



Havering

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

OVERVIEW & SCRUTINY BOARD AGENDA

7.00 pm

**Thursday
25 January 2018**

**Havering Town Hall,
Main Road, Romford**

Members 16: Quorum 5

COUNCILLORS:

**Conservative
(7)**

John Crowder
Steven Kelly
Robby Misir
Dilip Patel
Viddy Persaud (Vice-Chair)
Linda Trew
Michael White

**Residents'
(3)**

Barbara Matthews
Ray Morgon
Barry Mugglestone

**East Havering
Residents'(2)**

Gillian Ford (Chairman)
Darren Wise

**UKIP
(2)**

Ian de Wulverton
Lawrence Webb

**IRG
(1)**

Graham Williamson

**Labour
(1)**

Keith Darvill

**For information about the meeting please contact:
Richard Cursons 01708 432430
richard.cursons@oneSource.co.uk**

Protocol for members of the public wishing to report on meetings of the London Borough of Havering

Members of the public are entitled to report on meetings of Council, Committees and Cabinet, except in circumstances where the public have been excluded as permitted by law.

Reporting means:-

- filming, photographing or making an audio recording of the proceedings of the meeting;
- using any other means for enabling persons not present to see or hear proceedings at a meeting as it takes place or later; or
- reporting or providing commentary on proceedings at a meeting, orally or in writing, so that the report or commentary is available as the meeting takes place or later if the person is not present.

Anyone present at a meeting as it takes place is not permitted to carry out an oral commentary or report. This is to prevent the business of the meeting being disrupted.

Anyone attending a meeting is asked to advise Democratic Services staff on 01708 433076 that they wish to report on the meeting and how they wish to do so. This is to enable employees to guide anyone choosing to report on proceedings to an appropriate place from which to be able to report effectively.

Members of the public are asked to remain seated throughout the meeting as standing up and walking around could distract from the business in hand.

OVERVIEW AND SCRUTINY BOARD

Under the Localism Act 2011 (s. 9F) each local authority is required by law to establish an overview and scrutiny function to support and scrutinise the Council's executive arrangements.

The Overview and Scrutiny Board acts as a vehicle by which the effectiveness of scrutiny is monitored and where work undertaken by themed sub-committees can be coordinated to avoid duplication and to ensure that areas of priority are being reviewed. The Board also scrutinises general management matters relating to the Council and further details are given in the terms of reference below. The Overview and Scrutiny Board has oversight of performance information submitted to the Council's executive and also leads on scrutiny of the Council budget and associated information. All requisitions or 'call-ins' of executive decisions are dealt with by the Board.

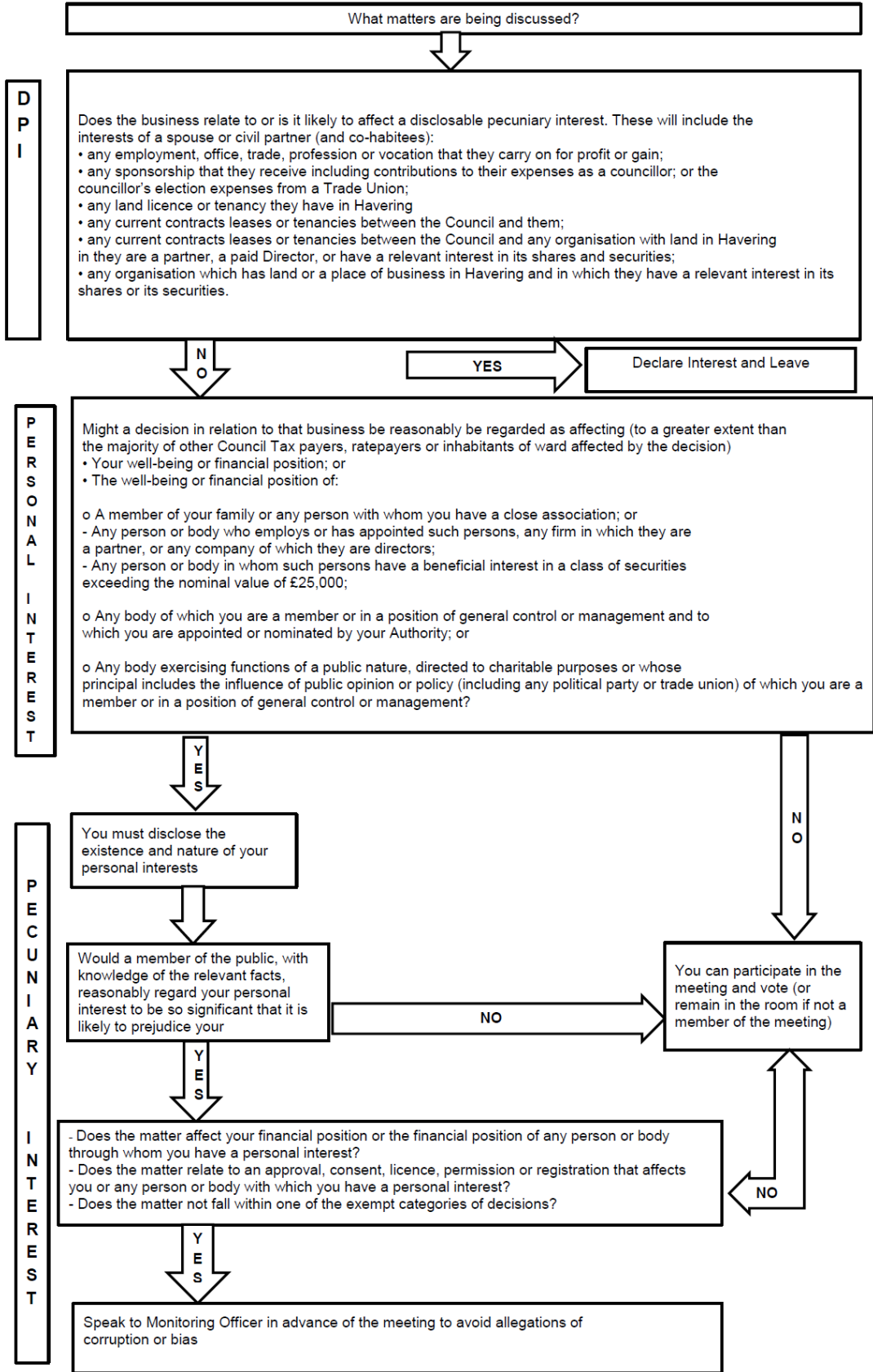
The Board is politically balanced and includes among its membership the Chairmen of the six themed Overview and Scrutiny Sub-Committees.

Terms of Reference:

The areas scrutinised by the Board are:

- Strategy and commissioning
- Partnerships with Business
- Customer access
- E-government and ICT
- Finance (although each committee is responsible for budget processes that affect its area of oversight)
- Human resources
- Asset Management
- Property resources
- Facilities Management
- Communications
- Democratic Services
- Social inclusion
- Councillor Call for Action
-

DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF



AGENDA ITEMS

1 CHAIRMAN'S ANNOUNCEMENTS

The Chairman will announce details of the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

(if any) - receive.

3 DISCLOSURE OF INTERESTS

Members are invited to disclose any interest in any of the items on the agenda at this point of the meeting.

Members may still disclose any interest in an item at any time prior to the consideration of the matter.

4 MINUTES (Pages 1 - 6)

To approve as a correct record the minutes of the meeting of the Board held on 6 December 2017 and to authorise the Chairman to sign them.

5 MEDIUM TERM FINANCIAL STRATEGY AND 2018/19 BUDGET UPDATE (Pages 7 - 48)

Members are invited to make any comments on the budget proposals for consideration by Cabinet at its meeting on 7 February (Report to January 2018 Cabinet meeting attached for information).

6 URGENT BUSINESS

To consider any other item in respect of which the Chairman is of the opinion, by reason of special circumstances which will be specified in the minutes, that the item should be considered at the meeting as a matter of urgency

Andrew Beesley
Head of Democratic Services

**MINUTES OF A MEETING OF THE
OVERVIEW & SCRUTINY BOARD
Havering Town Hall, Main Road, Romford
6 December 2017 (7.00 - 9.00 pm)**

Present:

COUNCILLORS

Conservative Group	John Crowder, Robby Misir, Dilip Patel, Viddy Persaud (Vice-Chair) and Michael White
Residents' Group	Ray Morgon and Barry Mugglestone
East Havering Residents' Group'	Gillian Ford (Chairman)
UKIP Group	Ian de Wulverton and Lawrence Webb
Independent Residents' Group	Graham Williamson
Labour Group	Keith Darvill

Apologies were received for the absence of Councillors Barbara Matthews, Linda Trew and Darren Wise.

All decisions were taken with no votes against.

The Chairman reminded Members of the action to be taken in an emergency.

32 MINUTES

The minutes of the meetings held on 12 September and 14 November 2017 were agreed as correct records and signed by the Chairman.

33 QUARTER 2 OVERVIEW AND SCRUTINY BOARD PERFORMANCE REPORT (2017/18)

The report before Members set out the Quarter 2 performance report as requested by the Overview & Scrutiny Sub-Committees.

In total performance against 18 indicators had been included in the report, of these 14 had been rated as either green or red.

2 (14%) had a status of green and 12 (86%) had a status of red.

The report also highlighted the measures that were in place to address indicators that were performing below expected levels.

The Board **reviewed** the performance set out in the report's appendix and the corrective action that was being taken to improve this where necessary.

34 **SICKNESS ABSENCE**

The report before Members detailed sickness absence management.

The average number of days absent per employee had continued to reduce from 10.46 in the financial year 15/16 to 9.28 in the 12 month rolling period from October 2016 to September 2017 – an 11% decrease in just over a year. The overall position for rolling year sickness absence continued to improve with a reduction in days.

Sickness continued to be managed robustly. In 2016, 28 people left the Council due to their sickness absence levels. In 2017 so far there had been 17 dismissals.

Significant work continued to be undertaken, focus needed to be sustained by managers to ensure absence levels continue to decrease which would include:

- Workplace Wellbeing Forum
- Interactive refresher sessions / Sickness Cases Focussed HR support
- Data analysing
- Day One absence Pilot
- Implementation of MedigoldOne
- Workplace Wellbeing

Members were advised that a review of the sickness policy had been undertaken and implemented.

Members **noted** the contents of the report.

35 **PROPERTY SERVICES**

The report before Members set out the main activity areas in respect of the property services supplied by oneSource to Havering Council and provided additional information on some key areas relating to commercial property income and property disposals.

The report set out the service's main areas of activity.

Appended to the report was a summary of the Council's overall property portfolio as contained in the Council's Asset Management Plan.

A more detailed and slightly updated record of the Council's portfolio was published as part of the Government's transparency agenda and could be found on the Council's website.

The report detailed the income and occupancy rates that were attributed to the Council's commercial property portfolio.

The report also highlighted that over the years the Council had pursued a policy of disposing of surplus assets to fund the capital programme. Recommendations for disposals arose as a result of service reviews, specific projects or more general property reviews carried out by Property Services.

Since 2010, more than £102m had been achieved from the disposal of Council assets. Such assets had ranged from multi-million pound transactions which generated new housing developments to the sale of small areas of surplus land to adjoining owners.

From 2016 to the present date, the sale of the sites had generated receipts in excess of £26m.

Members were also advised that as the Council had pursued a policy of selling surplus sites for many years it had become more difficult to identify new sites for disposal that did not pose challenges, either technically or in terms of planning and especially in respect of objections to disposal that arose in many cases. A further review of disposal opportunities would be arranged with a new administration.

Members **noted** the report.

36 **FACILITIES MANAGEMENT**

The report before Members gave an overview of Facilities Management within the Council.

Set up in 2012 with the aim to meet statutory compliance obligations the Council as a corporate landlord incorporated 80 buildings including office accommodation, libraries, social care, parks, parks depot, leisure, housing offices (excludes Housing buildings), crematoriums and some of the education buildings. A further proposed 24 buildings were to be added corporate landlord model.

Included in the report was a list of the premises that were currently within the corporate landlord model.

The report also highlighted that five yearly condition surveys were commissioned to forecast and manage the repairs and maintenance budget over a five year term.

The report also detailed the proposed Facilities Management restructure which would deliver a £428k saving towards the overall Asset Management saving of £2.3m rising to £2.5m in 2018/19.

Also included in the report were details of the Facilities Management Procurement Strategy which had been produced to help oneSource achieve savings in the costs of goods, services and works and best use of limited resources in support of the Council's objectives in delivering consistently high quality services that met users' needs.

Members **noted** the report.

37 **OVERVIEW AND SCRUTINY SUB COMMITTEE/TOPIC GROUP UPDATES**

The report before Members invited Overview & Scrutiny Sub-Committee Chairmen to verbally update Board members on the current work of their Sub-Committees and associated topic groups.

Individuals Overview & Scrutiny Sub-Committee

Members were advised that the Chairman and Vice-Chairman had visited one of the Council's hostels and were working to secure better facilities for residents.

A topic group had been set up to look at homecare provision and Members had recently attended the Homecare Providers Forum and were planning on visiting providers to see the services that were being provided to residents.

The Sub-Committee had also been briefed on the latest work on the Local Integrated Care Partnership and scrutiny of the annual complaints report for adult social care.

Towns & Communities Overview & Scrutiny Sub-Committee

Members were advised that the topic group looking at housing repairs had now commenced. A number of site visits were planned to properties that had had recent repairs carried out to ascertain levels of workmanship from contractors.

Health Overview & Scrutiny Sub-Committee

The Chairman advised that the Sub-Committee had recently considered the winter pressures on BHRUT, the digital roadmap to integrate health and social care, air pollution and scrutiny of performance information with regards to delayed transfers of care and childhood obesity.

Members were advised that the JHOSC had also recently visited Whipps Cross Hospital to look at the wards and maternity care and possible future development of the site.

The JHOSC had also considered the Spending Money Wisely 2 consultation and concerns had been fed back about proposals to restrict cataract surgery.

The JHOSC had also been updated on the BHRUT Improvement Plan and the East London Health and Care Partnership work.

Crime & Disorder Sub-Committee

The Chairman advised that the topic group looking at support given by the criminal justice system to prisoners with mental health issues was continuing.

Members also noted that traveller incursions had reduced across the borough following intervention works from council officers.

Environment Overview & Scrutiny Sub-Committee

Members were advised that the Sub-Committee had recently received presentations on civil parking enforcement, licensing of houses in multiple occupation, fly tipping and trees and foliage overhanging the highway.

Children's & Learning Overview & Scrutiny Sub-Committee

The Chairman advised that the Sub-Committee had received a presentation on Power BI.

The Sub-Committee had also scrutinised the annual reports on complaints to Children's Services and Education Services.

The Sub-Committee had also considered the High Needs & Review Strategy and the Havering school's results.

Chairman

Subject Heading:	The Council's Financial Strategy
Cabinet Member:	Cllr Roger Ramsey
SLT Lead:	Julie Oldale Interim Chief Finance Officer (Section 151 officer) 01708 433 957 Julie.oldale@onesource.co.uk
Report Author and contact details:	Toyin Bamidele Financial Strategy Manager 01708 431979 Toyin.bamidele@onesource.co.uk
Policy context:	The Council is required to approve an annual budget and Medium Term Financial Strategy and this report is the third in a series of reports within that process that will conclude with the Budget and Council Tax setting Council in February 2018.
Financial summary:	This report provides an update on assumptions within the Medium Term Financial Strategy approved by Cabinet in October. It sets out further budget proposals to achieve a balanced budget for 2018/19. The report also seeks Cabinet approval for the amendments to the Council Tax Support Scheme from April 2018.
Is this a Key Decision?	Yes
Is this a Strategic Decision?	Yes
When should this matter be reviewed?	February 2018
Reviewing OSC:	Scrutiny Board

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

Communities making Havering	[X]
Places making Havering	[X]
Opportunities making Havering	[X]
Connections making Havering	[X]

SUMMARY

Cabinet approved the Council's Medium Term Financial Strategy (MTFS) and further proposals for balancing the 2018/19 budget to go to consultation where necessary at its meeting on 26 October 2017. This was followed by a Budget Update report on 13 December 2017.

The October and December reports set out the Council's financial strategy to manage the predicted budget gap over the period 2018/19 to 2022/23. This report:

- Provides an update on the policy and strategic context and assumptions within the MTFS and the forecast budget gap (section 1)
- Presents for approval amendments to the Council Tax Support Scheme from April 2018 (section 5 and Appendix A).
- Budget Risks (section 6)

The detail in this report is based on the best available information and the funding assumption is still subject to confirmation of the final Local Government Finance Settlement for 2018/19 which will not be announced until January 2018.

Future reports to Cabinet and Council will take account of the impact of the funding changes outlined above as far as is possible. However, the Council's current medium-term working assumptions is that these changes will have a neutral impact on revenue support grant (RSG) or that any reduction in RSG will be matched by an upside in business rates revenue. At this moment in time, we do not have enough information to make any other assumption.

The Council is required by statute to set a balanced budget for 2018/19 and to have a robust plan in place to achieve financial balance over the medium term. The revised assessment of the medium term financial forecast is based upon the best information available at this time. Assumptions will be continually reviewed and refined as work progresses in the period to final budget setting in February 2018. Table 1 sets out the updated budget gap over the period.

Cabinet 17 January 2018

Breakdown of Movement	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	5 Year Plan
Forecast Budget Gap - December	3.990	6.536	14.286	2.537	3.591	30.940
Growth Proposal January	0.441	0.000	0.000	0.000	0.000	0.441
Adjustment - January	(0.273)	1.425	(0.105)	0.657	0.269	1.974
Forecast Budget Gap - January	4.158	7.961	14.182	3.194	3.860	33.355

The movement in the budget gap since the December cabinet figure is due to budget adjustment of £1.974m (as detailed in table 3) over the period (of which £0.273m relates to 2018/19) following the provisional local government financial settlement announcement and further £0.441m made up of £0.271m Legislative practices pressure and £0.170m Capacity pressure (as detailed in table 2 below).

Table 1 - Breakdown of Growth Proposal January

Proposal Description	2018/19 £m
2 Additional NNDR Posts to address multitude of NNDR changes moving forward.	0.043
Technical Services pressure	0.228
Total Practice and Legislative Practices/External Grant Reduction	0.271
Increased capacity to support Economic Development.	0.060
Increased capacity to support services	0.110
Total Capacity	0.170
Total One Source Directorate	0.441

Table 2 - Breakdown of Adjustments in January

Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	5 Year Plan
Base Budget realignment	0.032	0.974	(0.533)	0.345	(0.014)	0.804
Capital impact	0.169	0.451	0.428	0.313	0.283	1.644
Business Rates Compensation	(0.474)	(0.474)	(0.474)	(0.474)	(0.474)	(0.474)
Adjustment January	(0.273)	0.951	(0.579)	0.184	(0.205)	1.974

At period eight the forecast outturn position for service directorates and oneSource is £140.207m resulting in a forecast overspend of £4.367m (3.31%), as set out in section 3 below. The uncommitted Corporate Risk Budget and Corporate Contingency budgets stand at £4.900m (£1.6m reduction from the £6.500m reported in the December) to enable the overall outturn to be achieved within the approved budget for 2017/18. However, in light of the reduction in these corporately held budgets in from December 2017 to January 2018 and further forecast reduction expected in 2018/19, it is crucial for financial sustainability over the medium term, that service directorates manage their ongoing expenditure within approved budgets.

The Senior Leadership Team continues to focus upon delivering mitigating action plans and previously agreed savings plans and exercising restraint on non-essential expenditure. A further update with mitigating action plan will be provided to Cabinet in February 2018.

This report provides an update on the London Business Rate Pilot Pool from April 2018. Following the confirmation of Government's commitment to the 2018/19 London Business Rates retention pilot in the Autumn statement a formal confirmation in a form of Memorandum of Understanding was signed by the Mayor, the Chair of London Councils; the Minister for London and Secretary of State for Communities; and Local Government in December 2017. Further details are set out in section 1.

RECOMMENDATIONS

Cabinet is asked to:

1. **Note** the progress made to date with the development of the Council's budget for 2018/19 and of the implications for Council Tax setting, although no decisions will be taken until the February cabinet meeting.
2. **Note** the outcome of the Autumn Budget Statement and the likely impact on local authorities.
3. **Note** the provisional local government financial settlement announcement, and that this largely confirms the budgetary assumptions set out in the MTFS based upon the four year financial settlement.
4. **Note** that a public engagement exercise on the budget process will be carried out during January 2018.
5. **Recommend to Full Council** that the Council Tax Support Scheme 2018 is approved. (Appendices A and B)
6. **Note** the Equalities Impact Assessment in respect of the Council Tax Support Scheme as set out in Appendix B

REPORT DETAIL

1 Policy and Strategic context

- 1.1. This report provides an update on the policy and strategic context and assumptions, in year financial performance and budget gap within the MTFS approved by Cabinet in October and December.
- 1.2. The Secretary of State for Communities and Local Government announced the provisional 2018/19 Local Government Finance Settlement on 19th December 2017. The Settlement outlines provisional Settlement Funding Assessment (SFA) and Core Spending Power (CSP) allocations for local authorities for 2018/19 as well as 2019/20 allocations. Further details provided in section 2.
- 1.3. Cabinet has previously received two progress reports on the Council's Medium Term Financial Strategy (MTFS). On 26th October 2017 and 13th December 2017 update reports were provided which reviewed and updated the key underpinning assumptions in the MTFS in relation to;
- Business Rates
 - The Impact of the London Business Rates Pool Pilot
 - Council Tax Base and Council Tax
 - Better Care Fund and Improved Better Care Fund
 - New Homes Bonus
 - Housing and Homelessness
- 1.4 Since the October and December reports there has been further progress in these areas which are set out below and reflected, where relevant, in the revised forecast:

Business Rates

- 1.5 In the autumn budget, the Chancellor confirmed that the enhancing of business rates switched from RPI to CPI will be brought forward to April 2018 (2 years earlier than planned). Any shortfall arising from the switch to CPI is expected to be funded by central government thereby no detrimental effect on Local authorities is anticipated.
- 1.6 The provisional LGFS confirmed that the government intends to move to a system of 75% business rates retention across local government in 2020-21. This is expected to include rolling in RSG, Rural Services Grant, GLA Transport Grant and Public Health Grant.

The London Pilot and the impact of the pilot

- 1.7 As part of the autumn budget announcement, Government confirmed its commitment to the 100% business rates retention pilot in London in 2018-19. Subsequently, a formal confirmation in a form of Memorandum of Understanding (MOU) was signed by the Mayor, the

Chair of London Councils, the Minister for London and Secretary of State for Communities and Local Government in December 2017.

- 1.8 The MOU established Government's commitment to giving participating Authorities greater control over the revenues they raise; subject to the evaluation of the Pilot. Government will work with London Local Authorities and the GLA to explore the options for grants including, but not limited to: Public Health Grant and the Improved Better Care Fund being transferred to the Pool; the potential for transferring properties in London on the central list to the local list where appropriate; and legislative changes needed to develop a joint committee model for future governance of a London pool.
- 1.9 Furthermore, the MOU confirmed the Pool will aim to improve the well-being of the communities the Participating Authorities serve in London. By working together they can retain a greater proportion of business rate growth within London, providing opportunities to further economic growth as well as building financial resilience.
- 1.10 The Principles of the Pilot Pool remains as highlighted in the October and December cabinet report; from 1 April 2018 the Participating Authorities shall retain 100% of their Business rate and that no authority will be worse off than they are under the current scheme. All participating Authorities will receive 100% of the value of the lost income via Section 31 Grant from the Government in respect of changes to the business rates system.
- 1.11 As a result of the pool, DCLG will not pay RSG to London Local Authorities in 2018/19 but the equivalent value of the estimated RSG in 2018/19 (£6.847m for Havering) will be rolled into the Business rate pot. Tariffs and top-ups will be adjusted accordingly to reflect both the 100% retention of rating income and higher funding baselines.
- 1.12 The rules under the 100% rates retention Pilot will be as the existing scheme subject to the 67% retention scheme in place in 2017-18 (which reflects the incremental impact of the GLA's partial pilot as a result of the rolling in of the GLA's RSG and the Transport for London investment grant). No "new burdens" will be transferred to the Participating Authorities and participation in the Pilot will not affect the development or implementation of the Fair Funding Review.
- 1.13 The deadline for any authority wishing not to accept the designation is the 16th January 2018 (28 days from the date the draft Local Government Finance Report is published i.e. 19 of December 2017). If no authority requests an annulment, the pool will come into effect on 1 April 2018 and all local authorities within the pool will remain in the Pilot pool for the full financial year 2018/19. For Authorities in an existing pool (including Havering), the designations under those pools are revoked.

Council Tax Base

- 1.14 The estimated base for next year has been set at £113.268m. The calculation has been affected by the changes relating to Council Tax Support, long term empty properties and a general rise in the number of properties within the borough.
- 1.15 This is in line with previously assumed growth of £0.980m (0.89%) in the tax base as reported in the October cabinet report.

Council Tax

- 1.16 In the provisional LGFS, the Government announced a change to the council tax referendum principles by increasing in the council tax referendum threshold in 2018/19 and 2019/20 from 2% to 3%. This change means that Councils will have the ability to increase their core Council Tax requirement by an additional 1% without the need for a local referendum.
- 1.17 A 1% increase in LB of Havering's Council Tax will generate additional income of around £1.101m.

Better Care Fund and Adult Social Care Grant

- 1.18 A review of the 2018/19 Improved Better Care Fund (iBCF) allocations announced at Spring Budget was conducted by the Department for Communities and Local Government (DCLG) in November 2017. The result of the review confirmed there will be no impact on the additional iBCF allocation in 2018/19.
- 1.19 The LGFS confirmed the continuation of the Adult Social Care precept in 2018/19 and confirmed publication of a 'Green Paper' in summer 2018 that will address the future challenges of adult social care funding.
- 1.20 Havering's share of the additional iBCF allocation in 2018/19 (£2.844m) has been incorporated into the Council's medium term forecasting model.

Public Health

- 1.21 On 19 December 2017, the Secretary of State for Communities and Local Government announced the move towards increased business rate retention by local government from 1 April 2020. Thereby confirming the Public Health Grant ring-fence and grant conditions will remain in place until 31 March 2020. From April 2020, it is expected that the Public Health Grant will be replaced by retained business rates
- 1.22 Havering's provisional Public Health grant allocation for 2018/19 is £10.935m, a reduction of £0.289m compared to 2017/18 allocation of

£11.224m. The indicative allocation for 2019/20 is £10.646m, a further reduction of £0.289m compared to 2018/19 allocation.

New Homes Bonus (NHB)

- 1.23 The provisional NHB allocations for 2018/19 were published as part of the LGFS announcement. Overall NHB funding has fallen as a result of the reforms announced last year by £280.7m (22.9%) with London boroughs' allocations fallen by £60.3m (23.1%).
- 1.24 Havering's NHB forecast allocation has reduced by (£0.424m) compared to that published as part of the 2017 Settlement. These revised figures for the NHB have been built into the Financial Plans shown in this report.

Housing and Homelessness

- 1.25 With the advent of the Homelessness Reduction Act the Council, together with all local authorities, is facing a range of different duties and obligations. The new range of duties will impose significant financial pressure and a whole new range of housing solutions will need to be created. In addition, the ever increasing cost of solutions within the private sector is adding to the pressures being faced. In order to meet these new challenges officers have devised a new staffing arrangement with the required skill sets to meet the wider ranging client groups.
- 1.26 In addition, we are actively engaging with the private sector and voluntary organisations to seek innovative property and person centric resolutions. We are making greater use of "find your own" Schemes by, supporting residents financially with deposit payments. We are also running a pilot to have earlier intervention and prevention working with local landlords. This was well received at our recent Private Landlords event held at the CEME centre.
- 1.27 In the autumn budget 2017 the government announced the Private rented sector access schemes. This is to support households at risk of homelessness and will provide £20 million of funding for schemes to support people at risk of homelessness to access and sustain tenancies in the private rented sector. It is the Council's intention to build on the success of its "find your own" scheme and approach central government for access or bidding details as policy in this area develops.
- 1.28 In conjunction with the LGFS, the Government published Flexible Homelessness Support Grant allocations for 2018/19. London boroughs will receive £115.8 million in 2018/19. Havering's indicative allocation in respect of the Flexible Homelessness Support Grant in 2018/19 is £1.6m

- 1.29 The Government published the Homelessness Reduction Act new burdens funding in October 2017. LB Havering will receive £0.213m and £0.201m in 2018/19 and 2019/20 respectively.

2. The Local Government Financial Settlement and General Financial Prospects.

Local Government Financial Settlement (LGFS)

- 2.1 The provisional 2018/19 Local Government Finance Settlement was announced on 19 December 2017. The Settlement outlines provisional Settlement Funding Assessment (SFA) and Core Spending Power (CSP) allocations for local authorities for 2018/19 and illustrative allocations for 2019/20 (which will be the final year of the current “four year offer” period). The full implications are currently being analysed and, where known, have been built into this update. Highlights of the settlement include;

- The Council Tax referendum threshold will increase by 1% to 3% in 2018/19 and 2019/20.
- Transitional Relief Grant is not continued into 2018/19.
- 11 new pilots have been confirmed for 2018/19 (including the London pilot pool) as well as the 5 existing pilots continuing – with a commitment to further pilots in 2019/20
- Plans to move to 75% business rates retention in 2020/21 across local government were announced
- A further consultation has been published on the Fair Funding Review (deadline 12 March), and government confirmed its intention to implement new funding baselines in 2020/21
- £19m was announced for Universal Adults Social Care (although figures have not been published at the time of writing)

Core Spending Power

- 2.2 The 2018/19 LGFS included two new funding elements within the Core spending Power in 2018/19 compared with 2017/18; the compensation for the change from RPI to CPI indexation and the separate funding for New Homes Bonus.

- 2.3 Havering’s indicative allocation of the compensation for the change from RPI to CPI indexation is £0.700m in 2018/19 and £1m in 2019/20. Whereas the funding for NHB indicative allocation is £4.4m in 2018/19 and £3.8m in 2019/20. However the Adult Social Care (ASC) Support Grant (£6.565m) and the Transition Grant (£1.2m in 2017/18) were excluded for 2018/19.

Havering’s Settlement Funding Allocation

Cabinet 17 January 2018

- 2.3 The Government has confirmed total Settlement Funding Assessment to be £16.9 billion in 2018/19. This comprises £1.4bn of Revenue Support Grant (RSG) and £15.6bn of Baseline Funding. At a national level, SFA will reduce from £17.9bn in 2017/18 to £16.9bn in 2018/19 (5.4%).
- 2.4 The provisional funding allocation is used to determine Havering's Settlement Funding Allocation. For 2018/19 LB Havering SFA will reduce by £4.5m (10%) from £44.6m in 2017/18 to £40.1m.

Fair Funding Formula

- 2.5 The Secretary of State launched the consultation on the funding formula which determines the level of financial resource that Local Authorities need to fund local needs. The consultation will take place over the next 12 weeks. Officers will consider this consultation when it is published and prepare the Council's response. The intention is that the new needs formula will be implemented from 2020/21

Unringfenced Grants

- 2.6 Government announced the provisional Unringfenced Grants allocation on the 19 of December 2017. Havering's indicative allocations from Government in respect of the Unringfenced Grants for 2018/19 is £9.890m and £10.472m in 2019/20 as detailed below.

Table 3 - Unringfenced grant

Indicative Unringfenced grant	2018/19 £m	2019/20 £m
New Homes Bonus	4.376	3.814
Improved Better Care Fund	4.822	5.619
Under-indexing compensation grant	0.693	1.040
Total	9.891	10.472

Revenue Support Grant (RSG)

- 2.7 As a result of the London Business Rate pilot pool, the equivalent value of the estimated RSG in 2018/19 (£6.847m for Havering) will be rolled into the Business rate pot.

Capital Receipts Flexibility

- 2.8 The provisional LGFS confirmed the continuation of Capital Receipts Flexibility for a further three years from 2018/19. This provides the authorities with the additional flexibility to use funds from capital receipts to invest in organisational transformation programmes to deliver cost and efficiency saving plans.

- 2.9 Details of the Council's proposed use of Capital receipts for the MTFs the period 2018/19 to 2022/23 will be reported in the February cabinet report as part of the Capital programme update.

Transition Grant

- 2.10 The LGFS confirmed no Transition Grant will be made to Local authorities in 2018/19.

Council Tax Referendum Threshold

- 2.11 In addition, the council tax referendum threshold has been increased in 2018/19 and 2019/20 from 2% to 3% for the general council tax increase. The adult social care precept rules remain the same.

3. CURRENT FINANCIAL POSITION

- 3.1 The 2017/18 original net budget as agreed by Full Council in February 2017 was £156.369m. At period eight after adjusting for grant re-allocation and in-year inter-directorate budget virements, the revised net controllable budget is £165.341m.
- 3.2 The total net controllable budget (£167.341m) reflects the combination of corporate budgets of £31.500m and service expenditure budgets £135.840m.
- 3.3 The forecast outturn position on the service budgets is £140.207m resulting in a forecast overspend of £4.367m (3.21%), as set out in table 5 below.

Table 4 - 2017/18 Period 8 Forecast Outturn

Directorate	Original Budget	Revised Budget	Forecast Outturn	Forecast Outturn Variance	
	£m	P8 £m	£m	£m	%
Public Health	(0.300)	(0.308)	(0.308)	0.000	0.00
Children's Services	32.502	35.945	38.611	2.666	7.42
Adult Services	55.021	57.345	57.345	0.000	0.00
Neighbourhoods	12.394	14.263	15.062	0.799	5.60
Housing	1.356	1.941	3.156	1.215	62.59
oneSource Non-Shared	0.735	1.888	1.849	(0.040)	(2.10)
Chief Operating Officer	7.154	7.036	6.820	(0.216)	(3.07)
SLT	1.019	1.308	1.293	(0.015)	(1.12)
oneSource shared	14.788	16.421	16.378	(0.042)	(0.26)
Service Total	124.669	135.840	140.207	4.367	3.21

3.4 The uncommitted Corporate Risk Budget and Corporate Contingency budgets currently stands at £4.900m (£1.6m reduction from the £6.500m reported in the December) to enable the overall outturn to be achieved within the approved budget for 2017/18. These corporately held budgets are forecast to reduce further by the 31 of March 2018 therefore, service directorates are asked to investigate variances and trends and also to identify further measures to assist in containing expenditure within overall budget in order to ensure financial sustainability over the medium term.

3.5 The demand and cost pressures associated with Children's services, Housing Demand in relation to Private Sector Leased (PSL) properties and Homelessness service are the key reasons for the forecast overspend.

SLT are focussed upon the delivery of mitigation and savings plans and general restraint on non-essential expenditure to manage the outturn within budget by the end of the financial year. A further update will be provided in February cabinet report together with detailed mitigating action plans aiming to recover the underlying predicted pressure at 2017/18.

3.6 The material forecast variances at period eight relate to:

Neighbourhoods - £0.799m forecast overspend

Neighbourhoods is experiencing financial pressure within year due to a number of delayed savings and other in year pressures, some of which are being mitigated by the generation of additional income in excess of budget.

Housing Services - £1.215m forecast overspend

As reported in the December Cabinet report, the financial pressure in the Housing services remains predominantly in the homelessness demand pressures. Cost of prevention options are being used to minimise pressure.

Children's Services - £2.666m forecast overspend

Children's Service is experiencing in year one off overspends on placements for looked after children, permanent placement allowances, fostering and asylum seekers adoption costs and agency staff costs. In addition there are base budget pressures on SEN Home to School transport, SEND costs and placements for children with disabilities.

These are offset by underspends in fostering staffing cost and an inflation provision allocation for Children's Social Services. There are

some financial pressures in relation to a number of delayed savings for which alternatives are being sought, alongside the ongoing transformation work.

Children's Directorate has been working in recent weeks on analysis to support a revised financial recovery plan. In addition, a deep-dive exercise into the children's financial position to assist with firming up the position for next financial year and the implications for the 2019/20 onwards is underway. A further update will be provided in February.

4. PUBLIC ENGAGEMENT AND CONSULTATION

- 4.1 Cabinet approved the Council's Medium Term Financial Strategy (MTFS) and initial proposals for balancing the 2018/19 budget to go to consultation where necessary at its meeting on 20th October 2017. On 13th December 2017, a further report was presented to Cabinet which provided further savings proposals and updated the key underpinning assumptions in the MTFS. Since the October cabinet, work has continued in identifying and developing the proposals to bridge the funding gap over the five year MTFS period.
- 4.2 A public engagement exercise on the budget will begin in January 2018. The outcomes of the consultation process will be reported to Cabinet in February 2018 to inform Cabinet's consideration of the detailed savings proposals.

5. OTHER KEY MATTERS

Inflation and Interest Rates

- 5.1 In November 2017, the Office for Budget Responsibility announced inflation is now expected to peak at 2.7% rather than 2.3% as forecast at the Spring Budget. Furthermore, as a result of the uncertainty around Brexit, economic forecasters are predicting a diverse range on inflation over the next three years.
- 5.2 The Bank of England suggested in its November 2017 inflationary forecast CPI would peak at 3.25% in 2017 and fall back towards its own target of 2% reaching 2.5% by 2019. For 2018/19, the MTFS has allowed for a 3% inflation increase on fees and charges in line with current CPI.

Fees and Charges

- 5.3 The Council continues to review its discretionary fees and charges and the cost of service provision to ensure that income generated will meet the full cost of service provision which is in line with the medium term shift to financial self-sufficiency.

- 5.4 The fees and charges review process commenced in July 2017. As reported in the MTFS October cabinet report, a 3% increase in fees and charges is assumed in the MTFS to keep track with the UK Consumer Price Inflation (CPI) which was 2.9% in August 2017 and 3.1% in November 2017.
- 5.5 Fees & charges are to be increased by 3% in line with the draft financial strategy. The schedule of revised charges will be included in the February cabinet report.

Concessionary Fares and Taxicard Scheme

- 5.6 The Freedom Pass gives free travel concessions 24 hours a day to eligible older and disabled residents on Transport for London (TfL) services and after 9.30am on National Rail and independently operated bus services in Greater London.
- 5.7 Havering Council's contribution to the Concessionary Fares as presented to London Councils' Transport & Environment Committee on the 7 of December 2017 is £8.177m. The 2018/19 contribution level has been reflected in the budget report.

Pension Fund

- 5.8 The financial strategy reflects the level of employer contributions required to ensure the long term solvency of the Pension Fund as set out in the 2016 triennial valuation report provided by the council's actuaries incorporating the minimum employer contributions required for the three financial years commencing April 2017.

Levying Bodies

- 5.9 The levies are part of the Settlement and therefore need to be taken into account when setting the Havering element of the Council Tax. There are a number of levies, but the predominant levy relates to East London Waste Authority (ELWA). The current overall levy budget is around £16.734m, of which ELWA accounts for £15.992m. At this stage, no account has been taken of any changes in the distribution of levies arising from the changes in Council Tax base referred to earlier in this report.

ELWA

- 5.10 Provision has been made within the Council's Medium Term Financial Strategy for increases in the ELWA levy of £1.017m in 2018/19 and £1m per annum thereafter.
- 5.11 At this stage, officers are awaiting the final budget report, which is subject to deliberations by ELWA. The final levy will be included in the February Council Tax setting report.

Other Bodies

- 5.12 Of the remaining levying bodies, for planning purposes, a prudent approach has been taken to the level of increase that might be expected, pending notification of the planned rises.

London Councils Subscription and London Boroughs Grants Scheme (LBGS)

- 5.13 London Councils Grants Scheme Budget Proposals 2018/19 as presented to Leaders' Committee on the 5th December 2017 detailed the indicative overall budget requirement for the London Boroughs Grants Scheme for 2018/19 of £8.668m, the same level as for 2017/18 after deducting borough repayments and City Bridge Trust support in 2017/18.
- 5.14 The proposed total expenditure budget of £8.668m will be funded by borough contribution of £6.668m, European Social Fund (ESF) grant income of £1m and a transfer from accumulated Section.48 ESF reserves of £1m.
- 5.15 LB Havering contribution to the 2018/19 London Councils subscription is £0.192m, a 2.88% reduction compared to the 2017/18 cost of £0.220m.

6 COUNCIL TAX SUPPORT SCHEME 2018

- 6.2 The current Council Tax Support Scheme has been in place since April 2015. The scheme is designed to help residents on low income pay their Council Tax. Council Tax Support can cover up to 100% of the Council Tax for claimants of pensionable age and 85% of Council Tax for working age claimants.
- 6.3 Under the Local Government Finance Act 1992, Full Council is required to endorse the Council Tax Scheme effective from 1 April 2018 before 31 January 2018. The Council proposes to maintain the current Council Tax Support Scheme in 2017 for 2018 and makes no amendment to the current local scheme.
- 6.4 The Council also has duties under the Equality Act 2010, most particularly the duties in s149. Consequently, an Equalities Analysis is attached to this report at App B along with a summary version of the proposed Council Tax Support Scheme for 2018 attached at Appendix A. An Equality Impact Assessment (EIA) was completed in January 2015 for when the Council Tax Support Scheme was last changed. This can be found at <https://www3.havering.gov.uk/Pages/Category/Council-tax-support.aspx> along with a copy of the 2017 Council Tax Support Scheme.

7 Budget Risk

6.1 The provisional Settlement confirmed the continuation of Capital Receipts Flexibility for a further three years from 2018/19. This provides the Council with the additional flexibility to use funds from capital receipts to invest in transformation and the delivery of saving plans.

8 Revised Medium Term Financial Strategy

7.1 The Cabinet report on 26th October 2017 and 13th December 2017 sets out the progress made towards setting a balanced budget in 2018/19. This report identifies the current budget position that needs to be addressed between now and the report to Cabinet on 7 February 2018, prior to Council on 21 February 2018, agreeing the Budget and Council Tax for 2018/19, the MTFs and Capital Programme 2018/19 to 2022/23.

7.2 Tables 6 below illustrations the movement in the forecast budget gap for the period 2018/19 to 2022/23 since the December report.

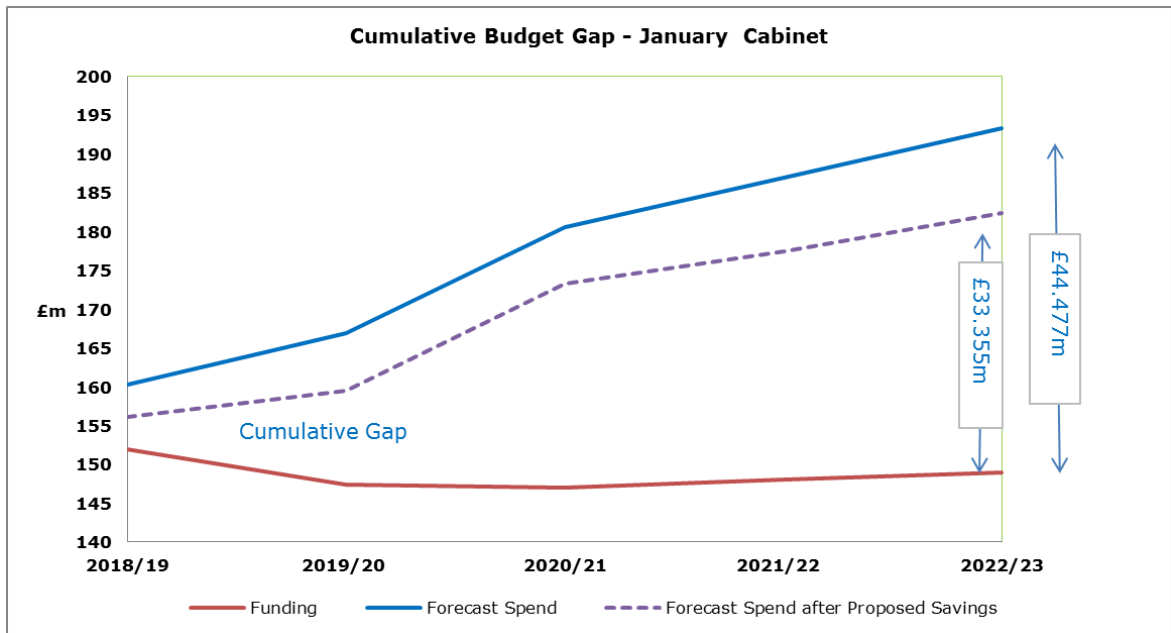
Table 5 - Breakdown of Movement

Breakdown of Movement	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	5 Year Plan
Forecast Budget Gap - December	3.990	6.536	14.286	2.537	3.591	30.940
Growth Proposal January	0.441	0.000	0.000	0.000	0.000	0.441
Adjustment - January	(0.273)	1.425	(0.105)	0.657	0.269	1.974
Forecast Budget Gap - January	4.158	7.961	14.182	3.194	3.860	33.355

7.3 The £0.441m growth pressure in 2018/19 is as a result of Legislative practice (£0.271m) and £0.170m Capacity pressure (as detailed in table 2 and 3).

7.4 The cumulative budget gap has increased to £33.355m over the period and £4.158m in 2018/19, due to other adjustments in the forecast as a result of the provisional Local Government Finance Settlement.

7.5 Figure 1 below illustrates the revised forecast cumulative budget gap over the 5 year period to 2022/23 based upon the assumptions set out in the remainder of the report in relation to expenditure pressures and future funding streams:



7.6 The forecast is based upon a number of key assumptions as reported in October and December 2017 cabinet reports and updated to take account of the provisional Local Government Finance Settlement figures.

7.7 Cabinet approved total savings of £9.632m including £3.554m in 2018/19 at its meeting in October and a further £1.390m of which £0.588m relates to 2018/19 at its meeting in December. All of these savings have been incorporated into the forecast figures.

8. Timetable and approach for Budget Setting

SLT are continuing to work to develop further budget proposals for consideration by Cabinet as follows

- January Scrutiny Board
 - Review and Challenge of Cabinet approved proposals
 - Further update on financial assumptions

- February Cabinet
 - Final budget and council tax proposals and results of consultation considered and approved to recommend to Council
 - Final consideration of Capital Programme including Housing Capital Programme and recommendation to Council
 - Final consideration of the Treasury Management Strategy and approved to recommend to Council
 - Consideration and approval of the Housing Revenue Account

- February Council
 - Council Tax Setting Report
 - Consideration and approval of reports recommended by February Cabinet

REASONS AND OPTIONS

Reasons for the decision:

This enables the Council to develop its budget as set out in the constitution. The Council Tax support scheme from April 2018 needs to be approved by Council.

Other options considered:

None. The Council is required to prepare and set a balanced budget and to approve the Council Tax support scheme.

IMPLICATIONS AND RISKS

Financial implications and risks:

The financial implications of the Councils MTFs are the subject of this report and are therefore set out in the body of this report.

Legal implications and risks:

The Council is subject to a number of financial duties, for instance, the Council is under a duty to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness." s 3 Local Government Finance Act 1999. The Council is also required to set a balanced budget, taking into account a range of factors, and decisions must also be taken in accordance with the Council's duties under the Equality Act 2010.

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:

Under Section 149 of the Equality Act 2010 the Council has a duty, in the exercise of its functions, to have due regard to the need to

- Eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Act.

Cabinet 17 January 2018

- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not.

The “protected characteristics” are: age, disability, race, religion or belief, sex, sexual orientation, pregnancy and maternity, and gender reassignment. Marriage and civil partnership are also a protected characteristic for the purposes of the duty to eliminate discrimination.

The preparation of the budget is a Council function. All proposals are being evaluated during the budget process to understand their impact and detailed equality impact assessments will be undertaken when any final decisions are taken in relation to specific proposals, with mitigating actions identified to minimise any adverse impact identified where possible. However, the Council also faces significant challenges in achieving a balanced budget, not only in terms of funding reductions, but also in terms of the rising demand for services, and budgetary constraints are a legitimate consideration in making decisions.

An analysis of proposed Council Tax support scheme is attached at Appendix B scheme remains unchanged since 2015 where an equalities analysis was also undertaken.

BACKGROUND PAPERS

This page is intentionally left blank

London Borough of Havering

Summary of Council Tax Support Scheme 2018

Introduction

Each local authority is required by Section 9 of the Local Government Finance Act 2012 (the Act) to produce a Scheme to reduce the liability of working age applicants whom it considers to be in financial need.

This document summarises the proposed Council Tax Support Scheme 2018 (2018 Scheme) which the Council has produced in accordance with Schedule 4 of the Act. The full version of **The London Borough of Havering Local Council Tax reduction Scheme 2018-19** can be found at [url to be provided](#).

The Council's local Scheme will have due regard to the Department for Communities and Local Government's policy intentions and unequivocally protects pensioners.

Havering's 2018 Scheme has been interpreted and applied in accordance with the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 which set out matters that must be included in the 2018 Scheme.

Summary of Council Tax Support Scheme from April 2018

From April 2018, the 2018 Scheme will adopt the existing Council Tax Support Scheme in place at 31 March 2018 as summarised in this document.

In this document 'the current Scheme' means Havering's existing Council Tax Support Scheme which was adopted in January 2013 and then amended with effect from April 2014, April 2015 and again with effect from April 2016.

Unless expressly stated otherwise, the provisions outlined below relate solely to working age applicants under the current Scheme.

No amendments are proposed to the 2018 Scheme which effectively adopts the current Council Tax Support Scheme for 2017.

This document summarises the Council's proposed Scheme for eligible working age Council Tax Payers to receive Council Tax Support in 2018.

The Scheme applicable to pensioners is fully defined in The Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012, Part 3, and Schedules 1 to 6, which is adopted within the 2018 Scheme.

The procedure for the application and calculation of the 2018 Scheme is summarised below and is made in accordance with Schedules 7 and 8 of the Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012.

The principles embodying the Local Council Tax Support Scheme 2018 include:

- An expectation that the Council will manage significant reductions in subsidised expenditure.
- Adherence to Regulations which have been set to protect claimants of pensionable age.
- Consultation on changes to the Scheme will take place with precepting authorities and the public.
- The Council will adopt the final Scheme before 31 January 2018
- The Council aims to protect vulnerable groups.
- In reviewing Schemes, the Council will consider incentivising claimants into work.

The Local Council Tax Support Scheme 2018 includes the following information:

- Introduction and definitions
- Provisions relating to entitlement under the Scheme
- Applicable amounts
- Maximum Council Tax Support or Reduction
- Amount of reduction under the Scheme
- Assessment of Income and Capital under the Scheme
- Students
- Applications
- Extended reductions
- Period of entitlement and changes of circumstances
- Schedules

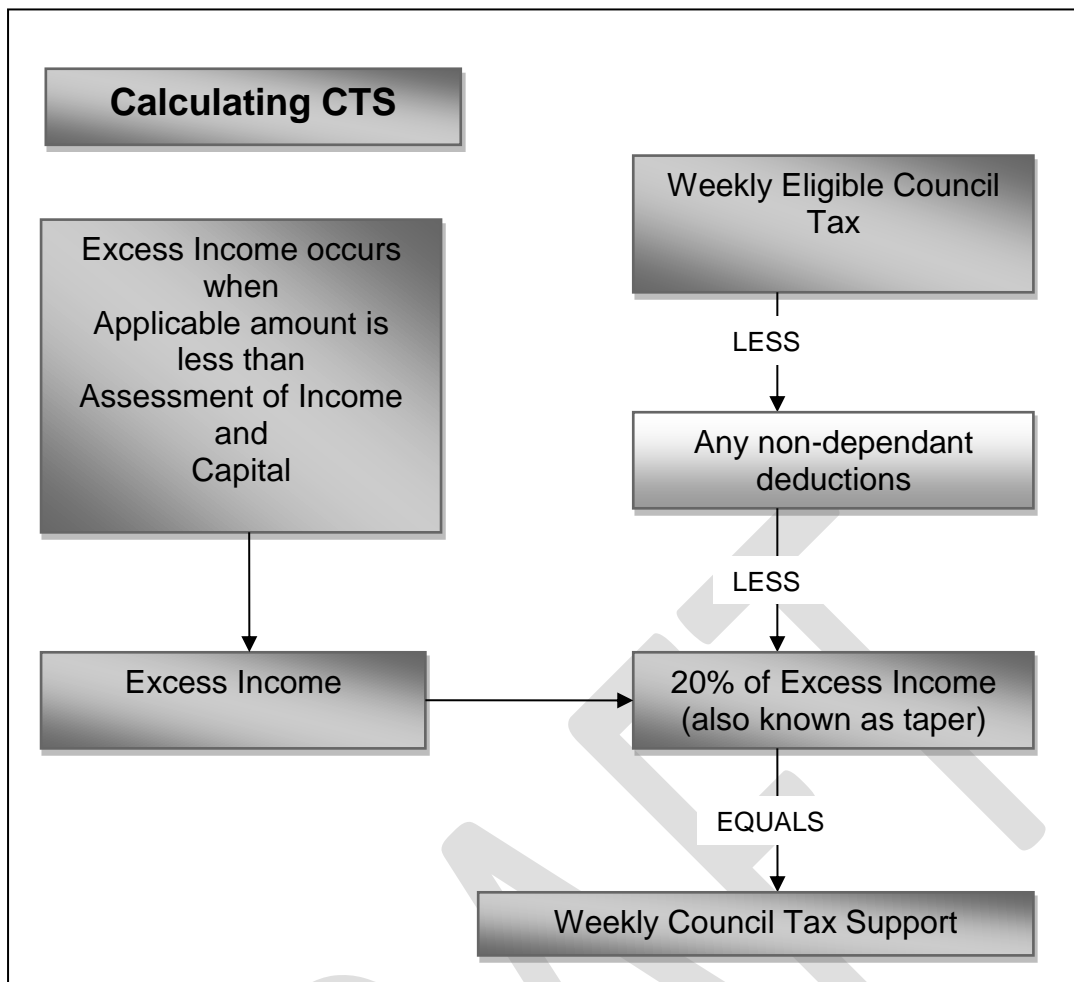
The Council Tax Support Calculation

The starting point for all calculations of Council Tax Support is the claimant's 'maximum benefit'. This is the claimant's weekly eligible Council Tax less any non-dependant deductions that apply. From April 2015 the maximum benefit figure for working age claimants changed from 100% of their council tax liability to 85% of their Council Tax liability. This means that every working age household must pay a minimum charge of 15% towards their Council Tax Bill.

Income and capital are compared to the claimant's applicable amount. The amount used to represent the claimant's needs is called the applicable amount. Any income over the applicable amount is known as the Excess Income.

The claimant qualifies for maximum support less 20% of any excess income figure. The 20% reduction to the maximum benefit is known as a taper.

Claimants in receipt of Job Seeker's Allowance and Income Support have already been assessed by the Department for Work and Pensions (DWP) as having income lower than their applicable amount and so will receive maximum Council Tax Support less any non-dependant deductions.



Non-Dependant Deductions

A non-dependant deduction is an amount of council tax that is due from the CTS claimant because there is another adult (non-dependant) who receives an income, who is not the claimant's partner, living in the household. This reduces the amount of CTS a claimant will receive which is described in paragraph 30(A) of the 2018 Scheme.

The non-dependant deductions in respect of a day referred to in the CTS Scheme shall be—

- (a) *in respect of a non-dependant aged 18 or over in remunerative work, £20.00 x 1/7;*
- (b) *in respect of a non-dependant aged 18 or over to whom sub-paragraph (a) does not apply, £6.00 x 1/7.*

(1) In the case of a non-dependant aged 18 or over to whom paragraph (1)(a) applies, where it is shown to the appropriate authority that his normal gross weekly income is—

- (a) *Less than £196.95, the deduction to be made under this regulation shall be that specified in paragraph (1)(b);*
- (b) *Not less than £196.95 but less than £341.40, the deduction to be made under this regulation shall be £9.00;*
- (c) *Not less than £341.40 but less than £424.20, the deduction to be made under this regulation shall be £15.00.*

(c) *More than £424.20*, the deduction shall be £20.00

Council Tax Support Band D Restriction for Working-Age Claimants

Since April 2014, the eligible weekly council tax used to calculate Council Tax Support for working-age claimants will be no higher than the weekly Council Tax Band D value for a property in Havering.

Paragraph 29A(1) of the CTS Scheme 2018 provides that:

- (1) Subject to paragraphs (2) to (5), the amount of a person's maximum council tax support in respect of a day for which he is liable to pay council tax, shall be 85 per cent of the amount A/B where—
 - (a) A is the amount set by the appropriate authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; and
 - (b) B is the number of days in that financial year, less any deductions in respect of non-dependants which fall to be made under regulation 58 (non-dependant deductions).
- (2) In calculating a person's maximum council tax benefit any reduction in the amount that person is liable to pay in respect of council tax, which is made in consequence of any enactment in, or made under, the 1992 Act, shall be taken into account.
- (3) The level of any Council Tax Support awarded shall be restricted to the level of band D
- (4) Subject to paragraph (5), where a claimant is jointly and severally liable for council tax in respect of a dwelling in which he is resident with one or more other persons but excepting any person so residing with the claimant who is a student to whom regulation 45(2) (students who are excluded from entitlement to council tax benefit) applies, in determining the maximum council tax benefit in his case in accordance with paragraph (1), the amount A shall be divided by the number of persons who are jointly and severally liable for that tax.
- (5) Where a claimant is jointly and severally liable for council tax in respect of a dwelling with only his partner, paragraph (4) shall not apply in his case.

Maximum Council Tax Support is 85% of the annual Council Tax

Since April 2015, Maximum Council Tax Support for working age claimants is 85% of their Council Tax Liability.

This means that every working age household has to pay a minimum charge of 15% of their Council Tax Bill.

Paragraph 29A of the CTS Scheme 2018 provides that:

(1) Subject to sub-paragraphs (2) to (4), for persons in classes D to E in this Scheme a person's maximum council tax reduction amount in respect of a day is 85 per cent of the amount A/B where—

(a) A is the amount set by the authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; and

(b) B is the number of days in that financial year, less any deductions in respect of non-dependants which fall to be made under paragraph 30A (non-dependant deductions: persons who are not pensioners) and any award restricted to the level of Band D

Capital Limit £6,000.

From April 2015, the amount of savings and investments people are allowed to have and still be entitled to claim CTS is £6,000.

From April 2015, applicants who have more than £6,000 in savings or investments are not eligible to claim and will therefore have no entitlement to CTS. Applicants in receipt of Income Support, Job Seeker's Allowance (Income Based) or Employment Support Allowance (income related) are excluded from the £6,000 savings limit and are therefore eligible to claim CTS.

Applications for Council Tax Support

The application process applies to both pension-age and working-age applicants

The following procedure has been devised in accordance with the Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012, referred to as 'the Regulations' below.

Entitlement to CTS is dependent on an application being made:

- (a) By means of an electronic communication or
- (b) By telephone following publication by the Council of a number for this purpose.
- (c) In writing

The electronic form provided by the Council for this purpose must be properly completed, and the Council may require the applicant to complete the form in the proper manner, and may further require that further information and evidence is provided by the applicant.

An application will not be considered if the applicant does not provide all of the information the Council requires.

Applications made by telephone will only be accepted if the applicant provides a written statement of their circumstances in the format required by the Council.

The Council will allow a certain length of time for applicants to correct any defects in their application.

The Regulations provide for which classes of people are eligible to make application for Council Tax Support.

Evidence and Information

Any person who makes an application or any person to whom a reduction under the CTS Scheme 2018 has been awarded shall furnish such certificates, documents, information and evidence in connection with the application or award, or question arising out of it as may reasonably be required by the Council in order to determine the person's entitlement.

Where the Council requests information it shall inform the applicant or person of their duty to notify the Council of any change of circumstances and shall indicate the kind of changes of circumstances which the Council must be made aware of.

Matters related to the electronic communication of information, proof of delivery and content of information will be determined in accordance with Part 4 of Schedule 7 of the Regulations.

Where the person is a pensioner paragraph 7(4) (5) (6) and (7) of Schedule 8 of the Regulations apply which specify matters relevant to evidence and information related to pensioners.

Amendment and Withdrawal of Applications

Any person who has made an application may amend it at any time before a decision had been made by serving a notice in writing to the Council in accordance with paragraph 8 of Schedule 8 of the Regulations.

Decisions by the Council

The Council will make a decision in respect of any application for a reduction under this Scheme in accordance with the criteria set out within the CTS Scheme 2018 rules.

The decision will be made within 14 days or as soon as reasonably practicable of the Council receiving at its designated office the properly completed application or the information requested to complete it or the evidence required. The date upon which the Council is deemed to have received the properly completed application shall be determined in accordance with paragraphs 6 of Schedule 1, paragraph 7 and Part 1 of Schedule 7 of the Regulations being satisfied, or as soon as reasonably practicable thereafter.

The Council will notify the applicant or any person affected by its decision under the Scheme in writing or electronically within 14 days or as soon as reasonably practicable.

An Applicant may, within one calendar month of the notification of the decision, request in writing from the Council a statement setting out the reasons for its decision on any matter contained in the notice.

Following receipt of a request for a written statement the Council will provide this within 14 days or as soon as reasonably practicable thereafter.

Where an award or payment of reduction is made the time and manner of granting the reduction under the Scheme will be in accordance with Part 5 of Schedule 8 of the Regulations.

Change of Circumstances

For working-age Claimants, the date on which changes of circumstances are to take effect will be determined in accordance with paragraph 4 of Part 2 of Schedule 8 of the Regulations.

Procedure for making an Appeal

Any applicant who is not in agreement with the decision of the Council taken under this Scheme may serve a notice in writing on the Council setting out their reasons and grounds upon which they believe the Council has made the wrong decision.

Following receipt of an appeal in writing the Council will:

- (1) Consider the appeal
- (2) Notify the applicant in writing of the following:
 - (i) Any decision not to uphold the appeal and the reasons for that; or
 - (ii) That steps are being taken to proceed with the appeal and set out what steps.

Where an applicant remains dissatisfied following receipt of any written notice sent by the Council in response to their appeal, they may within two months of the service of that notice, appeal to the valuation tribunal.

Applications for further Discretionary Reductions

Under Section 13A(1)(c) of the Local Government Finance Act 1992 and The Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012, the Authority will consider applications for a further reduction in Council Tax.

There will be financial implications in that the cost of any reduction will be a direct cost to the Council. The cost of any discretionary reduction will, therefore, have to be met by the rest of the council taxpayers.

Applications must be made in writing or by prescribed electronic communications.

The Council will, in making decisions for further discretionary reductions, have due regard to its duties under The Child Poverty Act 2010, The Housing Act 1996, and The Equality Act 2010.

The Council will review all relevant matters when deciding whether to award a reduction including, but not limited to:

- The circumstances of any other person with whom the applicant is jointly and severally liable for Council Tax.
- The overall financial situation of the applicant and the applicant's family.
- The effect the council believes making an award will have on the applicant and any members of the applicant's family.
- Protecting the public purse and maintaining financial budgets.

A person who applies for a discretionary reduction may request that the Council review its decision. Any such request must be made in writing and be received within one month of the date the notification of the decision.

DRAFT

Equality Impact Assessment (EIA)

Document control

Title of activity:	Council Tax Support Scheme 2018
Type of activity:	This is a scheme which provides assistance to people on low incomes to help them pay their Council Tax.
Lead officer:	Chris Henry, Head of Council Tax & Benefits, Exchequer & Transactional Services, oneSource
Approved by:	Sarah Bryant, Director of Exchequer & Transactional Services
Date completed:	November 2017
Scheduled date for review:	November 2018

Did you seek advice from the Corporate Policy & Diversity team?	Yes
Does the EIA contain any confidential or exempt information that would prevent you publishing it on the Council's website?	No

1. Equality Impact Assessment Checklist

The Equality Impact Assessment (EIA) is a tool to ensure that your activity meets the needs of individuals and groups that use your service. It also helps the Council to meet its legal obligation under the [Equality Act 2010 and the Public Sector Equality Duty](#).

Please complete the following checklist to determine whether or not you will need to complete an EIA. Please ensure you keep this section for your audit trail. If you have any questions, please contact the Corporate Policy and Diversity Team at diversity@haverling.gov.uk

About your activity

1	Title of activity	Council Tax Support Scheme 2018
2	Type of activity	This is a scheme which provides assistance to people on low incomes to help them pay their Council Tax.
3	Scope of activity	<p>Many people on low incomes can get Council Tax Support (CTS) to help them pay their council tax bills. The Council Tax Support Scheme is funded by the Government and the Council who pay significantly towards the scheme as well.</p> <p>The CTS grant has been rolled into the Settlement Funding Allocation which has been reduced in-line with core funding reduction. While Government funding continues to fall, the Council has committed to maintaining the current 2017 CTS scheme in 2018.</p> <p>The proposed scheme will continue to protect pensioners who will get the same level of council tax support as they do now.</p> <p>It is proposed the CTS 2017/18 Scheme remains unchanged for working age claimants in 2018/19.</p>
4a	Is the activity new or changing?	No
4b	Is the activity likely to have an impact on individuals or groups?	No
5	If you answered yes:	

Completed by:	Chris Henry, Head of Council Tax & Benefits
----------------------	---

Date:

November 2017

DRAFT

2. Equality Impact Assessment

Background/context:

The Council proposes to maintain the Council Tax Support (CTS) Scheme in place since April 2015 for 2018/19. The scheme provides assistance to people on low incomes to help them pay their Council Tax.

The CTS grant has been rolled into the Settlement Funding Allocation which has been reduced in-line with core funding reduction. While Government funding continues to fall, the Council has committed to maintaining the current 2017 CTS scheme in 2018.

The proposed scheme will continue to protect pensioners who will get the same level of Council Tax Support as they do now.

In respect of working age claimants, the proposed scheme will provide the same level of support as it does now.

At 31 August 2017, 8,994 working-age claimants and 6,584 pensionable age claimants were in receipt of Council Tax Support.

CTS changes were catered for within the package of priorities and it can therefore be seen that in general respondents were in favour of the overall priorities change and a majority of residents were not in favour of raising council tax above 2% in order not to make up reductions proposed.

Support remains in place through the Council Tax Discretionary policy for those who suffer hardship.

In terms of the number of Council Tax Support Claimants and their household and personal status, the overall total, compared to last year, has reduced from 16,177 to 15,578 (Aug 2017).

<u>Council Tax Support Case Group Descriptions</u>	<u>Count</u>
Elderly - Non-Passported - Carer	142
Elderly - Non-Passported - Child Under 5	0
Elderly - Non-Passported - Enhanced Disability	0
Elderly - Non-Passported - Family Premium	3
Elderly - Non-Passported - Family Premium - 1 Child	8
Elderly - Non-Passported - Family Premium - 2 Child	2
Elderly - Non-Passported - Family Premium - 4 Child	1
Elderly - Non-Passported - Non Dependant	334

Elderly - Non-Passported - Other	1772
Elderly - Non-Passported - Severe Disability	393
Elderly - Non-Passported - War Pensioners	17
Elderly - Non-Passported - Working	84
Elderly - Passported - Carer	171
Elderly - Passported – Disabled Child premium	1
Elderly - Passported - Enhanced Disability	1
Elderly - Passported - Family Premium	7
Elderly - Passported - Family Premium - 1 Child	9
Elderly - Passported - Family Premium - 2 Child	3
Elderly - Passported - Family Premium - 3 Child	1
Elderly - Passported - Family Premium - 4 Child	0
Elderly - Passported - Non Dependant	468
Elderly - Passported - Other	2301
Elderly - Passported - Severe Disability	849
Elderly - Passported - Working	17
TOTAL (Elderly) = 6,584 (42%)	
Working Age - Non-Passported - Carer	100
Working Age - Non-Passported - Child Under 5	382
Working Age - Non-Passported - Disability	101
Working Age - Non-Passported - Disabled Child Premium	33
Working Age - Non-Passported - Enhanced Disability	254
Working Age - Non-Passported - Family Premium	101
Working Age - Non-Passported - Family Premium - 1 Child	620
Working Age - Non-Passported - Family Premium - 2 Child	471
Working Age - Non-Passported - Family Premium - 3 Child	180
Working Age - Non-Passported - Family Premium - 4 Child	54
Working Age - Non-Passported - Family Premium - 5 and above	7
Working Age - Non-Passported - Lone Parent Child Under 5	424
Working Age - Non-Passported - Non Dependant	38
Working Age - Non-Passported - Other	182
Working Age - Non-Passported - Severe Disability	138
Working Age - Non-Passported - War Pensioners	4
Working Age - Non-Passported - Working	439
Working Age - Passported - Carer	445
Working Age - Passported - Child Under 5	91
Working Age - Passported - Disability	153
Working Age - Passported - Disabled Child Premium	30
Working Age - Passported - Enhanced Disability	1225
Working Age - Passported - Family Premium	67
Working Age - Passported - Family Premium - 1 Child	401
Working Age - Passported - Family Premium - 2 Child	181
Working Age - Passported - Family Premium - 3 Child	53
Working Age - Passported - Family Premium - 4 Child	10
Working Age - Passported - Family Premium - 5 and Above	2
Working Age - Passported - Lone Parent Child Under 5	876

Working Age - Passported - Non Dependant	250
Working Age - Passported - Other	833
Working Age - Passported - Severe Disability	808
Working Age - Passported - Working	41
TOTAL (Working Age) = 8,994 (58%)	
Grand Total Working Age & Elderly	15,578

Age: Consider the full range of age groups	
<i>Please tick (✓) the relevant box:</i>	
Positive	<input type="checkbox"/>
Neutral	<input checked="" type="checkbox"/>
Negative	<input type="checkbox"/>
Overall impact:	
There are no changes proposed to the CTS 2018 Scheme.	
The impact of this scheme, as compared to the scheme available in 2015/16, remain the same as in the Equality Impact Analysis prepared in January 2015	
Evidence:	
Sources used:	

Disability: Consider the full range of disabilities; including physical mental, sensory and progressive conditions	
<i>Please tick (✓) the relevant box:</i>	
Positive	<input type="checkbox"/>
Neutral	<input checked="" type="checkbox"/>
Negative	<input type="checkbox"/>
Overall impact:	
There are no changes proposed to the CTS 2018 Scheme.	
The impact of this scheme, as compared to the scheme available in 2015/16, remains the same as in the Equality Impact Analysis prepared in January 2015.	

Evidence:

Sources used:

Sex/gender: Consider both men and women

<i>Please tick (✓) the relevant box:</i>		Overall impact: There are no changes proposed to the CTS 2018 Scheme. The impact of this scheme, as compared to the scheme available in 2015/16, remains the same as in the Equality Impact Analysis prepared in January 2015.
Positive	<input type="checkbox"/>	
Neutral	<input checked="" type="checkbox"/>	
Negative	<input type="checkbox"/>	

Evidence:

Sources used:

Ethnicity/race: Consider the impact on different ethnic groups and nationalities

<i>Please tick (✓) the relevant box:</i>	Overall impact:
--	------------------------

Positive		
Neutral	✓	
Negative		

Information:

The tables below show the projected figures for the breakdown of Havering by ethnicity/race and for Benefits claimants where they have supplied this information. The data is difficult to compare due to the different classifications of ethnicity used.

2017 (projection)	Number	Percentage of population (%)
All ethnicities	253,478	100.00
White	211,814	83.6
Black Caribbean	3,696	1.5
Black African	10,405	4.1
Black Other	1510	0.6
Indian	7,405	2.9
Pakistani	2,400	0.9
Bangladeshi	1,883	0.7
Chinese	1,567	0.6
Other Asian	3,651	1.4
Mixed	7,498	3.0
Other	1,648	0.7
<i>BAME¹ Total</i>	<i>41,663</i>	<i>16.4</i>

Council Tax Support/Housing Benefit Claimants where Equalities information provided October 2017

	Number	Percentage of claimants who provided information
White: British	7882	65.92%
White: Irish	158	1.32%
White: Any Other	1018	8.51%
Mixed: White & Black Caribbean	177	1.48%
Mixed: White & Black African	84	0.70%
Mixed: White and Asian	46	0.39%

¹The GLA define BAME differently to the ONS. The GLA does not include a 'White Other' Group. Instead they have one category 'White' that includes 'White British' and 'White Other'.

Mixed: Any Other	99	0.83%
Asian/Asian British: Indian	165	1.38%
Asian/Asian British: Pakistani	204	1.71%
Asian/Asian British: Bangladeshi	175	1.46%
Asian/Asian British: Any Other	118	0.99%
Black/Black British: Caribbean	341	2.85%
Black/Black British: African	1007	8.42%
Black/Black British: Any Other	146	1.22%
Chinese	21	0.18%
Any Other	198	1.66%
Gypsy/Traveller	9	0.07%
Arab	35	0.29%
Asian/Other	14	0.12%
Claimant Declined	60	0.50%
Total	11957	100%

From the data provided above, it would appear that there is a disproportionate impact on BME claimants. 83.6% of Havering's population are defined as White (including the 'White: Other' category such as Eastern Europeans), compared to 75.8% of benefit claimants who define themselves as White (including 'White: Other').

Sources used:

*

Religion/faith: Consider people from different religions or beliefs including those with no religion or belief

Please tick (✓) the relevant box:

Overall impact:

There are no changes proposed to the CTS 2018 Scheme

Positive

Neutral

Negative

Evidence:

Sources used:

Sexual orientation: Consider people who are heterosexual, lesbian, gay or bisexual

Please tick (✓) the relevant box:

Overall impact:

Positive	<input type="checkbox"/>	Not known There is no information available to make an assessment on the impact of the proposals on this protected characteristic.
Neutral	<input type="checkbox"/>	
Negative	<input type="checkbox"/>	
Evidence:		
Sources used:		

Gender reassignment: Consider people who are seeking, undergoing or have received gender reassignment surgery, as well as people whose gender identity is different from their gender at birth		
<i>Please tick (✓) the relevant box:</i>		Overall impact:
Positive	<input type="checkbox"/>	There are no changes proposed to the CTS 2018 Scheme. The impact of this scheme, as compared to the scheme available in 2015/16, remains the same as in the Equality Impact Analysis prepared in January 2015.
Neutral	<input type="checkbox"/>	
Negative	<input type="checkbox"/>	
Evidence:		
Sources used:		

Marriage/civil partnership: Consider people in a marriage or civil partnership		
<i>Please tick (✓) the relevant box:</i>		Overall impact:

Positive		There are no changes proposed to the CTS 2018 Scheme. The impact of this scheme, as compared to the scheme available in 2015/16, remains the same as in the Equality Impact Analysis prepared in January 2015.
Neutral		
Negative		
Evidence:		
Sources used:		

Pregnancy, maternity and paternity: Consider those who are pregnant and those who are undertaking maternity or paternity leave		
<i>Please tick (✓) the relevant box:</i>		Overall impact:
Positive		There are no changes proposed to the CTS 2018 Scheme The impact of this scheme, as compared to the scheme available in 2015/16, remains the same as in the Equality Impact Analysis prepared in January 2015.
Neutral		
Negative	✓	
Evidence:		
Sources used:		

Socio-economic status: Consider those who are from low income or financially excluded backgrounds		
<i>Please tick (✓) the relevant box:</i>		Overall impact:

Positive		There are no changes proposed to the CTS 2018 Scheme. The impact of this scheme, as compared to the scheme available in 2015/16, remains the same as in the Equality Impact Analysis prepared in January 2015.
Neutral	✓	
Negative		
Evidence:		
Sources used:		

DRAFT

Action Plan

In this section you should list the specific actions that set out how you will address any negative equality impacts you have identified in this assessment.

Protected characteristic	Identified negative impact	Action taken to mitigate impact*	Outcomes and monitoring**	Timescale	Lead officer
		<p>The Discretionary Policy is available to residents who are experiencing hardship.</p>	<p>In 2016, one application was made under the Discretionary Policy. This application was paid and discharged the remaining council tax liability for a working age applicant.</p> <p>During 2017, only one application has been received which was granted to the same applicant from 2016 whose circumstances had not changed since 2015.</p> <p>The fact that there has been no increase in applicants with disabilities presenting to the Discretionary Scheme would indicate that the</p>		

Cabinet, dd mmmm yyyy

			15% Council Tax charge is being managed by this group.		
--	--	--	--	--	--

Review

In this section you should identify how frequently the EIA will be reviewed; the date for next review; and who will be reviewing it.

The EIA will be reviewed at annual intervals or earlier if the Council Tax Support scheme is reviewed earlier than September 2018.