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

CABINET

7.30 pm	Wednesday 14 August 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

Andrew Beesley
Committee Administration 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 DECLARATIONS OF INTEREST

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

4 MINUTES (Pages 1 - 28)

To approve as a correct record the minutes of the meeting held on 10 July 2013, and to authorise the Chairman to sign them.

5 THE COUNCIL'S FINANCIAL STRATEGY (Pages 29 - 40)

6 THINK FAMILY - CABINET MEMBER PROJECT (Pages 41 - 48)

7 APPROPRIATION OF LAND FOR PLANNING PURPOSES AND OPEN SPACES PROCESSES RELATING TO THE SITE OF THE OLD WINDMILL HALL AND THE ADJACENT CAR PARK (Pages 49 - 64)

8 AWARD OF RESPONSIVE REPAIRS AND MAINTENANCE CONTRACT FOR COUNCIL HOUSING - LOT ONE RESPONSIVE REPAIRS (Pages 65 - 78)

9 AWARD OF TERM CONTRACT FOR RESPONSIVE REPAIRS AND VOIDS - LOT TWO VOID PROPERTIES (Pages 79 - 92)

Public Document Pack Agenda Item 4



MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Wednesday, 10 July 2013
(7.30 - 9.55 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

Cabinet Member responsibility:

(Deputy Leader) Individuals
Transformation
Community Empowerment
Culture, Towns & Communities
Value
Children & Learning
Community Safety
Environment

Apologies were received for the absence of Councillors Lesley Kelly.

Councillors Clarence Barrett, Keith Darvill, David Durant, Linda Hawthorn, Barbara Matthews and Lynden Thorpe were present for the meeting.

2 members of the public and a representative of the Press were also present.

Through the Chairman, those present were advised of the evacuation procedures in the event of an emergency.

Unless otherwise indicated, all decisions were agreed unanimously with no member voting against.

There were no disclosures of pecuniary interest.

62 **MINUTES**

The minutes of the meeting of Cabinet held on 17 April 2013 were agreed as a correct record and signed by the Chairman.

63 **ANNUAL CORPORATE PERFORMANCE REPORT 2012/13**

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

The report set out the Council's annual performance for the Corporate Performance Indicators in 2012/13 (financial year) against the five Living Ambition Goals of the Corporate Plan:

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

A Red, Amber, Green (RAG) rating had been applied for performance against the 2012/13 Annual Target, as follows:-

- Green = on or within 5% of the Annual Target
- Amber = more than 5% off the Annual Target and where performance had *improved* compared to 2011/12
- Red = more than 5% off the Annual Target and where performance had *not improved* compared to 2011/12

Of the 51 indicators measured annually, 42 had been given a RAG status. In summary:-

- 31 indicators (74%) were rated as Green
- 6 indicators (14%) were rated as Amber
- 5 indicators (12%) were rated as Red

Cabinet received a presentation from staff on two of those indicators which were rated as Red; the processing of Housing and Council Tax Benefit claims, and the percentage of corporate complaints completed within 10 working days. For the former, a huge increase in the number of new claims and changes in circumstances had placed considerable strain on existing resources. A strategy to improve performance was in place and additional Government funding had been used to clear the outstanding work. For the latter, a sharp increase in the number of complaints received combined with the integration of a new complaints processing system had pushed up the completion time. This was expected to drop closer to the target level by the next quarter.

Appended to the report (and to these minutes) was a chart which detailed each of the 51 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 an update on the Council's annual performance for the Corporate Performance Indicators in 2012/13.

Other options considered

N/A

Cabinet **NOTED** the report.

64 **LOCAL IMPLEMENTATION PLAN ANNUAL SPENDING SUBMISSION 2014/15, BOROUGH CYCLING PROGRAMME FUNDING (BCPF) SUBMISSION, AND HAVERING'S THREE YEAR DELIVERY PLAN**

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

The report explained that the Council was required to make an annual Local Implementation Plan (LIP) Spending Submission to Transport for London (TfL) to secure funding for transportation initiatives that will be delivered across the Borough in the following financial year.

This year, the Council was also required to prepare and submit a Three Year LIP Delivery Plan and has the opportunity to submit a bid to TfL for additional funding through the Borough Cycling Programme.

The report indicated the likely funding available through these initiatives and outlined the process for preparing Havering's:

- LIP Annual Spending Submission (ASS) for 2014/15;
- Three Year Delivery Plan for 2014/15 – 2016/17; and
- Borough Cycling Programme Funding (BCPF) submission for 2014/15 - 2016/17.

The report recommended that the approval of these items be delegated to the Cabinet Members for Environment and Community Empowerment.

Reasons for the decision

The submissions were required if the Council was to receive funding from Transport for London (TfL). The Three Year Delivery Plan is a statutory requirement for the borough.

Other options considered

There were no alternatives if the Council wished TfL to confirm its LIP funding award to Havering for 2014/15 and meet the Statutory LIP requirements.

Cabinet:

1. Noted the guidance provided by TfL, summarised in Appendix 1 of the report.
2. Approved in principle the development of the LIP Annual Spending Submission (ASS) for 2014/15, Havering's Three Year Delivery Plan for 2014/15- 2016/17 and Borough Cycling Programme Funding submission.
3. Agreed that approval of Havering's final LIP ASS, Three Year Delivery Plan and Borough Cycling Programme funding submission to TfL be delegated to the Cabinet Members with responsibilities for Environment and for Community Empowerment.
4. Noted that other opportunities for investment in transportation initiatives would continue to be sought from TfL outside the LIP Annual

Spending Submission process and from other stakeholders and funding sources.

65 **COUNCIL EFFECTIVENESS MEMBER PROJECT**

Councillor Geoff Starns, Cabinet Member for Community Safety, introduced the report.

In 2010, ten Strategic Administration Projects had been established to help deliver services more effectively and in new ways. It was explained that the Projects were each to be driven by a Member of the Cabinet, working with a select team of officers, representing a diverse variety of disciplines within the Council.

In the final year of the current Administration, each Project would report back to Cabinet, to note the achievements attained and the progress made.

It was noted that the 'Council Effectiveness' project had been completed.

The project achieved the following:

- **Ensured local voices were heard**, through a range of very successful public surveys and consultation exercises involving over 12,000 local people
- **Resulted in a very positive LGA Peer Assessment** which said the Council offers good value for money, was well run and has a pragmatic approach to doing 'what works'
- **Embedded the Living Ambition vision** in a much-improved strategic plan to improve service delivery, develop the skills of Council staff and deliver value for money
- **Allowed the Council to target communications, consultation and services** at the right customers, in the most appropriate way

Reasons for the decision

The report was brought to cabinet to provide Members with an overview of what the Council Effectiveness Member project delivered between 2011 and 2012.

Other options considered

N/A

The Cabinet Member wished to place on record his thanks to those members of Council staff who had assisted him during the project.

In response to a query, it was explained that the 'Your Council, Your Say' 2013 survey results had yet to be collated and as such couldn't be referred to for the purposes of the project. The results would be available for scrutiny in August.

Cabinet **NOTED** the outcomes delivered by the Council Effectiveness Project.

66 **NEIGHBOURHOOD RESPONSIBILITY MEMBER PROJECT**

Councillor Barry Tebbutt, Cabinet Member for Environment, introduced the report.

In 2010, ten Strategic Administration Projects had been established to help deliver services more effectively and in new ways. It was explained that the Projects were each to be driven by a Member of the Cabinet, working with a select team of officers, representing a diverse variety of disciplines within the Council.

In the final year of the current Administration, each Project would report back to Cabinet, to note the achievements attained and the progress made.

The **Neighbourhood Responsibility** project delivered the following outcomes:

- Raised awareness of the impact of the street scene, both as a significant asset and as a major contributor to peoples' quality of life with Havering
- Worked with residents, the business community and other stakeholders to increase engagement and encourage ownership of neighbourhood issues
- Better coordinated the services that affect the design, maintenance and management of the Briar Estate
- Ensured that public confidence was high regarding prevention of crime and disorder by the delivery of workshops and information provision thereby ensuring safe, accessible and attractive streets.

Reasons for the decision:

Members requested on update on this key important programme of activity

Other options considered:

None

Cabinet **NOTED** the progress made on the key administration project.

67 LITERACY STRATEGY

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

The Strategy before Cabinet set out how the Council and partners would improve Literacy levels in the borough and included an Action Plan that identifies the priority actions for the next three years.

The Strategy would be critical in delivering the overarching objective of the Council's Living Ambition which was to deliver a better quality of life for residents in the Borough.

This Literacy Strategy and associated action plan focussed on the following groups:

- Early Years (0-4 Years)
- Children 5-11 Years
- Young People 11-19 Years
- Adults with Low Literacy

The Cabinet Member emphasised that the ambition and eventual scope of the Strategy would be wider than the above target groups. It would, in due course, engage additional partners in order to address specific needs and future priorities.

Reasons for the decision:

To establish a Vision, Strategy and Action Plan to help better co-ordinate and deliver Literacy work in Havering.

Other options considered:

The option of not developing a Literacy strategy was ruled out as the development of literacy skills was crucial to the development of individuals and communities in Havering.

A number of Members present commended the Cabinet Member for his work on developing the Literacy Strategy. The Cabinet Member, following a query, stressed that the Strategy had not come about as a result of a government directive, but was a local initiative designed to raise standards of literacy in the Borough.

Cabinet **APPROVED** the Literacy Strategy.

68 **APPROPRIATION OF LAND FOR PLANNING PURPOSES & DISPOSAL OF OPEN SPACE AT THE BRIAR ROAD ESTATE IN HAROLD HILL**

Councillor Steven Kelly, Cabinet Member for Individual with special responsibility for Harold Hill Ambitions, introduced the report.

Previously, Cabinet had given approval to the disposal of 33 small areas of Council-owned land across the Briar Road Estate. The approval had been granted in conjunction with the Harold Hill Ambitions project.

As part of the preparatory legal process in connection with the proposed disposal, a decision had been taken to formally advertise the proposed disposal of open space and the proposed appropriation of the land for planning purposes. The statutory process governing the disposal and appropriation of land required the proposals to be publicly advertised and for any objections to be considered.

The report set out the responses received to the relevant public notices and provided further information relevant to the consideration of these representations.

Reasons for the decision:

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

Other options considered:

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

Cabinet, having considered the responses made to the public notices in respect of land at Briar Road, Harold Hill in connection with the proposed disposal and appropriation of land for planning purposes, gave approval to proceed with:-

1. The appropriation of the sites listed in Appendix 2 of the report to planning purposes, and;
2. The disposal of the sites listed in Appendix 2 of the report under Sections 122 and 123 of the Local Government Act 1972.

69 HAROLD HILL LIBRARY

Councillor Steven Kelly, Deputy Leader of the Council with special responsibility for Harold Hill Ambitions, and Councillor Andrew Curtin, Cabinet Member for Culture, Towns and Communities jointly introduced the report.

At its meeting on 19 November 2008, Cabinet gave broad authority to progress arrangements for the design and construction of a new library facility for Harold Hill.

The report before Members sought formal authority to make a Compulsory Purchase Order (CPO) to secure the remaining property interests required to facilitate the development in the event that existing negotiations were to fail, plus associated appropriation procedures.

The report also contained the design and viability assessment for the new library. It was noted that the proposed scheme would provide a 60% larger floor space than the current library including a large multi-use room which does not exist in the existing building. The two storey height of the structure provides scope to install a mezzanine floor at some later date, if required.

Reasons for the decision

The compulsory purchase, appropriation and stopping up procedures were required to ensure delivery of the new library facility as a key component of the Harold Hill Ambitions programme delivering the Council's regeneration objectives for Harold Hill.

Other options considered

In the evaluation process, a number of alternative sites had been considered for a site of the proposed new Harold Hill Library in, or near, the Hilldene Shopping Centre.

The preferred site option at East Dene Arcade was owned freehold by the Council, vacant possession had already been obtained for most of the site and the site was in the heart of the Hilldene shopping centre which would help draw increased footfall to both the new library, and to the shops in the Centre. Other site options did not offer this range of benefits.

Cabinet AGREED:

1. The design and viability assessment for the new library.
2. To the making of a Compulsory Purchase Order to acquire any further interests required for the new library

3. The delegation to the Property Strategy Manager and Assistant Director - Legal and Democratic Services to take whatever action required under the CPO process, or other processes, to achieve vacant possession of remaining properties and temporary rights
4. The appropriation of the library site from commercial premises within the general fund to that of held for 'planning purposes', to include areas to the north and south of the library building needed for the library construction process.

Chairman

Appendix 1: Annual Corporate Performance Report 2012/13
Cabinet - 10th July 2013

Key

RAG Rating	Direction of Travel (DoT)	
Green	↑	Performance is better than 2011/12
Amber	→	Performance is the same as 2011/12
Red	↓	Performance is worse than 2011/12

Corporate Plan Indicator

Environment - to ensure a clean, safe and green borough

Ref.	Indicator	Value	2012/13 Annual Target	2012/13 Annual Performance	2011/12 Annual Performance	DoT	2013/14 Proposed Target	Comments	Service
(ex) N1195d	% of fly posting	Smaller is Better	1%	0%	0%	→	1%	Performance is on target as a result of continuing enforcement action in key areas such as shopping centres around the borough. Performance is better than target and the same as this time last year. The target will remain 1% for 2013/14.	Streetcare
SC11	% of missed collections put right within target	Bigger is Better	93%	94.3%	94%	↑	93%	Good working relationships with BIFFA has meant we have cleared most missed collections within the required deadline and as a result we have continued to exceed our target. Performance is better than target and better than this time last year. The target remains 93% for 2013/14.	Streetcare

Ref.	Indicator	Value	2012/13 Annual Target	2012/13 Annual Performance	2011/12 Annual Performance	DoT	2013/14 Proposed Target	Comments	Service
CSP2	The number of anti-social behaviour incidents reported	Smaller is Better	5,970	5,431	5,995	↑	MOPAC Target	Performance is better than target (by 9%) and better than this time last year (by 10.9%). The target for 2013/14 is yet to be determined by the Mayor's Office for Policing and Crime (MOPAC).	Customer Services
SC18	Total number of fly tip incidents	Smaller is Better	2,704	2,842	2,972	↑	2,704	Performance is within tolerance, despite higher levels of fly tipping in June, July and August, and is better than this time last year by 4%. The enforcement team will continue to investigate fly tipping incidents and carry out prosecutions, where possible, to reduce the overall figure. The target remains 2,704 for this indicator.	Streetcare
(ex) NI191	Residual household waste (kg) per household	Smaller is Better	645kg	599 kg (Feb, prov.)	652.8kg	NA	640kg	The performance figure is provisional, based up to February 2013. The service is awaiting the quarterly/annual figure. Therefore no RAG rating or DoT has been provided. Performance is just worse than target to date.	Streetcare
(ex) NI192	% of household waste sent for reuse, recycling and composting	Bigger is Better	36%	35% (Feb, prov.)	35.4%	NA	36%	The target has been reduced by 5kg for 2013/14. The service will continue to encourage residents to recycle more and put their waste out for collection in the correct bags. Where there are problems with this, the service will investigate and take the appropriate action. The performance figure is provisional, based up to February 2013. The service is awaiting the quarterly/annual figure. Therefore no RAG rating or DoT has been provided. Performance is just worse than target for this indicator to date.	Streetcare
(ex) NI185/R8	Greenhouse gas emissions from Local Authority estate and operations	Smaller is Better	24,358 tonnes	Not available until July	25,700 tonnes	NA	To be set in July	The target remains 36% for 2013/14. The outturn for this indicator is not available until July. It will therefore be included in the Quarter 1 or Quarter 2 2013/14 report. The target for 2013/14 will be set in July once the outturn has been reviewed.	Customer Services

Learning - to champion education and learning for all

Ref.	Indicator	Value	2012/13 Annual Target	2012/13 Annual Performance	2011/12 Annual Performance	DoT	2013/14 Proposed Target	Comments	Service
(ex) NI117	% of 16 to 19 year olds (school years 12-14) who are not in education, employment or training	Smaller is Better	5.1%	4.6 %	4.5%	↘	4.9%	Performance is better than target, although slightly worse than this time last year. A target of 4.9% has been set for 2013/14.	Learning and Achievement
LA10	KS4 - number of schools below the floor standard where fewer than 35% of pupils achieve A*-C grades in both Maths and English and make less than average progress in Maths and English	Smaller is Better	0	0 (2011/12)	0 (2010/11)	↗	0	This indicator is reported by academic year. Performance is on target and we have maintained our performance from last year. The target remains 0 for 2013/14.	Learning and Achievement
LA9	KS2 - number of schools below the floor standard where fewer than 60% of pupils achieve Level 4 or above in both Maths and English and make less than average progress in Maths and English	Smaller is Better	0	0 (2011/12)	0 (2010/11)	↗	0	This indicator is reported by academic year. Performance is on target and we have maintained our performance from last year. The target remains 0 for 2013/14.	Learning and Achievement
LA6	% of Early Years providers, including those in schools, judged Good or Outstanding by OFSTED	Bigger is Better	73%	76.4%	73%	↗	75%	Performance is better than target and better than this time last year. Performance is also better than Quarter 3 2012/13, when the outturn was 74.9% The target has been increased by 2% for 2013/14.	Learning and Achievement
LA1	Number of apprentices recruited in the borough	Bigger is Better	500 (AY 12-13)	242 (Q1 AY 12-13)	229 (Q1 AY 11-12)	↗	NA	The target of 500 was set by the 14-19 Partnership, as part of a three year programme to increase the number of apprenticeships in the borough. This indicator is measured by academic year (AY) which runs from August to July. The figure provided is therefore the Quarter 1 figure (Aug-Jul 2012). Performance is better than target and better than this time last year. The target for the academic year 2013/14 will be set once the 2012/13 outturn has been reviewed.	Learning and Achievement

Ref.	Indicator	Value	2012/13 Annual Target	2012/13 Annual Performance	2011/12 Annual Performance	DoT	2013/14 Proposed Target	Comments	Service
LA5	% of 3 and 4 year olds who have access to an early education entitlement place if their parents wish (<i>Whilst this refers to access to places, it is actually measured on take up of places. The wording has remained the same because this is how it is reported to the Department for Education</i>)	Bigger is Better	90%	96%	96%	➔	90%	The Council is now using DfE published figures for this indicator, instead of Council termly data. This is because termly data fluctuates throughout the year and an annual figure based on the financial year provides a more accurate picture of take up. The DfE figure is also what our funding is based on. Performance is better than target and the same as this time last year The target remains 90% for 2013/14.	Learning and Achievement
LA25	People of working-age qualified to at least level 2 (% of working age population)	Bigger is Better	63.6%	65.7% (Jan 2012)	New indicator	NA	65%	This indicator is sourced through the ONS annual population survey; therefore the figures can vary depending on the people that have taken part. This indicator is also difficult to influence and is included more for monitoring purposes. Performance is better than target, although below the figure for London (75.1%) and Great Britain (71.8%). The target has been increased to 65% for 2013/14.	Learning and Achievement
(ex) NI075	KS4 - % of pupils who achieve 5 or more A*-C grades, including Maths and English	Bigger is Better	68%	61.1% (2011/12)	63.9% (2010/11)	➔	68%	Haverling was one the most affected authorities with regards to the issues with English GCSE grading in the summer of 2012, with over 10% of our pupils not gaining their expected grade - www.guardian.co.uk/news/datablog/2012/oct/18/gcse-english-rates-local-authority?INTCMP=SRCH . This has impacted on performance figures. Performance is worse than target and worse than the outturn in 2010/11. Corrective Action As the grade boundaries have been changed, there is no corrective action required.	Learning and Achievement

Ref.	Indicator	Value	2012/13 Annual Target	2012/13 Annual Performance	2011/12 Annual Performance	DoT	2013/14 Proposed Target	Comments	Service
LA8	% of children with a good level of achievement in Early Years Foundation Stage	Bigger is Better	NA	60% (2011/12)	58.6% (2010/11)	↑	NA	No target was set for this indicator, as the Service was awaiting the outcome of a Government report. Now this report has been received, there have been changes to the curriculum and this indicator will no longer need to be measured. A figure has been included for information for 2011/12, but the indicator will be removed from the report next year.	Learning and Achievement

Towns and Communities - to provide economic, social and cultural opportunities in thriving towns and villages

Ref.	Indicator	Value	2012/13 Annual Target	2012/13 Annual Performance	2011/12 Annual Performance	DoT	2013/14 Proposed Target	Comments	Service
R3	Number of businesses accessing advice through regeneration initiatives	Bigger is Better	600	847	666	↑	700	Performance is better than target and better than this time last year. The target has been increased to 700 for this indicator.	Regeneration
R2	Net external funding (£) secured through regeneration initiatives	Bigger is Better	£1,000,000	£3,602,600	£3,240,235	↑	£1,000,000	Performance is better than target and better than this time last year. Whilst the target has been achieved, the economic climate makes it uncertain how much funding will be available in 2013/14. Therefore, the target will remain the same for this indicator.	Regeneration
CL2	Number of library visits (physical)	Bigger is Better	1,520,000	1,718,881	1,632,643	↑	1,600,000	Performance is better than target and better than this time last year. The target has been increased to 1,600,000 for 2013/14.	Culture and Leisure
(ex) NI155	Number of affordable homes delivered (gross)	Bigger is Better	250	487	426	↑	250	This total includes an additional 28 units at Rushden Gardens, 178 at Orchard Village and 6 shared ownership properties at Gladstone Place not included in the original 2012/13 target. Performance is better than target and better than this time last year. The target remains 250 for 2013/14.	Homes, Housing and Public Protection

Ref.	Indicator	Value	2012/13 Annual Target	2012/13 Annual Performance	2011/12 Annual Performance	DoT	2013/14 Proposed Target	Comments	Service
DC4	% of appeals allowed against refusal of planning permission	Smaller is Better	30%	24.4%	25%	↑	30%	The service reviews all appeal decisions and keeps an eye out for trends so that any issues in our decision making can be addressed. Performance is better than target and better than this time last year. The target remains 30% for 2013/14.	Development and Building Control
(ex) NI158	% of decent council homes	Bigger is Better	58.4%	58.7%	40.1%	↑	To be replaced with new indicator	It is proposed that this indicator is replaced by the 'Number of homes made decent' (listed at the end of this report) because it is more indicative of the actual number of homes being made 'decent' and the work that is taking place in this area. Performance is better than target and better than this time last year.	Homes, Housing and Public Protection
H5	% of rent arrears against rent debit	Smaller is Better	2%	2.2%	2.1%	↓	2.5%	This indicator falls within the 5% tolerance (approximately £18,456 in monetary terms) and has been given a RAG status of 'green'. Performance is slightly below this time last year. The target of 2% was always going to be challenging in view of a 9.2% rent increase and the current economic climate. The Income Recovery team have an action plan in place to ensure recovery action is taken without delay and cases are progressed within timescales. In addition, Welfare Reform is expected to impact on this indicator and the Welfare Reforms working group will be monitoring rent arrears and addressing any challenges in 2013/14. In light of the perceived challenges this year, the target has been increased to 2.5% for 2013/14.	Homes, Housing and Public Protection

Ref.	Indicator	Value	2012/13 Annual Target	2012/13 Annual Performance	2011/12 Annual Performance	DoT	2013/14 Proposed Target	Comments	Service
(ex) NI157b	Processing of minor applications within 8 weeks (%)	Bigger is Better	65%	62%	73%	↘	65%	The increase in legal agreements needed to secure the Council's Planning Obligations tariff together with some incidences of staff turnover and sickness have affected continuity of application handling and the speed at which planning decisions can be made. Performance is within the 5% tolerance but worse than this time last year. The target remains 65% for 2013/14.	Development and Building Control
(ex) NI157c	Processing of other applications within 8 weeks (%)	Bigger is Better	80%	77%	86%	↘	80%	Some incidences of staff turnover and sickness have affected continuity of application handling and the speed at which a planning decision can be issued. Additional resources have now been put in place to help get performance back on track for next year. Performance is within the 5% tolerance but worse than this time last year. The target remains 80% for 2013/14.	Development and Building Control
(ex) NI157a	Processing of major applications within 13 weeks (%)	Bigger is Better	60%	56%	45%	↗	60%	In Quarter 1 performance was impacted by the new Community Infrastructure Levy (CIL) and in Quarter 2 a number of proposals were negotiated with developers before a decision was made. However, performance was above target in Quarter 3 (86%) and Quarter 4 (63%). Overall, performance is outside the 5% tolerance but better than this time last year. Corrective Action As performance has improved in Quarters 3 and 4, no corrective action is required. The target remains 60% for 2013/14.	Development and Building Control

Individuals - to value and enhance the lives of our residents

Ref.	Indicator	Value	2012/13 Annual Target	2012/13 Annual Performance	2011/12 Annual Performance	DoT	2013/14 Proposed Target	Comments	Service
(ex) NI125/2B	Proportion of older people (65+) who were still at home 91 days after discharge from hospital into reablement services	Bigger is Better	85%	82%	77.2%	↑	TBC	The Reablement Service was outsourced in November 2012. In light of this, performance is encouraging and demonstrates the benefits of reablement in preventing hospital readmissions and admissions into residential settings. Performance is within the 5% tolerance and better than this time last year. A target is yet to be set for 2013/14.	Adult Social Care
CY13	% of Child Protection Plans lasting more than 24 months	Smaller is Better	5%	3.7%	6.9%	↑	4%	Whilst there has been an increased number of child protection plans this financial year compared to previous years, the duration of those plans remains relatively short. Performance is better than target and better than this time last year. The target has been reduced by 1% for 2013/14. This is in light of the measures put in place to prevent children being on a Child Protection Plan for longer than 2 years.	Children and Young People
L5	Total number of Careline and Telecare users in the borough	Bigger is Better	3,600	3,797	3,366	↑	3,900	There has been an increase of 2.06% compared to the figure for Quarter 3 (3720). Performance is better than target and better than this time last year. The target has been increased to 3900 for 2013/14.	Homes, Housing and Public Protection
L3	% of people who, having undergone reablement, return to ASC 91 days after completing reablement and require an ongoing service	Smaller is Better	7%	6.9%	7.8%	↑	TBC	The Reablement Service was outsourced in November 2012. In light of this, performance is encouraging and demonstrates the benefits of reablement in preventing the need for longer term services. Performance is better than target and better than this time last year. A target is yet to be set for 2013/14.	Adult Social Care

Ref.	Indicator	Value	2012/13 Annual Target	2012/13 Annual Performance	2011/12 Annual Performance	DoT	2013/14 Proposed Target	Comments	Service
(ex) NI065	% of children becoming the subject of a Child Protection Plan for a second or subsequent time within 2 years	Smaller is better	8%	0.7%	NA	NA	4%	<p>This financial year, there has only been one child who became subject of a child protection plan for the second or subsequent time within two years. This demonstrates the sustained positive outcomes which local child protection services are helping to achieve.</p> <p>The wording of this indicator has been modified to include 'within 2 years' to echo the findings of the Munro report (before it had an open ended timescale). Therefore the outturn is not comparable with 2011/12 and no DoT has been provided. Performance is better than target.</p> <p>The target has been reduced by 4% for 2013/14. In light of the additional measures that have been put in place to support children and families, the service does not predict a huge increase for this indicator over the next year.</p>	Children and Young People
(ex) NI130/ 1C (i)	% of people using social care who receive self-directed support and those receiving direct payments	Bigger is Better	60%	48.4%	45.2%	↑	70%	<p>In 2012/13 there were 3031 people who received self-directed support, compared to 2656 in 2011/12. Performance is worse than target but better than this time last year.</p> <p>Corrective Action Work will continue within the Service to ensure that Self Directed Support is further embedded as the default way we work. In addition, Assessment and Care Management are introducing new supervision procedures and performance indicators to focus on this and other key performance activities at a practitioner level to embed performance management throughout the service areas.</p> <p>The target has been nationally set at 70% for 2013/14.</p>	Adult Social Care

Ref.	Indicator	Value	2012/13 Annual Target	2012/13 Annual Performance	2011/12 Annual Performance	DoT	2013/14 Proposed Target	Comments	Service
(ex) NI130/1C (ii)	Direct payments as a proportion of self-directed support (%)	Bigger is Better	15%	10.1%	9.8%	↑	15%	<p>For 2012/13 a more stretching target was set for this indicator in order to continue to increase the amount of choice and control for social care clients. However, in line with the national picture, the Service continues to face challenges in increasing the take up of direct payments for older people. Performance is worse than target but better than this time last year.</p> <p>Corrective Action</p> <p>The Service is working hard to help people make best use of the money they receive to purchase their own care services. A dedicated team has been established to work with service users seeking to retain domiciliary care provision from providers who were unsuccessful in being part of the new Framework Agreement. The vehicle employed is a direct payment which should facilitate a significant increase in take up this year and further imbed the practise with practitioners. The target remains 15% for 2013/14.</p>	Adult Social Care
(ex) NI131/2C (ii)	Number of delayed transfers of care from hospital attributable to Adult Social Care (ASC) and health per 100,000	Smaller is Better	3	3.2	5.5	↑	3	<p>This is a partnership indicator between Adult Social Care (ASC) and Health relating to hospital discharges which measures the total number of delayed discharges across the system including in the hospital itself. Performance is slightly worse than target but has shown significant improvement in 2012/13, with an average of 6 delays per week in comparison to 10.2 per week in 2011/12. The target remains 3 for 2013/14.</p>	Adult Social Care

Ref.	Indicator	Value	2012/13 Annual Target	2012/13 Annual Performance	2011/12 Annual Performance	DoT	2013/14 Proposed Target	Comments	Service
CY2	% of placements lasting at least 2 years	Bigger is Better	75%	63%	49.1%	↑	68%	<p>Performance is now more in line with the average for England (68% in 2011/12) and our statistical neighbours (70.6% in 2011/12). Performance is worse than target but significantly better than this time last year.</p> <p>Corrective Action The target of 75% was very challenging; especially coming from the 2011/12 outturn of 49.1%. By achieving 63% the service has made significant progress. In 2013/14, the service will continue the drive to recruit more foster carers to increase placement choice and improve processes to increase the number of placements lasting at least 2 years.</p> <p>The target has been reduced to 68%, in line with the outturn figure for England in 2011/12.</p>	Children and Young People
L6	Number of extra care housing units in the borough	Bigger is Better	216	186	88	↑	TBC	<p>The developments originally expected at Cole and Cockbourne Courts did not go ahead as originally planned. Performance is worse than target but better than this time last year.</p> <p>Corrective Action The new Extra-Care Housing Strategy is currently being developed which sets out proposals for delivering Extra-Care Housing in the future.</p> <p>As the Extra-Care Housing Strategy is in development, a target is yet to be confirmed by the service.</p>	Homes, Housing and Public Protection
R9	% of residents that give up their time to volunteer (YCYS survey)	Bigger is Better	New indicator	NA	New indicator	NA	Increase on 2012/13 outturn	This indicator is included in the 'Your Council your Say' Survey that is currently taking place. The results from this will be available in Summer 2013.	Customer Services

Value - to deliver high customer satisfaction and a stable council tax

Ref.	Indicator	Value	2012/13 Annual Target	2012/13 Annual Performance	2011/12 Annual Performance	DoT	2013/14 Proposed Target	Comments	Service
CS11	% of NNDR collected	Bigger is Better	97%	96.1%	96.9%	↓	96.5%	Currently, the service is provided by the London Borough of Barking and Dagenham. However, the Council has decided to bring the service back in-house, although this will not be implemented until 2014/15. Performance is within the 5% tolerance but slightly down on this time last year. The target is 96.5% for 2013/14.	Customer Services
CI1	Sickness absence rate per annum per employee (days)	Smaller is Better	7.6 days	7.7 days	8.2 days	↑	7.6 days	Work to reduce levels of sickness across the Council is ongoing, including the implementation of a new Managing Sickness Absence Policy, updated training for managers in dealing with sickness absence, and the ongoing development and improvement of sickness absence monitoring. Performance is within the 5% tolerance, with a considerable improvement compared to this time last year. The target remains 7.6 days for 2013/14.	Internal Shared Services
ISS10	% of suppliers paid within 30 days of receipt, by Transactional Team, by invoice	Bigger is Better	97%	97%	97%	→	97%	For 2013/14, No PO and NO Pay, identification of disputed invoices and more efficient passing of invoices into ISS should see the target exceeded. Performance is on target for 2012/13 and is the same as this time last year. The target remains 97% for 2013/14.	Internal Shared Services
CS1	% of council tax collected	Bigger is Better	97%	97.0%	96.6%	↑	97%	This is the highest performance achieved for council tax collection in the last six years. The target remains 97% for 2013/14.	Customer Services
(ex) NI014	% avoidable contact	Smaller is Better	8%	4.5%	5.9%	NA	6%	CRM is not yet set up to measure this indicator because of delays in the CRM programme. Therefore the outturn for 2012/13 is based on sample contacts between April and October 2012. It is hoped that we will be able to measure Avoidable Contact via CRM by early Summer 2013. The target has been reduced by 2% for 2013/14 as outlined in the Corporate 'Plan on a Page 2013/14'.	Customer Services

Ref.	Indicator	Value	2012/13 Annual Target	2012/13 Annual Performance	2011/12 Annual Performance	DoT	2013/14 Proposed Target	Comments	Service
CS21	% customer satisfaction with the Contact Centre	Bigger is Better	80%	87.5%	New PI	NA	85%	Customer satisfaction is a high priority for the Council. Good performance on this indicator shows that customers are happy with the service that they receive in the Contact Centre. This is a new indicator for 2012/13, therefore no DoT has been provided. The target has been increased by 5% for 2013/14 as outlined in the Corporate 'Plan on a Page 2013/14'.	Customer Services
CS4	Speed of processing changes in circumstances of HB/CTB claimants (days)	Smaller is Better	12 days	21.2 days	11.8 days	↘	18 days	Performance has improved since Quarter 3 when the outturn was 28.9 days. However, it remains worse than target and worse than this time last year. Corrective Action A strategy to improve performance is in place and we are using additional Government funding to clear the outstanding work. Actions are progressing; however there will be a drop in performance during Quarter 1 2013/14 whilst the backlog is cleared. The target has been increased to 18 days for 2013/14, which is more realistic whilst still stretching for the service.	Customer Services
CS3	Speed of processing new HB/CTB claims (days) (NEW)	Smaller is Better	19 days	29.7 days	23.3 days	↘	24 days	The number of new claims has increased significantly in 2012/13. Performance has improved since Quarter 3 when the outturn was 30.9 days. However, it remains worse than target and worse than this time last year. Corrective Action A strategy to improve performance is in place and we are using additional Government funding to clear the outstanding work. Actions are progressing; however there will be a drop in performance during Quarter 1 2013/14 while the backlog is cleared. The target has been increased to 24 days for 2013/14, which is more realistic whilst still stretching for the service.	Customer Services

Ref.	Indicator	Value	2012/13 Annual Target	2012/13 Annual Performance	2011/12 Annual Performance	DoT	2013/14 Proposed Target	Comments	Service
CS10	% of Member/MP enquiries completed within 10 days	Bigger is Better	90%	81.1%	85.4%	↘	90%	<p>The implementation of a new system during the second half of the year has had a large impact on performance for 2013/14. Performance is worse than target and worse than this time last year.</p> <p>Corrective Action Initial teething problems with the ELIF system have now been resolved and there is an expectation that performance will improve in 2013/14.</p> <p>The target for response to complaints remains 90%.</p>	Customer Services
CS7	% of corporate complaints completed within 10 days	Bigger is Better	90%	68.4%	73.2%	↘	90%	<p>Initial teething problems with the ELIF system have now been resolved. However, the implementation of a new system during the second half of the year has had a large impact on performance. In addition, there were more complaints logged in 2012/13 (998) compared to 2011/12 (891). Performance is worse than target and worse than this time last year.</p> <p>Corrective Action There is an expectation that performance will improve in 2013/14. The way in which we measure complaints is being reviewed to reflect more accurately the quality of response and customer satisfaction. The number of complaints has increased compared with the previous year but first time resolution (and therefore customer satisfaction) has remained high.</p>	Customer Services

Partnership Performance Indicators (Council not solely responsible for target and/or performance)

Ref.	Indicator	Value	2012/13 Annual Target	2012/13 Annual Performance	2011/12 Annual Performance	DoT	2013/14 Proposed Target	Comments	Service
CSP1	The number of residential burglaries reported	Smaller is Better	1,909	2,101	2,075	↓	1,996 (MOPAC Target)	<p>There has been an increase in residential burglaries over the last 6 months, despite extra resources being put into place. These include a communication campaign to raise awareness and the deployment of a Police Territorial Support Group (a group of officers who target a specific problem). Performance is worse than target (by 10%) and also worse than this time last year (by 1.3%).</p> <p>Corrective Action Neighbouring boroughs have also seen an increase in burglaries over the last few months and a meeting of East London Boroughs took place in April to look at ways to address this.</p> <p>The target for 2013/14 has been determined by the Mayor's Office for Policing and Crime (MOPAC) and is a 6% reduction on the 2012/13 outturn.</p> <p>Data for 2012 will not be available until Summer 2013, so the outturn from Summer 2012 has been provided. Performance is worse than target and worse than the previous year.</p> <p>Corrective Action Whilst the Council is just short of reaching the target set by Transport for London (TfL) this year, we are still performing better than 2009 (75), 2008 (84) and 2007(129). Therefore no corrective action is required.</p> <p>A target of 65 has been set for the 2012 outturn.</p>	Customer Services
SC13	Casualty reductions - killed and seriously injured in Road Traffic Accidents	Smaller is Better	65	74 (2011)	63 (2010)	↓	65 (2012)		Streetcare

Ref.	Indicator	Value	2012/13 Annual Target	2012/13 Annual Performance	2011/12 Annual Performance	DoT	2013/14 Proposed Target	Comments	Service
(ex) NI131/2C (i)	Overall number of delayed transfers of care from hospital per 100,000 population	Smaller is Better	7	10.5	13.3	↑	10	<p>This is a partnership indicator relating to hospital discharges which measures the total number of delayed discharges across the system including in the hospital itself. A challenging target was set for 2012/13, which the Service and its partners have not met; however, there has been considerable improvement on last year's outturn. In 2012/13 there was an average of 19.6 delays per week, and in 2011/12 there were 24.7 delays per week. Performance is worse than target but better than this time last year.</p> <p>Corrective Action</p> <p>The Council continues to work with partners including BHRUT and NELFT to improve systems, processes and care in the community in order to prevent unnecessary hospital admissions and improve performance.</p> <p>The target has been increased to 10, as it is felt that 7 was an unrealistic target and 10 is more achievable in the current context.</p>	Adult Social Care

Ref.	Indicator	Value	2012/13 Annual Target	2012/13 Annual Performance	2011/12 Annual Performance	DoT	2013/14 Proposed Target	Comments	Service
(ex) NI112	Teenage pregnancies per 1,000 population (< 18 year old girls)	Smaller is Better	35	28 (Q3 2011/12)	36.1 (Q3 2010/11)	↑	35	In 2009, the outturn for this indicator was 40 per 1,000 girls. The Prevention Strategy in 2010 meant that investment in this area was maintained following the end of the national strategy and performance has continued to improve. The Council and its partners aim to reach a target of 35.0 per 1000 population by the end of 2013/14 and we remain on track to meet this target. Performance is better than target and better than this time last year at the end of 2012/13. NB. The figures do not correspond to the 2011/12 annual target and a RAG and DoT cannot be stated. This is because the ONS release conception statistics around 14 months after the period to which they relate (as information on a birth may not be available until 11 months after the date of conception and the ONS then require 3 months to compile the conception statistics).	Children and Young People

New Corporate Performance Indicators for 2013/14 (subject to approval)

Environment (1 indicator to be added)

Ref.	Indicator	Value	2013/14 Annual Target	Comments	Service
New	Parking income against budget	NA	TBC	This is a new indicator to be added to the Corporate Performance Reports, which will measure parking income against budget.	Streetcare

Towns and Communities (4 indicators to be added)

Ref.	Indicator	Value	2013/14 Annual Target	Comments	Service
TBC	Number of homes made decent	Bigger is Better	2,224	This is a new indicator to be added to the Corporate Performance Reports and is intended to replace % Decent Council Homes as it is more indicative of homes being made decent.	Homes and Housing
TBC	Average void to re-let times	Smaller is Better	22 days	This is a new indicator to be added to the Corporate Performance Reports. The indicator is a driver of insuring there is a minimum waiting time between when a property is void and when it is re-let. This is significant as the Council does not receive rates for void properties.	Homes and Housing
TBC	Percentage of Leaseholder Service charge arrears (excluding major works) collected (quarterly snapshot set against estimated and actual figures)	Bigger is Better	95%	This is a new indicator to be added to the Corporate Performance Reports and is significant as the Leaseholder picks up some of the costs of the repairs to properties.	Homes and Housing
TBC	Percentage of repairs completed on time (including services contractors)	Bigger is Better	90%	This is a new indicator to be added to the Corporate Performance Reports and monitors repairs to Council properties.	Homes and Housing

Individuals (5 indicators to be added)

Ref.	Indicator	Value	2013/14 Annual Target	Comments	Service
(ex) NI131 2C (iii)	Delayed transfers of care that are attributable to Adult Social Care only per 100,000 population (quarterly)	Smaller is Better	3.5	This is a new indicator to be added to the Corporate Performance Reports. The first two parts of this indicator are already Corporate Performance Indicators and the service would like to add this indicator as it highlights delayed transfers of care that are attributable to ASC only.	Adults Services
13	% children who wait less than 21 months between entering care and moving in with their adopting family (quarterly)	Bigger is Better	55%	This is a new indicator to be added to the Corporate Performance Reports. This is because adoption is a focus, both locally and nationally, reflected by new adoption scorecards that all local authorities will need to report on. A challenging target has been set for this indicator for 2013/14.	Children's Services

Ref.	Indicator	Value	2013/14 Annual Target	Comments	Service
TBC	Participation in National Child Measurement Programme (NCMP) (annual)	Bigger is Better	85% for Reception and Year 6	The NCMP is a surveillance system tracking the weight of children at two key stages. It is proposed that a target of 85% (set by the Department of Health) is retained for 2013/14 because it gives sufficient public health intelligence to monitor the health of the population and it is an indicator of the effectiveness of the public health transfer – that systems/contracts and processes have been stabilised, and not negatively affected by the transition. The target will be to offer a health check to 16.5% of the eligible population; and of those offered 49% will receive a health check.	Public Health
TBC	Take up of NHS Health Checks (quarterly) (Partnership Target)	Bigger is Better	16.5% offered 49% of those offered, received	This would represent a very substantial increase in both the number of residents offered a check and the number of checks delivered in 2012/13 when this service was commissioned by the NHS. This improvement will require Public Health to build on existing good and effective relationships with general practice and explore the opportunities regarding alternative providers. There are currently some information governance issues to be cleared and this is being discussed at a national level. If unresolved, this may impact on the quality of the data received by the Public Health Team.	Public Health
TBC	Chlamydia diagnoses (quarterly, but with a time lag of up to two quarters)	Bigger is Better	475 positive cases	This is the same number of positive cases as was commissioned last year (2012/13). The 2013/14 target is a stretch, as rates of chlamydia are falling in Havering amongst under 25s (which indicates the past effectiveness of the programme). As rates of chlamydia fall, then case finding becomes more difficult, thus 475 positive cases is an ambitious target. The service will set trajectory targets throughout the year for this indicator. The rationale for this is some pharmacies require training, so will not be able to deliver the programme until quarter two, the uptake through outreach fluctuates during the year, and there is a seasonal dip in the summer. In addition, trajectory targets mitigate against the potential risk that transition arrangements (at Public Health England) may affect collecting/reporting schedules.	Public Health

Value (1 indicator to be added)

Ref.	Indicator	Value	2013/14 Annual Target	Comments	Service
TBC	% of corporate complaints escalated to stage 2	Smaller is Better	10%	A stage 2 complaint provides more context around satisfaction with complaints by looking at the small percentage of complaints that are escalated to the Head of Service due to the customer's dissatisfaction with the initial response	Customer Services

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CABINET

14 August 2013

Subject Heading:	The Council's Financial Strategy
Cabinet Member:	Cllr Roger Ramsey
CMT Lead:	Andrew Blake-Herbert Group Director Resources
Report Author and contact details:	Mike Stringer Head of Finance & Procurement 01708 432101 mike.stringer@havering.gov.uk
Policy context:	The Council is required to approve an annual budget and to establish a financial strategy and this report forms the initial part of that process
Financial summary:	There are no specific financial proposals, this report deals with developments relating to the general financial climate, in particular, the March budget and the outcome of the Comprehensive Spending Review. A further report on the financial prospects will follow
Is this a Key Decision?	No
Is this a Strategic Decision?	No
When should this matter be reviewed?	July 2014
Reviewing OSC:	Value

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

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

SUMMARY

Over the course of the period since the 2010 emergency budget, Havering Council has agreed a package of savings to mitigate the impact of very significant cuts in central government funding to local authorities. These measures set the Council on a course to reduce its operating budget by around £40 million over four years.

Alongside this, there have been major changes in the funding arrangements for local authorities, with the localisation of both business rates and Council Tax support payments. Whilst their impact is still being assessed – the changes only became effective on 1 April – the level of financial risk has unquestionably increased.

The global and national economic climate has remained challenging. There are strong indications that the achievement of a balanced national budget will take considerably longer than originally expected. The austerity measures put in place may now continue until 2018, and possibly even beyond it.

With the announcement of the Comprehensive Spending Review (CSR) on 26 June, it is now possible to review the longer term financial prospects set out in the report to Cabinet in February 2013. These need to be set in the context of the current strategy.

RECOMMENDATIONS

Cabinet is asked to note:

1. The analysis of the National Budget and the Comprehensive Spending Review and associated announcements.
2. The Secretary of State's announcement on the timing of the financial settlement, which is now expected to be after Christmas.
3. That a further report will be submitted to the next meeting of Cabinet, setting out the impact of these announcements on the Council's financial planning.

REPORT DETAIL

1. BACKGROUND

- 1.1 In the light of the global financial climate and the decisions taken by the Coalition Government on public sector spending, the broad financial position

and prospects for the future have been set out in previous reports to Cabinet. In very broad terms, the anticipated funding reductions were expected to lead to an overall budget gap of around £40m over a 4 year period. In response to this, Cabinet agreed two tranches of savings, totalling around £36m, and these were subsequently included in the budget formally approved by Council.

- 1.2 The proposals agreed by Cabinet would largely meet the Authority's savings requirements without excessive Council Tax increases and not raising Council Tax above 2.5% throughout the life of this Administration. It would ensure a stabilised financial position with clear plans in place to meet the overall budget gap and bring as much certainty as possible to residents over both Council Tax levels – given the Administration's commitment to low increases – and the level of service they can expect.
- 1.3 The system of funding of local authorities has recently undergone substantial change, with the localisation of both business rates and Council Tax support (CTS) payments. The details of these changes have previously been reported to Cabinet at some length, during the last budget cycle. Local authorities in London only retain 30% of the business rates yield, the remaining 70% goes back to Government and the GLA, whilst the localisation of CTS was accompanied by a 10% reduction in funding.
- 1.4 As part of the annual budget setting process, the report to Cabinet in February 2013 set out the financial prospects for the period from 2015/16 to 2018/19. This period covered the four years immediately after the London local elections in May 2014. Based on the information available at that time, the likely budget gap over that period was reckoned at between £40m and £50m.
- 1.5 Since then, the general economic prospects, as set out in the Budget announced in March 2013, have worsened, raising the prospect of an extended period of austerity – further affecting local government funding. Following the announcement of the CSR on 26 June, work is now underway to re-assess the budget gap, and to consider how this might impact on the Council's long term financial strategy.
- 1.6 Once that work has concluded, a further report, setting out both the impact and the strategy to address it, will be brought to the next meeting of Cabinet.

2. NATIONAL BUDGET

- 2.1 On 20 March 2013, Chancellor George Osborne delivered his annual Budget. It built on his previous announcements made in the Autumn Statement in December 2012 and provided an update on the economy and future government plans for public sector spending and taxation.
- 2.2 The key elements of the Budget that impact on local authorities were as follows:
 - The next Spending Round will be set out on 26th June
 - Both next year and the year after, departmental expenditure limits (DELs) will be reduced by a 1% reduction for most departments.

Cabinet, 14 August 2013

- Local government will be exempt from further 1% budget reduction in 2013/14 but is expected to fall by a further 1% in 2014/15
 - Public sector pay will be limited to 1% increase in 2015/16
 - Local government DEL will be adjusted in the Spending Round to reflect this pay cap
 - Adult Social Care – Dilnot reforms to be implemented a year earlier in 2016; the cap will be set to protect savings above £72k, with a threshold for means tests on residential care to rise from £23k to £118k.
- 2.3 The immediate impact of this was a further funding reduction for local government. The DEL for Communities & Local Government is now expected to fall from £24bn in 2012/13 to £21.7bn in 2014/15, although largely static in 2013/14. In very broad terms, this reduction of 1% potentially equates to as much as £1m for Havering, ie a further reduction in Government grant, and follows on from an earlier reduction of 2% announced as part of the Autumn Budget Statement.
- 2.4 Looking at the broader aspects of the Budget, the following key points provided by the Office for Budget Responsibility were included as part of the Chancellor's statement:
- The growth forecast for 2013 has been halved to 0.6% (this was forecast at 1.2% at the Autumn Statement in November 2012)
 - The GDP growth forecast for 2013 has halved from 1.2% at the Autumn Statement to 0.6% and is less than one third of the projection made 12 months ago at Budget 2012
 - There is an increase in the forecast for inflation measured by both indices (the Consumer Prices Index and the Retail Prices Index in 2013, compared with the forecast at the Autumn Statement 2012)
 - The forecast receipts from both Council Tax and business rates show an increase in the projected receipts between 2013/14 and 2016/17, but a lower projection than made at Budget 2012
 - Borrowing as a percentage of Gross Domestic Product (GDP) is expected to fall from 7.4% in 2013/14 to 5% in 2015/16. However, debt as a percentage of GDP is forecasted to increase from 75.9% in 2012/13 to 85.6% in 2016/17.
- 2.5 The general message was that financial prospects remained challenging. The Chancellor announced that the UK's debt as a share of GDP is unlikely to start coming down until 2017/18, a year later than previous forecasts. The conclusion drawn from this analysis was that Government spending would need to be restrained until then, which would mean a continuation of the existing austerity measures. This in turn has been interpreted as meaning that funding cuts could well be at a similar level over the period to 2017/18, before the economy is sufficiently healthy not to require such measures. This will be taken into account in updating the projection of the future budget gap.

3. COMPREHENSIVE SPENDING REVIEW (CSR)

- 3.1 The CSR is a long term view of Government spending. It sets out the anticipated Government department spending. The current CSR was announced in October 2010 and details were set out in the report to Cabinet in December 2010.
- 3.2 Although CSRs have covered a 5 year planning period, in the past, not a single CSR has survived intact without further announcements and changes. It became apparent during the last budget setting cycle that, almost certainly due to the ongoing financial climate, the Government was intending to review its CSR plans, with a further announcement in the “first half” of 2013. It was subsequently stated that details would be released on 26 June. Considerable speculation has followed over potential “ring-fencing” or protection of specific departmental budgets. Should this be the case, then proportionately bigger funding reductions will fall on the remaining departments.
- 3.3 The details were released as planned on 26 June. To be clear what this entails, the form and nature of the Spending Round 2013 is different from previous processes. Historically, Spending Reviews have tended to cover a multi-year period – usually between three and five years. However, this Round will only focus on 2015/16, reflecting the fact that there will be a General Election in Spring 2015. The current process is called a ‘spending round’ and is not a review. There will therefore be neither a formal stakeholder engagement process nor a wide-ranging review of current Government policies. The Spending Round will have an influence on longer term thinking about changes to public service that will be in the next Spending Review.
- 3.4 A briefing paper setting out the areas covered as part of the announcement is attached at Appendix A. This goes into some detail, as the scale of the announcement was considerable, but it repeats a consistent message that the economic climate remains difficult, and therefore further measures are needed by the Government to address the continuing imbalance in the overall economy.
- 3.5 Briefly, the key points impacting on Havering’s long term budget strategy are as follows:
- Further departmental spending reductions of £11.5bn for 2015/16
 - NHS and Education remain ring-fenced from any funding reductions
 - 10% cut in DCLG departmental spend – DCLG had the second largest “hit” across Government departments
 - Creation of £3.8 billion of pooled funding between the NHS and local authorities – this is in addition to the existing £1 billion and it is as yet unclear what new responsibilities will accompany this funding
 - Pay rise limited to an average of 1% in 2015/16 and removal of time served pay-progression
 - A 1% increase council tax freeze grant for 2 years, 2014/15 and 2015/16.

4. REVIEW OF FINANCIAL PROSPECTS AND PROPOSED APPROACH

- 4.1 The projected budget gap for the current four year period was assessed as £40m, as Cabinet will be aware. As part of the recent budget setting process, a similar exercise was undertaken to assess the potential gap over the four years from 2015/16; this was forecast as £40m to £50m. In the light of the Budget and CSR announcements, this sum is now being reviewed as part of the analysis and development of a future budget strategy.
- 4.2 In undertaking this review, there will be a significant number of assumptions to be made, and given that this runs over a period until 2019, these may turn out differently. However, this will provide a reasonable position to start from for planning purposes. The outcome of this review will form the basis for a further report to the next Cabinet meeting, setting out the proposed financial strategy for both the coming year, and the subsequent four year period, based on the information now available.
- 4.3 There will in any event be some uncertainty until the local government financial settlement for next year is announced. It had been hoped that this would occur earlier in the budget cycle than last year, to enable a full assessment of the position to be made, and for appropriate measures to deliver a balanced budget to be presented to Cabinet in January 2014. However, the Secretary of State is reported to have told the LGA Conference in July that “We will give you the figures as soon as we can but we expect you to hear the sound of Santa’s bells before you get them”.
- 4.4 This is extremely disappointing and suggests the figures will not be available until early January, certainly too late for inclusion in the January Cabinet report. It will therefore either be necessary to consider issuing a supplementary paper for that meeting, reschedule meetings, or organise special meetings to accommodate the Government announcements. Even then, all the relevant information for setting the 2014/15 budget may not be available until the February Cabinet meeting. The announcement did indicate that the settlement will again cover two financial years, so this will further assist the long term strategy development, but the timing is far from helpful insofar as the next budget setting cycle is concerned.

REASONS AND OPTIONS

Reasons for the decision:

It is essential that the Council’s financial strategy takes due account of Government plans, and any other material factors where these are likely to have an impact on the Council’s financial position. This report provides an update to Cabinet on a range of Government announcements that impact on the Council’s funding for coming years, which are particularly relevant to the budget setting process.

Other options considered:

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

IMPLICATIONS AND RISKS

Financial implications and risks:

The Council's budget process will ensure that financial implications and risks are fully met. There are continuing risks with the full impact of the transition to localised business rates and Council Tax support still to be felt, and the potential impact on funding arising from both the Budget and CSR announcements. The steps already taken by the Council should mitigate this, but it is evident that a longer term approach now needs to be considered, as the potential scale of the future budget gap could prove to be even bigger than the gap the Council is currently addressing.

There are considerable risks in the medium to longer term, with the continuing economic uncertainty as well as the likely impact of further funding changes. The Council therefore needs to maintain a prudent approach over its financial management and the budget setting process.

Legal implications and risks:

The Council is subject to a number of duties in relation to revenue, capital and procurement. For instance, as a Best Value Authority the Council is under a duty to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness." s 3 Local Government Finance act 1999.

Human Resources implications and risks:

The Council continues to work closely with its staff and with Trades Unions to ensure that the effects on staff of the savings required have been managed in an efficient and compassionate manner.

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

Equalities implications and risks:

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

Other Risks:

There are no particular other risks arising, other than a very short timescale to properly analyse the LGFS announcements whenever they eventually occur. This is being planned for but much of the detail will have to await the final announcements and publication.

BACKGROUND PAPERS

There are none.

**2013 Comprehensive Spending Review
Briefing Paper**

Headlines

- Further departmental spending reductions of £11.5bn for 2015/16.
- NHS and Education remain ring-fenced from any funding reductions.
- 10% cut in DCLG departmental spend.
- Creation of £3.8 billion of pooled funding between the NHS and local authorities.
- Pay rise limited to an average of 1% in 2015/16 and removal of time served pay-progression.
- A 1% increase council tax freeze grant for 2 years.

Detail

The Chancellor of the Exchequer presented the spending review to the House of Commons on 26th June 2013. This briefing is to highlight the key announcements from the spending review in relation to Local Government. Unlike the 2010 emergency budget and previous spending reviews, this announcement will only affect departmental spending for one year (2015/16).

As a result of the continuing flat lining of the economy, further reductions in the region of £11.5bn have had to be found within this spending round. The table below demonstrates the change in growth forecast since the 2010 emergency budget.

Table 1 – GDP growth forecasts for the UK

Announcement	2011	2012	2013	2014	2015	2016	2017
Budget 2013	0.9%	0.2%	0.6%	1.8%	2.3%	2.7%	2.8%
Budget 2012	0.8%	0.8%	2.0%	2.7%	3.0%	3.0%	-
Emergency Budget 2010	2.3%	2.8%	2.9%	2.7%	2.7%	-	-

With the continuing emphasis on spending reductions and the Chancellor of the Exchequer having to find an additional £11.5bn, table 2 shows the total expenditure forecasted up until 2018 highlighting the areas of spend where the savings are coming from. The Total Managed Expenditure (TME) is increasing considerably despite the austerity measures in place by the coalition. The table below shows the amount allocated to government departments (Departmental Expenditure Limits) against the amount spent on items such as welfare, tax credits and pensions (Annually Managed Expenditure).

Table 2 – Total Managed Expenditure (TME) as per the CSR 2013

Cabinet, 14 August 2013

Announcement	11/12	12/13	13/14	14/15	15/16	16/17	17/18
	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Annually Managed Expenditure	303.6	317.4	334.0	343.8	359.1	377.8	395.2
Departmental Expenditure Limits	343.7	339.8	338.8	336.1	335.2	325.8	317.8
Capital	49.1	16.1	47.2	50.4	50.4	51.3	52.1
Total	696.4	673.3	720.1	730.5	744.6	754.9	765.1

Based on the forecasted TME, by 2018 the total Departmental Expenditure Limits (DEL) which includes local government funding has been reduced by 8% since 2011 compared to the AME which include items of spend such as pensioners and welfare which will have increased by 30% during the same period. The reduction of DEL shows the net reduction in spends a detailed breakdown between can be shown in appendix A. It can be seen over the period Local Government has faced the brunt of the spending reduction however some of which have been masked with the large amount of grants being rolled into the formula grant process. It is important to note that health, schools and international development which make up 54% of the total DEL have been protected since 2010.

As per the Chancellor's announcement, headline figures suggest a 2.3% reduction in local government funding. This includes a £3.8 billion transfer of pooled funding between the NHS and local authorities to support and reward the delivery of integrated services. At this stage it is unclear what new burdens this funding will bring however it has the potential effect of masking the level of reductions affecting local authorities.

Other Announcements

- Public sector pay awards will be limited to an average of up to 1% in 2015-16, saving at least £1.3 billion as well as the end of automatic time-served pay progression in the civil service by 2015-16
- £330 million to support transformation of local services including a £200 million extension of the Troubled Families programme.
- A extra £100bn of infrastructure announced to help boost the economy.

How this affects local government funding

A number of departments will continue to be ring-fenced and those departments that have seen funding reductions since 2010 have being asked to find further cuts for 2015/16. Departments such as the Communities and Local Government and Defence have seen the majority of the funding reductions. Table 3 below shows the impact of the 10% reduction (8.2% in cash terms) against the 14/15 Start-Up Funding Allocations (SUFA). This shows a higher level of reduction in grant than announced in the Chancellor's statement.

Table 3 – Local Government projected RSG totals for 2014/15 and 2015/16

	2014-15 (£m)	2015-16 (£m)	% Reduction (in cash terms)
Control total / Start-up funding (1)	23,623	21,685	(8.2%)
Local Share of NNDR	(11,258)	(11,573)	2.7%
Revenue Support Grant (RSG)	12,365	10,112	(18.2%)

(1) Figures exclude the £3.8bn transfer of NHS money and based 14/15 start-up funding allocation and the 1% reduction announced in the 2013 budget.

(2) Figures exclude any impact of transfers such as the NHB which will reduce the RSG figure further.

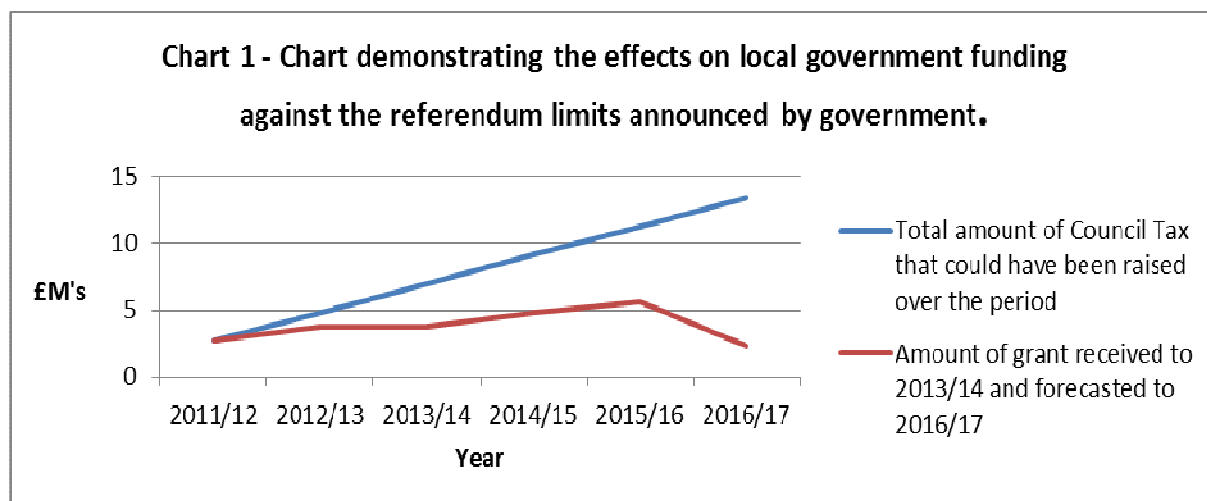
From the reductions identified in the spending review, the 10% reduction results in the removal of £2.1bn from the department expenditure limits however it is currently unclear how this will feed down into local authority budgets.

The funding reductions will affect each local authority differently depending on how these are implemented, for example the impact of any floors or scaling to the formula grant process and the effects on rolled in grants could dramatically affect the level of funding reductions to each authority.

The Chancellor also announced a two year Council tax freeze of 1% a year as well as the extension of the 2013/14 freeze for 2015/16 costing in total £883m for the years 2014/15 and 2015/16. The Chancellor also reiterated the levels at which a council tax increase will trigger a referendum, which will remain at 2%.

This new grant only covers the financial years 2014/15 and 2015/16 which results in a number of risks and uncertainties for the 2016/17 budget. Currently there is no indication that any of the council tax freeze will continue at the same levels or at all. Previous council tax freeze announcements have either fallen into the formula grant process where it has reduced from the on-going austerity measures or have been removed completely.

The chart below shows the effect on the budget if the current council tax freeze grants are removed in 2016/17 compared to the amount that could have been raised locally if council tax was increased locally at the referendum limit.



Cabinet, 14 August 2013

After the CSR announcement, the Chief Secretary to the Treasury announced how the £100bn of infrastructure was going to be funded. Within his statement £400m is to be top-sliced from Local Authorities New Homes Bonus allocation. It is still unclear how this will be taken.

The funding announcements set out in the Chancellor's Spending Review creates a number of uncertainties for 2015/16 with the potential treatment of the reduction and the NHS transfer, however this creates even greater unknowns and risks in 2016/17 and beyond the next General Election.

CABINET

14 August 2013

Subject Heading:

Think Family

Cabinet Member:

Cllr Lesley Kelly

CMT Lead:

Joy Hollister

Report Author and contact details:

Sarah Thomas, Troubled Families Programme Manager,
sarah.thomas@havering.gov.uk

01708 433010

Policy context:

This project was created to oversee a range of work programme developed to improve services and outcomes for children and families

Financial summary:

This project is delivered within existing resources and with the use of grant funding.

Is this a Key Decision?

No

When should this matter be reviewed?

N/A

Reviewing OSC:

Individuals

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

Ensuring a clean, safe and green borough	<input checked="" type="checkbox"/>
Championing education and learning for all	<input 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

Think Family is one of the ten Strategic Administration Projects established at the beginning of the current cabinet's term.

The Think Family strand is one of these projects and is delivered via four discrete sub projects of work

The projects were:

Troubled Families (Top 100 Families)
Family Group Conferencing
Move to locality working
Prevention Strategy Implementation

In the past year each Project was reported back to the Leader, to note the achievements attained and the progress made.

Three of the four sub projects have now been completed, with Troubled Families continuing. The completed pieces of work have achieved;

- **Better outcomes for children in need**, averting the need for a Child Protection Plan or reducing the time a plan has been necessary, and reducing the likelihood of a child becoming looked after
- **Embedding of a Prevention Strategy**, precursor of the development of the Children and Families Early Help Offer to facilitate the timely support of families and prevent needs escalating.
- **Better use of public sector resources**, through the development of joint/multi agency teams on a locality/area basis.

RECOMMENDATIONS

That the Cabinet note the outcomes delivered by the Think Family project to date

REPORT DETAIL

1. BACKGROUND

- 1.1 The 'Think Family' project was initiated in 2010, with three out of the four projects successfully completed and integrated into 'business as usual' by March 2012.
- 1.2 The Think Family project looked at a broad range of issues to do with supporting vulnerable children and families
- 1.3 The Top 100 Project was merged with the national Troubled Families (TF) programme when this was launched in 2011 and will continue in its current delivery model until March 2015.
- 1.4 When agreeing to participate in the national TF programme, Havering undertook to identify and work with 415 families over the course of the three years; specifically, year 1 (2012 – 13); 166 families (40% of the total), year 2 (2013 -14) 208 families (50% of the total); year 3 (2014-15); 41 families (10%)
- 1.5 The TF programme was initially launched and part funded by the Department for Communities and Local Government (DCLG) using a Payment by Results (PbR) model of finance, with reward paid to local authorities for successfully working with families who presented issues relating to anti-social behaviour, youth crime, education exclusions and attendance and worklessness
- 1.6 The work that preceded TF, initiated through the Think Family 'Top 100 Families' project, and sponsored by the Havering Strategic Partnership, placed Havering in a strong positive position to identify families and understand what other local factors impacted upon such families, notably, domestic violence, mental health, substance misuse and housing issues.

2. OUTCOMES FROM THE PROJECT

Family Group Conferencing

- 2.1 A Family Group Conference provision has been established and since expanded and integrated into the work of the safeguarding team due to its success

Move to locality working

- 2.2 The development of locality working has been integrated into the

development of the early help offer, specifically the community area working model based around Children Centre hubs and the emerging Inclusion Service structure. This work is aligned with the Troubled Families Programme

Prevention Strategy Implementation

- 2.3 The development of the prevention strategy was a precursor to the development of Havering's early help offer and is being further developed under the auspices of the cross cutting Early Help agenda to include the education and inclusion offer and is integrated with the development of the Troubled Families programme

Troubled Families

- 2.4 Troubled Families has successfully identified the needs of complex and vulnerable families as a shared agenda across council departments and with partner organisations, including the voluntary and community sector.
- 2.5 Together with partners and schools we have been able to identify the full year 1 cohort of families (166 families) and started working with them all. It is anticipated that the intervention with each family will continue for between 6 to 18 months.
- 2.6 The PbR require sustained positive outcomes for at least six months before being able to claim for money, this will result in a lag between identification, successful intervention and finally the claiming of money of up to 2 years in more complex cases.
- 2.7 We achieved successful outcomes with 6% of the families by the first PbR claim date in January 2013. This placed Havering in the top quartile of local authorities
- 2.8 To date we have identified 170 families of the 208 year 2 target and places Havering in a positive position to meet its year 2 target
- 2;9 Additional funding streams have been accessed from the Mayor's Office (MOPAC Funding) using data and evidence collected from Havering's Troubled Families programme. This has enabled us to invest in addressing the impact of domestic violence on Havering's families, by up skilling frontline staff in working with perpetrators, raising awareness of 'healthy relationships' with young people and schools, and providing support to DV victims via a dedicated post in the Tier 3 Service (Early Help)
- 2.10 Investment has been made in early help, specifically around issues relating to
- *domestic violence*; direct work with perpetrators in the context of the whole family, targeted one-to-one work with higher risk young

DV offenders, working with adult and child victims and awareness raising with professionals and schools

- *mental health*; through the multi agency partnership we have extended the Child and Adolescent Mental Health Services (CAMHS) consultancy offer to schools via Children Centre 'hubs'. Established a 'preferred provider' framework for schools and other teams to ensure fidelity in the purchasing of counselling services
- *parenting*; establish the parents' offer for those vulnerable families receiving 2 yr old funding. Supported the KS3 Pupil Referral Unit with a targeted parenting offer to support their child's education. Reviewing the universal and targeted parenting offer.
- *Multi Agency Safeguarding Hub*; provide additional capacity to enable assessment for the Tier 3 service. Working with early help professionals to reinforce and support the delivery of Tier 2 and 3 family support to reduce the number of inappropriate referrals to the MASH
- *workforce development*; Group supervision and case support for schools supporting families with emerging and established needs that fall below the social care threshold. Up-skilling of staff in the active and positive engagement of families to reduce the need for a consequence-based approach and to identify and work with the strengths of families. Improve the update and quality of whole family assessments and whole family working.
- *vulnerable teenagers and care leavers*; Dedicated capacity to trial intensive whole family support within the 12 + pod, focussing on high cost, high need young people and their families to prevent the cycle of dependency and intervention by social care.
- *Worklessness*; working with both JCP and frontline Early Help practitioners to raise the aspirations of complex families through positive engagement in learning, and activity, be this voluntary and paid. We are embedding this approach into the Early Help assessment and other elements of the core offer. A number of apprenticeships and work experience opportunities have been developed, and enterprise initiatives are being explored to assist offenders into work.
- We are looking at opportunities for establishing dedicated employment advisors within Havering; The Department for Work and Pensions (DWP) have committed to fund a full time Job Centre Advisor to Troubled families programmes where the overall target is more than 550 families. Unfortunately, Havering fall below this threshold and cannot benefit from this offer,

however we are exploring potential local solutions with JCP, partnering boroughs and across the council directorates

- *Housing*; improved processes and communication between housing and social care to reduce duplication and improve services to those Havering council tenants who need additional family support. Better sharing of information and intelligence relating to *anti-social behaviour*.
- *Welfare reforms*; all families identified through the troubled families programme are assessed to glean the impact of both benefit cap and under occupation subsidy and family coordinators (key workers) informed to ensure the impact is addressed through the whole family assessment and planning process.
- One family within the TF cohort have ten children and look to have their benefit reduced by £399 per week under the cap being brought in by the Universal Credit regulations. Another family will be required to pay an additional £40 per week lost from their Housing Benefit for under occupation.
- *Community resilience*; Troubled Families is working alongside the Harold Hill Ambitions programme to identify opportunities for the resident and professional community to build resilience and social capital in the area. We are joint funding a post with Action for Children that will develop family volunteering, parenting graduates and advocates to provide capacity for family 'stepping down' from social care support into community support. We aim to develop a scalable model for all communities across Havering.
- *Public Health*; Using intelligence and data gleaned through the analysis of the families identified by the programme we have worked alongside public health and commissioning professionals in the development of the councils Drug and Alcohol Strategy, and on issues relating to teenage pregnancy, sexual exploitation, and on the commissioning of the school nurse provision.
- *Quality Assurance*; in the spirit of 'best we can, first time', complex families are receiving an improved offer through whole family assessments, joined up working, and coordinated family working across agencies.

2.11 Service process mapping, redesign and efficiencies have been undertaken in the programme and we continue to programme mapping of services with external partners to embrace the 'community budget' approach and identify opportunities for smarter working, leaner systems and eradication of duplication

2.12 The Troubled Families approach has been positively recognised in the recent Ofsted inspection.

2.13 Improved communication and coordination of activity across councils departments, specifically, housing, revenues and benefits, children's social care, Inclusion, schools including academies, Jobcentre Plus, primary mental health teams, youth offending service, regeneration/economic development public health and children's community health services.

3. CONCLUSION

3.1 A significant amount of activity has taken place over the last eighteen months as part of the Council's Think Family project, and will continue to be rolled out and embedded in business as usual to ensure sustainable benefit for Havering residents.

3.2 Further developments will be undertaken under Troubled Families over the next 18 months of the programme, notably:

- Developing the community budgets approach with partners to achieve optimum coordination and efficiency in service delivery
- Ensuring high standards of service delivery and 'right first time' approach through embedded cultural aspirations of staff and systematic quality assurance
- Working alongside public health in the development of the commissioning of community health services for children and adults
- Further developing the prevention agenda with key partners, including Schools and Academies, Probation, Police, Health and council departments

3.3 Finally, Government has recently announced their intention to extend the troubled families programme into 'phase two' – this will be a five year phase focussing on prevention/early help offer.

REASONS AND OPTIONS

Reasons for the decision:

This report is being brought to cabinet to provide Members with an overview of the Think Family project between 2011 and 2012.

Other options considered:

N/A

IMPLICATIONS AND RISKS

Financial implications and risks:

This project was delivered using LAA and national government and MOPAC grant resources.

Legal implications and risks:

There are no legal implications or risks arising from this report.

Human Resources implications and risks:

There are no HR implications arising from this report.

Equalities implications and risks:

This Member Project directly aims to address the Council's obligations under the Public Sector Equality Duty to minimise barriers to accessing public services, for all customers, but particularly those with 'protected characteristics' under the Equality Act 2010. The Council has put in place rigorous processes to assess for equality impact affecting all new policies, procedures, strategies, and other major changes to services.

The Council is committed to engaging with customers from all protected characteristics to help break down any hidden barriers to accessing council services and improve access to public services for all.

BACKGROUND PAPERS

Corporate Plan 2013/14 can be accessed at:

<http://www.havering.gov.uk/Documents/Corporate%20Plan%20on%20a%20Page%202013-14.pdf>

Troubled families financial framework can be accessed at:

<https://www.gov.uk/government/publications/the-troubled-families-programme-financial-framework>

Joint Strategic Needs Assessment

Health and Wellbeing Strategy

Havering Local Safeguarding Children's Board Business Plan 2012 - 2015

CABINET 14 August 2013	
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Subject Heading:	Appropriation of Land for Planning Purposes & Open Space Processes relating to the site of the Old Windmill Hall and the Adjacent Car Park
Cabinet Member:	Councillor Roger Ramsey, Cabinet Member for Value
CMT Lead:	Ian Burns, Interim Assistant Chief Executive, Legal & Democratic Services
Report Author and contact details:	Vincent Healy, Legal Manager Regeneration T: 01708 432467 E: Vincent.healy@havering.gov.uk
Policy context:	This report deals with a statutory process.
Financial summary:	No significant financial impact. The costs of appropriation processes are being met from existing budgets.
Is this a Key Decision?	No
Is this a Strategic Decision?	No
When should this matter be reviewed?	Not Applicable
Reviewing OSC:	Value and Towns & Communities OSCs

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

- 1.1 Cabinet approval has been given to the disposal of the site of the Old Windmill Hall and the adjacent car park. The approval includes the adjustment of the site to create a regular boundary with the adjacent Upminster Park. This adjustment takes an area of 191 sq m of open space to include within the disposal site and replaces it with 191 sq m of adjoining land from the site.
- 1.2 In connection with the disposal, a decision was taken to formally advertise the proposed disposal of 191 sq m open space (and its replacement with a similar compensatory area) and the appropriation of the disposal site for planning purposes. The statutory process governing these activities requires the proposal to be publicly advertised and for any objections to be considered.
- 1.2 This report describes the background to these proposals, sets out the responses received to the relevant public notices and provides an analysis of these responses for consideration by Members

RECOMMENDATIONS

- 2 **That, having considered the responses made to the public notices in respect of land at the site of the Old Windmill Hall and the adjacent car park in connection with the proposed disposal and appropriation of land for planning purposes, Cabinet approval is given to proceed with:-**
 - a) **The disposal of 191 sq metres of open space shaded in blue in drawing SPS 1294/1 Rev A (attached as Appendix 1 to this report) under Section 123 of the Local Government Act 1972.**
 - b) **The inclusion within Upminster Park of the 191 sq metres of land to be used as open space shaded in green in drawing SPS 1294/1 Rev A (attached as Appendix 1 to this report) under Sections 122(1), 2(A) and 2(B) of the Local Government Act 1972.**
 - c) **The appropriation of the site shown outlined in red in drawing SPS 1294/1 Rev A (attached as Appendix 1 to this report) to planning purposes.**

REPORT DETAIL

- 3.1 The Council owns the freehold interest in the land that is subject to this report.
- 3.2 The principle of disposal of the site edged red on the plan attached as Appendix 1 was approved by Cabinet on 13th February 2013 and was confirmed by the Value Overview & Scrutiny Committee on 12th March 2013. The Cabinet approval authorised the commencement of the relevant disposal and appropriation processes.
- 3.3 The Council is authorised to dispose of any land that it owns but where such land can be regarded as open space (defined under Section 336(1) of the Town and Country Planning Act 1990 as “any land laid out as a public garden, or used for the purposes of public recreation...”) the Council must advertise its intention to dispose of the land for two consecutive weeks in a newspaper circulating the area in which the land is situated and consider any objections which may be made to them.
- 3.4 Furthermore, all Council owned land is held for a particular purpose and the process of documenting any change to that purposes is called “appropriation”. As a decision has been made to dispose of this site for development (subject to the usual development consents) the relevant purposes for holding it is now for planning purposes pending disposal.
- 3.4 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....”.
- 3.5 When the appropriation is in respect of open space (of which a small part of the proposed disposal site is comprised), the Council is required under Section 122(2A) of the Local Government Act 1972 to advertise its intention to do so for two consecutive weeks in a newspaper circulating the area in which the land is situated and consider any objections which may be made to them.
- 3.6 The actual area of land that falls within the definition of open land is the 191 sq m of land currently within the park that is proposed to be included within the disposal site and replaced with land from the adjoining site. The statutory requirement to advertise and then to consider representations against appropriation and disposal arises only due to the inclusion of this area of land.

In order to put the whole proposal into context the Council has also advertised its intention to appropriate the whole disposal site, to sell an area of open space and to incorporate land into the existing park and then to consider representations made on all of these three aspects.

- 3.7 By formally appropriating the land for planning purposes the Council or any other person may - subject to Section 241 of the Town & Country Planning Act 1990, develop the land in accordance with a planning permission.
- 3.8 The Council should only propose to appropriate land for planning purposes if it has an intention to see the land used for development which promotes or improves the economic, social or environmental wellbeing of its area and believes that the appropriation is needed in order to facilitate or achieve those aims. The Council does intend to see the land used for development, subject to securing planning and any other relevant authorisations. In terms of the social and environmental aspects the Council intends to market the site for high quality residential development built to high sustainability standards to complement the heritage and other site specific aspects of this location. The economic reasons for this proposal were set out in the Cabinet reports that dealt with the principle of disposal and include both the Council's proposals for the future management of Community Halls and the on-going requirement to efficiently manage all assets.
- 3.9 The decision to initiate the process of proposed appropriation and disposal of open space was confirmed on 12th March 2013. Public notices were placed in the Romford Recorder on 17th May 2013 and 24th May 2013. Copies of the notices are shown in Appendix 2. The final date for submission of any response to the notices was 14th June 2013.
- 3.10 If representations are made to the Council in response to these notices it is necessary for the Council to consider these and to take them into account in deciding whether to proceed with the disposal and appropriation of the open land. It should be stressed that the issues under consideration in this report are whether the proposed appropriation of the disposal site for planning purposes, the proposed appropriation of an area (shaded green) for open space to be incorporated within Upminster Park and the proposed disposal of 191 sq metres of open land should proceed and the representations need to be considered in that context.
- 3.11 Representations have been received in response to these notices. To ensure that these can be fully considered copies of all representations are attached as Appendix 3. An analysis and commentary on the issues raised within the representations is set out below.
- 3.12 It is now necessary for Cabinet to formally consider the responses and to decide whether the proposed disposal and appropriation of the sites for planning purposes should proceed.

Analysis of Representations Received

- 3.13 A number of representations were received along with two petitions. A total of 398 letters of objection were recorded.
- 3.14 With regard to the petitions one was expressed as opposition to the sale of the land and contained 2548 signatures whilst the other related to the suggested provision of additional car parking spaces to support local business and contained 55 signatures.
- 3.15 The representations received raised issues about the whole proposal to sell the land for development and, in that context, tended not to be specific as to which notice the objection related to. For the avoidance of doubt and to ensure that all representations are correctly taken into account, it has been considered that all representations are regarded as objections to all three notices.
- 3.16 No further analysis of the petitions has been carried out. They are attached within Appendix 3 and express the views of the petitioners with no further details. Members will need to take these views into account in considering whether to confirm the appropriations and disposal of the open space and the incorporation of land into the park.
- 3.17 Turning to the individual representations, these are all contained within Appendix 3 and can be individually scrutinised by Members. It is not practical to comment on these on an individual basis but they have all been reviewed and an analysis has identified that there are certain themes that are raised by a number of objectors. To assist Members in their consideration of these representations a statistical analysis and commentary on these themes is set out below.
- 3.18 The themes identified are:
- No specific grounds.
 - Opposition to the sale of land within a park.
 - Concern about the effect of disposal/development on the remainder of the park
 - Concern about car parking issues.
 - Opposition to the development of the site.
 - Concerns about the legal status of the land
 - Miscellaneous/Other
- 3.19 **No specific grounds**

A total of 72 representations were expressed as an objection to the Council's proposals with no specific grounds for objection. There is no requirement for an objector to state their grounds of opposition.

Response

Members will need to take these views into account in considering whether to confirm the appropriation of the proposed disposal site and disposal of the 191 sq m of open space and the incorporation of a similar area of land into the park.

3.20 Opposition to the sale of land within a park

As stated above, all representations received are regarded as being opposed to the disposal of land within the park as this was a specific proposal that was the subject of one of the three notices. Of the 398 letters of objection, 206 specifically expressed opposition to the sale of land within the park and the 2548 signature petition also specifically raised this point. This is the largest theme identified within the representations received.

Within this theme a number of points are raised. The main concerns are that the sale of land within a park is, in principle, unacceptable, that the sale of the land sets an unwelcome precedent for other areas of open space and that the land is a valuable resource for users of the park – in effect that it is required for public recreation.

Response

Many representations regard the whole of the proposed disposal site as being within the park.

Many of these issues were considered by the Council when the original decision to identify this site for disposal was taken.

The Council agrees that its proposal does involve the appropriation of a site that would contain 191 sq m of land that is currently within the park and is used as open space. By definition this land is used for recreational purposes. It is the case that 191 sq m of land (shaded green on drawing SPS 1294/1 Rev A, annexed as Appendix 1) is to be incorporated back into the park so there is no net loss of open space.

The recreational needs of the community are important. Many planning policies and objectives of the Council (particularly within the Parks section) support this. However, on balance it may be considered that the disposal of 191 sq m of open land (when it is being replaced by an equivalent area) will not have a detrimental effect on those recreational requirements.

Members will need to take these representations into account and carefully balance the issues and the net effect of these proposals in considering whether to confirm the appropriation and disposal of the open space and the incorporation of land into the park.

3.21 Concern about the effect of disposal/development on the remainder of the park

This is a similar point to the preceding paragraph in so far as it opposes the sale of any land from the park. However, the theme identified within 97 of the responses received was the effect that the disposal would have on the use and enjoyment of the remainder of the park.

Issues such as the “closing in” of the northern edge of the park, the loss of views from the park, the change in the appearance and ambience of the park and the effect on users of the wider park were all identified. There was concern about access to the park from St Marys Lane and about the future requirements of users of the New Windmill Hall. These issues were considered when the original disposal decision was taken.

Response

In considering the issues raised Members will wish to seek to assess the effect that disposal may have on the park as a whole. The total disposal site has an area of approximately 1941 sq m of which 191 sq m will be made up of current open space (that is being replaced). The total area of the park will still be approximately 69,000 sq m.

Issues such as the appearance of any new development, the height of any new buildings and the effect that this may have on the amenity of park users are all factors that would be considered as part of any planning process (see below). Additionally, part of the approval to the disposal of this site contained specific references to the need for any development to be sensitive to its surroundings and to the need for any scheme to be prepared by a specialist Conservation Architect

3.22 Concern about car parking issues

Car parking issues were mentioned in 153 of the responses and were the subject of the 55 signature petition.

Essentially, objectors referred to two issues. There were the loss of existing car parking and the loss of an opportunity to expand car parking provision by using the Old Windmill Hall site to enlarge the existing car park.

As far as the existing car park is concerned the representations identified that the car park is used by visitors to the park, to neighbouring properties and to the wider Upminster Town Centre and that it supported local retailers by offering parking facilities to shoppers. It was also identified that the car park is used in connection with local schools and offers a safe, convenient place to park when dropping off and picking up pupils.

Objectors felt that the loss of the car park would be inconvenient and would deter visitors to the town. In turn this would have detrimental effect on the economy of the town and would contribute to the challenges that neighbourhood shopping areas are currently facing. It

was also considered that users of Upminster Park, particularly those bringing sports equipment or participants to the park, would be deterred.

Similar points were raised by representations that suggested that the existing car park should be enlarged to include the site of the Old Windmill Hall. These representations stated that there would be benefits for all of the parties mentioned above and also users of New Windmill Hall. A particular point raised on this issue was that if New Windmill Hall were to expand its activities then additional parking would be of extra value.

A final point made was that there is an immediate revenue loss in closing the existing car park and that this loss would be increased if the opportunity to enlarge the car park was lost.

Response

These car parking issues were referred to within the Cabinet report on the proposed disposal and were considered in detail at the Overview & Scrutiny Committee of 12th March 2013. The existing car park provides 15 spaces that are used on a “Pay and Display” basis in line with the Council’s charging policies.

There are 43 spaces available on a “Pay and Display” basis in the New Windmill Hall Car Park that is the nearest alternative car park to this site. Furthermore, within Upminster Town Centre there are over 900 spaces available within Council and private car parks that are open to the public.

From a financial point of view capital expenditure would be required to enlarge the car park. There will be a small loss in revenue if the car park was removed. In purely financial terms the existing car park income does not compare favourably to the potential capital receipt.

Members will wish to weigh up these various factors in considering whether to confirm the appropriation and the disposal of the areas of open space that are the subject of these notices.

3.23 Opposition to the development of the site

Of the 398 representations received, 178 specifically stated that their grounds for opposing the proposals were related to the proposed development of the site.

Many objectors expressed their general opposition to any development of the site and these views were often allied to the general concerns about the disposal of land at this location. A significant number of

objections also specifically opposed residential development on this site and, especially, any use of the site for a flatted development.

The reasons behind this opposition included some views that the area already suffers from over-development and that further residential units at this location would place increased pressure on other facilities. The density of a flatted development raised concerns including traffic movements on and off the site and the possibility that street parking in the area would increase.

The actual form of development was identified as an area of concern as the site is within the location of a number of properties that have significant heritage issues. The effect of development on the site and on the park was also mentioned with factors such as the alleged loss of trees being mentioned either under this theme or under Miscellaneous (see below) although it is not clear whether this will be the case.

Response

In considering these issues the first point to clarify is that there are no firm development proposals in place at present. If a decision is taken to proceed with the disposal the Council intend to market the site and invite bids from interested parties. It is anticipated that interest may be received from bidders that wish to use the site for high quality residential development.

Bidders will be required to provide details of their development proposals at the bidding stage and part of the evaluation process will be to ensure that full account is taken of the circumstances present at this site, in particular, the heritage issues. Bidders will be encouraged through the marketing particulars and bid evaluation processes to engage the services of a specialist Conservation Architect.

The successful bidder will then submit a planning application for their proposed development and, if successful, the development may proceed. The Council will seek to enter into a contractual commitment with the purchaser of the land that they will only develop in line with the consent granted.

The position is that the type of issues raised within these representations that relate to the development of the land will be part of the consideration of any scheme during the statutory consultation period within the planning process when the actual form of proposed development is known. There will be wide public consultation on any planning application and there will be an opportunity to make representations during the statutory consultation process.

In these circumstances, Members will want to carefully consider the points raised about any development within the context of notices that

relate to the appropriation of land and the disposal of open space. It may be considered that the planning process is the appropriate way to ensure that development only takes place if it is appropriate and in line with local and national planning policy and other material considerations.

3.24 Concerns about the legal status of the land

This issue was a fairly common point raised in the representations and was mentioned within 32 of the responses received. This involved the understanding that there are legal constraints – possibly restrictive covenants – that prevent the land from being sold or developed.

Response

The position is that the land is not subject to any provisions that would preclude disposal or development of the land.

3.25 Miscellaneous /Other

There were 95 other responses which raised one or more of the issues addressed above, in addition to other issues summarised in the next paragraph of this report. Members will want to consider the actual representations made in order to fully take into account these issues. The representations are annexed to this report at Appendix 3.

The other representations include some factors that are related in some ways to the areas referred to above - concerns about the sale of publicly owned land, concerns about the loss of trees or about other environmental issues, including impact on wildlife. There were also representations generally about the disposal of land, the use of capital receipts and the creation of development profit. Some of the issues raised relate to how the notices were placed or about the process of identifying the land for disposal and the consideration of objections.

3.27 Summary

The issue to be considered by Members is whether, in light of the representations received, the appropriation of the site for planning purposes should go ahead.

Similarly, Members are also required to consider whether, in the light of the representations received, the disposal of the 191 sq m of open space – that will be replaced by an equivalent area – should be confirmed. Again, the decision relates to the recommendations which include the proposed appropriation of 191 sq metres to open space; the disposal of 191 sq metres of open space shaded in blue in drawing SPS 1294/1 Rev A (attached as Appendix 1 to this report) under Section 123 of the Local Government Act 1972 and the appropriation

of the site shown outlined in red in drawing SPS 1294/1 Rev A (attached as Appendix 1 to this report) to planning purposes.

The disposal of the remainder of the site does not require any further approvals.

Whilst wide ranging objections have been received against disposal and development, Members need to consider whether the land swap involving a small area of land within the park is acceptable and that the area of open space should be sold as part of a larger site. Members also need to consider whether objections received carry sufficient weight not to proceed to appropriate the area proposed disposal site for planning purposes.

REASONS AND OPTIONS

4 Reasons for the decision:

- 4.1 This decision is required as a result of the statutory process involved in dealing with the proposed disposal and appropriation of land for planning purposes.

5 Other options considered:

- 5.1 Having placed the notices it is necessary for the Council to formally consider the response received. As this report only concerns the consideration of these responses no other options are available.

IMPLICATIONS AND RISKS

6 Financial implications and risks:

- 6.1 There are no financial implications and risks in considering the responses received to a public notice dealing with the disposal and appropriation of land for planning purposes.

7 Legal implications and risks:

- 7.1 The Council is seeking to dispose of and to appropriate land for planning purposes under Sections 122 and 123 of the Local Government Act 1972.

- 7.2 Prospective purchasers of land commonly require local authorities to provide clean title to land by such appropriation thus clearing encumbrances such as easements. Appropriation for planning purposes achieves this.
- 7.3 There is a requirement for authorities to follow the correct processes when dealing with the disposal of areas of land defined as open space.
- 7.4 While members of the Cabinet may well have been party to the initial decision to the principal of disposal of the land, it is considered that this does not amount to a pre-determination of this matter, which while it is related requires consideration of separate issues.
- 7.5 Public law decisions of local authorities are subject to the risk of legal challenge.

8 Human Resources implications and risks:

- 8.1 There are no Human Resources implications and risks in considering the responses received to a public notice dealing with the disposal and appropriation of land for planning purposes.

9 Equalities implications and risks:

Section 149 of the Equalities Act 2010 (EA) came in to force on 1st April 2011 and broadly consolidates and incorporates the 'positive equalities duties' found in Section 71 of the Race relations Act 1976 (RRA), Section 49 of the Disability Discrimination Act 1995 (DDA) and section 76(A)(1) of the Sexual Discrimination Act 1975 (SDA) so that due regard must be had by the decision maker to specified equality issues. The old duties under the RRA, DDA and SDA remain in force.

The duties under Section 149 of the EA do not require a particular outcome and what the decision making body decides to do once it has had the required regard to the duty is for the decision making body subject to the ordinary constraints of public and discrimination law including the Human Rights Act 1998.

The equality impacts raised in the representations received relate to the loss of open space and in particular the loss of an area of 191 square metres within Upminster Park. The response confirms that the equivalent area is to be appropriated to open space and incorporated in to Upminster Park. Therefore on balance there is no impact. In respect of the potential loss of 15 Pay & Display parking spaces there are 43 within the New Windmill Hall Car Park available on the same basis and in excess of 900 within Upminster Town Centre. There should not therefore be a significant impact in terms of accessible parking.

BACKGROUND PAPERS

None

LONDON BOROUGH OF HAVERING**Local Government Act 1972 Section 122(1), (2A), (2B)****Appropriation of Land at St Marys Lane, Upminster
Site of the Old Windmill Hall and Adjacent Car Park**

Notice is hereby given that the London Borough of Havering proposes to appropriate a total area of approximately 0.1941 hectares (0.48 acres) of land formed of the Old Windmill Hall, the adjacent car park and an area of open space coloured blue on plan reference SPS 1294/1 Rev A all comprised with the area edged red on plan reference SPS 1294/1 Rev A for planning purposes in the interests of the proper planning of the area.

A plan reference SPS 1294/1 Rev A showing the proposed area edged red and including the area coloured blue is available for inspection between 9.30am and 4.30pm on normal working days at the offices of London Borough of Havering, PASC (Public Advice Service Centres) Liberty Shopping Centre, Romford RM1 3RL.

Under the provisions of Section 122 (2A) of the Local Government Act, 1972, any person wishing to object to the proposed appropriation should write setting out the details of such objection to: The London Borough of Havering, Legal & Democratic Services, Town Hall, Main Road, Romford, RM1 3BY for the attention of Ian Burns and must be received no later than 4.00pm on 14 June 2013.

Dated 17 May 2013**Published in the Romford Recorder 17 May 2013**

**Ian Burns, Acting Assistant Chief Executive
London Borough of Havering, Town Hall, Main Road,
Romford RM1 3BD**

LONDON BOROUGH OF HAVERING**Local Government Act 1972 Section 122(1), (2A), (2B)****Land at St Marys Lane, Upminster
Site of the Old Windmill Hall and Adjacent Car Park**

Notice is hereby given that the London Borough of Havering proposes to appropriate an area of 0.0191 hectares (0.0472 acres) from the site of the Old Windmill Hall and the adjacent car park to open space thus incorporating it within the adjoining park at Upminster Park, Upminster.

A plan reference SPS 1294/1 Rev A showing the proposed area coloured green is available for inspection between 9.30am and 4.30pm on normal working days at the offices of London Borough of Havering, PASC (Public Advice Service Centres) Liberty Shopping Centre, Romford RM1 3RL.

Under the provisions of Section 122 (2A) of the Local Government Act, 1972, any person wishing to object to the proposed appropriation should write setting out the details of such objection to: The London Borough of Havering, Legal & Democratic Services, Town Hall, Main Road, Romford, RM1 3BY for the attention of Ian Burns and must be received no later than 4.00pm on 14 June 2013.

Dated 17 May 2013**Published in the Romford Recorder 17 May 2013**

**Ian Burns, Acting Assistant Chief Executive
London Borough of Havering, Town Hall, Main Road,
Romford RM1 3BD**

LONDON BOROUGH OF HAVERING**Local Government Act 1972 Section 123****Disposal of Open Space in St Mary's Lane, Upminster
Site of Old Windmill Hall and Adjacent Car Park**

The Council gives notice that it proposes to dispose of an area of approximately 0.0191 hectares (0.0472 acres) of land of open space situated at the site of the Old Windmill Hall and the adjacent car park.

A plan reference SPS 1294/1 Rev A showing the proposed area coloured blue is available for inspection between 9.30am and 4.30pm on normal working days at the offices of London Borough of Havering, PASC (Public Advice Service Centres) Liberty Shopping Centre, Romford RM1 3RL.

Under the provisions of Section 123 (2A) of the Local Government Act, 1972, any person wishing to object to the proposed disposal should write setting out the details of such objection to: The London Borough of Havering, Legal & Democratic Services, Town Hall, Main Road, Romford, RM1 3BD for the attention of Ian Burns and must be received no later than 4.00pm on 14 June 2013.

Dated 17 May 2013**Published in the Romford Recorder 17 May 2013**

**Ian Burns, Acting Assistant Chief Executive
London Borough of Havering, Town Hall, Main Road, Romford
RM1 3BD**



REPRESENTATIONS

For technical reasons, copies of the representations are not available for download from the Council's website. Copies can be supplied upon request to Andrew Beesley, Committee Administration Manager, 01708 432437. Andrew.beesley@haverling.gov.uk

CABINET

14 August 2013

Subject Heading:

Award of Term Contract for Responsive Repairs and Voids – Lot One Responsive Repairs

Cabinet Member:

Councillor Lesley Kelly

CMT Lead:

Joy Hollister, Group Director Children, Adults and Housing

Report Author and contact details:

Kevin Hazlewood, Homes and Housing Property Services,
Kevin.hazlewood@havering.gov.uk
01708 434091

Policy context:

HRA Policy and budgets

Financial summary:

To agree the award of the contract for the provision of the responsive repairs service to housing in management of the Council. The cost can be met from within the HRA revenue repairs budget.

Is this a Key Decision?

Yes

Is this a Strategic Decision?

No

When should this matter be reviewed?

Reviewing OSC:

Towns and Communities

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 checked="" type="checkbox"/>
Delivering high customer satisfaction and a stable council tax	<input type="checkbox"/>

SUMMARY

This report sets out the results of the tendering exercise for the provision of responsive repairs services to the housing stock managed by the Council. The tendering process has been undertaken in accordance with the rules set out in the Public Contract Regulations 2006 and subsequent directives (EU regulations).

The proposed contract award will enable Homes and Housing to provide the responsive repairs service to tenants and leaseholders as set out in the Tenancy Agreement and schedules within lease agreements. The award will also enable Homes and Housing to discharge its statutory obligations as a landlord.

RECOMMENDATIONS

To agree the award of Lot 1 of the Term Contract for Responsive Repairs and Voids Refurbishment – Responsive Repairs, to Breyer Group PLC, in accordance with the offer set out in the tendering documentation and subject to the expiry of the required 10 day stand still period and section 20 of the Landlord and Tenant Act 1986 requirements.

REPORT DETAIL

The current partnership contract with Morrison Facilities Services (MFS) is set to expire on 31 July 2013 as a natural end to the agreement. This contract was being administered by the former ALMO and prior to re-integration it was agreed with the Council to commence the re-tendering of the arrangement. This had also been discussed with the former ALMO Board and it was agreed to commence the re-tendering process. Subsequent to this the current arrangement was extended until 30 September 2013 by mutual agreement due to a delay to the process associated with leaseholder recharges.

A procurement exercise was completed and Faithhorn Farrell Timms were appointed as support consultants for the project. The scope of the project comprised the re-tender of the responsive repairs and voids refurbishment works programmes in two separate lots. The subsequent EU procurement notices and prequalification (PQQ) and invitation to tender (ITT) documents specified the Councils right to award these lots either separately or as a combined contract.

The scope of works included in the re-tender specification is different to the current scope of the agreement with MFS. The proposed contract is for responsive repairs only and is focused on works of this type. This was to ensure a concentration on the provision of a high quality repairs service to tenants and leaseholders. The pricing mechanism is for a fixed fee to be provided by the contractor for the

proposed works with a maximum liability of £1000 per instruction. Any works above this level will be reverted back to the Council to either obtain competitive quotes or seek alternative solutions. The prices are based on a standard schedule of rates which will be used to value works for recovery from leaseholders. The adjustment applied will be in accordance with the fee provided as a percentage. The tender also provided for an inspection, to be carried out in the first year of the contract, of all Council rented property to ascertain condition and repairs liabilities moving forward as well as collect other key pieces of information relating to occupation, property alterations etc.

The proposed commencement date for the contract is 1 October 2013. The contract is proposed to be for a 5 year period with the option to extend based on performance.

The tendering process has been conducted in accordance with the Public Contracts Regulations 2006 and the details of the process and results are contained in the consultants' tender evaluation appended as a restricted annex to this report.

REASONS AND OPTIONS

Reasons for the decision:

The Council, in its role as a landlord and building owner, has obligations in statute and under the Tenancy Agreement to provide a responsive repairs service. The contract currently in place is set to expire on 31 July 2013, extended to 30 September 2013. The Council has obligations, as a contracting authority, to comply with the requirements of the Public Contracts Regulations 2006.

Other options considered:

To extend the existing arrangement with Morrison Facilities Services for a further period.

REJECTED – There were no further provision in the contract to extend and any further extension would have been in breach of Public Contract regulations.

IMPLICATIONS AND RISKS

Financial implications and risks:

Contract

The award of a new responsive repairs contract will help the Council to keep the stock in good order; clearly failure to keep the housing stock in serviceable condition could lead to further financial liabilities being incurred.

The contract form proposed is a standard form of partnering contract, widely used within the sector. This “partnering” will apply to the contract administration, so that items such as disputes will be dealt with in this way.

Some aspects of “partnering”, such as risk reward sharing, will not be applicable. The scope of the proposed contract is not as wide reaching as the current agreement with MFS. There is a pre-determined maximum liability of £1,000 per instruction to the contractor, which will be valued by the application of standard schedule of rate items. Works above this will be at the discretion of the Council to instruct others via quotes or tenders. In addition, the use of a fixed price arrangement for the majority of repairs, by value, requested will give the Council greater cost certainty.

Ordinarily, the responsive repairs service, given it is driven by the tenants requesting services on an ad-hoc basis, means it is a high risk activity from a financial perspective. The proposal here though is for a fixed fee, irrespective of volumes. So if volumes decrease, there is a risk the HRA will pay in excess of value – if volumes increase, that is the risk for the contractor. All work will be commissioned by officers, so there is an element of control over volumes.

Planned maintenance will be dealt with by alternative arrangements.

Inflation

Inflation is dealt with via the application of the rate derived from the Consumer Price Index (CPI).

Financial Stability

As required by the Councils Contract Procurement Rules a financial check has been carried out of the proposed bidder and their rating is recorded by Experian as below average risk.

Budget

The cost of the contract will be met within the revenue repairs budget. The estimated value of the contract is detailed in the except annex to the report

Legal implications and risks:

With any procurement process carried out under the Public Contracts Regulations there will be inherent risks to contracting authorities. It is essential the risks are mitigated by taken appropriate actions during the various key stages. The process has been carried out in accordance with the EU procurement rules and in accordance with the Council’s Contract Procurement Rules.

The risk of challenge is governed by regulation 47 of the Public Contracts Regulations, in particular 47D. This puts an emphasis on bidders, should they feel a challenged is warranted, to do this with 3 months of when the event, in their view, a breach occurs.

The items that potential could be challenged relating to this procurement are;

- The size and nature of contract – consolidated value of contract exceeds threshold for Part B services (works) - £4,348,350. The process recognises this and the Public Contract Regulations were the governing aspect of the procurement.
- The actual process adopted – This must be open, fair, transparent and honest. The process used followed EU procurement regulations and the various issued directives. The Council, in this instance, used a third party organisation to scrutinise and validate the conduct of the procurement officers and the assessment panels conduct. They were supported by their own advisors, Trowers and Hamlin specialist procurement team.
- Decision to reject a qualified tender – The appointed consultants sought legal advice on the nature of the letter issued by the bidder. They confirmed and we have a written statement from Trowers and Hamlin stating the document was qualified and breaches a specific requirement within the ITT.
- Abnormally low bid – A submission was received from a bidder which was considered to be a potential risk. The procurement team followed the process as set out in the regulations and the business case provided was comprehensive and accepted by the assessment panel.
- Scoring process – all aspects of the scoring process was published in the PQQ and ITT

Human Resources implications and risks:

There are no direct HR implications or risks to the Council or its workforce that can be identified from the recommendations made in this report. The change of service provider was deemed likely to be subject to TUPE (Transfer of Undertakings (Protection of Employment) Regulations). As such, the ITT document specified that potential contractors were obliged to satisfy themselves that they would be able to meet all TUPE requirements relating to this tendering exercise.

The bidders were provided with relevant details of all affected staff employed by the current service provider, in line with TUPE and subject to Data Protection Act principles, and their pension status. This information was obtained from the incumbent contractor as part of the ITT and made available to potential bidders with the knowledge and agreement of the incumbent contractor for the purposes of TUPE compliance only.

A question of clarification around pension provision was issued to all potential contractors bidding for these services, relating to obligations under TUPE and the contractors' consideration to becoming an admitted body to the Local Government Pension Scheme, or providing an approved comparable scheme. The matters relating to TUPE in this service re-provisioning exercise do not directly impact on the Council or its current workforce. Potential bidders were advised to seek independent legal advice with regard to any TUPE implications.

Eve Anderson, Strategic HR Business Partner (Children's, Adults & Housing and Public Health)

Equalities implications and risks:

The procurement process has been carried out in accordance with the EU procurement rules and the Council's Contract Procurement Rules.

The PQQ document contained a specific requirement for prospective bidders, under section E of the PQQ, to provide evidence of their Equal Opportunities and Diversity policies and to demonstrate their compliance with the Equality Act 2010 (or relevant equal opportunities and anti-discrimination legislation for non-UK based companies). Bidders were assessed on a pass or fail basis based on the evidence provided. Applications who failed to satisfy the E&D requirement were rejected.

The ITT document contained specific wording relating to the Council's Equality in Service Provision policy which was attached as an appendix and the commitment required of all contractors to be able to demonstrate their adherence to this and compliance with the Equality Act 2010. It was also highlighted that the Council would monitor and evaluate the contractors' progress in achieving the aims set out in the policy on a regular basis and that any breach of legislation or non-compliance with the Council's Equality in Service Provision Policy could lead to termination of the contract.

BACKGROUND PAPERS

None

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

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CABINET

14 August 2013

Subject Heading:

Award of Term Contract for Responsive Repairs and Voids – Lot Two Void Properties

Cabinet Member:

Councillor Lesley Kelly

CMT Lead:

Joy Hollister, Group Director Children, Adults and Housing

Report Author and contact details:

Kevin Hazlewood, Homes and Housing Property Services,
Kevin.hazlewood@havering.gov.uk
 01708 434091

Policy context:

HRA Policy and budgets

Financial summary:

To agree the award of the contract for the provision of the repair and reinstatement of void properties of housing in management by the Council.

Is this a Key Decision?

Yes

Is this a Strategic Decision?

No

When should this matter be reviewed?

Reviewing OSC:

Towns and Communities

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 checked="" type="checkbox"/> |
| Delivering high customer satisfaction and a stable council tax | <input type="checkbox"/> |

SUMMARY

This report sets out the results of the tendering exercise for the provision of repair and reinstatement of void property services to the housing stock managed by the Council. The tendering process has been undertaken in accordance with the rules set out in the Public Contract Regulations 2006 and subsequent directives (EU regulations).

The proposed contract award will enable Homes and Housing to provide the service to tenants as set out in the Tenancy Agreement and policy in the Lettable standard. The award will also enable Homes and Housing to discharge its statutory obligations as a landlord.

RECOMMENDATIONS

To agree the award of Lot 2 of the Term Contract for Responsive Repairs and Voids Refurbishment – Void Refurbishment, to Mullaley and Co Ltd, in accordance with the offer set out in the tendering documentation and subject to the expiry of the required 10 day stand still period.

REPORT DETAIL

The current partnership contract with Morrison Facilities Services (MFS) is set to expire on 31 July 2013 as a natural end to the agreement. This contract was being administered by the former ALMO and prior to re-integration it was agreed with the Council to commence the re-tendering of the arrangement with the Group Director of Culture and Communities. This had also been discussed with the former ALMO Board and agreed to commence the re-tendering process. Subsequent to this the current arrangement was extended until 30 September 2013 by mutual agreement due to a delay to the process associated with leaseholder recharges.

A procurement exercise was completed and Faithhorn Farrell Timms were appointed as support consultants for the project. The scope of the project comprised the re-tender of the responsive repairs and voids refurbishment works programmes in two separate lots. The subsequent EU procurement notices and prequalification (PQQ) and invitation to tender (ITT) documents specified the Councils right to award these lots either separately or as a combined contract.

The scope of works included in the re-tender specification is different to the current scope of the agreement with MFS. The proposed contract is for works to bring empty rented properties back into use, provision of security screening, cleaning pre and post works and asbestos removal. In addition the scope also includes a limited amount of kitchen and bathroom replacements. The logistics of undertaking works

in occupied premises in challenging and currently we do take the opportunity to complete decent homes works via the Void work stream. However, the proposed contract will be limited to approximately 200 installations. The contract document allows the Council to reserve the right not to issue these works and to either obtain competitive quotes or seek alternative solutions. The prices are based on a standard schedule of rates which will be used to value works with a tendered adjustment.

The proposed commencement date for the contract is 1 October 2013. The contract is proposed to be for a 5 year period with the option to extend based on performance.

The tendering process has been conducted in accordance with the Public Contracts Regulations 2006 and the details of the process and results are contained in the consultants' tender evaluation appended as a restricted annex to this report.

REASONS AND OPTIONS

Reasons for the decision:

The Council, in its role as a landlord and building owner, has obligations in statute and under the Tenancy Agreement to provide a repairs service including ensuring properties re-let are of an acceptable standard. The contract currently in place is set to expire on 31 July 2013, extended to 30 September 2013. The Council has obligations, as a contracting authority, to comply with the requirements of the Public Contracts Regulations 2006.

Other options considered:

To extend the existing arrangement with Morrison Facilities Services for a further period.

REJECTED – There were no further provision in the contract to extend and any further extension would have been in breach of Public Contract regulations.

IMPLICATIONS AND RISKS

Financial implications and risks:

Contract

The award of a new voids contract will help the Council to keep the stock in lettable condition.

The contract form proposed is a standard form of partnering contract, widely used within the sector. This “partnering” will apply to the contract administration, so that items such as disputes will be dealt with in this way.

Some aspects of “partnering”, such as risk reward sharing, will not be applicable. The scope of the proposed contract is similar to the current arrangement. The works are instructed on pre specified schedules of rates - with facility, if required, to undertake some kitchen and bathroom refurbishments (with an agreed basket rate) as part of the decent homes programme. There is no guarantee of values or volumes of works; in theory, no works could be issued. The contract document allows the Council to reserve the right not to issue these works and to either obtain competitive quotes, or seek alternative solutions. An indicative indication of the volume of works, based on previous experience, is around 200 pa.

Inflation

Inflation is dealt with via the application of the rate derived from the Consumer Price Index (CPI).

Financial Stability

As required by the Councils Contract procurement Rules a financial check has been carried out of the proposed bidder and their rating is recorded by Experian as below average risk.

Budget

The cost of the contract will be met within the HRA revenue repairs budget – and for investment, the capital budget. The estimated value of the contract is detailed in the exempt annex to the report.

Legal implications and risks:

With any procurement process carried out under the Public Contracts Regulations there will be inherent risks to contracting authorities. It is essential the risks are mitigated by taken appropriate actions during the various key stages. The process has been carried out in accordance with the EU procurement rules and in accordance with the Council’s Contract Procurement Rules.

The risk of challenge is governed by regulation 47 of the Public Contracts Regulations, in particular 47D. This puts an emphasis on bidders, should they feel a challenged is warranted, to do this with 3 months of when the event, in their view, a breach occurs.

The items that potential could be challenged relating to this procurement are;

- The size and nature of contract – consolidated value of contract exceeds threshold for Part B services (works) - £4,348,350. The process recognises this and the Public Contract Regulations were the governing aspect of the procurement.

- The actual process adopted – This must be must be open, fair, transparent and honest. The process used followed EU procurement regulations and the various issued directives. The Council, in this instance, used a third party organisation to scrutinise and validate the conduct of the procurement officers and the assessment panels conduct. They were supported by their own advisors, Trowers and Hamlin specialist procurement team.
- Decision to reject a qualified tender – The appointed consultants sought legal advice on the nature of the letter issued by the bidder. They confirmed and we have a written statement from Trowers and Hamlin stating the document was qualified and breeches a specific requirement within the ITT.
- Abnormally low bid – A submission was received from a bidder which was considered to be a potential risk. The procurement team followed the process as set out in the regulations and the business case provided was comprehensive and accepted by the assessment panel.
- Scoring process – all aspects of the scoring process was published in the PQQ and ITT

Human Resources implications and risks:

There are no direct HR implications or risks to the Council or its workforce that can be identified from the recommendations made in this report. The change of service provider was deemed likely to be subject to TUPE (Transfer of Undertakings (Protection of Employment) Regulations). As such, the ITT document specified that potential contractors were obliged to satisfy themselves that they would be able to meet all TUPE requirements relating to this tendering exercise.

The bidders were provided with relevant details of all affected staff employed by the current service provider, in line with TUPE and subject to Data Protection Act principles, and their pension status. This information was obtained from the incumbent contractor as part of the ITT and made available to potential bidders with the knowledge and agreement of the incumbent contractor for the purposes of TUPE compliance only.

A question of clarification around pension provision was issued to all potential contractors bidding for these services, relating to obligations under TUPE and the contractors' consideration to becoming an admitted body to the Local Government Pension Scheme, or providing an approved comparable scheme. The matters relating to TUPE in this service re-provisioning exercise do not directly impact on the Council or its current workforce. Potential bidders were advised to seek independent legal advice with regard to any TUPE implications.

Eve Anderson, Strategic HR Business Partner (Children's, Adults & Housing and Public Health)

Equalities implications and risks:

The procurement process has been carried out in accordance with the EU procurement rules and the Council's Contract Procurement Rules.

The PQQ document contained a specific requirement for prospective bidders, under section E of the PQQ, to provide evidence of their Equal Opportunities and Diversity policies and to demonstrate their compliance with the Equality Act 2010 (or relevant equal opportunities and anti-discrimination legislation for non-UK based companies). Bidders were assessed on a pass or fail basis based on the evidence provided. Applications who failed to satisfy the E&D requirement were rejected.

The ITT document contained specific wording relating to the Council's Equality in Service Provision policy which was attached as an appendix and the commitment required of all contractors to be able to demonstrate their adherence to this and compliance with the Equality Act 2010. It was also highlighted that the Council would monitor and evaluate the contractors' progress in achieving the aims set out in the policy on a regular basis and that any breach of legislation or non-compliance with the Council's Equality in Service Provision Policy could lead to termination of the contract.

BACKGROUND PAPERS

None

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

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