



MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Wednesday, 3 September 2014
(7.30 - 9.05 pm)

Present:

Councillor Roger Ramsey (Leader of the Council), Chairman

	Cabinet Member responsibility:
Councillor Robert Benham	Environment
Councillor Wendy Brice-Thompson	Adult Social Services and Health
Councillor Meg Davis	Children and Learning
Councillor Osman Dervish	Regulatory Services and Community Safety
Councillor Melvin Wallace	Culture and Community Engagement
Councillor Damian White	Housing

Councillors Clarence Barrett, Linda Hawthorn, Alex Donald, David Durant, Lawrence Webb, Philip Hyde, Keith Darvill, Michael Deon Burton, Viddy Persaud and Steven Kelly also attended.

There were three members of the public and a press representative present.

There were no disclosures of pecuniary interest.

The Clerk, on behalf of the Chairman announced the evacuation procedures in the event of an Emergency

Unless otherwise indicated, all decisions were agreed unanimously without any Member voting against.

The Chairman welcomed those present and announced that this would be the final Cabinet meeting for Mike Stringer (Head of Finance & Procurement) who was retiring, and Claire Thompson (Corporate Policy & Community Manager) who was leaving Havering to take up a position in Essex County Council.

On behalf of Members, the Chairman thanked them both for their diligence, professionalism and support and wished them both well for the future. These sentiments were endorsed by Cabinet.

9 **MINUTES**

The minutes of the meeting held on 30 July 2014 were agreed as a correct record and were signed by the Chairman

10 **BACKGROUND TO THE COUNCIL'S FINANCIAL STRATEGY**

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

The current financial strategy, which was designed to address a range of national and local issues, would come to an end during 2014/15. This strategy had already enabled the Council to address a significant budget gap, resulting from reduced Government funding as well as a range of pressures. As previous reports to Cabinet had highlighted, there was likely to be a further significant budget gap in the years to come, and although this assessment might depend on the outcome of next year's General Election, the likelihood was that existing austerity measures would continue. The sheer scale of this gap meant that it was essential for a new strategy to be put into place as early as practicable.

The report before Members set out relevant background from the current strategy, together with an update on national developments including the March Budget. It also included background information on funding for local authorities and the overall scale of the Council's budget, as context to the development of a new budget strategy. Members were informed that proposals for the Council's future strategy were set out in the accompanying report and these would be referred initially to a joint meeting of Overview & Scrutiny Committees before formal consultation with the public.

Cabinet was reminded that whilst accepting that any forecasts that ran to the end of the current decade were open to change, the need for the development of a strategy was quite clear. The report provided Cabinet with background information on the current financial position as a precursor to setting out the Administration's proposed budget strategy.

Reasons for the Decision

It was essential that the Council's financial strategy took due account of Government plans, and any other material factors where these were likely to have an impact on the Council's financial position. The report set out the background to the Council's financial position and the initial budget gap projection, as a precursor to the development of a long term budget strategy. The report was intended to ensure that Cabinet was appropriately aware of the context in which that strategy had been developed.

Alternative Options Considered

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

Cabinet:

Noted:

1. The impact of the March 2014 budget on the Council's financial position.
2. The background to the Council's current financial position and how this had impacted on the development of the future budget strategy.
3. The projected budget gap on which the development of the budget strategy had been based.
4. **Approved and recommended to Council** the adoption of the revenue budget strategy statement set out in Appendix C to the Report.

11 THE COUNCIL'S FINANCIAL STRATEGY

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

Cabinet was informed that the report set out the Council's long term financial strategy to manage the implications of funding reductions and cost pressures over the next four years.

It contained specific proposals to bridge the funding gap for the next two years, with further proposals that would move the Authority towards a balanced four-year budget.

It described how the Council had developed these proposals, focusing first on organisational costs and new ways of managing the Authority; and then on preserving as many as possible of the most valued local services, and services which supported people in need within the community.

Additionally and - where possible - services would be run in a different and more efficient way in order to keep them available to the public, with more fundamental changes or closures being a last resort, in the absence of other alternatives.

Cabinet was reminded that all proposals would be subject to full and proper consultation, with Councillors, staff, service users and the general public before any final decisions were made.

Reasons for the Decision

It was essential that the Council's financial strategy took due account of Government plans and any other material factors where these were likely to have an impact on the Council's financial position. The report set out proposals for the Council's budget strategy for the next four years and reflected the expected continued Government approach of reduced levels of

funding. The scale of these meant that consideration of detailed proposals, followed by consultation and implementation at an early stage following the local elections, was essential.

Alternative Options Considered

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

Cabinet:

1. **Noted** the original and currently projected budget gap and the assumptions upon which these had been based, and the risks associated with them.
2. **Agreed** the long term financial strategy, covering the period from 2015/16 to 2018/19, set out in this report.
3. **Noted** that there was a range of risks and assumptions made as part of the development of the above strategy and that updates would be provided to Cabinet should these vary.
4. **Noted** that any alternative proposals from Overview & Scrutiny or opposition groups would need to be subject to a robust review before they could be considered for inclusion in the Council's budget and therefore must be submitted prior to the next meeting of Cabinet on 24th September in order to be considered for inclusion in public consultation.
5. **Considered** the options available for the Local Council Tax Support Scheme and **approved** Option 1 (as set out in Appendix B to the report) for consultation with the Greater London Authority, members of the public and other interested parties.
6. **Noted** that a range of corporate strategies would be impacted by the budget strategy and these would need to be updated and approved accordingly.
7. **Reviewed** the initial proposal to maintain a core capital programme of around £4m a year subject to a detailed review of available receipts.
8. **Issued** the approved financial strategy and proposed areas for budget reduction to Overview and Scrutiny in order to initiate appropriate consultation.
9. **Agreed** to receive a further report in late September where comments from Overview and Scrutiny would be considered prior to agreeing a final list of proposals for formal consultation with the local community, stakeholders, other interested groups, staff and unions.

10. **Noted** the advice of the Section 151 Officer in setting a robust budget.

Chairman