED FUND MANAGERS

7.1. The Pooled Fund Manager for the Council and NELFT will:

- 7.1.1. Be responsible for the effective deployment and management of Pooled Funds
- 7.1.2. Ensure that expenditure of their Pooled Funds keeps within budgets approved by the Partnership Boards.

- 7.1.3. Be responsible for monitoring and reporting to the Executive Steering Group

8. MONITORING ARRANGEMENTS

8.1. Directors for the Council and NELFT will ensure that the Council and the Trust Board are provided with the following information concerning the Services for which they are responsible:

- 8.1.1. The level of service being delivered in terms of activity and quality compared with agreed service level agreements and contracts.
- 8.1.2. Plans to address any failure to meet the time scales or the agreed levels or standards for the provision of Services. Expenditure and income on providing services compared to agreed budgets.
- 8.1.3. Reasons for any significant variation and an indication of the proposed disposition of any surplus funds.
- 8.1.4. Early warning of any forecast over spending on budgets and details of any proposed corrective action.
- 8.1.5. Indication of implications for future Financial Years.
- 8.1.6. Performance reports for each Service.

8.2. The Partners will agree the format and timetabling of those reports over time in the light of experience, changing information needs and government requirements.

9. ANNUAL PLAN

9.1. The Partners will by the 1st March in each Financial Year jointly prepare an Annual Plan setting out the development objectives including performance targets and budgets for each Service in the coming Financial Year

9.2. The Annual Plan will apply for a Financial Year, though it will also, where possible, include provisional agreement about developments over the remaining period of this Agreement. The Partners may from time to time agree to amend the timetable for the preparation of the Annual Plan.

9.3. The Annual Plan will in particular:

- 9.3.1. Describe any agreed strategic changes which are planned in the Services within the integrated provider service arrangements.

- 9.3.2. Set out agreed objectives and targets, including agreed expectations about the outcomes to be achieved through the use of any additional funding or resources.
- 9.3.3. Indicate how the Partners anticipate that Services will be affected by any anticipated growth or reduction in funding or resources.
- 9.3.4. Set out the charges that the Council expects to recover for Services.
- 9.3.5. Set out such information as the Partners may require from each other to demonstrate the manner in which they are fulfilling the Annual Plan

9.4. The Plan will be reviewed quarterly by the Executive Steering Group

10. POOLED FUND, CONTRIBUTIONS AND BUDGET

10.1. The Partners agree that:

- 10.1.1. their respective Contributions for the First Financial Year and relating to the Services are set out in Financial Schedule (Schedule 4), but shall be subject to the in year adjustment provisions
- 10.1.2. for the second and all subsequent Financial Years of the Term provided the necessary information has been provided by the Host Partner to Havering LBC before the 30th March the Partners shall use reasonable endeavours to agree to commit funding for the Partnership and their respective Contributions before the 15th January. Once agreed they shall sign a record of the Contributions and these shall be formally reported to a meeting of the Executive Steering Group
- 10.1.3. NELFT's responsibility as Host Partner for managing routine upwards and downwards fluctuations in monthly expenditure from the Pooled Fund against the expected profile of expenditure shall be managed on a day to day basis by the Borough Lead.
- 10.1.4. In relation to any in year variation to the Budget which reasonably appears to the Borough Lead to be required as a result of an anticipated overspend the following provisions shall apply:
- 10.1.5. following the reporting by the Borough Lead to the Executive Steering Group of any anticipated overspend in respect of the Council's Functions the Executive Steering Group shall discuss how

such overspend shall be resolved and propose to the Partners a method of addressing the expected overspend including revising the relevant Financial Year's Budget and the Contributions of the Partners. Upon authorisation from the Partners in writing the Executive Steering Group will authorise the Borough Lead to take any appropriate remedial action within such time as is agreed between the Partners

- 10.1.6. In default of such agreement the Partner on whose account the variation is required shall have the option of either increasing its in year Contribution to the Pooled Fund proportionately to the service causing the increase, to make up any relevant deficit funding or where legally feasible of implementing a reduction in the level of Services to be provided in discharge of its particular statutory functions
- 10.1.7. The Partners agree that there shall be a 50/50 risk share to any overspend or underspend of the Havering LBC element of the Pooled Budget as set out in the Financial Schedule. The risk share arrangement to be reviewed by the Executive Steering Group annually to ensure the apportionment remains suitable.
- 10.1.8. The budgetary position is to be reported quarterly at the Steering Group by NELFT to include a memorandum item on the position of the budgets that remain within Havering LBC accounts. Exception reporting shall apply should variances occur outside the quarterly reporting cycle
- 10.1.9. Savings and efficiencies are to be agreed at the Executive Steering Group where it shall be made clear how these will be reflected in each partner's books to avoid ambiguity.
- 10.1.10. In relation to any in year variations to the Budget which reasonably appear to the Borough Lead to be required as a result of any anticipated under spend the following shall apply:
- 10.1.11. Following the reporting by the Borough Lead to the Executive Steering Group of any anticipated under spend the Executive Steering Group shall discuss how such under spend shall be resolved and propose to and agree with the Partners a method of addressing the expected under spend including revising the relevant Financial Year's Budget and Partner's Contributions and shall authorise the Borough Lead to take any appropriate remedial action within such time as is agreed between the Partners

- 10.1.12. in default of such Agreement the Partner on whose account the under spend has arisen shall have the option of:-
- reducing its in year Contribution to the Pooled Fund proportionately
 - having an amount equivalent to the amount of the under spend carried forward to be netted off against the amount of its due Contribution for the following year.
- 10.1.13. The Executive Steering Group may agree from time to time to achieve an under spend in a particular year and carry it forward to the following year of the Term.
- 10.1.14. The Executive Steering Group may agree that due to budget pressures they wish to plan an under spend to enable a planned withdrawal of funds.
- 10.1.15. The Pooled Fund shall only be used for the provision of or procurement of the Services
- 10.1.16. The Partners shall pay their Contributions in 12 monthly instalments payable on the 15th of each month unless otherwise agreed.
- 10.1.17. The Partners (including the internal auditors) shall have the right of access to relevant accounting records relating to the Pooled Fund. In terms of responsibility both Partners' through their Internal Audit Sections shall be responsible for auditing the areas pertaining to their individual organizations and will work together in areas where an overlap of interest occurs
- 10.1.18. The Budget shall be calculable as the initial Budget for the previous Financial Year of the Term plus or minus any in year changes agreed by the Executive Steering Group or the Partners (where it is decided that these should be recurrent); plus any agreed inflation uplift in the coming Financial Year; plus any planned changes for the coming Financial Year; less any agreed efficiency savings.
- 10.1.19. The Executive Steering Group will apply the Host Partner's virement framework to apply to the Pooled Fund and this framework may be varied only with the Partner's consent; no other virement shall take place on any part of the Pooled Fund.
- 10.1.20. The costs which are incurred by the Partners in connection with the administration of the Partnership shall be met from the Pooled Fund except where otherwise agreed and the Partners accept the need to

make provision for these costs in determining their Contributions to the Budget.

- 10.1.21. All payments made in respect of this Partnership Agreement will be made by the Pooled Fund Manager.
- 10.1.22. For any changes of contributions to the pooled Fund by either organisation in under a six month period an emergency/immediate Executive Steering Group will be called by the Chair.
- 10.2. Responsibility for providing capital funding shall rest with the Partner owning the building or asset
- 10.3. The Partners will retain inventories of assets such as vehicles, furniture and computer equipment which are transferred between them and they will agree schedules of condition for such assets and their value as at the time of transfer.
- 10.4. All assets will continue to be owned by the Partner that owned them at the time of transfer
- 10.5. Should there be requirement for a major contribution towards a capital asset there should first be agreement of how any contribution to a capital asset will be repaid in the event of the dissolution of a pooled fund or change in the way services are provided.

11. CHARGING POLICIES

- 11.1. Nothing in this Agreement shall detract from the principle that NHS services and services provided under Section 117 of the Mental Health Act 1983 are free at the point of delivery and may not be charged for.
- 11.2. Havering LBC shall be at liberty to levy charges for such elements of the Services for which legislation requires or permits them to charge provided that those charges comply with any charging policy agreed by the Executive Steering Group. The Host will be required to supply information relevant to the usage of services, as necessary to enable the Havering LBC to implement charging policies for services, which exist or may be introduced.
- 11.3. Where the distinction might be blurred between charged for and non-charged for Services in Services Users' minds, whether through the operation of assessment arrangements or arrangements for the delivery of jointly commissioned or integrated Services under this Agreement, then the Borough Lead in consultation with the Head of Operations, Adult Social Care will be responsible for identifying the Partner levying the charges and

the nature of the Services charged for making it clear to Service Users in respect of which element of the Services a charge is being levied

12. PLANNING AND MONITORING INFORMATION

- 12.1. The Host Partner will ensure that it has adequate resources and expertise to collect and analyse information relevant to the management, planning and monitoring of the Services for which it is responsible, and will make any information which it collects available to the other Partner promptly on request.
- 12.2. A Partner may also request that specified classes of information be passed to it routinely.
- 12.3. The Partners will consult upon and complete all statistical returns required by Government departments and agencies.

13. PERFORMANCE MANAGEMENT ARRANGEMENTS

- 13.1. The Performance Framework for service delivery will be defined for each service included in this Agreement and set out in the appropriate Schedule and will explain the performance management arrangements

14. SCRUTINY

- 14.1. The Partners will make senior officers available to attend each other's committees and boards with responsibility for the development of policy and the scrutiny of decisions taken in relation to the Services.

15. EXTERNAL INSPECTION AND MONITORING

- 15.1. The Partners will:
 - 15.1.1. comply with any statutory inspection requirements in relation to Services and will liaise as required with the Care Quality Commission and Monitor and/or other relevant regulatory bodies
 - 15.1.2. provide appropriate access and information to any external body empowered by statute to inspect or monitor the Partners' discharge of the Services.

16. ELIGIBILITY CRITERIA FOR THE PROVISION OF CARE AND HEALTH SERVICES

- 16.1. The Partners will ensure that the Government's Guidance on "Fair Access to Care" is fully implemented for social care services and that the Eligibility Criteria Thresholds as agreed by the Council are consistently applied.
- 16.2. The Partners agree that eligibility for access to health services may not be subject to the Fair Access to Care provision.
- 16.3. The Eligibility Criteria Threshold for the provision of care Services may be changed only with the agreement in writing of the Council.

- 16.4. The Partners will ensure that the current National Framework and any regional Guidance on Continuing Care and Funded Nursing Care is fully implemented and consistently applied.

17. COMMUNITY ENGAGEMENT, CONSULTATION AND COMMUNICATION

- 17.1. From the Commencement Date the Partners will retain their individual responsibility for community consultation in relation to Services.
- 17.2. Where any proposed consultation relates to services provided by the Partners outside this Agreement, they agree to work together to establish the arrangements under which such consultation takes place.
- 17.3. The Partners will consider whether they should undertake joint arrangements for statutory and other consultation which relates exclusively to Services provided under this Agreement and the responsibility for any additional costs involved.
- 17.4. The Partners will seek to co-ordinate their communications strategies and will, where practicable, consult each other before communicating with representatives of the media, Members of Parliament, Council Members and the public generally in relation to any issues which might arise in relation to the Services. Where any action or omission of NELFT or the Council relating to Services is, or is likely to be, the subject of media comment, the Partners will endeavour to consult each other prior to making any response to the media, Member of Parliament, Council Members or the public.

18. COMPLAINTS

- 18.1. Each Partner and all Service Providers will be required to maintain or adopt, as the case may be complaints procedures internal to their organisation.
- 18.2. Without prejudice to the complaints procedures under section 7B of the Local Authorities Social Services Act 1970, complaints will be dealt with by the Host Partner's and/or Service Providers complaints procedures internal to their organisation which enable Service Users to be heard in respect of any complaint concerning any element of the Services which are provided by or on behalf of a particular Partner and in accordance with each Partner's statutory obligations in this regard. Nothing in this paragraph shall preclude the Service User from making a complaint to the relevant Partner
- 18.3. Complaints by third parties in respect of the provision of Services to Service Users will also be dealt with initially by the Host Partner or Service Provider within its own complaints procedures.

- 18.4. In any case where the Service User does not feel that his complaint has been adequately addressed through the Host Partner or Service Provider's procedure then he will be entitled to refer his complaint for consideration as one relating to the Partnership.
- 18.5. Any such referred complaint shall in the first instance be considered by the Borough Lead but additionally the Partners through the Executive Steering Group shall consider the establishment of a formal Complaint Review Body to act as final arbiter pursuant to Regulation 10 (2) – (3) of the Regulations and having regard to the guidance on good practice contained in paragraph 71 of the Health Act Circular.
- 18.6. The Host Partner shall be responsible for keeping a record of complaints and any action as a result on them is to be available at any time for inspection by the Contract Manager and/or Monitoring Officer for the Borough.
- 18.7. Upon notification of an investigation to be undertaken by any Ombudsman, each Partner will respond to requests for information and/or interview within time limits set by the Ombudsman and provide access to relevant records.

19. INSURANCE

- 19.1. In respect of liabilities arising under any indemnity in this Agreement, NELFT shall maintain membership of the Liabilities to Third Parties Scheme and the Clinical Negligence Scheme for Trusts or such other scheme as may be operated from time to time by the National Health Service Litigation Authority and the Council shall maintain sufficient insurance to cover any indemnity on its part in this Agreement.
- 19.2. The Partners shall follow the Guidance and Protocol which was issued by the Department of Health in respect of claims associated with NHS bodies and local authorities implementing partnership arrangements under Section 31 of the Health Act 1999 and any future Guidance issued under Section 75 of the 2006 Act

20. LEGAL LIABILITIES AND INDEMNITIES

- 20.1. In this section reference to a Partner includes its employees, agents or subproviders/contractors and any employees of the other Partner who have been seconded to and are acting in accordance with the instructions of the Partner concerned.

CLAIMS WHICH RELATE TO EVENTS BEFORE THE COMMENCEMENT DATE

- 20.2. The Partners shall not be responsible under this Agreement for any legal liabilities to third parties arising from the other's provision of Services prior

to the Commencement Date except where such responsibility is transferred by statute

CLAIMS WHICH RELATE TO EVENTS DURING THIS AGREEMENT

- 20.3. Save in so far as otherwise prescribed by statute each Partner will keep the other indemnified against any damages, claims, liabilities costs and expenses arising from a breach of this Agreement or from negligence in the provision of Services for which they are the responsible Host Partner save to the extent that the damages etc. arose from the other Partner's negligence or breach of this Agreement.

CLAIMS WHICH RELATE TO EVENTS BOTH BEFORE AND AFTER THE COMMENCEMENT DATE

- 20.4. Where a claim is made after the Commencement Date in respect of a matter that relates to events both before and after the Commencement Date, such a claim will be managed by the Host Partner for the Service concerned. Each Partner agrees to provide assistance, access to records (subject to the provisions of the Data Protection Act) and personnel free of charge within a reasonable time limit in connection with the claim. The Partners agree to use their best endeavours to reach agreement on the apportionment of any liability arising in consequence thereof and if they cannot agree the dispute resolution provisions of Clause 25 will apply.

OMBUDSMAN COMPLAINTS

- 20.5. Where there is a finding of maladministration by an Ombudsman in respect of Services provided under this Agreement after the Commencement Date, the Host Partner for the Service concerned shall be exclusively responsible for any compensation payable except to the extent that the maladministration was due to the fault of the other Partner.

21. DATA PROTECTION AND INFORMATION SHARING

- 21.1. The Executive Steering Group, NELFT as Host Partner and Havering LBC as the case may be shall in relation to information sharing between agencies, having proper regard to the principles of client confidentiality and the need to comply with the Data Protection Act 1998 observe and comply with the obligations set out in the Information Sharing Policy or any similar replacement Government guidance and the Freedom of Information Act 2000.

22. FREEDOM OF INFORMATION

- 22.1. NELFT and the Council both being public bodies are subject to the Freedom of Information Act. In compliance with the Act the Partners agree that requests under the Act will be dealt with as follows:
- 22.1.1. When the request is received by a Partner (the Receiving Partner) that Partner is responsible for the reply to the request. However, if the request relates solely to information held by the other Partner the request will be transferred to that Partner for response;
 - 22.1.2. If the request relates to information being held by one Partner on behalf of another Partner the Partners will consult on the request but the responsibility for the request will remain with the Receiving Partner.
 - 22.1.3. For the avoidance of doubt the delegation of a Partner's functions under this Agreement does not include a delegation of that Partner's Chief Executive role as Qualified Person under Section 36 of the Freedom of Information Act.

23. VARIATIONS

- 23.1. If any Partner proposes a variation to any of the terms of this Agreement that Partner shall initially report its proposal to a meeting of the Executive Steering Group. Variations will only be effective if agreed by all Partners through the Executive Steering Group and if agreed will be evidenced by a document confirming the details of the variation signed on behalf of each Partner by the Senior of its representatives on the Executive Steering Group. Each partner will ensure that its own authorisation process has been complied with before any such Variation is agreed.

24. DISPUTES

- 24.1. Any dispute shall in the first instance be referred to the Executive Steering Group who shall endeavour to resolve it within 28 days. If no resolution is possible within that period the dispute shall be referred to the Chief Executives of the Partners affected who shall endeavour to resolve the dispute within a further 28 days and in the event of the dispute still not having been resolved within such period the dispute shall be referred to an individual nominated by or on behalf of the Secretary of Health.

25. TERMINATION

- 25.1. This Agreement shall terminate where:
- 25.1.1. One Partner gives at least twelve months written notice to the other Partner that they wish to terminate this Agreement

- 25.1.2. A Partner ceases or threatens to cease to carry on all or any part of its undertakings as constituted at the date of this Agreement where this would in the reasonable opinion of the other Partner have a material effect on the ability of the Partners to comply with this Agreement
- 25.1.3. Any Partner reasonably considers that reasonable circumstances at any time arising as a result of legislation or policy requirements of central Government results in the terms of this Agreement no longer being tenable and has given the other Partner written notice
- 25.1.4. There has been service failure as a consequence of which the continuation of the Agreement would be detrimental to client services or a Partner and at least six month's written notice is given
- 25.1.5. The Partners are unable to agree the resourcing of this Agreement either in respect of the Contributions or the Available Staff Services or the accommodation services and goods made available under Clause 5 such that the joint arrangements are no longer functional. Where such a situation arises the Partners will first have fully discussed the implications through the Executive Steering Group and agreed on a joint strategy for the dissolution for the Agreement. A minimum of three months notice will be required to determine the Agreement under this provision.
- 25.2. Where this Agreement is terminated the Partners agree to cooperate fully in ensuring that Partnership is dissolved without harm to Service Users or Services and there is an orderly transition to the arrangements that are to supersede this Agreement
- 25.3. Any costs resulting from the termination of the Agreement or from the termination of any part of the Services (including in respect of any staff redundancies) shall be paid for:
 - 25.3.1. Where that termination is agreed by the Partners, out of the Pooled Fund or in the event of termination of the agreement, by the Partners pro rata to their Contribution to the Pooled Fund;
 - 25.3.2. Where one Partner decides, without the agreement of the other Partner, to cease providing part or all of the Services, by that Partner;
 - 25.3.3. Where that termination is caused by one Partner having acted unreasonably, (which in the case of dispute shall be determined by Clause 24 Disputes) by that Partner

- 25.4. Ongoing costs which arise as a consequence of the termination of the Agreement and its replacement with new arrangements shall be borne separately by the Partners.

26. WINDING DOWN

- 26.1. In the event that this Agreement is terminated (whether by effluxion of time or by notice of termination):
- 26.1.1. The Parties agree to co-operate to ensure an orderly wind down of their joint activities as set out in this Agreement and to avoid, or minimise the disruption of the Services to the Service Users:
 - 26.1.2. The Parties agree to comply with any consultation requirements in the event of termination of this Agreement
- 26.2. Any underpend in relation to the Pooled Fund upon termination shall be apportioned between the Parties in accordance with their contributions to the Pooled Fund in the relevant Financial Year and the Parties shall make such payments to each other as shall be required to reflect this.
- 26.3. Any overspend existing at the date of termination shall be apportioned between the Parties in accordance with their contributions to the Pooled Fund in the relevant Financial Year and the Parties shall make such payments to each other as shall be required to reflect this.
- 26.4. The Parties shall continue to be responsible for any liabilities that arise following distribution of the Pooled Fund pursuant to Clause 26.3. Any liabilities that are subsequently quantified shall be apportioned between the Parties in accordance with the provisions of Clause 26.3 and the Parties shall make such payments to each other as shall be required to reflect this.
- 26.5. The Parties shall act in good faith and in a reasonable manner in reaching agreement on the matters referred to in Clauses 26.3 and 26.4. In default of agreement the Parties shall refer the matter to be determined in accordance with the disputes procedure specified in Clause 24. The Parties shall make such payments to each other as are necessary to reflect such apportionment of liabilities as may be agreed or determined.

27. ASSIGNMENT AND SUB-CONTRACTING

- 27.1. This Agreement and all rights under it may not be assigned or transferred by either Partner without the prior written consent of the other PROVIDED THAT no such consent shall be necessary for an assignment or novation to a statutory successor in respect of the functions relevant to this Agreement of either of the Partners

27.2. Upon such assignment or transfer the assignor or transferor shall ensure that the assignee or transferee enters into a written undertaking to comply with the terms and conditions of this Agreement in consideration of which the other parties agree to release the assignor or transferor from further liability except in respect of liability accrued up to the date of such assignment or transfer

28. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

28.1. This Agreement does not give rights to any other person under the Contract (Rights of Third Parties) Act 1999.

29. NOTICES

29.1. Any notice required to be given under this Agreement shall be in writing and may be served by sending the same by hand delivery or by first class post to the other Partner at the address given in this Agreement or at such other address as a Partner may notify to the other Partner for the purpose of such service.

30. ANTI-DISCRIMINATION AND EQUAL OPPORTUNITY

30.1. In providing the Services, the Partners shall adopt and maintain anti-discriminatory and equal opportunity policies and practices and shall provide copies of all such policies to the other Partner promptly on request; take account of the Human Rights Act 1998 and in performing the Agreement not do anything in breach of that Act.

31. WAIVER

31.1. No forbearance or delay by either Partner in enforcing its respective rights will prejudice or restrict the rights of that Partner, and no waiver of any rights or of any breach of a contractual provision will be deemed to be a waiver of the right to subsequently enforce the same right in relation to a different matter or to enforce any other right or to be a waiver of any other breach.

LIST OF SCHEDULES

Schedule 1 – Services to be included in this Agreement

Schedule 2 – Financial Arrangements

Schedule 3 – Mental Health Services (with Appendices)

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HAVING OVERARCHING PARTNERSHIP AGREEMENT

SCHEDULE 1

SERVICES TO BE INCLUDED WITHIN THE OVERARCHING AGREEMENT

1. The integration of functions and funding in respect of mental health services for adults and older adults
2. The integration of health improvements to the community such as substance misuse and smoking cessation
3. The integration of other services as agreed between the two Parties.

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HAVERING OVERARCHING PARTNERSHIP AGREEMENT

SCHEDULE 2

FINANCIAL ARRANGEMENTS

1. The Parties have agreed to create a Pooled Fund (Clause 10 of Agreement) that will relate to the services included within this Agreement as set out in Schedule 1.
2. The Parties have not yet completed their budgetary decisions for 2012/13 Financial Year and this Schedule will be updated when the Parties have agreed their budgets. At the present time the Pooled Fund will only encompass the Mental Health Services as detailed in Schedule 3 of this Agreement. See Appendix 2 to that Schedule for a detailed breakdown of this expenditure. The indicative budget for 2013/14 is based on the budget for 2012/13 as follows:
 - a. LBH Contribution £1,808,020.00
 - b. NELFT Contribution to be confirmed.
3. One issue that is yet to be determined is the future arrangements for the Primary Care Trust contribution to NELFT for mental health services via their Block Contract. In 2011/12 this amounted to £211,630 and NELFT are anticipating a similar contribution in 2012/13 and future years. NELFT will be discussing the future of this contribution with the PCT and the Clinical Commissioning Group.
4. The current arrangements for inter-partner financial transactions involve cumbersome invoicing by both parties as a significant amount of expenditure from the Pooled Fund arises from LBH. The parties wish to move to a simplified system whereby NELFT as the Pooled Fund manager will invoice LBH on a net basis. The formal accounts for each organization will reflect the final position at the year end.

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HAVERING OVERARCHING PARTNERSHIP AGREEMENT

SCHEDULE 3

MENTAL HEALTH PARTNERSHIP SERVICES

The London Borough of Havering and the North East London NHS Foundation Trust have agreed to enter into an Overarching Section 75 Agreement to deliver a range of integrated health and social care services for the benefit of the people of Havering. The Partners have agreed to provide such integrated services in accordance with the provisions of the Overarching Section 75 Agreement.

This Schedule 3 to that Agreement sets out the mental health services for adults and older adults that the Partners wish to deliver in an integrated fashion.

Schedule 3 is supported by 5 Appendices as follows:

- Appendix 1 - List of mental health services included
- Appendix 2 - Financial Arrangements
- Appendix 3 – Staffing
- Appendix 4 – HR
- Appendix 5 – Performance Management

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Schedule of Services

Mental Health Partnership Services

Service	Provider
Adult Community Recovery Service	NELFT & LBH
Older Adults Community Mental Health Service	NELFT & LBH
Early Intervention in Psychosis	NELFT & LBH
Adult Access & Assessment Service	NELFT & LBH
Older Adult Access & Assessment Service	NELFT
Access to Inpatient Services	NELFT
Psychological Therapy Service	NELFT
Access to Crisis Services	NELFT
IAPT service	NELFT
Adult and OA A&E Liaison Service	NELFT
Small Works Project	LBH
Group Homes	LBH
Out of Hours service	NELFT
Provision of AMHP service	LBH/NELFT

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HAVERING OVERARCHING PARTNERSHIP AGREEMENT

Appendix 2 to Schedule 3

MENTAL HEALTH PARTNERSHIP SERVICES

FINANCIAL ARRANGEMENTS

1. The Parties have not yet finalized their budgets and contributions for 2013/14. The indicative budget for 2013/14 is based on the budget for 2012/13 as follows:

a. LBH Contribution	£1,808,020
b. NELFT Contribution	£14,314,000

See details attached as Annex A

2. The detailed breakdown of the LBH contribution is:

a. Staffing Service provision	£1,456,250
b. Staffing Care Management & Support	£121,060
c. Packages and residential care	£104,760
d. Vol Sector contracts	£9,860
e. Other	£116,090
Total	£1,808,020

3. One issue that is yet to be determined is the future arrangements for the Primary Care Trust contribution to the Pooled Budget for mental health services via their Block Contract with NELFT. In 2012/13 this amounted to £242,960 and NELFT are anticipating a similar contribution in 2013/14 and future years. NELFT will be discussing the future of this contribution with the PCT and the Clinical Commissioning Group.

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HAVERING OVERARCHING PARTNERSHIP AGREEMENT

Appendix 3 to Schedule 3

MENTAL HEALTH PARTNERSHIP SERVICES

STAFFING

HAVERING LBC POSTS FOR DELIVERY OF MENTAL HEALTH SOCIAL CARE SERVICES UNDER THE MANAGEMENT OF NELFT

POST NUMBER	JOB TITLE	COST CODE	NO. OF POSTS	TOTAL FTE
101253	Resources Manager	A32140	1	1.0
101256	Project Leader – Group Homes	A32140	1	1.0
101260	Project Leader – Drop In Centres	A32140	1	0.5
101267	Support Worker – Group Homes	A32140	1	1.0
101270	Senior STR Worker – Upminster CRT	A32140	1	1.0
101271	STR Worker – Upminster CRT	A32140	5	5.0
101275	Senior STR Worker – Romford CRT	A32140	1	1.0
101276	STR Worker – Romford CRT	A32140	7	5.84
101280	Project Leader – Small Works	A32140	1	1.0
101281	STR Worker – Small Works Project	A32140	1	1.0
104325	Lead & Practice Development Officer	A32140	1	1.0
104326	Team Support Worker	A32140	1	1.0
104327	Senior Practitioner – Romford CRT	A32140	1	1.0
104328	Social Worker – Home Treatment	A32140	1	1.0
104329	Social Worker – Romford CRT	A32140	2	2.0
104330	Senior Community Support Worker	A32140	1	1.0
104331	Social Worker	A32140	2	2.0
104332	Social Worker – Early Intervention	A32140	1	1.0
104333	Social Worker – Hornchurch CMHT	A32140	2	2.0
104335	Team Support Worker – Reflections	A32140	1	0.5
104336	Social Worker – Upminster CRT	A32140	2	2.0
104337	Senior Social Worker – Access & Assessment	A32140	1	1.0
104338	STR Worker	A32140	2	2.0
104339	Admin Support	A32140	3	1.88
104340	Social Worker – Older Person CMHT	A32140	3	3.0

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HAVERING OVERARCHING PARTNERSHIP AGREEMENT

Appendix 4 to Schedule 3

MENTAL HEALTH PARTNERSHIP SERVICES

HR

1. WORKFORCE ARRANGEMENTS

- 1.1. Pursuant to Section 75 (2) (d) of the 2006 Act and Regulation 10 (1) of the Regulations the Partners will continue to make available staff resources required to facilitate the Partnership including the continued secondment of staff of Havering LBC to NELFT pursuant to existing arrangements, subject to Havering LBC's ongoing organisational transformation agenda.
- 1.2. For the avoidance of doubt, (1) notwithstanding the terms of this Agreement, Approved Mental Health Professions (as amended by sections 18 and 10 of the Mental Health Act 2007) shall continue to carry out functions under section 115 of the Mental Health Act 1983. The provision of such functions does not form part of the Agreement and will be managed by Havering LBC directly and (2) the parties hereto declare that The Transfer of Undertakings (Protection of Employment) Regulations 2006 do not apply to this agreement.
- 1.3. NELFT as Host Partner will in respect of each of the following posts either (where the post has already been established prior to the Commencement Date) dedicate the post to the Partnership or (where the post has not been established at the Commencement Date) as soon as possible after the Commencement Date establish and dedicate the following posts to the Partnership;
 - 1.3.1. The Borough Lead
 - 1.3.2. the posts details of which appear in Appendix 3 of Schedule 3 of the Overarching Agreement
 - 1.3.3. such other management posts as are agreed by the Executive Steering Group
- 1.4. The Partners shall continue to make available for the purposes of the Partnership the services (including any relevant proportion of such services in relation to non-dedicated staff) of such staff, whether professional frontline staff or administrative or clerical support staff, as either:
 - 1.5. had been utilised for the purposes of the Services up to the Commencement Date; or
 - 1.6. are agreed to be utilised for the purpose of the Services at any time after the Commencement Date.
- 1.7. Staff occupying the Partnership Posts will be managed by the Borough Lead of NELFT. Staff providing Available Staff Services will have a final day to day line management accountability to the Borough Lead when doing so.
- 1.8. Professional accountability for staff will be to the professional heads of the Partners or other employing organisation and the provision of all professional supervision, training and staff development will be the responsibility of the employing organisation. As such, the employing organisation will ensure that their staff continue to have access to resources to support their professional and personal development within the framework of that organisation's agreed training and development arrangements.

HAVERING OVERARCHING PARTNERSHIP AGREEMENT

Appendix 4 to Schedule 3

- 1.9. Any staff occupying the Partnership Posts or providing Available Staff Services may be designated as delegated managers by the Borough Lead subject to the needs of the Partnership and Partners' financial standing instructions. Designated managers may line manage staff from each Partner organisation or employing organisation irrespective of the staff's employer.
- 1.10. During the term of the secondment Available Staff Services will abide by the requirements set out in the Codes of Conduct, policies, procedures and practices of both of the Partners. Havering LBC staff will continue to be contractually bound by the policies and procedures of their employer. Where the policies, procedures of the Host Partner are at variance with those of Havering LBC, then the appropriate policies and procedures of Havering LBC will apply. The Borough Lead will consult with the employing organisation's Human Resources Services for advice and support.
- 1.11. For recruiting to vacant established posts, the Borough Lead will use the NELFT Human Resources Services to carry out the recruitment process and will consult with the Human Resources Services of the Partner who is funding the post in order to undertake any job evaluation required for the post and make arrangements for the post to also be advertised within the Partner's organisation. Staff recruited to these posts as employees will have the option of remaining in their current employing sector, for the purposes of continuous service, through employment with either the Host Partner or a Partner organisation. The Partners will liaise where necessary to ensure consistency. It is the Borough Lead's responsibility to ensure that the recruitment is carried out in an integrated manner.
- 1.12. Staff will be performance managed according to the policies and procedures of the relevant Partner or other employing organisation and subject to the overall functions and objectives of the Executive Steering Group
- 1.13. Staff terms and conditions will be those applicable to the relevant Partner or other employing organisation and any such changes of these terms and conditions will be subject to the employing organisation's policies including staff consultation. Where another member of staff or a third party wishes to make a complaint or has an enquiry about any act or omission of a member of staff providing Available Staff Services then that person may raise the matter with or make the complaint to the Borough Lead who will as necessary refer the matter through to the member of staff's employing organisation whose complaints grievance and/or disciplinary procedures shall be followed in resolving the matter.
- 1.14. Where a Partner proposes to take action in relation to one of its employees who is providing Available Staff Services and that action is likely to affect the performance of the obligations of any other Partner then any such action will be notified to that other Partner prior to it being implemented
- 1.15. Each Partner or other employing organisation as the case may be will continue to be responsible for its employees in respect of the range of risks normally associated with their employment, including, without prejudice to the generality, employer's liability, third party liability and premises liability risks

HAVING OVERARCHING PARTNERSHIP AGREEMENT

Appendix 4 to Schedule 3

1.16. In the event of a growth in the Partnership's need for Available Staff Services after the Commencement Date then any additional staff required shall be recruited by the Borough Lead and will be employed pursuant to Clause 4 by the Partner agreed by the Executive Steering Group. The salary or wages (as the case may be) costs of any such staff shall be met from the Pooled Budget unless otherwise agreed by the Executive Steering Group. To maintain an overview of the workforce, particularly in relation to the representation of social care professionals, the Borough Lead will undertake an annual review of the workforce profile, in consultation with the Human Resources Services of the Partners, for the consideration of the Executive Steering Group.

2. MANAGEMENT OF INTEGRATED PROVISION - OPERATIONAL MANAGEMENT

- 2.1. Where there is an integrated provision there will be a clear line of management to the Host Partner of the Service involved
- 2.2. In integrated services, managers will be given a high degree of support and training to ensure that management is of the highest standard and to provide confidence of staff in the managers that carry out such joint functions.
- 2.3. Each Partner will work to overcome disincentives to staff taking opportunities for career progression by applying for jobs as employees of the other Partner.
- 2.4. Clear joint policies will be explored and developed in consultation with staff and recognised unions. These joint policies will ensure the following:
 - 2.4.1. Clear lines of accountability and reporting so that all staff know who has responsibility for line managing them and who has responsibility for professional support, supervision and clinical supervision within disciplines such as nursing and social work.
 - 2.4.2. Clear systems of communication throughout the service so that managers keep staff and unions involved in, and informed of, all significant developments, and staff and unions have the opportunity to contribute to service improvement.
 - 2.4.3. Clear systems for reviewing job descriptions and person specifications within job evaluation processes for all members of staff that will help to meet Equal Pay considerations.
 - 2.4.4. Clear systems for appraisal and support of staff.
 - 2.4.5. Clear and equitable systems for staff development and training.

HAVERING OVERARCHING PARTNERSHIP AGREEMENT

Appendix 4 to Schedule 3

2.4.6. Clear systems for using disciplinary and grievance procedures. The disciplinary or grievance procedure used in any instance will always be that of the Partner which is the employer of the person concerned.

2.4.7. Clear and equitable systems for co-ordinating annual leave, rotas, allocating working hours including weekends and allocating training opportunities.

2.4.8. Clear and equitable career development pathways

2.5. Arrangements will be established for ongoing review of the workings of integrated provision. These arrangements will involve managers, staff and union representatives and ensure that the commitments in this Agreement are followed. The detail of review arrangements will be set out in the Annual Plan

3. SECONDMENTS

3.1. At the date of this Agreement, in the Mental Health Provider Services Havering LBC has seconded staff to NELFT. The secondment arrangements for those Services will be reviewed and reported in the Annual Plan

3.2. The Partners will agree the continuation or termination of all secondments and a date for any changes through the Annual Plan and gain approval from Havering LBC and NELFT's Board.

3.3. The Partners will write to each member of staff following approval of the Annual Plan to confirm their secondment status, the plans for continuation or change to the secondment and the dates for the change or further review.

3.4. The Partners to this agreement will work in consultation with recognised unions to minimise disparities between the pay and conditions of service between different disciplines in joint teams who share similar duties and responsibilities.

3.5. Partners will also supply monitoring information for consideration by such committees and boards as agreed in the Annual Plan, and will also comply with any other reasonable request for information from those committees and boards whilst maintaining regard to the provisions of the Data Protection Act in relation to information on data subjects, personal data, etc.

Section 75 agreement – performance management proposal

Introduction

The Section 75 agreement between London Borough of Havering (LBH) and North East London Foundation Trust (NELFT) forms the basis for provision of a range of integrated community-based health and social care services for Havering residents.

A sound performance management framework will enable each partner to understand the effectiveness of that partnership and whether it is supporting people to achieve positive health and wellbeing outcomes.

Each year the Executive Steering Group will set out in the Annual Plan the agreed performance targets that the Partnership should achieve.

The proposed framework

The proposed framework has explicit links with the Department of Health's Adult Social Care Outcomes Framework (ASCOF). The ASCOF provides a range of measures which focus on individuals' independence, outcomes and safety.

The framework will also provide further detail on overall Mental Health (MH) client numbers and the nature of care packages they receive, e.g. residential or domiciliary care.

Delayed Transfers of Care (DTC) is a high priority area for LBH and the framework will provide an overview of DTCs, as they relate to MH clients.

There will be an overview of Care Programme Approach (CPA), including whether those clients are receiving regular reviews of their needs and service provisions.

The final area which the proposed framework covers is Mental Health Action detentions, to show partners the nature of those detentions and consequent actions.

Reporting performance

Performance colleagues will adjust to the requirements of the Section 75 Partnership Board, but it is suggested that a pack showing performance against all measures in the proposed framework is provided on a quarterly basis.

Areas of exception, positive or negative, will be presented, as will an overall performance rating, showing the % of measures (where there is a target), where performance is at or above target levels.

HAVERING OVERARCHING PARTNERSHIP AGREEMENT

Appendix 4 to Schedule 3

There will be analysis to accompany the pack and colleagues can undertake deeper investigations into any areas of concern or interest specified by the Board.

The proposed framework is set out below.

No.	Headline	Measure / Information	Comments
1	ASCOF	Number of adults, older people and carers receiving self-directed support in the year to 31st March as a percentage of all clients receiving community based services and carers receiving carers specific services	ASCOF 1C (1)
2	ASCOF	Those receiving direct payments. The denominator remains the same, but the numerator captures only those from part 1 receiving a direct payment whether part of a self directed process or not	ASCOF 1C (2)
3	ASCOF	Proportion of adults in contact with secondary MH services in paid employment	ASCOF 1F
4	ASCOF	Proportion of adults in contact with secondary MH services living independently, with or without support	ASCOF 1H
5	ASCOF	Delayed transfers of care from hospital	ASCOF 2C (1)
6	ASCOF	DTOC which are attributable to Adult Social Care/Shared	ASCOF 2C (2)
7	ASCOF	DTOC which are attributable to Adult Social Care only	ASCOF 2C (3)
8	Care Packages	No of MH clients in LA funded residential placements	Inc. joint-funded
9	Care Packages	No of MH clients in LA funded nursing placements	Inc. joint-funded
10	Care Packages	No of MH clients in LA funded supported accommodation placements	Inc. joint-funded
11	Care Packages	No of new MH clients in LA funded placements in the month	
12	Care Packages	No of MH clients leaving LA funded placements in the month	
13	Care Packages	No of MH Domiciliary packages	
14	Care Packages	No of started MH Domiciliary packages in the month	
15	Care Packages	No of finished MH Domiciliary packages in the month	

HAVERING OVERARCHING PARTNERSHIP AGREEMENT

Appendix 4 to Schedule 3

No.	Headline	Measure / Information	Comments
16	Care packages	Breakdown of clients in residential / nursing care, by type of placement, age, MH condition (e.g. dementia)	
17	Care packages	Number of MH clients with a Telecare package (also to be presented as % of total MH clients)	
18	CPA	Number of clients on CPA seen in month	
19	CPA	Number of clients on CPA who have received a review in the last 12 months	
20	Carers	% of CPA service users with an identified carer	
21	Carers	% of CPA carers with an up-to-date assessment	
22	MHA	Total no. of assessments	
23	MHA	No. admitted on section	
24	MHA	% of those admitted under Section	
25	MHA	No. admitted informally	
26	MHA	No. Not admitted	
27	MHA	% of those not admitted	
28	MHA	No. of assessments where SU was under 65	
29	MHA	No. of assessments where SU was over 65	
30	MHA	No of Sec 136's	
31	MHA	% of those that were Section 136 assessments	
32	MHA	No. of assessment undertaken on service users subject to a Community Treatment Order	

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CABINET 13 February 2013	
Subject Heading:	GLA Big Green Fund & HLF Landscape Partnerships – approval to make funding applications
Cabinet Member:	Councillor Robert Benham Cabinet Member for Community Empowerment
CMT Lead:	Cynthia Griffin Group Director Culture and Community
Report Author and contact details:	Robert Flindall Tel: 01708 432892 bob.flindall@havering.gov.uk
Policy context:	London Plan All London Green Grid SPG Havering LDF Thames Chase Plan
Financial summary:	Authority is sought to bid for GLA & HLF funding for environmental initiatives, with no additional budget requirement for the Council.
Is this a Key Decision?	Yes
Is this a Strategic Decision?	No
When should this matter be reviewed?	March 2015
Reviewing OSC:	Towns & Communities

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

Clean, safe and green borough	<input checked="" type="checkbox"/>
Excellence in education and learning	<input type="checkbox"/>
Opportunities for all through economic, social and cultural activity	<input checked="" type="checkbox"/>
Value and enhance the life of every individual	<input checked="" type="checkbox"/>
High customer satisfaction and a stable council tax	<input type="checkbox"/>

SUMMARY

This report describes developing partnership work between the Council, the Thames Chase Trust, the Forestry Commission and others aimed at securing funding for substantial environmental regeneration programmes in Havering's countryside and green spaces. Green infrastructure has an increasingly important role to play as we face the challenges of sustaining economic growth and the expected changes to London's demography and climate. It can help absorb flood water, cool the urban environment and clean the air. It can be used for local food production, to promote sport and leisure and ensure space for London's fauna and flora; as a network it can provide links and connections between places, encouraging walking and cycling, highlighting landscape and heritage and supporting the local economy, in particular the visitor economy.

The report seeks approval to make grant funding bids to the GLA Big Green Fund, an All London Green Grid initiative, and to the Heritage Lottery Fund Landscape Partnerships programme and for the Council, on behalf of the partnership, to act as accountable body for the grants should the bids be successful.

RECOMMENDATIONS

1. To agree the development and submission of grant funding applications to the GLA Big Green Fund and to the Heritage Lottery Fund Landscape Partnerships funding programme.
2. To agree that the Council be identified as the accountable body for these grant funding applications.

REPORT DETAIL

1. The Council, in partnership with a number of organisations such as the Essex Wildlife Trust, the RSPB, Thames Chase Trust and SUSTRANs is a key partner in the development and delivery of a number of significant environmental regeneration programmes. These include the Ingrebourne Way Sustrans Connect2 project, due to be completed in March 2013, the Ingrebourne Valley Project, Thames Chase Community Forest, Wildspace and Rainham to the River and a series of town centre public realm improvements, including in Romford, Hornchurch and Rainham. The Council remains committed to these projects because of their significance in terms of its Living Ambition goals to ensure a clean, safe and green borough; to provide economic, social and cultural opportunities in thriving towns and villages and to value and enhance the life of individuals.

2. In this context the Council is currently working with partners to investigate future grant funding opportunities for environmental regeneration in Havering's countryside and green spaces.
3. An effective partnership has been developing since 2011 between the Council, Thames Chase Trust and the Forestry Commission with a joint ambition to develop a project that re-establishes the environmental, social and recreational benefits that were the original aims of the Thames Chase Community Forest.
4. By way of background, following reductions in core funding and the expiry of the Thames Chase Joint Committee in 2011, Thames Chase Trust emerged to take on the role of developing and promoting Thames Chase in partnership with the Forestry Commission. Havering, along with Thurrock and Essex County Council, continue to support Thames Chase Trust financially through a modest annual subscription. A business plan was put together to help steer the development of the new management and operational arrangements at the Forest Centre at Broadfields Farm where the Trust are based.
5. There are two grant funding opportunities that this partnership is exploring.
6. **Heritage Lottery Fund – Landscape Partnerships**
 - 6.1 This is a grant programme to support schemes led by partnerships of local, regional and national interests which aim to conserve areas of distinctive local landscape character throughout the United Kingdom.
 - 6.2 A Landscape Partnership scheme is expected to deliver across all the following four programme outcomes:
 - Conserving or restoring the built and natural features that create the historic landscape character.
 - Increasing community participation in local heritage.
 - Increasing access to and learning about the landscape area and its heritage.
 - Increasing training opportunities in local heritage skills.
 - 6.3 Landscape Partnerships support schemes that provide long-term social, economic and environmental benefits and create an integrated partnership approach to the management of our landscape heritage.
 - 6.4 This programme is currently closed but will re-open for new applications in February 2013. The maximum grant will be £3m.

7. Greater London Authority Big Green Fund

7.1 In 2011 the London Mayor published the All London Green Grid (ALGG) Supplementary Planning Guidance (SPG) to the London Plan which set the vision, and framework, for London's network of green, and open spaces – its green infrastructure.

7.2 The SPG says that green infrastructure has an increasingly important role to play as we face the challenges of sustaining economic growth and the expected changes to London's demography and climate. It can help absorb flood water, cool the urban environment and clean the air. It can be used for local food production, to promote sport and leisure and ensure space for London's fauna and flora; as a network it can provide links and connections between places, encouraging walking and cycling, highlighting landscape and heritage and supporting the local economy. And that by providing informal places for people to visit and interact, it brings Londoners together.

7.3 The Mayor has supported the identification of 11 Green Grid Areas and the establishment of area-based partnerships to promote cross boundary working. The Area Groups have developed a programme of projects and opportunities, set out in Area Frameworks, to enhance and extend the network. ALGG Area Frameworks expand on the implementation points and strategic opportunities identified in the All London Green Grid SPG. Havering is located in Area 3 of the All London Green Grid – *Thames Chase, Beam, Ingrebourne*. This partnership is chaired and administered by the Thames Chase Trust.

7.4 The Big Green Fund will provide grants of up to £500,000 — from a total fund of £2 million — to support the delivery of up to six Big Green projects. The fund aims to bolster the delivery of the ALGG Area Frameworks by providing a major boost to a number of exemplar strategic green infrastructure projects across London.

7.5 All projects must be already identified in an ALGG Area Framework; be strategic in nature and should contribute to the delivery of several of the following ALGG 'functions':

- Access to open space
- Conservation of the natural environment
- Adaptation to climate change
- Sustainable travel connections
- Distinctive destinations
- Healthy living
- Sustainable food production
- Green skills, and sustainable design and

furthermore, where appropriate, projects should also aim to improve the quality of and access to the urban fringe, the Thames and its tributaries.

7.6 Big Green projects should result in transformative actions 'on the ground'. There must be physical, manifest changes delivered by March 2015. Clusters of spaces and projects that together are strategic in nature, that are clearly interconnected or that provide a framework to bring different activities and partners together will be considered alongside strategic projects based around single big green spaces. There is a 1st March 2013 deadline for applications.

8. Partnership Proposals

8.1 The recent announcement of the GLA Big Green Fund together with interest in the HLF's Landscape Partnerships has strengthened the partnership of the Council, Thames Chase Trust and Forestry Commission and its commitment to developing a project covering all or part of the geographical area of the Thames Chase Community Forest, extending to the River Thames across the Council's land at Rainham Marshes and the forested parklands of the Havering Ridge in the north of the borough. Funding applications are proposed that deliver all of the objectives of the two funding schemes described above, in particular, access to nature and open space, sustainable transport opportunities, distinctive destinations, healthy living, community participation and learning and promoting economic development through the visitor economy.

REASONS AND OPTIONS

9. Reasons for the decision:

9.1 The GLA Big Green Fund and HLF Landscape Partnerships are important grant opportunities from which Havering and its partners could benefit.

9.2 In order to maximise the benefits of these opportunities to Havering a decision by Cabinet is required to authorise the submission of funding bids in excess of £500k. The Constitution sets out that pursuant to the delegated authority for general functions in Part 3 Section 2.1 in the following paragraphs to Cabinet:-

(g) To allocate and control financial and land and property resources, to determine priorities in the use of these resources, and take any other action necessary to achieve those objectives; and

(r) To be responsible for all executive matters even if not expressly set out in Part 3 of this constitution.

Pursuant to Corporate Functions under Part 3 Section 2.2:-

(a) To take decisions on all matters relating to the Council's finances including but not exclusively:

(i) budgetary control

10. Other options considered:

10.1 Submitting bids above £500k requires Cabinet approval, without which there are no other options for approval.

IMPLICATIONS AND RISKS

11. Financial implications and risks:

11.1 GLA Big Green Fund

The GLA expects to allocate £2m in total to six projects across London up to a maximum of £500k each. The grant requires 100% match funding. The two key partners have already secured sufficient match funding through a mixture of other funding from Veolia Havering Riverside Trust (VHRT) and the 2013/14 TfL Local Implementation Plan. The LIP funding (£100,000) relates to the Connect 2 Ingrebourne Way, a grant that will be spent on closely related initiatives. The Thames Chase Trust and the Council have received grants totalling £510,000 from VHRT for related projects in 2012/13 – 2015/16. These funds will form the basis of the match funding for a maximum (£500,000) Big Green Fund bid; and It can be seen that there is in fact excess match funding of £1110,000 over and above that needed to support a bid of this scale. Other opportunities for match funding are also being explored, e.g. the TfL Greenways Quick Wins fund for 2013/14.

11.2 HLF Landscape Partnerships

HLF will contribute between £250,000 and £3 million to the cost of an agreed landscape partnerships scheme including any development funding. A grant of below £1 million will need at least 10% of the scheme costs from other sources either in cash or in kind. This increases to 25% for grants of £1 million or more. The applicant must provide at least 5% in cash. Match funding for the HLF application could come from a number of non-Council sources, i.e. a successful GLA Big Green Fund bid for 2013/14 – 2014/15 and continued Forestry Commission investment in landscape restoration activities in Thames Chase and Havering during the duration of an HLF funded programme (up to 5 years)

11.3 The authority to bid for HLF Landscape Partnerships is subject to success at stage 1. The Forestry Commission have indicated they would contribute towards the cost of producing a stage 1 application and the Council will contribute through existing staff resources and the Council's 2012/13 Regeneration revenue budget.

Subject to Cabinet approval, an application for the Big Green Fund will be developed before the end of 1st March 2013 deadline for submission and a Stage 1 bid for the HLF Landscapes Partnerships programme will be developed and submitted around May 2013. The level of the HLF bid will ultimately depend on the amount of match funding available but it is anticipated by partners that a bid would be towards the higher end of the grant available.

11.4 Should either or both bids be successful, maintenance costs for the capital projects will be met from existing budgets within the Council (Parks Service) and its partner organisations, including Forestry Commission, RSPB and the Thames Chase Trust and the works would be designed to ensure that such costs would be affordable.

11.5 Risks associated with the Council being an accountable body will be minimised by strong programme management. Opportunities provided by the Council being an accountable body relate to the level of influence that the Council will have over grant spend and achievements.

12. Legal implications and risks:

12.1 The legal implications and risks associated with this decision relate to the need to secure cabinet approval before making funding bids of more than £500,000 and to seek Cabinet authority to make applications to each of these funding sources.

12.2 Should either or both applications be successful there will be contractual arrangements relating to funding agreements, and other arrangements required to deliver specific aspects of the scheme that must comply with the Council's approved procedures for procurement and which will require legal input.

13. Human Resources implications and risks:

13.1 There are no direct human resources implications and risks associated with a decision to make a funding application. Should either or both the applications be successful the workload associated with delivering the projects will be managed within existing staff resources.

14. Equalities implications and risks:

14.1 The GLA Big Green Fund and HLF Landscape Partnerships are important grant opportunities that will contribute to the Council's Living Ambition goals: to ensure a clean, safe and green borough; to provide economic, social and cultural opportunities in thriving towns and villages and to value and enhance the life of individuals.

14.2 Should either or both bids be successful, they will have a positive impact on people from all protected characteristics, with children and young people (and their parents and/or carers), older adults, disabled people and those from disadvantaged backgrounds being amongst the groups that will benefit

the most. It is also envisaged that the projects funded from this grants will increase social inclusion and improve community cohesion in Havering by bringing local people together and by providing them with opportunities to take part in various environmental and other activities.

14.3 An Equality Analysis will be carried out for this new area of work so as to ensure any potential negative impact is identified and minimised/eliminated and positive equality outcomes and opportunities are enhanced.

BACKGROUND PAPERS

None

CABINET

13 February 2013

Subject Heading:

Future Strategy in Respect of the Old Windmill Hall Site and Adjacent Car Park, Upminster

Cabinet Member:

Councillor Roger Ramsey - Cabinet Member for Value

CMT Lead:

Andrew Blake-Herbert, Group Director - Finance & Commerce

Report Author and contact details:

**Garry Green
Property Strategy manager
Tel: 01708 432566**

E-mail: garry.green@havering.gov.uk

Policy context:

Cabinet Decision of 26 October 2011 on Community Halls Managed by Culture and Leisure Services

Financial summary:

If completed, the disposal of the land would result in a capital receipt that will attract interest until it is used to fund capital projects identified through the capital prioritisation process.

Is this a Key Decision?

Yes

When should this matter be reviewed?

Not Applicable

Reviewing OSC:

Value

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	<input checked="" type="checkbox"/>
Valuing and enhancing the lives of our residents	<input type="checkbox"/>
Delivering high customer satisfaction and a stable council tax	<input checked="" type="checkbox"/>

SUMMARY

On 26th October 2011 Cabinet approved a report on the future provision of community halls within the borough. The report approved the demolition of the Old Windmill Hall and called for a further report on the option of disposing of the site and the adjoining land. This report considers the option of disposal and reviews other possible uses for the site.

Subject to the disposal option being adopted this report also sets out some practical issues arising from the proposed sale of the land and identifies the relevant decisions and processes required to deal with these issues.

RECOMMENDATIONS

1. To confirm that the Old Windmill Hall site and adjacent car park (as shown edged red on the attached plan) be declared surplus and to authorise the disposal of the freehold interest in the site.
2. To authorise the commencement of the statutory process to appropriate from open space and then dispose of the land coloured blue on plan sps1294/1 Rev A.
3. To authorise the appropriation of the land shown coloured green on plan sps1294/1 Rev A from the curtilage of the Old Windmill Hall to open space use subject to the removal from open space use of the land shown coloured blue.
4. To authorise the appropriation of the disposal site (edged red on plan sps1294/1 Rev A) for planning purposes.
5. To authorise the Property Strategy Manager, in consultation with the Assistant Chief Executive (Legal & Democratic Services) undertake all appropriation processes and for the Lead Member for Value to consider any objections received and whether to confirm the appropriations.
6. To authorise the Property Strategy Manager, in consultation with the Assistant Chief Executive (Legal & Democratic Services) to deal with all matters arising from this decision and to complete the disposal. This is to include completion of the statutory process for the appropriation of open space and the appropriation for planning purposes in the event of there being no representations on these issues.

REPORT DETAIL

1.1 Background

1.2 The Council hold the freehold interest in a large area of land that has a frontage to St Marys Lane, Upminster and extends through to Corbets Tey Road, Upminster. This area of land contains a number of Council buildings fulfilling a number of functions including Upminster Library, New Windmill Hall (with associated car parking areas) and Upminster Park (with associated depot facilities and public conveniences). To the north east of the site is an area that was previously used as a site for an older community hall known as Old Windmill Hall. The site includes a car parking area that was primarily for users of the hall but will also be used by other visitors to the area.

1.3 On 26th October 2011 Cabinet approved a report on the future provision of community halls within the borough. As far as this location is concerned the approved strategy was to retain and improve New Windmill Hall, lease it to the Community Association and to demolish the Old Windmill Hall as it was in poor condition and functionally obsolete. This strategy has now been carried out. The adjacent car park that served Old Windmill Hall is operational and, in line with the general policy on car parks operated by Leisure Services is subject to charges. The car park that supports the use of the New Windmill Hall (located to the other side of that property) is operational and is unaffected by these proposals.

1.4 With the Old Windmill Hall demolished the need for the adjacent car park to support its use is removed. It provides approximately 15 spaces and, therefore, it now provides a small additional contribution to car parking for users of New Windmill Hall, Upminster Park or Upminster Town Centre. Parking needs are reasonably met through the car park immediately adjacent to the New Windmill Hall (see above) and other car parks in the Town Centre. It is, therefore, appropriate to consider the future strategy of both the Old Windmill Hall site and the adjacent car park as one site.

1.5 The relevant recommendation in the Cabinet Report (Item 9) states:

“To receive a further report on the option of disposing of the Old Windmill Hall site and adjoining land, to secure further investment in the New Windmill Hall facility for the purposes of leasing the building to a community group and surrounding facilities, in the context of improving the local environment and taking account of the setting of nearby listed buildings.”

The recommendations on the New Windmill Hall have been met and are set out in detail below and all other issues within the recommendation are covered within this report.

As far as disposal is concerned it is the case that the recommendation specifically refers to a further report on the option of disposing of the Old Windmill Hall but other options are also discussed in this report. To put this analysis into context the general position on the disposal of Council assets is as follows.

The Council's Asset Management Plan states that land and property assets should only remain in Council ownership if they:

- need to be retained in Council control for the provision of services
- are of great value to the Council, community and other stakeholders and are in need of the degree of protection from development or other uses afforded only by ownership
- are investment properties providing a financial return that can fully satisfy relevant investment criteria

As well as ensuring that the portfolio of retained property is suitable for the operational needs of the Council, there is a continuing need to generate capital receipts from the disposal of assets in order to pursue capital projects. The review and identification of new disposal and capital receipt opportunities make an essential contribution to funding the Council's capital programme.

1.6 Options

1.7 The following options for the use of the site have been informally raised and are considered alongside the disposal option referred to in the Cabinet report.

a) Disposal

This is the option referred to in the recommendations included within the Cabinet Report of 26th October 2011 described above. Subject to the necessary planning and other consents the site is considered to be suitable for residential development and the likely capital receipt will reflect this.

The proposed detailed implementation of this option (see below) fully protects the existing amount of land within the adjacent park and the planned enhancements to the pedestrian entrance to the park from Hornchurch Road.

This option is an efficient use of a part vacant site and is in line with the Council's policies on the management of assets. There will be a small revenue loss from the car parking area but this can be contained within existing revenue budgets.

b) Retention for Possible Expansion of New Windmill Hall

In line with the strategy set out in the Cabinet report of 25 October 2011 New Windmill Hall has been leased to the Trustees for the New Windmill Hall Community Association that runs for 10 years from 30th July 2012. This process has been supported by the Council undertaking to fund priority building and improvement works over a 2 year period at a cost of approximately £136,000 of which investment of approximately £60,000 is being made through external grant funding.

Further support to the Association has been given through a 1 year rent free period at the commencement of the lease. The leasing arrangements have been completed as planned and it is anticipated that the property will continue to provide a valuable community resource. The security of a formal lease puts the Association in a better position to secure further external funding.

There is no immediate indication that future demand for such a community resource will be sufficient to require a further extension to the premises.

The possibility of allocating the site for further parking spaces adjacent to New Windmill Hall has also been considered although this would require capital expenditure to prepare and set out a new car park. There is an existing large car park to the other side of the New Windmill Hall and it is considered that this reasonably meets the needs of users.

If the site of the Old Windmill Hall were to be held vacant for potential future use as an expanded community resource this could create some security and management issues to deal with possible vandalism or anti-social behaviour. Such a strategy would also remove the opportunity to secure a capital receipt from disposal that would be used to fund capital schemes.

c) Other Recreational Uses

Possible uses for the site that have been raised since the 2011 report include the creation of a sensory garden, a sculpture garden or a quiet area adjacent to the park as a sitting/reading area.

Each of these proposed uses clearly have their individual merits but it is considered that as the site is adjacent to a main road it is not evident that the site could create the peaceful, quiet conditions that these uses require. It may be the case that more suitable locations for such uses could be identified within this park or other similar locations.

Setting out the site for these uses would require capital resources and there would be a revenue implication for their future management.

Adopting this strategy would also remove the opportunity to secure capital resources to fund capital schemes

1.8 Proposed Strategy and Associated Issues

- 1.9 Having reviewed the options identified above for the site the conclusion is that the benefits of the non-disposal options do not appear to be sufficient to forego the opportunity to maximise and realise the site value through disposal and to provide a valuable contribution to the borough's investment needs. In the circumstances, it is recommended that the site be formally declared surplus and identified for disposal.
- 1.10 The site of the Old Windmill Hall and the adjacent car park are shown on the attached plan and extend to 1941 square metres. As far as disposal is concerned it is beneficial to create a more regularly shaped site and it is proposed that the existing boundaries are adjusted in order to achieve this. In making these adjustments the overall area of Upminster Park will be protected to ensure that there is no net loss of open space.

There is an access to the park along the eastern boundary of the site that is part of the Ingrebourne Way and is part of a Sustrans sponsored Connect 2 route that is currently in the final stages of delivery. The path running along the eastern edge of the car park will be widened to 3m for a distance equivalent to the depth of the car park. From that point on the route will use the existing path through the park. These works have been approved and are likely to be put in hand in before the end of 2012. The adjustments to the site boundary need to accommodate these enhancements to the Connect 2 route and the land reserved for that route needs to be incorporated within Upminster Park.

In the circumstances, it is proposed that the area of land that is identified for disposal remains at 1941 square metres as shown on the attached plan. The areas that are to be included in the disposal site and the areas to be incorporated back into Upminster Park are also shown. The areas of land that are to be incorporated into the site and that are to be brought into park use are exactly the same at 191 square metres. This ensures that there is a completely neutral effect on the amount of land within the park.

This adjustment of the boundary and the subsequent disposal of land that has previously formed part of a park are subject to specific statutory processes and approvals and these will be sought as part of the disposal process.

Furthermore, all Council owned land is held for a particular purpose and if this purpose changes over time, it is now considered prudent to formally record this by a process known as "appropriation".

It is the case that many developers and potential purchasers now consider that an appropriation for planning purposes is part of the process of proving that the Council's legal title in the land is clear and that there are no legal obstacles to disposal or redevelopment – save as for planning consent.

The Council is authorised to appropriate land that it owns for planning purposes under Section 122 of the Local Government Act 1972 which, subject to a number of provisions allows “a principal council to appropriate land which belongs to the Council and is no longer required for the purpose for which it was held immediately before the appropriation....”

When the appropriation is in respect of open land, the Council is required under Section 122(2A) of the Local Government Act 1972 to advertise its intention to do so for 2 consecutive weeks in a local newspaper and then to consider any objections received. Only after considering any such objections can the Council take the final decision to proceed with the appropriation.

- 1.11 The sale of the site will produce a capital receipt that can be used on capital projects. There will be a potential revenue loss from the fact that the car park is used as a “Pay and Display” facility.
- 1.12 The site is considered to have potential to be redeveloped for residential purposes subject to planning and other consents. If it is declared surplus and identified for disposal it will be competitively marketed.

It is recognised that this location is characterised by the existence of a number of listed buildings and that any development scheme will have to fully address the setting of these heritage assets. The quality and design of any proposed development will be highly significant issues and the design and any development scheme will be carefully considered by the Council as part of the marketing, disposal and legal processes.

On this matter, it is noted that the original recommendation 9 within the Cabinet Report of 26th October 2011 refers to “taking account of the nearby listed buildings” so that requirement is clear and will require careful scrutiny of any development proposal that affects the setting of these buildings.

- 1.13 Such consideration and scrutiny is, correctly, part of the planning process which will take into account the nature and location of this site and it’s proximity to heritage assets although as indicated previously the Council will also seek to control such matters through the disposal process.

REASONS AND OPTIONS

2.1 Reasons for the decision:

2.2 The majority of the site is no longer in use for operational purposes and the adjacent car park is not now required to meet the parking needs of users of the Old Windmill Hall. It is important that Council assets are used as efficiently as possible and to maximise their contribution to services whether this be directly or by the creation of a capital receipt.

2.3 In the circumstances, it is necessary for the future use of the site to be considered and for a strategy to be identified.

2.4 Other options considered:

2.5 The other options considered for the future use of this site are set out above in the main body of the report.

IMPLICATIONS AND RISKS

3.1 Financial implications and risks:

3.2 The sale of the land would result in a capital receipt that will attract interest until it is used to fund capital projects identified through the capital prioritisation process.

3.3 The disposal of the car parking area will result in a potential loss of revenue. It is estimated that this loss would be approximately £4,000 per annum and Leisure Services have agreed to manage this impact from within existing resources.

3.4 Legal implications and risks:

3.5 There are no specific legal implications and risks associated with declaring the site surplus to requirements and approving the disposal of the freehold interest. Any legal issues arising from the sale itself will be dealt with as part of the usual conveyancing processes.

3.6 The adjustment of the boundaries, the sale of land previously within the park, the incorporation of new areas within the park and the appropriation of land for planning purposes are subject to statutory processes that will need to be followed before any disposal can be completed.

3.7 Human Resources implications and risks:

3.8 This decision relates to the disposal of surplus land and has no Human Resources Implications or Risks

3.9 Equalities implications and risks:

3.10 The decision to demolish Old Windmill Hall and re-focus community activities in New Windmill Hall has been previously approved by Cabinet where Equalities and Social Inclusion implications will have been considered. The decision to identify the remaining surplus land for disposal has no further implications in this regard.

3.11 Users of Upminster Park, New Windmill Hall and the Town Centre are able to use parking facilities conveniently located close to those facilities and so the loss of the adjacent car park does not have a disproportionate effect on users that have a disability.

BACKGROUND PAPERS

4.1 None

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No	Revisions	Int	Date
A	Initial Revision	nt	01/10/12



Blue Indicates Land to be included in Site (191m²)
 Green Indicates Land to be included in Park (191m²)

Job Title:
 Old Windmill Hall &
 Upminster Park
 St Mary's Lane

Drawing Title:
 Site Plan

Drawn By:
 nt

Scale:
 1:1250 @ A4

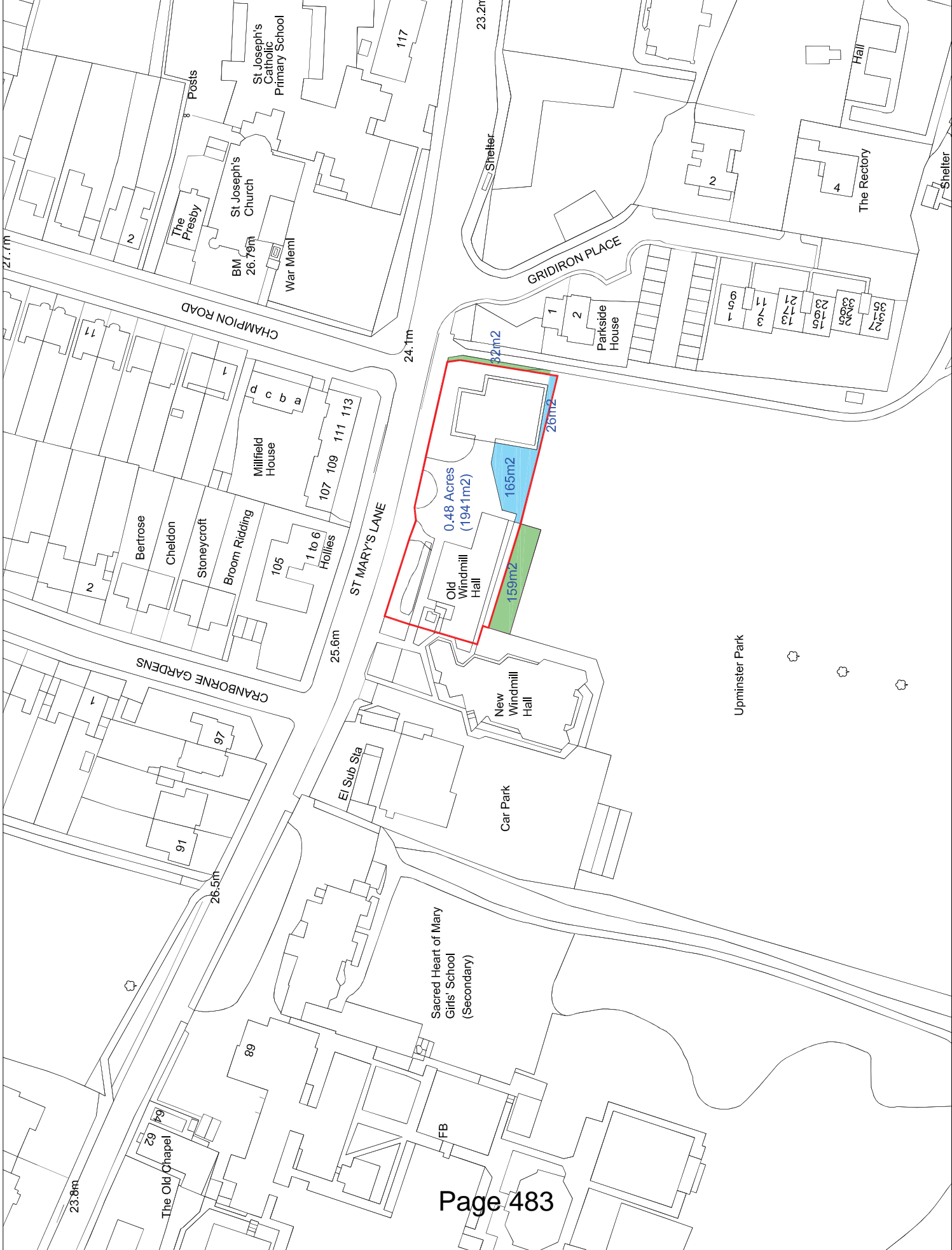
Date:
 September 2012

Drawing Number:
 sps1294/1 Rev A



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