Public Document Pack

Havering
LONDON BOROUGH

CABINET

7.30 pm	Wednesday 7 February 2018	Council Chamber - Town Hall

Members 9: Quorum 3

Councillor Roger Ramsey (Leader of the Council), Chairman

	Cabinet Member responsibility:
Councillor Damian White	Housing
Councillor Robert Benham	Children & Learning
Councillor Wendy Brice-Thompson	Adult Social Services and Health
Councillor Osman Dervish	Environment and Community Safety
Councillor Melvin Wallace	Culture and Community Engagement
Councillor Clarence Barrett	Financial Management, Transformation & IT
Councillor Ron Ower	Housing Development Company and OneSource Management
Councillor Joshua Chapman	Deputy Cabinet Member for Housing
Councillor Jason Frost	Deputy Cabinet Member for Environment, Regulatory Services & Community Safety

Andrew Beesley
Head of Democratic Services

For information about the meeting please contact:
Debra Marlow tel: 01708 433091
e-mail: debra.marlow@onesource.co.uk

Webcast

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.

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:-

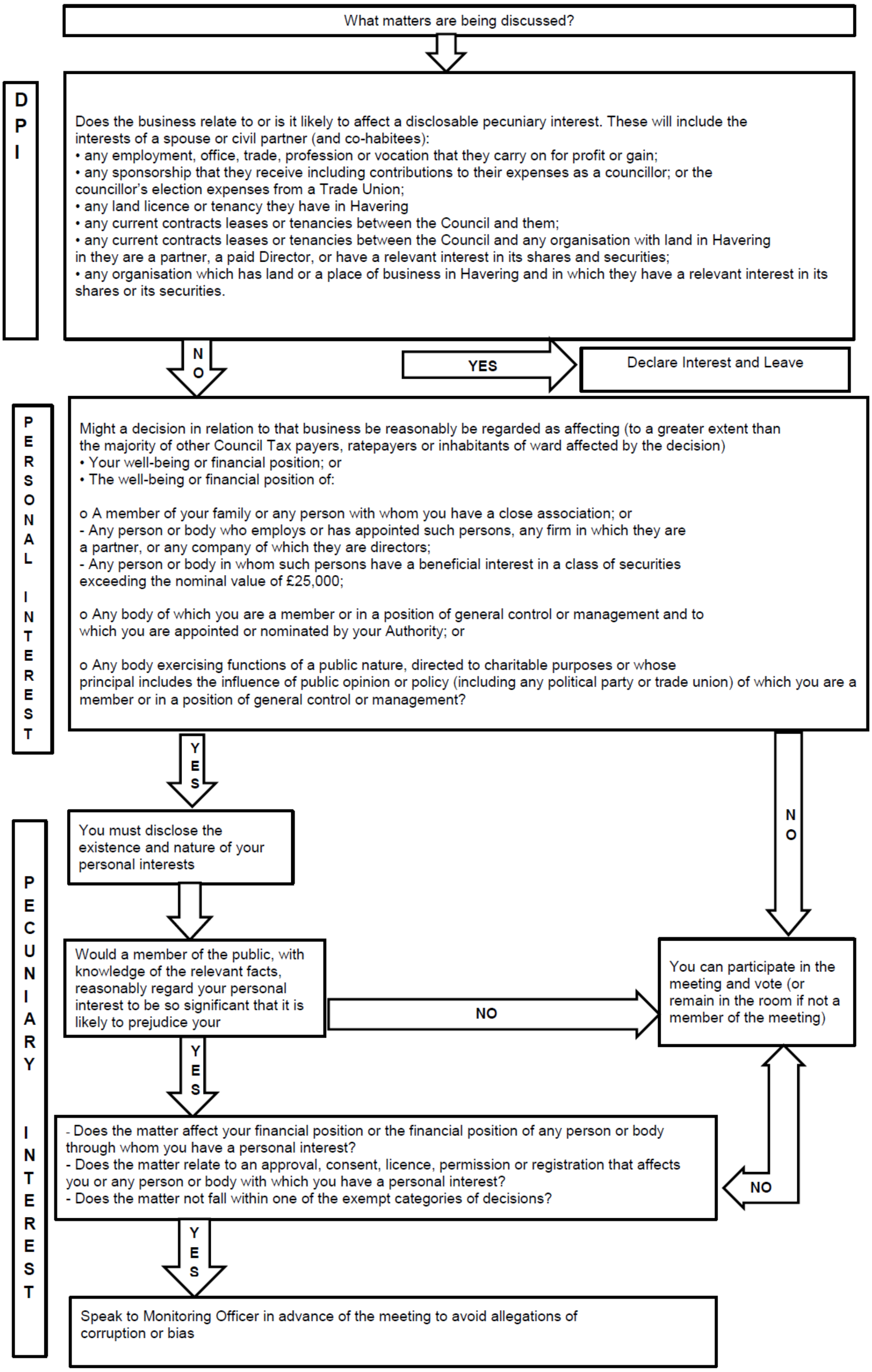
- filming, photographing or making an audio recording of the proceedings of the meeting;
- using any other means for enabling persons not present to see or hear proceedings at a meeting as it takes place or later; or
- reporting or providing commentary on proceedings at a meeting, orally or in writing,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

DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF



AGENDA

1 ANNOUNCEMENTS

On behalf of the Chairman, there will be an announcement about the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 APOLOGIES FOR ABSENCE

(if any) - receive

3 DISCLOSURES OF INTEREST

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

4 MINUTES (Pages 1 - 16)

To approve as a correct record the minutes of the meeting held on 17 January 2018, and to authorise the Chairman to sign them.

5 THE COUNCIL'S FINAL 2018/19 BUDGET, MEDIUM TERM FINANCIAL STRATEGY AND COUNCIL TAX PROPOSAL (Pages 17 - 232)

6 THE HOUSING REVENUE ACCOUNT (HRA) BUDGET FOR 2018/2019 AND HRA MAJOR WORKS CAPITAL PROGRAMME 2018/19 - 2021/22 (Pages 233 - 260)

7 TREASURY MANAGEMENT STRATEGY STATEMENT, PRUDENTIAL INDICATORS AND MINIMUM REVENUE PROVISION STATEMENT FOR 2018/19 (Pages 261 - 298)

8 FINANCIAL INCLUSION STRATEGY (Pages 299 - 340)

9 EMPLOYMENT AND SKILLS PLAN (Pages 341 - 430)

MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Wednesday, 17 January 2018
(7.30 - 9.30 pm)

Present:
Councillor Roger Ramsey (Leader of the Council), Chairman

	Cabinet Member responsibility:
Councillor Damian White	Housing
Councillor Robert Benham	Children & Learning
Councillor Wendy Brice-Thompson	Adult Social Services and Health
Councillor Osman Dervish	Environment and Community Safety
Councillor Melvin Wallace	Culture and Community Engagement
Councillor Clarence Barrett	Financial Management, Transformation & IT
Councillor Ron Ower	Housing Development Company and OneSource Management
Councillor Joshua Chapman	Deputy Cabinet Member for Housing
Councillor Jason Frost	Deputy Cabinet Member for Environment, Regulatory Services & Community Safety

23 **ANNOUNCEMENTS**

Announcements were made in relation to the evacuation procedure in the event of fire or other emergency.

24 **APOLOGIES FOR ABSENCE**

There were no apologies for absence.

25 **DISCLOSURES OF INTEREST**

There were no disclosures of interest.

26 **MINUTES**

The minutes of the meeting of Cabinet held on 13 December 2017 were agreed as a correct record and signed by the Chairman.

27 **MEDIUM TERM FINANCIAL STRATEGY AND 18/19 BUDGET UPDATE**

The report was presented by the Leader of the Council.

It was reported that at its meeting in October 2017, 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. 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. The
Report before Members:

- Provided an update on the policy and strategic context and assumptions within the MTFS and the forecast budget gap
- Presents for approval amendments to the Council Tax Support Scheme
  from April 2018.
- Budget Risks

The detail in the report was 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.

It was noted that 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, there is insufficient information to make any other assumption.

It was explained that 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.

It was noted that the movement in the budget gap since the December cabinet figure is due to budget adjustment of £1.974m 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.

At period 8, the forecast outturn position for service directorates and oneSource is £140.207m resulting in a forecast overspend of £4.367m (3.31%). 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. 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 am 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.

Reasons for the decision:

To enable the Council to develop its budget as set out in the constitution.

The Council Tax support scheme from April 2018 will 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.

Cabinet:

1. **Noted** 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. **Noted** the outcome of the Autumn Budget Statement and the likely impact on local authorities.

3. **Noted** 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. **Noted** that a public engagement exercise on the budget process will be carried out during January 2018.

5. **Will Recommend to Full Council** that the Council Tax Support Scheme 2018 is approved. (Appendices A and B of the report)

6. **Noted** the Equalities Impact Assessment in respect of the Council Tax Support Scheme as set out in Appendix B of the report.

7. **Noted** a correction to paragraph 2.3 of the report. The correct figure for the Adult Social Care (ASC) Support Grant was £1.010m; not £6.565m as printed in the report.

28 SELECTION AND APPOINTMENT OF A JOINT VENTURE PARTNER TO DELIVER THE LONDON BOROUGH OF HAVERING'S ESTATE REGENERATION PROGRAMME

Councillor Damian White, Cabinet Member for Housing and Deputy Leader of the Council, introduced the report

In June 2016 and October 2016, Cabinet received reports regarding increasing the amount of affordable homes through the HRA and a Review of Older Persons Housing. As a result of the information provided to Cabinet the 12 sites for regeneration were identified and agreed along with the prioritisation of the sites within the programme.

In the reports to Cabinet identified above, information was provided on the extensive consultation process that had commenced with residents on the estates and how the feedback had been used to shape the final proposals being put forward. Since October 2016 the consultation process has continued with tenants and residents of the sites and has been extended to include residents who are neighbouring the sites. The report before Members provided Cabinet with a full update on the consultation process.

In those reports, Cabinet was provided with information on the review of procurement processes to deliver such a programme across the 12 initial sites (“the 12 Sites”) and consequently, the procurement commenced of a Joint Venture Partner via an OJEU compliant process (as implemented by the Public Contracts Regulations 2015) through competitive dialogue.

The report informed Cabinet of the outcome of that process and sought approval for the award of Preferred Bidder status to the highest scoring bidder to enter the confirming commitment stage to finalise the terms of the contract and also to award and enter into the contract on the basis set out in this report.

The report also summarised the rationale for the venture and provided information on the consultation and procurement processes. It also detailed the intended outcomes of the initiative and the legal and financial implications.

Reasons for the Decision:

By entering into a Joint Venture Limited Liability Partnership, the Council secures significant investment and specialism from the private sector whilst acquiring a degree of control over the scheme. The Council is therefore better placed to secure its regeneration objectives for the 12 Sites than if it relied solely on its role as planning authority and its land assembly powers and/or through a purely contractual arrangement with a private sector partner.

Other options considered:

A detailed options appraisal of the following options was undertaken:

- Developer led - Council adopts a ‘do nothing’ approach
- JVLLP with BIDDER C
- Commence an OJEU process to select a developer
- Commence an OJEU process to select a JVLLP partner

The following criteria were used:

- Ensuring a comprehensive development
- Direct influence over design and management standards
- Ensuring delivery of infrastructure
- Meeting deadlines to retain GLA Housing Funding
- Minimising investment and risk
- Obtaining a financial return from the scheme
- Cost of procurement

That Cabinet:

1. **Approved** the inclusion of a budget of £63.3m equity for the scheme together with a budget of £50.5m for potential land acquisition/CPO costs within the proposed HRA capital programme that will be considered by Cabinet in February 2018 in the annual rent setting and capital programme report and this is recommended to Council for final approval in February 2018.

2. **Agreed** to award Preferred Bidder status to BIDDER C. Subject to the approval of the required budget and funding at recommendation 1 above, that Cabinet:

3. **Agreed** to establish a JVLLP for the purpose of meeting the Council's regeneration objectives for the 12 HRA sites by entering into a Members' Agreement with BIDDER C on the basis of the Business Case and Legal Summary contained in the Exempt Agenda Report.

4. **Agreed** to delegate to the Lead Member for Housing, after consultation with the Director of Neighbourhoods, the authority to agree the name of the JVLLP, negotiate the final detailed terms of the agreements being entered into, and authority to agree that the Council enter into the following agreements:
   - Members' Agreement;
   - Development Agreement;
   - Any ancillary agreements or documents necessary to give effect to the setting up of the JVLLP in accordance with this Report and its appendices (including the Legal Summary appended to the Exempt Agenda Report).

5. **Authorised** the JVLLP to enter into the Development Management Agreement with BIDDER C when in agreed form.

6. **Agreed** to delegate to the Lead Member for Housing, after consultation with the Director of Neighbourhoods, authority to finalise agreement on the terms of the Development Management Agreement referred to in recommendation 5 on behalf of the Council as Member of the JVLLP established in accordance with recommendation 4.

7. **Agreed** to delegate to the Lead Member for Housing, after consultation with the Director of Neighbourhoods, authority to approve the first Business Plan of the JVLLP on behalf of the Council.

8. **Authorise** the disposal of land to the JVLLP on the terms set out in this report, subject to the approval of the Secretary of State where required, (as detailed in the Land disposal paragraphs of the Legal Implications section of this report) and agree to delegate authority to the Lead Member for Housing, after consultation with the Director of Neighbourhoods, the authority to finalise the terms of such disposals.

9. **Authorised** the Director of Neighbourhoods to consider the appropriation of land for planning purposes, subject to agreement of the Secretary of State, to facilitate the redevelopment of the 12 Sites and approve an application to the Secretary of State for appropriation under section 19(2) of the Housing Act 1985 and potentially appropriate back to housing purposes all or part of the land as may be considered appropriate in due course. (The precise areas of land to be appropriated to be decided by the Director of Neighbourhoods).

10. **Recommends** to full Council to make an application to the Secretary of State, where required, for the disposal of property and land (the precise areas of land to be decided by the Lead Member for Housing

after consultation with the Director of Neighbourhoods) under section 32(2) of the Housing Act 1985.

11. **Noted** the updated Consultation and Engagement strategy as detailed in paragraphs 9.1 to 9.13 of this report.

12. **Noted** the updated Equalities Impact Assessment as referred to in the Equalities Implications section of this report.

13. **Noted** the update provided to Cabinet in the Local Lettings Plan report as it relates to these decisions.

14. **Agreed** to delegate to the Lead Member for Housing, after consultation with the Director of Neighbourhoods, authority to approve the consultation and communication plans for the regeneration of the 12 HRA Sites.

15. **Authorised** the Director of Finance to provide state aid compliant investment of equity/loans/capital expenditure the JVLLP within the funding provided in the Capital Programme and in accordance with the business plan and on the terms set out within the Member's Agreement.

16. **Agreed** to delegate to the Leader, after consultation with the Chief Executive, the appointment of nominees to represent the Council on the JVLLP Board and indemnify them under the Local Authorities (Indemnities for Members and Officers) Order 2004 once the JVLLP has been set up.

17. **Agreed**, subject to approval of the over-arching Governance Report on the operation of the 12 Sites, Rainham and Bridge Close schemes, to the proposals for resolution of any Reserved Matters set out in such report.

18. **Noted** the governance framework and staff resources required to develop and deliver the 12 Sites and other economic development schemes also presented for consideration and approval by Cabinet in January 2018.

19. Noted an amendment to paragraph 4.25 of the report to read the following:

    Tenants moving into a smaller property – qualifying under occupiers will qualify for an additional bedroom above their assessed need. For example:

    • a tenant in a four bedroom property but the current housing need is assessed for a two bed, will be allowed to keep an additional bedroom and therefore will be offered a three bedroom property; or

• *a tenant in a three bedroom property but the current housing need is assessed for a one bed, will be allowed to keep an additional bedroom and will therefore be offered a two bedroom property.*

The conditions of the Allocation Policy must be met to qualify for this offer, and tenants should have a clear rent account and no history of anti-social or other unacceptable behaviour in their council tenancy.

Officers will complete an affordability assessment to ensure that the tenants can afford to pay the rent for the additional bedroom without discretionary housing payment on a long-term basis. Any shortfall will not be covered by the Council.

29 **THE LOCAL LETTING PLAN**

Councillor Damian White, Cabinet Member for Housing and Deputy Leader of the Council, presented the report.

The report before Member sought approval for a revised Local Lettings Plan and Housing Regeneration Decant Policy and Possession Procedure following consultation which began in October 2017. These two documents are intrinsically linked and are designed to provide a clear outline of what Council Tenants can expect as a result of the decanting process which the 12 HRA Site Regeneration Programme necessitates.

It was reported that the 12 HRA Site Regeneration Programme had already been the subject of previous reports to Cabinet; notably those from June and October 2016. The report Members accompanies the Cabinet report which seeks approval for the Council to enter into a Joint Venture Limited Liability Partnership (JVLLP) with a Private Sector Development Partner (PSDP) to deliver the Regeneration Programme.

The Local Lettings Plan provides a policy framework for council tenants affected by a Regeneration Programme. It sets out the principles and procedures adopted by the Council for the allocation of housing to council tenants affected by a regeneration programme and our offering to those tenants; highlighting the rehousing options available to them.

There is a statutory requirement for local authorities to consult on and publish a Local Lettings Plan. Included within the report was a summary of the findings from the consultation exercise.

As the Regeneration Programme has moved into a formal stage with the procurement of a PSDP, to further the progression of the programme, it is essential that the Cabinet agree the Local Lettings Plan as it reinforces the key principles of our rehousing offer to affected Council Tenants.

The report also sought Cabinet approval of a Regeneration Decant Policy Possession Procedure which underscores how the Council will facilitate the vacant possession of the sites.

Both documents apply to secure and introductory Council tenants who will lose their home on either a temporary or permanent basis as a result of the Housing Regeneration Programme. This policy does not apply to leaseholders, freeholders, non-secure tenants living in temporary accommodation and private tenants.

Reasons for the decision:

The Local Lettings Plan identifies the formal offer which the Council is making to its tenants affected by the twelve estates Regeneration Programme. It is intended to form the basis of future discussion and dialogue with council tenants. The use of a local lettings plan clearly identifies how this can be achieved and ensures there is transparency, fairness and consistency in implementing this objective.

Other options considered:

Had the Council chosen not to formally consult and publish a Local Lettings Plan, it would be neglecting a statutory obligation to consult formally with tenants.

Cabinet:

1. **Noted** the outcomes of the consultation carried out on version 7 of the Local Lettings Plan
2. **Approved** the Local Lettings Plan for the Housing Regeneration Programme
3. **Noted** the outcomes of the consultation carried out on the Decant Policy and Possession Procedure for the Housing Regeneration programme
4. **Approved** the new draft Decant Policy and Possession Procedure for the Housing Regeneration Programme

30 **APPROVAL TO ENTER INTO APPROVED PROVIDER GRANT AGREEMENT (LOCAL AUTHORITY) IN RELATION TO THE AFFORDABLE HOMES PROGRAMME 2016-2021**

Councillor Damian White, Cabinet Member for Housing and Deputy Leader of the Council, introduced the report

This report seeks approval from Cabinet to enter into the Approved Provider Grant Agreement (Local Authority) in relation to the Affordable Homes Programme 2016- 2021 with the Greater London Authority (GLA) as the funding body.

Reasons for the Decision:

By entering into the agreement the Council will access grant funding to complement a Joint Venture Limited Liability Partnership to bring forward the delivery of affordable housing associated with the 12 Estates Regeneration programme. Consequently the Council is therefore better placed to secure its regeneration.

Other options considered:

To undertake the scheme without grant funding.

Rejected **-** A detailed financial appraisal was completed for the development of the sites in question. This confirmed the Council could not deliver the scheme from its existing resources without significant borrowing being required. The interest burdens would place pressure on the HRA Business Plan and remove the flexibility of the borrowing headroom attributable to the HRA.

Cabinet:

1. **Approved** the entering into contract with the GLA for the provision of grant funding for the 2016 – 2021 programmes to support the provision of affordable housing.

2. **Agreed** for the agreement be executed under the Council's common seal as a Deed and signed in accordance with the agreed scheme of delegations

3. **Agreed** to delegate to the Leader of the Council, after consultation with the Director of Neighbourhoods, authority to agree and sign any extension, variation or general contract management powers.

4. **Noted** a correction to the legal implications and risks section of the report. Paragraph (E) should read as Conditions 9, 10, 11, 18.8 or 19.

31 REGENERATION PROGRAMME - GOVERNANCE AND OVERALL IMPLICATIONS

Councillor Roger Ramsey, Leader of the Council, presented the report

It was reported that the Council is embarking on an ambitious regeneration programme, and is likely to enter into three joint ventures ("JV") with private sector partners (which were the subject of Cabinet papers and approvals in November and December 2017), and a further paper to this January 2018 Cabinet.

It was reported also that the Council has a wholly-owned development company, Mercury Land Holdings Ltd, which has its own extensive development programme. This paper provides a context for the overall programme, sets out the cumulative governance implications for the

Council, identifies key issues to be considered and recommends a governance structure to ensure that the Council’s best interests are protected.

Reasons for the decision:

By entering into joint ventures with the private sector the Council is able to harness the commercial expertise of an experienced partner and participate in the risks and rewards of property development. By appointing the proposed nominees to the JV LLP Boards, the Council can best seek to avoid the risk of accusations of pre-determination and bias when exercising decision-making as the Council. The nominees proposed have the necessary skills and seniority to act as Council nominees. However, if any of these officers are, for whatever reason, conflicted from making decisions in their capacity as officers, the Council is still able to rely on other suitably skilled officers to report and make recommendations. Moreover, these nominees ensure that the Client-side function is carried out by other senior officers.

The establishment of a Client Board will ensure that the Council’s interests are protected, and that there is an effective interface between the JV LLPS (and MLH) and the Council, including where reserved or consent matters require decision. The Client Board will also ensure that the nominees and directors are properly supported and equipped to reflect the Council’s position and make decisions when attending Board meetings.

The Regeneration Board will ensure that the Council has an ability to oversee and influence the strategic direction of its programme of regeneration, whether via the JV LLPS, MLH or through other projects. This will also mean that matters referred to Cabinet for decision, have had detailed prior scrutiny and that the overall synergies between each of the regeneration initiatives are being taken into account.

Other options considered

There are other permutations possible but certain factors which remain constant, namely:

- The Council has the right to appoint nominees to the Boards of each of the three JV LLPs and if it failed to do so would be allowing the private sector partner to run these businesses without Council input. Therefore, under any model, these appointments need to be made;

- Likewise, MLH would be incapable of operating as a business without a Board of Directors;
- The nominees and directors need to have the necessary skills and support to perform their duties;
- The Council nominees and directors will have obligation to act in the best interest of the business they serve and to declare conflicts of interest;

- A conflict of interest could require certain officers and elected members with responsibilities inside the Council not to take part in a decision being made by the Council;
- At all times the Council must manage its position so as to avoid legal challenge based on “bias and predetermination”.

For that reason, the options considered but discounted are:

i. Structures in which there is no clear distinction between officer/member functions as nominee/director on the one hand, and as Council decision-maker on the other; by way of simple example, a MLH Director should not be considering and approving a planning application to be submitted by MLH and then acting as the reporting officer recommending the grant of that permission.

ii. Structures in which there is no adequate or properly resourced clientside function to enable arms-length engagement with the JV LLPs or MLH, and to support to the Council nominees/directors;

iii. Structures in which there is no forum for regular and meaningful reporting to elected members and opportunity for dialogue on strategic matters;

iv. Structures which fail to recognise and address the levels at which decisions should be made by the Council, balancing the need for timely decision-making with the need for decisions to be taken after the right degree of scrutiny and detailed assessment.

Consideration has also been given to whether Mercury Land Holdings should act as the Council’s holding company and whether it should enter into the JV partnerships on the Council’s behalf. It is considered however that given MLH is an arms-length company with its own board (as opposed to a shell company), this would create a complex structure and would dilute the Council’s ability to participate directly in decision-making within the joint ventures. It is therefore proposed that the Council should itself enter into the joint venture partnerships.

That Cabinet:

1. **Noted** the Chief Executive’s proposed changes to the Councils senior management structure.

2. **Approved** the Governance structure and arrangements described in section 6 of this Report.

3. **Agreed** to delegate to the Leader, after consultation with the Chief Executive, the appointment of the Council’s officer nominees to represent the Council on the three JVLLP boards.

4. **Agreed** to delegate to the Leader, after consultation with the Chief Executive, any future changes to the appointment of nominees to represent the Council on the JVLLP boards or as its directors on the Mercury Land Holdings Limited board.

5. **Agreed** to indemnify its nominees to the JV LLP Boards (once the JVLLPs are set up) and the directors of Mercury Land Holdings Limited under the Local Authorities (Indemnities for Members and Officers) Order 2004.

6. **Noted** the budget implications of these changes as detailed in section 10 of this report, and that they are reflected in the Council Medium Term Financial Strategy for agreement in the February Council Tax setting meetings.

32 PRIVATE SECTOR HOUSING ENFORCEMENT POLICY

Councillor Damian White, Cabinet Member for Housing and Deputy Leader of the Council, introduced the report

In October 2017, Cabinet agreed an Additional Licensing Scheme for Houses in Multiple Occupation. To support related enforcement of the scheme a Private Sector Housing Enforcement Policy is required which has regard to the Regulator’s Code (Legislative and Regulatory Reform Act 2006).

Reasons for the decision:

To assist the Council’s enforcement action and statutory obligations under The Housing and Planning Act 2016, The Housing Act 2004 and other associated public health legislation to support the operation of the borough’s Additional Licensing Scheme for Houses in Multiple Occupation.

Other options considered:

To not have an enforcement policy in place could lead to both an inconsistent approach to enforcement decisions and leave the authority open to legal challenge.

Cabinet:

1. **Agreed** the Private Sector Housing Enforcement Policy in Appendix 1 of the report.

2. **Delegated** to the Director of Neighbourhoods in consultation with the Lead Cabinet Member for Housing powers to make any minor amendments to the enforcement policy.

33 HAVERING BROWNFIELD REGISTER

Councillor Damian White, Cabinet Member for Housing and Deputy Leader of the Council, introduced the report

The preparation, maintenance and publication of the Brownfield Land Register (hereafter: the Brownfield Register) is a new legal requirement that was introduced by the Housing and Planning Act 2016, with the required process set out in the Town & Country Planning (Brownfield Land Register) Regulations 2017.

The report sets out a proposed list of sites to be included on the Havering Brownfield Register. The list is a consolidation of sites with Planning Permission and those that are set out within the evidence base for the Proposed Submission Havering Local Plan as agreed by Cabinet and Council in July 2017. All of the sites proposed for inclusion within the Register are already in the public domain.

The report also sought approval to publish the draft list of sites as Part 1 of the Havering Brownfield Register, and to seek delegated authority for the Assistant-Director of Development, after consultation with the Cabinet Member for Housing to review and maintain Part 1 of the Havering Brownfield Register.

It is not proposed to include any sites in Part 2 of the register at this stage.

Reasons for the decision:

It is a statutory requirement for the Council to prepare, maintain and publish a register of suitable brownfield sites. It is therefore not an option not to produce one.

Other options considered:

The Council could choose to grant sites Permission in Principle by including a Part 2 to the Havering Brownfield Register. This option has been rejected as it will be more suitable to follow the granting of Permission in Principle to sites on the forthcoming preparation of the Site Specific Allocations Local Plan.

The Council could choose to have a more elaborate procedure to include sites into the Havering Brownfield Register, including consultation arrangements. This option has been rejected as this is not compulsory for entering sites in Part 1. In addition, the preparation of the Havering Brownfield Register draws on the same evidence base as the Proposed Submission Havering Local Plan on which consultation has recently taken place.

Cabinet:

1. **Agreed** to the draft list of sites (located in Appendix 1of the report) to be published as the London Borough of Havering Part 1 Brownfield Land Register;

2. **Agreed** to publish the London Borough of Havering Part 1 Brownfield Land Register on the Council website, and to publish the London Borough of Havering Part 1 Brownfield Land Register on a London-wide website hosted by the Greater London Authority; and

3. **Delegated** authority to the Assistant Director of Development after consultation with the Cabinet Member for Housing to sign off, review and maintain the London Borough of Havering Part 1 Brownfield Land Register.

4. **Noted** a correction to Appendix 1 of the report. The figure included in the report for the minimum net dwellings for Napier and New Plymouth was 103, 200 (gross). That figure is incorrect and is replaced with 103 (200 gross)

34 **THE HAVERING LOCAL PLAN**

Councillor Damian White, Cabinet Member for Housing and Deputy Leader of the Council, presented the report

The report before Members outline progress with the development of the Havering Local Plan since the publication in August and September 2017 (under Regulation 19); and sought to secure Member approval for a number of material modifications to the Proposed Submission Havering Local Plan in preparation for submission of the Plan to the Secretary of State.

Reasons for the decision:

A number of modifications are required to be made to the Havering Local Plan following the consultation period and in preparation for the submission of the Havering Local Plan to the Secretary of State.

The Council’s previous resolution of July 2017 delegated authority to the Director of Neighbourhoods in consultation with the Cabinet Member for Housing to make “non-material” modifications. However, no provision was made for the making of “material” modifications. Accordingly, the council has been advised that it is prudent to seek appropriate Council authority to make such modifications.

Other options considered:

The Havering Local Plan could be submitted without the recommended modifications. This option has been rejected as it would increase the risk of the Local Plan being found unsound during the Examination in Public.

Cabinet endorsed and made the following recommendations to Council.

That Council:

1. Agree that the material amendments as set out in section 3.1 of the report, be made to the proposed submission documents, and to the proposed Submission Havering Local Plan

2. Delegate authority to the Director of Neighbourhoods, following consultation with the Cabinet Member for Housing, to make and approve the final wording of the material amendments to the proposed Submission Havering Local Plan, and to the proposed submission documents for submission to the Secretary of State;

Chairman

Havering
LONDON BOROUGH

CABINET
7 February 2018

Subject Heading:	**THE COUNCIL'S MTFS and BUDGET 2018/19**
Cabinet Member:	**Councillor Roger Ramsey**
SLT Leads:	**Debbie Middleton** Chief Finance Officer (Section 151)
Report Author and contact details:	**Toyin Bamidele** Financial Strategy Manager 01708 431979 Toyin.bamidele@onesource.co.uk.
Policy context:	This report presents the Council's 2018/19 budget and Medium Term Financial Strategy (MTFS) for agreement by Cabinet and recommendation on to Council for consideration and approval.
Financial summary:	The Council is required to set an annual budget for 2018/19 and MTFS for the five year period ending 2022/23. The report includes recommendations to Council for the formal budget-setting process and setting a Council Tax increase of 1.5% (plus a 2.00% Adult Social Care precept) for the Havering element of Council Tax and recommends to Council the Council Tax level at band D as £1,363.83, before inclusion of the GLA precept.
Is this a Key Decision?	**Yes**
Is this a Strategic Decision?	**Yes**
When should this matter be reviewed?	Annually
Reviewing OSC:	Overview and 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]

ALL MEMBERS ARE ASKED TO RETAIN THIS REPORT AND ITS APPENDICES FOR REFERENCE AT THE COUNCIL TAX MEETING ON 21st FEBRUARY 2018

SUMMARY

This report presents Council's proposed budget for 2018/19 and Medium Term Financial Strategy (MTFS) to 2022/23 for approval. This follows consideration of the draft MTFS by the Cabinet and Overview and Scrutiny Board in January 2018 and receipt of the provisional Local Government Finance Settlement 2018/19 (LGFS).

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. Cabinet received reports in October 2017, December 2017 and January 2018 that provided an update on developments at the national level and the consequential impact on local government funding and set out information on the financial position within Havering.

The Local Government Financial Settlement (LGFS) outlined provisional Settlement Funding Assessment (SFA) and Core Spending Power (CSP) allocations for local authorities for 2018/19 and the indicative allocations for 2019/20 (which will be the final year of the current "four year offer" period). The provisional LGFS provided greater clarity over the reduced funding stream and is reflected in the Medium Term Financial Strategy (MTFS).

This report:

- Provides an update on the overall financial strategy;
- Updates members on any matters which were outstanding at the time of presenting the January report including the Council Tax Base and Business Rate yield as well as the updated position on levies and precepts.
- Sets out the final proposals to balance the Council's budget for 2018/19;
- Sets out the remaining budget gap to be closed between 2019/20 and 2022/23;

The Cabinet report of 17 January 2018 updated Members on the provisional Local Government Financial Settlement, the impact on the proposed MTFS, budget for the 2018/19 and the latest 2017/18 forecast outturn.
The Senior Leadership Team (SLT) has continued to work to develop proposals to balance the 2018/19 budget to be considered by this Cabinet and Council on 21 February. Savings proposals and the application of Government Grants have reduced the

budget gap of £4.158m in 2018/19 rising to £33.355m by 2022/23 reported in January to £4.029m in 2018/19 rising to over £34.053m cumulatively by 2022/23.

In order to balance the budget for 2018/19, an increase in the Havering element of Council Tax of 1.50% plus a 2.00% precept for Adult Social Care is required as summarised in the table below. Havering's annual band D figure would increase from £1,317.71 to £1,363.83, an increase of £46.12 (3.5%). Further information is set out in section 6.

Table 1 - Movement in Forecast Budget Gap

Breakdown of Movement	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	5 Year Plan
Forecast Budget Gap - January	**4.158**	**7.961**	**14.182**	**3.194**	**3.860**	**33.355**
Additional adjustment following PLGFS	(0.083)	2.089	0.000	0.000	0.000	**2.006**
Capital Financing Impact	(0.046)	0.291	(1.296)	1.402	(1.658)	**(1.308)**
Forecast Budget Gap - February	**4.029**	**10.341**	**12.886**	**4.596**	**2.201**	**34.053**
LBH Council Tax increase 1.5%	**(1.727)**					**(1.727)**
ASC Precept 2%	**(2.302)**					**(2.302)**
Budget Gap	**0.000**	**10.341**	**12.886**	**4.596**	**2.201**	**30.025**

As previously reported, the SLT is also developing longer term plans to deliver further transformational change and demand management to address the £30.025m budget gap that remains between 2019/20 and 2022/23. The local government financial environment is predicted to remain challenging and the financial pressures in future years are likely to increase as they have over the last decade in particular. This will require the Council to rethink its operating model, its approach to prioritisation and pursue alternative service models in order to achieve financial sustainability in delivering services over the medium to long term.

Given that the long awaited Green Paper on Adult Social Care is delayed to the Summer 2018, uncertainty remains around long term funding and this is reflected in the assumption that iBCF will not continue beyond 2019/20 in line with Government announcements to date. Forecasts will be updated as more information becomes available in relation to Social Care Funding, the Fair Funding review and the wider plans for fiscal devolution through Business Rates Retention. However, the Council will need to be prepared for the worst case scenario in order to be able to close the c£23m budget gap that is forecast by 2020/21.

The SLT is scheduling the presentation of plans and proposals for consideration by the new Administration for as soon as is practicable following the local elections in May 2018. It will be essential for these proposals to be progressed promptly and at pace during 2018/19 to provide sufficient lead in time to deliver savings and income generation initiatives, to address the forecast pressures in 2019/20 onwards.

In January 2018, the Mayor of London revised his proposed increase in the Band D precept paid by taxpayers in the 32 London Boroughs by total proposed of £14.21 from £280.02 in 2017/18 to £294.23 in 2018/19 (an increase of 5.07% overall).

Within this sum, the police element of the Band D precept level will increase by £12 in 2018/19 and 1.99% each year thereafter from 2019/20 to 2021/22. This is in line with the Home Office expectations set out in Spending Review 2015 adjusted to reflect the 2018/19 provisional police settlement assumptions in relation to council tax flexibility for that financial year.

The non-police Band D precept is assumed to increase by £2.21 or 2.99% in 2018/19 – in line with the revised referendum threshold of 3% confirmed by the Government in the provisional local government finance settlement, with the revenues generated allocated to the London Fire Brigade.

Consultation on the budget proposals ended on 12 January 2018. The final draft budget proposals will be considered by the London Assembly on 22 February 2018 and the budget is due to be approved by 28 February 2018. Any changes to the GLA position will be reported at the Cabinet meeting if known, but it is not expected that they will be available for the Havering Council meeting on 21 February.

On the assumption that this is approved by the London Assembly, the combined band D figure would increase from £1,597.73 to £1,658.05 an increase of £60.52 (3.78%). The table below summarises the position:

Table 2 - Havering's band D Council Tax 20181/9

	Band D Council Tax £	% Increase/ (Decrease)	£ Increase/ (Decrease)
General Requirement	1,287.75	1.50%	19.77
Adult Social Care Precept	76.08	2%	26.35
Total Havering Precept	**1,363.83**	**3.50%**	**46.12**
GLA Precept	294.23	5.07%	14.21
Total	**1,658.06**	**3.78%**	**0.27%**

The proposed capital programme in section 9 incorporates new projects of £253.853m and will result in the Council's total future borrowing for the General Fund increasing to £151.153m. The 2018/19 capital financing budget within the revenue account will increase to £10.518m (which equates to 6.62% of the 2018/19 revenue budget) to meet the cost of debt repayment and interest and has been included within the MTFS (see section 7).

RECOMMENDATIONS

Cabinet is asked to:

1. **Note** the forecast outturn on service directorates at period 9 and the actions being taken by SLT to manage expenditure within approved budgets set out in section **5.**

2. **Approve** the income generation and savings proposals as set out in **Appendix A**.

3. **Consider** the advice of the Chief Finance Officer as set out in **Appendix F** when recommending the Council budget.

4. **Approve** the following budgets for 2018/19:

   - The Council's General Fund budget as set out in **Appendix D**.
   - The Delegated Schools' draft budget set out in section 4 of this report
   - The Capital Programme as set out in section 9 of this report and **Appendix G**,

5. **Delegates** to the Chief Financial Officer the implementation of the 2018/19 capital and revenue proposals once approved by Council unless further reports or Cabinet Member authorities are required.

6. **Agrees** that the Chief Financial Officer be authorised to allocate funding from the Capital Contingency included within the draft Capital Programme.

7. **Agree** that the relevant Cabinet Member, together with the Cabinet Member for Financial Management, ICT (Client) & Transformation be delegated authority to commence tender processes and accept tenders for capital schemes included within the approved programme under the block programme allocations or delegation arrangements set out in this report.

8. **Agrees** that to facilitate the usage of unringfenced resources, the Chief Financial Officer in consultation with Service Directors will review any such new funds allocated to Havering; make proposals for their use; and obtain approval by the Cabinet Member for Financial Management, ICT (Client) & Transformation.

9. **Delegates** to the Chief Financial Officer in consultation with Service Directors the authority to make any necessary changes to service and the associated budgets relating to any subsequent specific grant funding announcements, where delays may otherwise adversely impact on service delivery and/or budgetary control, subject to consultation with Cabinet Members as appropriate.

10. **Approves** the schedule of proposed Fees and Charges set out in **Appendix J**, with any recommended changes in year being implemented under Cabinet Member delegation.

11. **Agrees** that if there are any changes to the GLA precept and/or levies, the Chief Financial Officer authorised to amend the recommended resolutions accordingly and report these to the next Council meeting as required.

12. **Recommend to Council for consideration and approval**:

- The General Fund budget for 2018/19
- The Council Tax for Band D properties and for other Bands of properties, all as set out in **Appendix D**, as revised and circulated for the Greater London Authority (GLA) Council Tax.
- The Delegated Schools' budget for 2018/19, as set out in section 4.
- The Capital Programme for 2018/19 as set out in section 9 and supported by Annexes 1, 2 and 3 of **Appendix G**.
- That it pass a resolution as set out in section 11.3 of this report to enable Council Tax discounts to be given at the 2017/18 level.

REPORT DETAIL

1 Policy and Strategic context

1.1 This report presents Council's proposed budget for 2018/19 and Medium Term Financial Strategy (MTFS) to 2022/23 for approval. This follows consideration of the draft MTFS by the Cabinet and Overview and Scrutiny Board in January 2018 and receipt of the provisional Local Government Finance Settlement 2018/19 (LGFS).

1.2 A public engagement exercise on the proposed budget strategy was carried out between 5 January and 2 February 2018. The results of the public engagement exercise and consideration by Overview and Scrutiny are not available at the time of producing this report but will be circulated prior to the Cabinet meeting.

1.3 Cabinet has previously received three progress reports on the Council's Medium Term Financial Strategy (MTFS). On 26 October 2017, 13 December 2017 and on 17 January 2018, that reviewed and updated the key assumptions in the MTFS.

1.4 Since the January report a number of matters have now been confirmed and are included in the revised MTFS. These are summarised below and explained in further detail subsequently:

- London Business Rates Pool Pilot
- Council Tax Base and Council Tax
- Levies and Precepts
- New Homes Bonus
- Local Government Financial Settlement (LGFS)

London Business Rates Pool Pilot

1.5 The decision to participate in the 100% London Business Rates Pilot Pool with effect from 1 April 2018 was made via Key Executive decision by the Leader on 15 January 2018.

Council Tax

1.6 For 2018/19 and 2019/20, the council tax referendum threshold has been increased from 2% to 3% for the general council tax increase. 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. The Government's four year financial settlement and the position with respect to local authorities' ability to raise income via the Adult Social Care Precept remains unchanged.

Core Spending Power

1.7 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. 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. The indicative allocation NHB for 2018/19 is £4.376m and £3.813m for 2019/20. However, the one off Adult Social Care (ASC) Support Grant of £1.010m and the Transition Grant (£1.2m in 2017/18) have not been awarded for 2018/19.

New Homes Bonus (NHB)

1.8 Havering's New Homes Bonus allocation for 2018/19 has been provisionally announced as £4.376m, a £2.641m reduction when compared to 2017/18 allocation of £7.016m and a £0.424m reduction compared to the initial assumption and. Havering's indicative NHB allocation for 2019/20 is £3.814m a reduction of £0.562m compared to the 2018/19 allocation.

Local Government Financial Settlement (LGFS)

1.9 The MTFS report presented to Cabinet on 23 January 2017 provided a summary of the key aspects of the provisional LGFS setting out the key features of the Government's plans to move further towards fiscal devolution.

1.10 The 2017/18 provisional local government finance settlement confirmed the Revenue Support Grant (RSG) figure to be rolled into the Business rate pot in 2018/19 and other grant funding allocations for 2018/19 and indicative figures for 2019/20. Below are other key points to note:

- No changes to overall funding provided by DCLG (from the previous allocations announced in the 2017/18 final settlement)
- The terms of the Adult Social Care Precept are unchanged.
- No change to the New Homes bonus scheme previously announced.

1.11 The Council's revenue and capital budget strategies are set out in Appendix B and Appendix I respectively, as they underpin the approach taken to setting the Council's revenue and capital budgets.

2. MTFS Consultations and Public Engagement

2.1 The Council undertook a public engagement on the MTFS and saving proposals between the 5 January 2018 and 2 February 2018. The consultation sought public views on service priorities. Consultation with the business sector was also conducted.

2.2 The results of the engagement exercise's were not available at the time of preparing this report. However, they will be summarised and circulated prior to the Cabinet meeting for consideration.

3 Overview and Scrutiny Board

3.1 The budget proposals for 2018/19 were considered by Overview and Scrutiny Board on 25 January 2018. As this report was prepared before that date, an update will be given at the Cabinet meeting on any matters raised by the Board for consideration.

4. Schools Budget

Dedicated Schools Grant and Schools Funding

4.1 The Dedicated Schools Grant (DSG) is a ring-fenced grant that is allocated to local authorities to meet their responsibilities for early years' education, the funding of schools and for provision and support for pupils with special educational needs and disabilities and for pupils requiring alternative provision. The grant is allocated in four "blocks" and the Havering's allocation for financial year 2018/19 is shown in table 4 below.

Schools Funding

4.2 Following a period of consultation which commenced in March 2016, the Government plans to introduce a national funding formula for schools starting in financial year 2018/19. From 2020/21 it will be a "hard" formula with funding allocated to individual schools through the Government's national formula and 2018/19 and 2019/20 will be transitional years in which it will be a "soft" formula. This means that although funding allocated to local authorities through the Schools Block of the Dedicated Schools Grant (DSG) will be calculated according to the national funding formula, local authorities in consultation with their Schools Forums and schools may continue to apply a local formula to allocate funding to individual schools. Following agreement with the Schools Funding Forum and consultation with all schools, Havering is able to move straight to the national funding formula from 2018/19 therefore allocating funding to individual schools according to the national funding formula. The schools' preference to move straight to the NFF followed consideration of a range of options with various permutations of NFF funding factors and locally modelled alternatives. From the options considered, implementation of the NFF in full allocated the highest amount of funding to the greatest number of schools and also at 1:1.31 brought the ratio of funding between primary and secondary schools closer to the national average of 1:1.29. In 2017/18 the primary/secondary ratio in Havering is 1:1.34.

4.3 The allocation of funding to schools and academies will mean that all schools will receive a minimum increase of 0.5% per pupil up to a maximum of 3% per pupil for schools that would otherwise receive a larger increase from the new formula.

The effect on Havering schools of implementing the NFF in 2018/19 is as follows:

Table 3 - The effect on Havering schools of implementing the NFF in 2018/19

	No of schools receiving minimum 0.5% per pupil	No of schools receiving between 0.5% and 3% per pupil	No of schools receiving maximum 3% per pupil
Infant	4	2	6
Junior	0	2	10
Primary	4	7	26
Secondary	11	5	2
Total	19	16	44
	24%	20%	56%

4.4 This increase in funding follows six years of flat cash settlements for schools during which they have been under increasing financial pressure in having to fund national pay awards, incremental progression, increases in employer national insurance and pension contributions and inflationary increases on goods and services. The increases in per pupil funding through a national funding formula, although welcome, will not, therefore be sufficient to meet increased costs in schools without further savings being identified.

<u>High Needs Funding</u>

4.5 As with schools' funding, from 2018/19 the distribution of funding from central to local government will also be through a national formula. Previous funding has been on the basis of historical spending patterns by Local Authorities (LAs) with no significant uplift for increasing number of pupils with SEND or increases in the complexity of need. The new formula continues to allocate 50% of total funding to Local Authorities based on current costs but with the remaining 50% on a range of proxy factors for population, deprivation, prior pupil attainment and ill health. All Local Authorities will receive at least a 0.5% increase in their High Needs allocations with higher increases capped at 3%. Without the cap, Havering would have received 8.2%.

Table 4 - Havering's DSG allocation

	Schools Block				**High Needs Block**	**Early Years (table 2 below)**	**Central School Services Block**	**Total DSG**
Year	**GUF per pupil (£)**	**Pupil number allocation (£m)**	**Premises, pupil growth, falling rolls (£)**	**Total Schools Block (£)**	**Allocation (£m)**	**Allocation (£m)**	**Allocation (£m)**	**Allocation (£m)**
2018/19	4,586.21	166.74	5.47	172.21	23.52	17.02	1.57	214.32
2017/18	4,712.65	169.92	included	169.92	22.70	14.68	0	207.30
Variance	(126.44)	(3.18)	5.47	2.29	0.69	2.34	1.57	7.02

Notes:

I. All of the above figures are before recoupment by the DfE for pupils attending academies, non maintained special schools and post 16 special educational needs provision.
II. The increase in the Schools Block is mainly due to the increase in number of pupils that are to be funded.
III. Funding for premises (business rates) pupil growth and falling rolls was previously included in the per pupil Schools Block funding and is now allocated separately based on the previous year.
IV. The Central School Services Block is new for 2018/19 and includes funding that was previously included in the Schools Block allocation.
V. The Early Years block is indicative and will be recalculated based on the January 2018 and 2019 early years censuses.
VI. The increase in the Early Years block takes into account the first full year of the entitlement of working families to 30 hours of free early years education, an anticipated increase in take up and an increase in the hourly rate.

Early Years Funding

4.6 The national funding formula for early years education commenced in 2017/18. Local authorities receive funding for the provision of the universal free entitlement of 15 hours per week for 3 and 4 year olds, and additional 15 hours for working families and 15 hours per week for disadvantaged 2 year olds. In 2018/19 the pass through rate to providers is 95% including contingencies and an inclusion fund to support access for children with special educational needs and disabilities. The remaining 5% is for local authorities to carry out their statutory duty to ensure sufficiency of provision, quality assurance, the funding to providers, data management control and business support. The funding allocation to Havering shown in table 3 has allowed an increase in the hourly rate paid to providers from £4.39 to £4.53 for the provision of the entitlement of eligible children.

Table 5 - Havering's DSG Early Years Block allocation

	Disadvantaged 2 year olds		Universal entitlement for 3 & 4 year olds		Additional 15 hours for 3 & 4 year olds	Pupil Premium	Disability Access Fund	Total
	Hourly rate (£)	Allocation (£m)	Hourly rate (£)	Allocation (£m)	Allocation (£m)	Allocation (£m)	Allocation (£m)	Allocation (£m)
2018/19	5.66	1.823	5.28	12.16	2.884	0.101	0.054	17.02
2017/18	5.66	1.823	4.87	11.21	1.495	0.101	0.052	14.68
Diff	0	0	0.41	1.95	1.389	0	0.002	2.38

Central School Services Block

4.7 The Central School Services Block is new for 2018/19 and brings together funding that is required for LA statutory functions that in previous years has been funded from the Schools Block and funding that has previously been allocated to local authorities from an Education Services Grant. This block also allocates funding for an LA's historic commitments previously funded within the Schools Block. Statutory functions include school admissions, the funding of national copyright licences, servicing the Schools Forum and other statutory duties previously funded from an Education Services Grant.

As shown in Table 4, Havering's allocation is £1.57m which is approximately £0.250m less than the cost of each of the services in 2017/18. This will need to be managed from within the DSG.

Education Services Grant (ESG)

4.8 The ESG ceased from September 2017 and for 2018/19 a sum of approximately £0.590m has been included in the Central Schools Services Block. As stated in the December Cabinet report, this leaves a shortfall against the cost of providing LA statutory services in spite of the savings made centrally and a contribution from LA maintained schools to meet the cost of central services relating only to that sector. The shortfall is summarised in Table 6 below.

Table 6 - Shortfall in Funding

Shortfall in funding	**£m**
Service costs after £0.590m saving in 2017/18	1.746
DSG Central Services Block for LA central duties (previously ESG grant)	(0.589)
Contribution from schools	(0.322)
Shortfall	**0.835**

4.9 The intention is to manage the shortfall in funding as part of the ongoing transformational review of the service. The service will come forward with longer-term proposals for implementation from September 2018 aimed at minimising the future funding gap. In the meantime, a contribution from the specified reserves held to support the investment in education traded services will be used to supplement the funding earmarked corporately to cover the £0.835m shortfall.

5. Current Financial Position – 2017/18 Financial Monitoring

5.1 The development of the financial strategy and detailed budget needs to take account of the financial position in the current financial year 2017/18. The January 2018 Cabinet report set out a summary of the financial position at period 8 (November 2017) and this indicated a forecast service overspend of £4.367m. SLT has continued to focus on measures to contain expenditure within approved budget in order to ensure financial stability as a basis for the 2018/19 budget and over the medium term.

5.2 At period 9 (December 2017), the forecast outturn position on the service directorate budgets is £135.839m against a net controllable service budget of

£135.839m, resulting in a forecast overspend of £2.280m (1.68%), as set out in table 7 below. This has reduced by £2.087m from £4.367m at period 8. This is due mainly to the planned contribution from the Corporate Risk Budget to Children's services, with some further improvement in Neighbourhoods, oneSource and the Chief Operating Officer forecasts.

Table 7 – 2017/18 Forecast Outturn at Period 9

Directorate	Original Budget	Revised Budget	Forecast Outturn	Forecast Outturn Variance	
	£m	£m	£m	£m	%
Public Health	(0.300)	(0.308)	(0.308)	0.000	0.00
Children's Services	32.502	35.945	37.173	1.228	3.42
Adult Services	55.021	57.345	57.345	0.000	0.00
Neighbourhoods	12.394	14.263	14.750	0.487	3.41
Housing	1.356	1.941	3.156	1.215	62.60
oneSource Non-Shared	0.735	1.888	1.617	(0.271)	(14.35)
Chief Operating Officer	7.154	7.036	6.881	(0.155)	(2.20)
SLT	1.019	1.308	1.253	(0.055)	(4.20)
oneSource shared	14.788	16.421	16.252	(0.169)	(1.03)
Service Total	**124.669**	**135.839**	**138.119**	**2.280**	**1.68**

5.3 The main areas of forecast overspend at period 9 rest in the Children's, Neighbourhoods and Housing Services due to continued demand pressures in Children's, Housing Demand in relation to Private Sector Leased (PSL) properties and Homelessness. The SLT continue to focus upon the delivery of mitigation and savings plans and general restraint on non-essential expenditure to manage the outturn within the approved budget by the end of the financial year and over the medium term.

The material forecast variances at period 9 relate to:

<u>Children's Services</u> - £1.228m forecast overspend

The forecast overspend has reduced by £1.438m (5.4%) from £2.666m at period 8, to £1.228m at period 9. This is due to the planned contribution of £1.8m from the Corporate Risk Budget which reduces the over spend, offset by further underlying pressures of £0.362m.

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 Special Education Needs (SEN) Home to School transport, Special Education Needs and Disabilities (SEND) costs and placements for children with disabilities.

Children's Directorate is reviewing the Financial Recovery Plan with a view to ensure financial stability over the medium term. As part of this review, a deep dive into activity and cost pressures is being undertaken supported by Finance in order to ensure that financial balance for the service is achieved in 2018/19. This is a primary focus of the SLT discussions as the pressures in Children's services continue to rise.

Neighbourhoods - £0.487m forecast overspend

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

Housing Services - £1.215m forecast overspend

The financial pressure in the Housing services predominantly in the homelessness demand pressures. Cost of prevention options are being used to minimise pressure.

5.4 The uncommitted Corporate Risk Budget and Corporate Contingency budgets stand at £6.898m to enable the overall outturn to be achieved within the approved budget for 2017/18. The service forecast overspend of £2.280m will be mitigated from the uncommitted Corporate Risk Budget, leaving the forecast underspend on these budgets at 31 March 2018 of £4.618m (made up of Corporate Risk Budget £2.618m and £2m Contingency Budget).

5.5 Any final underspend from the Corporate Risk Budget and Contingency Budget after balancing the over spend on services will be transferred to the Business Risk Reserve as part of 2017/18 accounts closure. This funding will then be utilised to underpin the risk of delayed delivery of savings and mitigation plans within Directorate savings plans and mitigations plans.

5.6 As highlighted in previous budget reports, the Corporate Risk Budget (previously Corporate Provisions) has reduced substantially in recent years to protect budget reductions in front line services. In 2018/19 the gross budget is £13.997 of which £10.899m is contractually committed such as the pay award and the Pension Fund; leaving a net budget available of £3.098m. The Council will therefore no longer be able to rely upon this budget to offset overspends in service directorate budgets as it has in 2017/18 and previous years. It will therefore be critical that Directors manage their expenditure within their approved budgets in 2018/19 and thereafter.

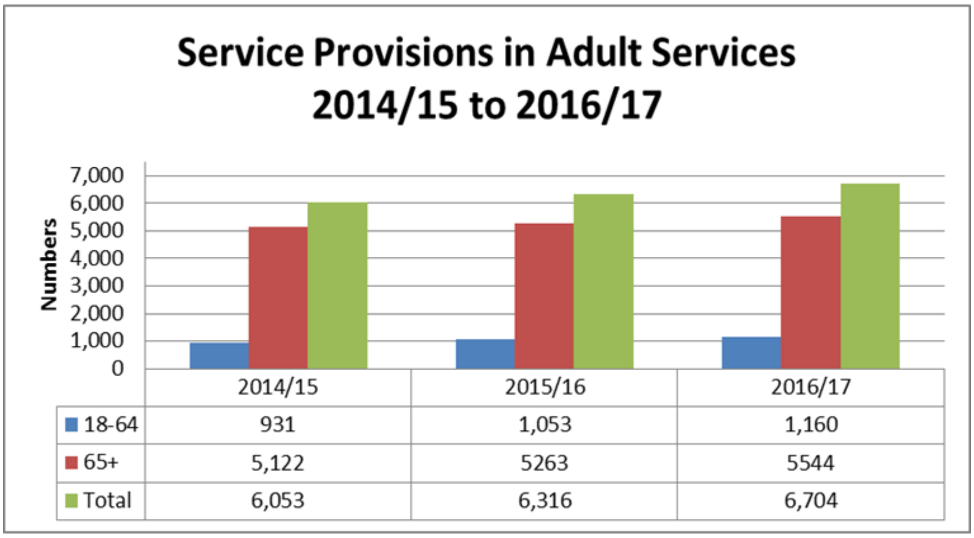
6. Havering's Revenue Budget and Council Tax

6.1 The key factors taken into account in finalising the 2018/19 budget are set out in the remainder of this report. As well as the results of the public engagement and budget finalisation, it is important to note that, if the final position on levies and the Greater London Authority (GLA) precept is significantly different from the provisional sums, the final level of the overall Council Tax may be affected.

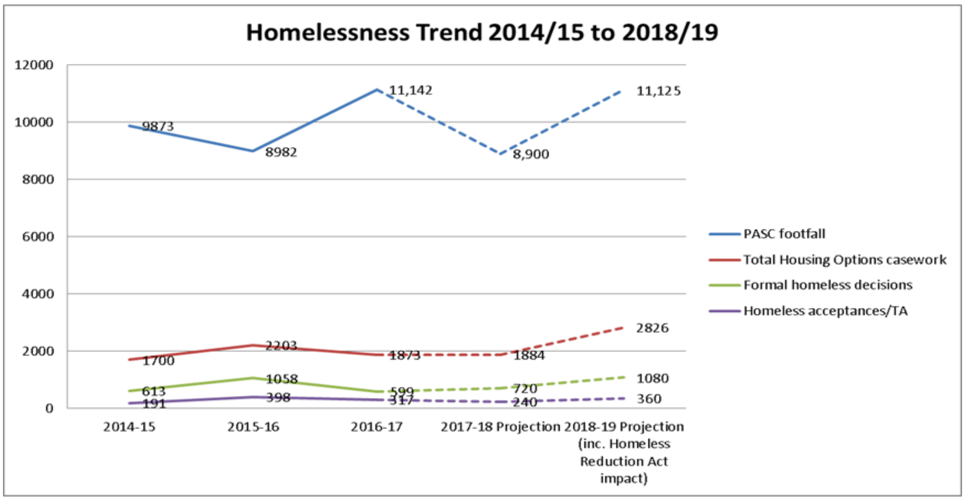
Demographic Growth

6.2 Cabinet will be aware from previous reports of the impact of changes in demography on the level of demand for Council services. The increase in Adults and Children's demographic growth, complexity of client needs, and increase in housing demand has led to an increase in demand for adult social care and housing; a trend which is expected to continue over the coming years. This growing demand is illustrated in graphs 1, 2 and 3 below;

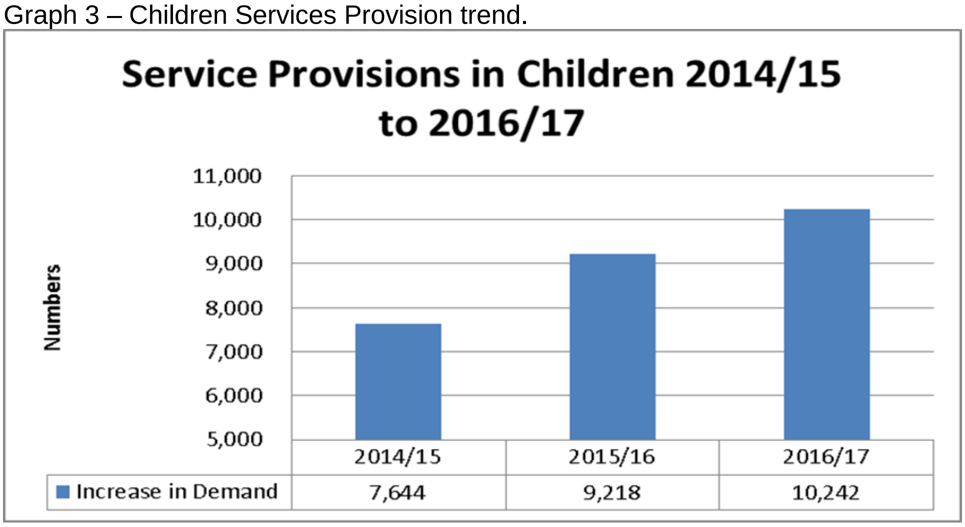
Graph 1 – Adult Services Provision trend.



Graph 2 – Homelessness Trend



Graph 3 – Children Services Provision trend.



6.3 In response to growth in demand and budgetary pressures, the draft financial strategy includes provision to increase the 2018/19 base budget by a further £2m for Adults Social Care, £1m for General Fund Housing Services and £2m for Children's Services. A further £1m one-off funding has been provided from the Corporate Risk Budget \in 2018/19 to Children's Services to provide support until its recovery and transformation plan implementation is complete.

General Inflation

6.4 The previous reports to Cabinet set out the broad approach to budgeting for inflation. In summary, provision has been made in the MTFS for a pay award increase at 2.38% in financial year 2018/19 and a further 3.01% increase for 2019/20. This will add £2.097m to the pay bill in 2018/19 and £2.715m in 2019/20. Negotiations continue with the Government over the pay award increase. Any changes to the pay award position will be reported to Cabinet meeting if known, and an update will be provided for the Council meeting.

In line with CPI, Contract inflation is budgeted at 3% per annum and income at 3%. No inflationary provision for supplies and services has been provided and services will need to absorb increases within their budgets.

Fees & Charges

6.5 Fees and charges have been reviewed in order to deliver an increase in income of 3%, though in some areas these fees are set by Central Government and are outside the Council's control. A complete Schedule of Fees and Charges is set out in **Appendix J** and is presented to Cabinet for approval as part of the 2018/19 budget.

6.6 Fees and Charges continue to be reviewed and amendments made in line with strategic priorities and the results of the consultation process for services to be paid for at the point of delivery, rather than through Council Tax increases. A key objective is to ensure that fees and charges recover the full cost of service delivery where possible.

Government Grant and Specific Grants

6.7 The Council receives a reducing number of specific grants outside of the general grant. These are for specific purposes and many have been subject to external audit verification prior to claim submission. They are not for mainstream funding and, hence, increased levels of specific grants have not assisted in reducing the overall Council Tax level, as they reflect a similar level of spend by the Council. These have historically changed year on year and in some cases the details have not been known until after Council Tax setting.

6.8 Assumptions are made in setting the budget on what those grant levels will be, unless specific announcements have already been made. The actual announcements may lead to differing amounts of grant funding being available, and may in fact identify new, or increased, levels of funding.

6.9 As in previous years, to facilitate the usage of these un-ringfenced resources, it is proposed that the Chief Financial Officer in consultation with Service Directors, review any such funds allocated to Havering and makes proposals for their use for approval by the Cabinet Member for Financial Management. Cabinet is asked to approve this. In addition, Cabinet is recommended to delegate to the Chief Financial Officer authority to make any necessary changes to service and the associated budgets relating to any subsequent grant announcements where delays may otherwise adversely impact on service delivery and/or budgetary control, subject to consultation as appropriate.

Public Health

6.10 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 – in line with the previous assumption reported to Cabinet in October 2017.

New Homes Bonus (NHB)

6.11 Havering's allocation for 2018/19 has been provisionally announced as £4.376m which is a reduction of £2.640m when compared to the 2017/18 allocation of £7.016m. It is anticipated that this is likely to reduce to approximately £3.8m by 2018/19. A £0.424m reduction in 20181/9 and £0.986m in 2019/20 compared to the previous assumptions; this reduction has now been incorporated into the MTFS.

Levying Bodies

6.12 The levies are part of the local government settlement and therefore are taken into account when setting the Havering element of the Council Tax. The latest information in respect of levies is set out in **Appendix C**; at this stage the figures are shown as either provisional or estimated, with final figures expected shortly. The ELWA budget report is due to be approved at its board meeting on 5 February 2018.

6.13 Havering's estimated ELWA levy for 2018/19 is £15.992m. If confirmed, it will represent an increase of 7.15%, or £1.067m and is £0.067m more than originally provided in the budget model. Subject to final notification by the Authority, the approved sum will be reflected in the draft budget for 2018/19.

6.14 The ELWA levy is based upon the weight of rubbish disposed of by residents and continues to present a significant financial pressure that will need to be proactively managed in future years through the development and implementation of waste management initiatives. Residents can make a substantial contribution to reducing the future levy by participating in the Councils waste management and recycling initiatives.

6.15 For planning purposes, a nominal increase of 0.5% for the remaining levies (Lea Valley Regional Park Authority, London Pension Fund Authority, and the Environment Agency) has been anticipated. The final figures are dependent upon the Council Tax base for each funding authority being confirmed, so the final levies for 2018/19 are currently awaited. The figures included in the Council Tax statement are therefore provisional or estimated.

Payments to External Bodies

6.16 Details of the proposed contributions for 2018/19 for concessionary fares and the Taxicard scheme were set out in the January report to Cabinet. The concessionary fares contribution is now confirmed as £8.177m, a reduction of £0.136m from 2017/18. The contribution to the Taxicard scheme has not yet been finalised although it is expected to be released prior to the Council Tax report to Council on 21 February and has been provisionally budgeted at £0.150m.

6.17 LB Havering contribution to the London Councils subscription in 2018/19 Grants Scheme was reported to January Cabinet, the contribution is confirmed as £0.192m, a 2.88% reduction compared to the 2017/18 cost of £0.220m.

Corporate Risk and Contingency Budgets

6.18 The Corporate Risk Budget is available to support the corporate organisation to meet a range of necessary expenditure including supporting service directorates to meet financial pressures and unavoidable overspends as referred to in section 5 dealing with the forecast outturn at period 9.

6.19 As reported in the 2017/18 MTFS, the Corporate Risk Budget has reduced significantly in recent years as it has been applied to mitigate budget and service reductions within front line services. It is anticipated that the underspend on this budget in 2017/18 will be £2.618m after meeting overspends by service directorates totalling £2.280m as set out in section 5 dealing with the period 9 forecast. Any final underspend that exists at year end will be transferred to the Business Risk Reserve to support the budget in 2018/19. The period 9 forecast balance on the Business Risk Reserve at 31 March 2018 is £6.872m (of which £1.010m is committed for potential Adult Social Care pressures, leaving a balance of £5.861m) after establishing the SLM leisure contract Reserve and Bridge close Reserve as reported to Cabinet in November 2017 (see also section 9.6). This will be supplemented by £0.700m of NNDR compensation grant that is due to be received in 2018/19, giving a total of £6.562m to support the management and mitigation of financial risk.

6.20 The Corporate Risk Budget for 2018/19 will be £13.977m of which £10.899m is committed leaving £3.098m and therefore it will be critical for service directorates to manage within their approved budget in 2018/19 onwards through implementation of agreed savings and mitigation plans.

6.21 The purpose of the Corporate Contingency Budget is to provide funds to address unforeseen issues that have a significant financial impact within the financial year and are largely outside the Council's direct control. The Chief Financial Officer (CFO) sets this budget by having due regard to:

- The budget strategy proposed to Cabinet;

- The level of the Corporate Risk Budget and Business Risk Reserve available to mitigate against financial pressures and delayed/ undeliverable savings by service directorates
- Availability of General Fund balances
- Availability of earmarked reserves
- An assessment of unquantifiable pressures and unforeseen events that could arise during the 2018/19 financial year
- The experience of previous years
- The degree of uncertainty as well as known impact of changes to funding streams

6.22 The Corporate Contingency budget does not provide specific funding for any unforeseeable extraordinary items of major expenditure, for example the implications of flooding. If such an event were to occur, it would need to be funded from the existing general reserves and balances, if the contingency were exhausted.

6.23 The Council continues to operate within a challenging financial environment. However, through focused management of budgetary pressures and available risk budgets, earmarked reserves, and the level of General Fund balances, it has been possible to avoid any call on the Corporate Contingency Budget within 2017/18 to date. Therefore, as set out in the 2017/18 MTFS, the Corporate Contingency budget will reduce from £2m to £1m in 2018/19 as planned.

6.24 It will be crucial that directors manage expenditure within their approved budget in 2018/19 and beyond to deliver agreed savings and mitigation plans; and that reserves, both general and earmarked, continue to be managed in the short and medium term in a way that gives due regard to the need to set a legally balanced budget. Furthermore, the early consideration of the 2019/20 budget strategy by the new Administration post May 2018 will be essential to financial sustainability in the medium term.

<u>Balance Sheet Position</u>

6.25 The focus of the revenue budget strategy is on the Council's income and expenditure. However, regard also needs to be given to key balances included in the Council's Balance Sheet. The Council faces a number of risks and uncertainties which can be mitigated by ensuring that it maintains an appropriate level of liquid resources and maintaining an adequate level of reserves. Earmarked Reserves £46.648m (excluding schools balances of £9.910m) and the General Fund Balances £11.766m. Earmarked Reserves are explained further at paragraph 6.29 below.

<u>Liquidity</u>

6.26 The Council held approximately £237m in cash on average during the course of the financial year. This represents the value of the Council's revenue reserves, net current assets, unapplied grants and unapplied capital reserves. Other than reserves, this is money that is committed and is being held pending such expenditure. Given that gross expenditure is the region of £600m, this represents around three months of expenditure. The level of cash balances is expected to reduce substantially over the period of the MTFS as the Council delivers the proposed capital programme as this will utilise internal cash balances before going to the financial markets to borrow externally. See also the Capital Programme and Treasury section of this report and the Treasury Management Strategy Statement elsewhere on this agenda.

6.27 The level of return achieved on these cash deposits is low by historic standards and the likelihood of an increase in interest rates in the short term is now receding.

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

Earmarked Reserves

6.29 An earmarked reserve is a sum set aside to fund planned items of anticipated expenditure for which the liability is not chargeable to the current year's accounts. Earmarked Reserves are set aside of specific known purposes and are not generally available to support the Council's operational base budget. The Council holds a number of these, the most significant of which is the Corporate Transformation Programme Reserve. Other funds are earmarked to meet the anticipated costs of strategic projects, insurance claims, capital bridge funding and invest to save resources.

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

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

Overall Council Tax for 2018/19

6.31 On the basis of the information set out in this report, including the levies being those as set out in **Appendix D**. **Havering's band D figure would increase to £1,363.83.** The table below summarises the position:

Table 8 - Havering's band D Council Tax 20181/9

	Band D Council Tax £	% Increase/ (Decrease)	£ Increase/ (Decrease)
General Requirement	1,287.75	1.50%	19.77
Adult Social Care Precept	76.08	2%	26.35
Total Havering Precept	**1,363.83**	**3.50%**	**46.12**
GLA Precept	294.23	5.07%	14.21
Total	**1,658.06**	**3.78%**	**0.27%**

Greater London Authority

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

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

6.34 The Mayor of London proposed an increase in the Band D precept paid by taxpayers in the 32 London Boroughs by total proposed of £14.21 from £280.02 in 2017/18 to £294.23 in 2018/19 (an increase of 5.07% overall).

Within this sum, the police element of the Band D precept level by £12 in 2018/19 and 1.99% each year thereafter from 2019/20 to 2021/22. This is in line with the Home Office expectations set out in Spending Review 2015 adjusted to reflect the 2018/19 provisional police settlement assumptions in relation to council tax flexibility for that financial year.

The non-police Band D precept is assumed to increase by £2.21 or 2.99% in 2018/19 – in line with the revised referendum threshold of 3% confirmed by the Government in the provisional local government finance settlement, with the revenues generated allocated to the London Fire Brigade.

6.35 Consultation on the budget proposals ended on 12 January 2018. The final draft budget proposals will be considered by the London Assembly on 22 February 2018 and the budget is due to be approved by 28 February 2018. As this meeting falls two weeks after this Cabinet meeting, any change from the Mayor's proposals will be advised to Members accordingly at Full Council.

7.0 Financial Strategy – Budget Finalisation

7.1 At the point of the January Cabinet report, the forecast budget gap in 2018/19 was £4.158m and £33.355m over the five year period to 2022/23. The latest forecast of £4.029m and £34.053m to 2022/23 following further work and update following the Local Government Finance Settlement is included in the table 7 below.

7.2 The movement in the budget gap since the January cabinet report is due to:

- Increased pressures of £2.006m over the period, made up of £1.553m budget rebasing, £0.287m Council tax base, £1.498mm increase pay award, netted off by £0.198m Collection fund/Council tax surplus and £1.134m NNDR yield) following the confirmation of some of the figures announced in the provisional local government financial settlement and completion of the Havering NNDR returns to Government for 2018/19.

- Reduced £1.306m over the period to 2022/23 - incorporating the revenue impact of the proposed capital programme and financing requirements following consideration of the capital programme by Cabinet in December. This work has established a revenue budget to meet the costs of the principal repayment (Minimum Revenue Provision) from debt financing, interest on borrowing together with the income budgets in respect of the range of economic development projects that were approved by Cabinet between November and January.

- Reflecting the reduction in the Investment Income budget within Treasury Management from £1.350 to £1.105m as the Council's cash balances are reduced through the use of internal borrowing used initially to finance the programmed capital expenditure.

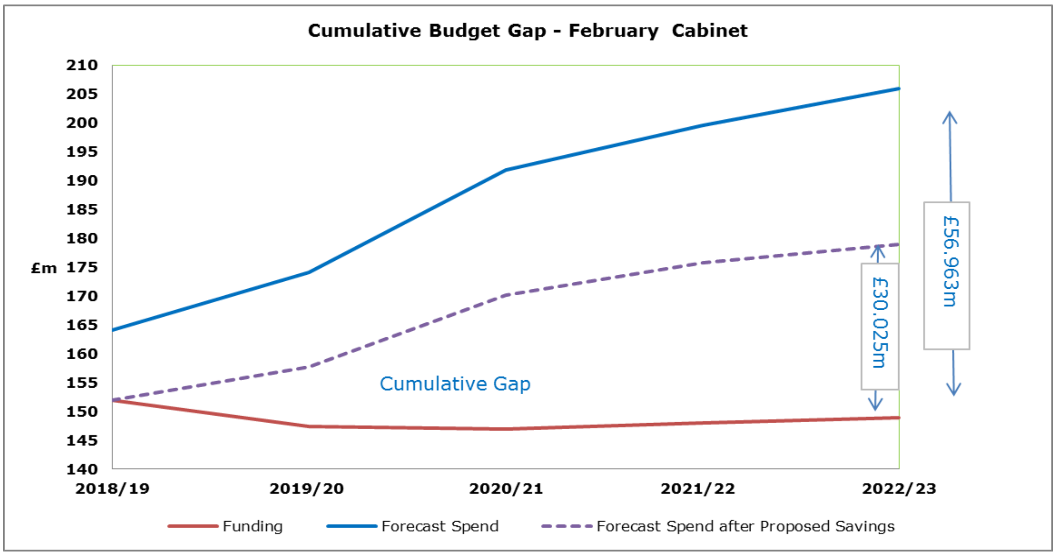
  This has a neutral effect upon the overall budget in 2018/19, but will create an initial pressure in 2019/20 as the Investment income budget is rebased. Additional net income of £4.338m is then profiled to be generated from 2020/21 onwards subject to all projects delivering in line with their agreed business case.

7.3 The Havering element of Council Tax is required to increase by 1.5% plus 2% for the Adult Social Care Precept in order to balance the budget in 2018/19. A gap of £30.025m remains for the period 2019/20 to 2022/23 as illustrated in the table and graph 4 below.

Table 9 - Forecast Budget Gap 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 - January	**4.158**	**7.961**	**14.182**	**3.194**	**3.860**	**33.355**
Additional adjustment following PLGFS	(0.083)	2.089	0.000	0.000	0.000	**2.006**
Capital Financing Impact	(0.046)	0.291	(1.296)	1.402	(1.658)	**(1.308)**
Forecast Budget Gap - February	**4.029**	**10.341**	**12.886**	**4.596**	**2.201**	**34.053**
LBH Council Tax increase 1.5%	**(1.727)**					**(1.727)**
ASC Precept 2%	**(2.302)**					**(2.302)**
Budget Gap	**0.000**	**10.341**	**12.886**	**4.596**	**2.201**	**30.025**

Graph 4 – Revised Cumulative Budget Gap.



7.4 The local government financial environment is predicted to remain challenging and the financial pressures in future years are likely to increase as they have over the last decade in particular. This will require the Council to rethink its operating model, its approach to prioritisation and pursue alternative service models in order to achieve financial sustainability in delivering services over the medium to long term.

7.5 Given that the long awaited Green Paper on Adult Social Care is delayed to Summer 2018, uncertainty remains around long term funding and this is reflected in the assumption that iBCF will not continue beyond 2019/20 in line with Government announcements to date. Forecasts will be updated as more information becomes available in relation to Social Care Funding, the Fair Funding review and the wider plans for fiscal devolution through Business Rates Retention. However, the Council will need to be prepared for the worst case scenario in order to be able to close the c£24m budget gap that is forecast by 2020/21.

7.6 As previously reported, SLT is also developing longer term plans to deliver further transformational change and demand management to address the £30.025m budget gap that remains between 2019/20 and 2022/23. These will be scheduled for consideration by the new Administration following the local elections in May 2018. It will be essential for these proposals to be progressed promptly during 2018/19 to provide sufficient lead in time to address the forecast pressures in 2019/20 onwards.

8. Budget Robustness/Reserves Position and Opportunity Cost

8.1 The Local Government Act 2003 sets out requirements in respect of Financial Administration, and in particular to the robustness of the budget and the adequacy of General Fund reserves. The Act requires the CFO to report to an Authority when it is making the statutory calculations required to determine its council tax or precept. The Act also suggests the advice should be given prior to the formal statutory calculation. This advice has therefore been given to both Cabinet in formulating proposals and to members of Overview and Scrutiny in considering the proposals. The Act also gives the Secretary of State the power to specify a minimum level of reserves that an authority must provide for when setting its budget, although there have been no indications that the Secretary of State will use this power.

8.2 In line with the requirements of the Act, the formal report of the CFO is appended as **Appendix F**. The Council is required to take the report into account when setting its budget and council tax.

8.3 The Council's financial strategy sets out that the minimum level of the General Fund Balance held will be £11.766m. The General Fund Balance at 31 March 2017 stood at £11.766m and the CFO's advice is to maintain it at this level given the level of risks associated with the Council's current financial position and the expected continuation of Government austerity measures impacting local government. Prior to making a final recommendation to Council, there is a need to further consider the current financial position for 2017/18 and its potential impact on reserves. Equally, the importance of retaining sufficient reserves has been emphasised by the variances that have arisen in service areas with large and volatile budgets and service demands, and with the impact of the economic climate within recent years.

8.4 After having regard to the consideration of the impact on reserves of the 2017/18 outturn, the existing reserves are likely to be sufficient to maintain this level. For information, this provides a level of reserves which gives limited cover for unforeseen circumstances that may have financial consequences, either one-off or across financial years.

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

9. Capital Strategy and Programme and Treasury Strategy

9.1 The October Cabinet report referred to the planned review of the Capital Strategy and Programme. Officers have been working over the course of the year to develop the framework for a renewed Capital Strategy in order to enable a co-ordinated and robust approach to new capital investment that is focused upon delivering affordable and value for money solutions to deliver the Council's ambition over the medium to long term.

9.2 That work is well advanced and is incorporated as far as possible within the Capital Strategy detailed within this report. The revised approvals and control framework is ready to be approved by CAMG and should be in operation for the 2018/19 financial year. However, DCLG and CIPFA have both recently issued consultation documents which the Strategy will need to take into account. The revised CIPFA Code has been issued but CIPFA have recognised too late to implement from the start of 2018/19. The results of the DCLG consultation are not yet published and so cannot be taken into account in setting the strategy and programme for 2018/19. It is therefore anticipated that a further updated Capital Strategy will come to Cabinet and Council in the Spring.

The Capital Programme

9.3 In the December, Cabinet considered an updated Capital Programme for 2017/18 and new capital bids proposed for consideration and inclusion in the 2018/19 programme. Table 10 below summarises the resulting proposed Capital Programme and financing statement for the period 2018/19 to 2022/23 and the financing statement. Further analysis is set out in Appendix G. Annex 1 and 2.

The capital budgets submitted for approval of expenditure are presented excluding anticipated slippage in the capital programme. Actual slippage will be reported and rolled forward into 2018/19 as part of the closure of the 2017/18 accounts. The capital expenditure estimates included in the Treasury Management Strategy Statement report, take account of the anticipated level of slippage to provide the most prudent estimate for cash management purposes.

Table 10 - Havering Capital Programme

Summary of Proposed Capital Programme	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m
Children's Services	36.644	39.411	3.408	0.000	0.000	**79.464**
Adults Services	0.000	0.000	2.800	0.000	0.000	**2.800**
Neighbourhoods	39.911	74.133	39.896	28.446	2.930	**185.316**
Housing Services	9.401	0.000	0.000	0.000	0.000	**9.401**
oneSource	3.622	1.241	0.626	0.620	0.620	**6.729**
Chief Operating Officer	5.329	13.053	7.164	0.854	0.485	**26.885**
Corporate	2.000	0.000	0.000	0.000	0.000	**2.000**
TOTAL CAPITAL PROGRAMME	**96.907**	**127.839**	**53.894**	**29.920**	**4.035**	**312.594**
Funding						
Capital Receipts	15.492	3.200	2.803	0.000	0.000	**21.495**
Revenue and Reserve Contribution	4.409	0.020	0.000	0.000	0.000	**4.429**
Grants	36.575	57.797	24.066	15.030	0.009	**133.477**
Section 106	1.347	0.693	0.000	0.000	0.000	**2.041**
Other External Funding	16.855	16.565	1.273	0.254	0.000	**34.947**
Prudential Borrowing	22.229	49.563	25.752	14.635	4.026	**116.206**
TOTAL FUNDING	**96.907**	**127.839**	**53.894**	**29.920**	**4.035**	**312.594**

9.4 Table 11 includes a summary of the existing approved capital programme by Directorate whilst Appendix G details the existing programme by theme. The existing programme includes the £6.465m efficiency programme budget, which resulted from the additional £5m approved in the 2017/18 budget process to enable invest to save projects. This budget has been allocated to fund the new capital bids shown in Table 10 totalling £6.550m.

Table 11 -Havering Capital Programme

Summary of Existing Approved Capital Programme	2018/19 £m	2019/20 £m	2020/21 £m	Total £m
Children's Services	25.919	17.536	0.458	**43.914**
Adults Services	0.000	0.000	0.000	**0.000**
Neighbourhoods	1.872	0.950	0.003	**2.826**
Housing Services	9.401	0.000	0.000	**9.401**
oneSource	1.887	0.241	0.006	**2.134**
Chief Operating Officer	0.340	0.127	0.000	**0.467**
TOTAL CAPITAL PROGRAMME	**39.419**	**18.855**	**0.467**	**58.741**
Summary of Existing Approved Capital Programme	**2018/19**	**2019/20**	**2020/21**	**Total**
Funding				
Capital Receipts	12.347	1.250	0.003	**13.600**
Revenue and Reserve Contribution	4.283	0.020	0.000	**4.303**
Grants	21.727	16.892	0.464	**39.083**
Section 106	1.062	0.693	0.000	**1.756**
Prudential Borrowing	0.000	0.000	0.000	**0.000**
TOTAL FUNDING	**39.419**	**18.855**	**0.467**	**58.741**

9.5 There has also been a review of the future capital requirements undertaken across the business. A shortlist of proposals was considered by Capital Asset Management Group (CAMG), an officer level group established to give oversight and management of key processes around the capital programme and approvals. The schemes that have progressed through this officer level challenge are summarised by directorate in Table 12 below. The detailed programme is shown in Annexe 1, Appendix G. Cabinet is asked to recommend these bids to Council for approval as part of the approval of the total Capital Programme.

Table 12 – New Capital Programme for approval

Schemes Presented for Consideration for Approval	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m
Children's Services	10.725	21.875	2.950	0.000	0.000	**35.550**
Adults Services	0.000	0.000	2.800	0.000	0.000	**2.800**
Neighbourhoods	38.039	73.182	39.893	28.446	2.930	**182.490**
Housing Services	0.000	0.000	0.000	0.000	0.000	**0.000**
oneSource	1.735	1.000	0.620	0.620	0.620	**4.595**
Chief Operating Officer	4.989	12.926	7.164	0.854	0.485	**26.418**
Corporate	2.000	0.000	0.000	0.000	0.000	**2.000**
TOTAL CAPITAL PROGRAMME	**57.488**	**108.983**	**53.427**	**29.920**	**4.035**	**253.853**
Capital Receipts	3.145	1.950	2.800	0.000	0.000	**7.895**
Revenue and Reserve Contribution	0.126	0.000	0.000	0.000	0.000	**0.126**
Grants	14.848	40.905	23.602	15.030	0.009	**94.394**
Section 106	0.285	0.000	0.000	0.000	0.000	**0.285**
Other External Funding	16.855	16.565	1.273	0.254	0.000	**34.947**
Prudential Borrowing	22.229	49.563	25.752	14.635	4.026	**116.206**
TOTAL FUNDING	**57.488**	**108.983**	**53.427**	**29.920**	**4.035**	**253.853**

The schemes summarised below were considered by Cabinet in December and are repeated here as a reminder of each group of schemes

Development

9.6 These schemes sit within the Neighbourhoods Directorate and Cabinet have considered detailed reports between November and January. They are consolidate within this report to enable Cabinet to consider them as part of the total Capital Programme and refer onto Council for approval of their inclusion in the Capital Programme. The schemes require the Council to increase its borrowing requirement and the revenue costs of capital financing (debt repayment and interest) are included in each project business cases. These costs have been factored into the MTFS alongside the income budgets associated with each project over the long term (i.e. for the project life beyond the current MTFS). These include:

a) Economic Development schemes

i) Bridge Close Regeneration

This scheme was approved for progression at Cabinet on 15 November 2017. The report included the Council's investment required to progress the scheme and identified the financing costs and funding streams to cover them. Inclusion in this programme ensures that the capital expenditure approvals are in place and the revenue costs and income budgets are included in the MTFS. This includes the commitment to cover the shortfall in income of some £1.611m in the first 5 years of the programme from the Business Risk Reserve, with net income generated for the General Fund after meeting capital financing costs, over the later years of the scheme.

ii) Mercury Land Holdings business plan schemes

These proposals reflect the business plan intentions approved at Cabinet on 15 November 2017 and were approved within existing budgets within the 2017/18 capital programme. Project business cases will be subject to Cabinet or delegated approval as set out in the November MLH Cabinet report.

iii) Rainham – Beam Park Regeneration

This scheme was approved for progression at Cabinet on 13 December 2017. The report included the Council's investment required to progress the scheme and identified the financing costs and funding streams to cover them. Inclusion in this programme ensures that the capital expenditure approvals are in place and the revenue costs and income budges are included in the MTFS.

SLM – leisure contract

This scheme sits within the Chief Operating Officer Directorate and was considered by Cabinet in November 2017, when an update on the contractual performance was reported and the capital budgets and financing were referred to Council for approval within the 2017/18 Capital Programme. This included the commitment to cover the shortfall in income of some £2.111m in the first 5 years of the contract from the Business Risk Reserve, with these sums being paid back in later years of the contract. The revenue impact of the SLM contract is be included in the overall MTFS position of the Council.

Externally funded schemes

9.7 These schemes sit within the Neighbourhoods Directorate and represent the Highways and Local Infrastructure Plan schemes where funding is provided by Transport for London (TfL)

Efficiency Programme Funded Bids

9.8 As part of the 2017/18 budget report to Council a budget of £5m was approved to enable the development of a range of invest to save schemes that aim to generate future operational revenue savings to the Council. This was combined with the remaining invest to save capital budget and a total of £6.465m is included in the existing capital programme, as yet unallocated. The proposal is to allocate this sum to fund the establishment of residential or semi independent living schemes within Children's and Adults services. This will support the service transformation work within those Directorates, enables innovative service delivery and is an essential enabling investment for the realisation of future revenue expenditure savings and/or reduction in service cost pressures as outlined in the series of MTFS reports between October and January.

New bids outside the existing approved capital programme

9.9 The final section of the proposed additions to the capital programme is the inclusion of new bids for capital funding. These schemes have been identified and considered in terms of a prioritisation including links to the corporate priorities, which will be developed within the capital strategy, ongoing asset maintenance requirements, ongoing programmes health and safety and statutory considerations.

9.10 The schemes are grouped into 2 categories;

a) ICT – infrastructure, improvement and resilience- funding required to manage and sustain the Council's ICT infrastructure. This investment will ensure the sustainability of its ICT infrastructure and enable service delivery across a full range of Council services.

b) CAMG endorsed core capital programme requirements and new schemes.

9.11 The other significant schemes by Directorate and relevant assumptions are outlined below;

a) Children's – Schools expansion programme

It is assumed that this will be funded from the basic needs or other grant funding made available to the Council. The potential use of s106 funding is also to be scrutinised to ensure best use of resources.

b) Neighbourhoods – Footway and Carriageway Resurfacing

This is the ongoing programme of capital repairs and includes an additional sum in 2018/19 for repairs to street lighting. Going forward this expenditure will be funded from prudential borrowing.

c) Schools capital maintenance programme

This is assumed to be funded from grant funding and is not planned to impact on prudential borrowing.

9.12 Table 13 below summarises the potential impact on the MTFS of the funding arrangements proposed for the ICT bids and new capital bids. As can be seen from Table 10 above, alternative funding sources are to be used where available. If prudential borrowing is required, this will result in revenue capital financing costs over the profile of the schemes as shown below. Whilst these costs are factored into the MTFS for prudent financial planning purposes, alternative funding sources will be used where possible to mitigate these costs, delivering a saving on the revenue budget.

Table 13	**ADDITIONAL REQUIREMENT - MRP & INTEREST**					
	2018/19 £m	**2019/20 £m**	**2020/21 £m**	**2021/22 £m**	**2022/23 £m**	**Total £m**
ICT BIDS - to link with IT strategy	0.030	0.230	0.219	0.143	0.143	**0.765**
CAMG endorsed projects and New Projects	0.142	0.224	0.209	0.170	0.140	**0.885**
	0.172	**0.454**	**0.428**	**0.313**	**0.283**	**1.650**

9.13 The existing Capital Programme has historically been largely funded from the use of capital receipts however going forward it is acknowledged that the capital ambition of the Council will exceed the potential capital receipts available and will therefore require the Council to plan for the inclusion and cost of prudential borrowing for prioritised schemes.

9.14 The 2016/17 Capital programme established a capital budget of £100m of expenditure which is included in the existing Capital Programme to cover the regeneration and development activities from planned prudential borrowing within the Treasury Management Strategy. £17.230m of this £100m was approved for MLH schemes in 2016/17, with £6.290m approved to fund the acquisition of land from Havering College in 2017/18, leaving £76.480m towards further regeneration and development schemes from 2018/19 onwards.

9.15 The significant regeneration and development schemes within the revised programme have business cases which require prudential borrowing of £115.263m over the period 2018/19 to 2022/23. The impact upon the Council's underlying need to borrow to finance its capital expenditure is measured by the Capital Financing Requirement (CFR) and is set alongside projected external and internal borrowing levels in the Treasury Management Strategy Statement elsewhere on this agenda.

9.16 The 2018/19 budget includes an increased revenue budget of £10.518m to meet the forecast capital financing costs of capital expenditure financed by borrowing and the MTFS incorporates the forecasts future capital financing budget requirements. Capital financing costs are the repayment of loan principal (Minimum Revenue Provision) and interest on borrowing as required by the CIPFA Code of Practice. The total capital financing cost over the MTFS period resulting from the proposed capital programme is set in the table below.

Table 14 – Forecast Capital Financing Budget.

Capital Financing Budget	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m
Historic Minimum Revenue Provision	1.193	1.163	1.133	1.105	1.078	**5.672**
Additional Minimum Revenue Provision	0.891	1.399	3.732	4.557	4.530	**15.110**
Total Estimated Minimum Revenue Provision	**2.084**	**2.562**	**4.865**	**5.662**	**5.608**	**20.782**
Historic Interest Costs	7.557	7.557	7.557	7.557	7.557	**37.785**
Additional Interest Estimates	0.877	2.119	3.767	4.386	3.905	**15.055**
Total Estimated Interest Costs	**8.434**	**9.676**	**11.324**	**11.943**	**11.462**	**52.840**
Estimated Capital Financing Budget	**10.518**	**12.238**	**16.189**	**17.605**	**17.071**	**73.622**

9.17 The Council needs to manage and control its future capital programme and investment very carefully to ensure that it meets its fiduciary responsibilities. It will need to carefully prioritise future capital investment to deliver optimum outcomes as resources become increasingly scarce. A number of new schemes rely upon borrowing which creates a long term budgetary commitment for the Council for which it anticipates that it will receive financial returns of income in addition to meeting the primary objectives of economic development and regenerations. It is therefore essential that there is robust and proactive management of all capital projects going forward in order to deliver the financial plans set out in each approved business case. In particular, the delivery of income streams due from the series of Regeneration led projects for housing development are crucial and underpin the Council's ability to meet the cost of this capital investment and generate future revenue returns to support the delivery of the MTFS. Failure to deliver to plan, could result in significant financial pressures for the Council and therefore robust programme and project governance will be essential. This framework and the expected returns on investment will be included in the revised Capital Strategy.

9.18 In allocating funding to these proposals the principle of financing capital expenditure from prudential borrowing as a last resort, was used. Going forward, the use of external funding sources will be maximised, pulling together the co-ordination of grant funding, s106 and any future CIL payments and the use of capital receipts, revenue and reserves under the review of CAMG. This will be managed under the governance arrangements being developed as part of the Capital Strategy. The use of prudential borrowing will be considered as the final option, once all alternative funding sources have been considered. This principle will be enshrined in the revised capital strategy and inform the revision of the Treasury Management strategy for the medium to long term.

9.19 The 2017 Prudential code requires a capital strategy to a longer term context capital expenditure and investment that gives due consideration to both risk and rewards, so the return on the investment after meeting the revenue costs of borrowing expected will need to be considered within business cases in order to establish a financially sustainable plan to secure approval of schemes to progress. The Capital Strategy going forward will incorporate a requirement to demonstrate this for investments in order to secure funding approval.

9.20 As referred to in paragraph 9.2, it should be noted that there are currently consultations underway from the DCLG on proposed changes to the prudential code for capital finance, including consideration of statutory guidance on local authority investments and the minimum revenue provision required to provide for the repayment of borrowing. In addition, in this context the due diligence work on the Regeneration schemes is continuing in order to establish the potential impact of the consultations and the proposals upon these schemes. This means that the work on the Mercury Land Holdings, Bridge Close and Rainham–Beam Park business cases cannot be finalised until this due diligence is complete. Therefore, even though the capital scheme numbers are included in the Capital Programme, with the estimated funding impact upon the MTFS included, these estimates may need to be refined once the impact of new DCLG rules and guidance is issued. The implementation of these schemes will therefore be dependent upon completion of all due diligence under the delegations set out and approved in each Cabinet report. Further update reports will be presented to Cabinet as required on a project by project basis.

9.21 The impact of the additional borrowing and the potential impacts of the consultations that are underway will also need to be considered as part of the review of the Treasury Management Strategy in order to ensure that the capital investment is financially sustainable and affordable and within the Prudential Code of Practice and the Treasury Code of Practice. The Treasury Management Strategy is included for approval elsewhere on this agenda.

9.22 The December report updated on the review of the capital processes and systems, leading to a refresh of the capital strategy. That work is ongoing and has so far delivered

- A refreshed capital programme, including profiled capital budgets over a 5 year timeframe (show at table 10/Appendix G)
- Redesign of the Oracle Project management module to take the profiled 5 year capital programme (due to be completed for the start of 2018/19)
- Capital bid approval process which allowed officer challenge of the capital bids is pending SLT and CAMG sign off, before approval by Cabinet for inclusion in the capital strategy
- Design of a draft governance process, including the Strategic Capital Assets Group role in coordinating the capital investment programme and challenge and approval of business cases
- Gateway business case approval process
- Integration of the capital financial management analysis into the Execview programme management system

9.23 The original intention was to present a revised capital strategy to Cabinet as part of the budget process. However, the December report also highlighted that there were 2 consultations on the Prudential code underway at that time. The DCLG's consultation closed on 22 December but there has been no feedback to date, and any resulting changes may affect the Council's policies.

9.24 The CIPFA consultation however has resulted in the publication of a revised CIPFA Prudential Code, and the key points are summarised below.

The Revised CIPFA Prudential Code and CIPFA Treasury Management Code

9.25 Many of the changes initiated in the revisions to the Codes surround concerns arising from the Localism Act 2011 (commercialism agenda), the changes outlined within it will impact all authorities. The revised Prudential Code is in a similar format to the 2011 edition, the main structural differences being the inclusion of the Capital Strategy requirements and the removal of some indicators. The section on the HRA for housing authorities has also been removed, although the indicators remain.

9.26 Section 5 of the new code has the major change to the Code with the requirement to determine a capital strategy. Whilst each authority will need to determine their capital strategy in the context of their local requirements, an outline of the types of issues required to be considered is set out in the Code and included here below. These are quite prescriptive and as of yet the Council does not have all the elements in place to meet this requirement. CIPFA has acknowledged that the planning processes for authorities are well advanced, so compliance with the revised codes may take place at the next available opportunity, so for instance the capital strategy requirements can be implemented after the 2018/19 budget cycle. However the work done to date forms part of the requirement but needs to be developed further to meet the new capital strategy requirements.

The Capital Strategy requirements in the code

9.27 The capital strategy is intended to give a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial. The capital strategy should be tailored to the authority's individual circumstances but should include capital expenditure, investments and liabilities and treasury management. In considering how stewardship, value for money, prudence, sustainability and affordability can be demonstrated local authorities should have regard to the following key areas where material.

- Capital expenditure
  - An overview of the governance process for approval and monitoring of capital expenditure, including links to the authority's policies on capitalisation.

  - A long-term view of capital expenditure plans, where long term is defined by the financing strategy of and risks faced by the authority with reference to the life of projects/assets.
  - An overview of asset management planning including the cost of past borrowing, maintenance requirements and planned disposals.
  - Any restrictions around borrowing or funding of ongoing capital finance, for example requirements around the HRA

- Debt and borrowing and treasury management

  - A projection of external debt and use of internal borrowing
  - Provision for the repayment of debt over the life of the underlying debt.
  - Authorised limit and operational boundary for the following year
  - The authority's approach to treasury management including processes, due diligence and defining the authority's risk appetite.

- Commercial activity

  - The authority's approach to commercial activities including processes ensuring effective due diligence and defining the authority's risk appetite in respect of these, including proportionality in respect of overall resources.
  - Requirements for independent and expert advice and scrutiny arrangements. While business cases may provide some of this material, these will often reflect historic rather than current circumstances so the information contained in them will need to be periodically re-evaluated when it will inform the authority's overall strategy.

- Other long-term liabilities

  - An overview of the governance process for approval and monitoring and ongoing risk management of any other financial guarantees and other long-term liabilities.

- Knowledge and skills

  - A summary of the knowledge and skills available to the authority and confirmation that these are commensurate with the authority's risk appetite.

9.28 In developing the capital strategy a balance should be struck between the amount of detail included and accessibility to the key audience. Where detailed information is required thought should be given to how this is made available, its format and the training needs of members to encourage active engagement. The role of the formal scrutiny process should not be overlooked in ensuring effective challenge. Links should be made where appropriate to the treasury management strategy. The chief finance officer should report explicitly on the affordability and risk associated with the capital strategy and where appropriate have access to specialised advice to enable them to reach their conclusions.

10. Treasury Management Strategy

10.1 The Council is required to agree annually a Treasury Management Strategy Statement including the setting of borrowing limits, and to reaffirm the Council's Treasury Management Policy. The draft TMSS is included elsewhere on this agenda.

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

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

(a) The security of capital and
(b) The liquidity of its investments.

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

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

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

10.4 The draft strategy takes account of the prudential borrowing requirements associated with the regeneration and development budget. The actual timing of any increase in external borrowing will be dependent upon cashflow obligations and prevailing market rates and borrowing opportunities.

10.5 The impact of additional borrowing and the potential impacts of the consultations that are underway will also need to be considered as part of the review of the Treasury Management Strategy in order to ensure that the capital investment is financially sustainable and affordable and within the Prudential Code of Practice and the Treasury Code of Practice. The Treasury Management Strategy is included for consideration and approval elsewhere on this agenda.

11 Other Matters

Council Tax Bill

11.1 The Council Tax bill will show the charges for Council services and the Greater London Authority. It must be served on or as soon as practicable after the day the Council Tax is set, and at least 14 days before the first instalment is due where the bill requires payment of instalments. As in previous year, Council Tax payers can now elect to pay by 12 monthly instalments, rather than the current 10. In addition, the detail supporting information can be provided online, rather than by default having to supply it in hard copy to taxpayers (although they can request a hard copy).

Effect of Council Procedure Rules

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

Rule 11.8(a)
"An amendment to a motion/report at the annual Council tax setting must be submitted to the Chief Executive no later than 6 clear days before the Council tax setting meeting, and must be such that the amendment would, if passed, in the view of the Chief Finance Officer enable a robust budget to be set".

This means that **Midnight on Monday 12 February 2017** is the deadline for amendments to the Council Tax Setting and Budget Report.

Rule 11.8(b)
"Upon receipt of such amendment, the Chief Finance Officer shall consider whether it meets the "robust budget" test, and:

(i) If it does meet the test, the Proper Officer shall include it on the agenda for the meeting.

(ii) If it does not meet the test but the Chief Finance Officer considers that, duly altered, it will do so, that officer shall consult the proposers and, if they accept the alteration(s), the Proper Officer shall include it, as altered, on the agenda for the meeting.

(iii) If it does not meet the test and the Chief Finance Officer considers that, whether or not altered, it will not do so, that officer shall refer the amendment to the Proper Officer who shall proceed with it as an improper amendment under Rule 11(3)(b)."

Discount for Council Tax Payers Paying in Full

11.3 The Council has agreed in the past, to offer a discount to Council Tax payers who pay their Council Tax in full. It is necessary for Cabinet to recommend Council to agree a specific resolution for this purpose or for any change proposed as the current assumption is that the discount remains at 1.5%. At May 2017, there were 3,312 Tax payers who took advantage of the pre- payment discount. Cabinet should note that a similar discount is not permitted under business rate regulations.

Resolution

11.4 "Any Council Tax payer who is liable to pay an amount of Council Tax to the authority in respect to the year ending on 31 March 2019, who is served with a demand notice under Article 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992 and who makes payment to the authority of the

full balance of the estimated amount shown on that demand by 1 April 2018, may deduct a sum equivalent to 1.5% from the estimated amount and such reduced amount shall be accepted in full settlement of that estimated amount".
Resolution for Council Tax

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

12. Housing Revenue Account

12.1 The report on the HRA budget for 2018/19 appears elsewhere on the agenda. This includes both the revenue budget and the associated capital programme.

REASONS & OPTIONS

Reasons for the Decision

The Council is required to set a budget for 2018/19 and, as part of that process, undertake relevant consultation in respect of the proposals included within the budget.

Alternative Options Considered

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

IMPLICATIONS & RISKS

Financial Implications and Risks

The Council's budget-setting process assesses the financial risks and implications facing the Council in delivering services within a complex and challenging environment. There are significant risks associated with increasing demographic pressures, the recent LGFS and the continuing uncertainty over the future level of Local Government funding. The Council consistently works to mitigate these risks. It will however be necessary to continually refine the financial forecasts underpinning the Council's budget to ensure that any necessary actions can be taken at the appropriate times, in order to respond to changing circumstances and new challenges, allowing for consultation as appropriate.

The latest forecast budget gap currently is £4.029m in 2018/19 and £34.053m over the five year period to 2022/23. Assuming that the recommendations in this report are approved, with a Council Tax increase of 1.5% and an increase in the ASC Precept by 2%, the 2018/19 budget reflects a balanced position. However, a budget gap of

£30.025m will still need to be met by over the period 2019/20 to 2022/23. The Council will therefore need to be mindful of the lead in time required to deliver a further savings programme to and, whilst Officers are progressing this work, it will be critical for the Administration post May 2018 to take prompt decisions in relation to the development of the financial strategy and proposals for 2019/20 onwards. Additionally, there are risks associated with the delivery of savings and income generation agreed as part of this and previous budget reports. This may increase the potential for in year budget variances requiring corrective measures to be implemented and the strategy refined on an ongoing basis.

Legal Implications and Risks

Under the Local Government Act 2003 calculation of the Council Tax to be levied and adoption of an annual budget must be carried out by full Council on the recommendation of the Leader and Cabinet.

When considering decisions on the budget and the level of Council Tax, Members should have regard to the legal framework for such decisions which is shown at **Appendix H**.

When considering the budget, Council must take into account this report from the Chief Financial Officer on the robustness of the estimates and the adequacy of the proposals for reserves. The Council has a statutory duty to set a lawfully balanced budget and adoption of the recommendations in this report would fulfil its obligations in this regard.

Human Resource Implications and Risks

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

Equalities and Social Inclusion Implication and Risks

Havering has an increasingly diverse community. The Council values diversity and our Fair to All policy reflects our commitment to ensure all groups and individuals are proactively included and treated with dignity and respect at all times. Council Tax will be applied fairly across all community groups, including ‘protected’ groups as identified in Equality Law. Where eligible, individuals may be entitled to discounts in line with published criteria.

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.
- 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.

All savings proposals contained in this report have been subject to an initial screening exercise to identify the potential impacts of the proposals on protected groups. Service users have been categorised under the following headings;

- Age
- Gender [including maternity / pregnancy impact], transgender people
- Disabled People or Carers
- Religion or belief (including no faith)
- Sexual Orientation
- Race/Ethnicity
- Pregnancy and Maternity
- Socio-economic groups
- Other (e.g. living in poverty, children in care, homeless)

Where screening has identified that a proposal could have a high adverse impact on a protected characteristic, then a further detailed assessment of the equality impact of the proposals will be carried out prior to decision making and any implementation. That further assessment will look at alternative options to mitigate any adverse impacts that have been identified prior to implementation where possible.

The budget includes 31 saving proposals totalling £8.471m over the MTFS period (2018/19 to 2022/23). Screening of these proposals identified 10 that have a high impact and will require a full Equalities Impact Assessment (EqIA) prior to decision and any implementation. These are:

- Ref. AS5, AS8, AS11 and AS13 - Adults Services Directorate, impacts the Disabled People or Carers group.

- Ref CH5 - Children Services Directorate, impacts Other groups (e.g. living in poverty, children in care, homeless)

- Ref CH6 - Children Services Directorate, impacts the Pregnancy and Maternity groups, Socio-economic groups and Other groups (e.g. living in poverty, children in care, homeless)

- Ref CH8 - Children Services Directorate, impacts the Disabled People or Carers group and Other groups [e.g. living in poverty, children in care, homeless

- Ref COO15 - Chief Operating Officer Directorate, impacts Age, Disabled People or Carers, Socio-economic groups and Other groups (e.g. living in poverty, children in care, homeless)

- Ref COO19 - Chief Operating Officer Directorate, impacts Other groups (e.g. living in poverty, children in care, homeless)

The proposals are summarised in the schedule of all savings proposals set out at Appendix A. It is not the purpose of this budget report to replace the detailed equality impact assessments that will be completed before decision making and any implementation of each proposal.

The Council 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. It will therefore endeavour to implement savings measures that mitigate the adverse impact upon these members of the community where possible.

Background Papers:

None

HAVERING 2018/19 REVENUE BUDGET PROPOSALS SUMMARY

Ref No.	Directorate	Specific Service Area	Type of Proposal: S - Savings I - Invest to Save G -	Proposal Title	Proposal Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m	Proposal Category: I - Income E - Efficiency S - Service reduction/stop T -	FTEs in service	Headcount in service	FTEs Reduction	Currently Vacant posts	RAG Risk (deliverability)
NEI 3	Neighbourhoods	Public Realm	S	Review Cleansing and Grounds Maintenance to drive efficiencies	Public Realm services are under review and using best practice gained from other Local Authorities and the private sector will be redesigned to reduce operational costs whilst maintaining or improving service standards. The process will involve reviewing operational resources including staff, vehicles and plant.	(0.100)	(0.450)	0.000	0.000	0.000	**(0.550)**	E	171.0	234.0	37.1	40.0	L
NEI8	Neighbourhoods	Public Realm	S	Outsourcing of Public Realm Services	Following the efficiency saving review (NEI3), it is proposed that a market testing exercise is carried out with the objective of externalisation which officers believe could save up to £0.5m a year through the private sectors ability to procure fleet and plant directly with the manufacturer thus realising savings and local overhead savings.			(0.500)	0.000	0.000	**(0.500)**	E	171.0	234.0	9.3	40.0	**M**
NEI10	Neighbourhoods	HT&P	G	PSPO (schools)	Growth proposal to support ongoing investment in Public Space Protection Orders outside 4 x selected borough schools, banning the dropping off and picking up of children during the school run. Money need to fund cameras, equipment and staff resources to deliver the scheme.	0.150					**0.150**	G					L
NEI11	Neighbourhoods	Public Realm	S	Yellow box junctio	Introducing enforcement of yellow box junctions, will improve the safety of the road network. Evidence from the introduction of the wider MTC programme suggests that non compliance of Yellow box junctions will be high and therefore penalty notices could total £0.250m per annum.	(0.250)					**(0.250)**	I					H
					Total Neighbourhoods Directorate	**(0.200)**	**(0.450)**	**(0.500)**	**0.000**	**0.000**	**(1.150)**		**342.0**	**468.0**	**46.4**	**80.0**	
COO7	COO	Communications	S	Christmas trees and lighting	Alternative funding sources for Christmas trees and illuminations would be sought from sponsorship.	(0.091)	0.000	0.000	0.000	0.000	**(0.091)**	S					L
COO8	COO	Communications	S	Havering Show	This proposal is to increase revenue for the Havering Show so that the event becomes self financing for the council. Additional revenue options will be considered including charging an entrance fee, increasing car parking charges and growing income from trade/catering suppliers.	(0.040)	0.000	0.000	0.000	0.000	**(0.040)**	S					L
COO9	COO	Communications	S	Living in Havering Magazine	This proposal would phase out the production of Living In Havering magazine in printed format from four to two issues in 2018/19 and then to cease publication in 2019/20, saving the base budget of £0.037m per year. Living in Havering would be produced more frequently as an electronic bulletin and distributed via email. The Council already successfully produces e-newsletters and has a distribution data base of 135,000 subscribers. Costs are summarised as £0.075m Printing, £0.038m Design, and £0.034m staff resources. Total costs £0.147m. Reduced by Advertising income £-0.060m and £-0.050m from HRA. Total income £-0.110m, to realise a net budget of £0.037m (the profile of budgets is as follows: staff costs £0.034m per annum ongoing. Other spend year 1 £0.013m, Year 2 £0.065m, Year 3 and ongoing £0.016m. Income HRA contribution of £0.050m remains constant ongoing, the £0.060m advertising income reduces to £0.030m in Year 2, Year 3 and ongoing is nil. Total income is therefore £0.110m then £0.080m then £0.050m ongoing.) This results in a net budgetary position of £0.037 current, Year 2 £0.019m and Year 3/ongoing a net nil budget.	(0.018)	(0.019)	0.000	0.000	0.000	**(0.037)**	S					L

HAVERING 2018/19 REVENUE BUDGET PROPOSALS SUMMARY

Ref No.	Directorate	Specific Service Area	Type of Proposal: S - Savings I - Invest to Save G -	Proposal Title	Proposal Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m	Proposal Category: I - Income E - Efficiency S - Service reduction/stop T -	FTEs in service	Headcount in service	FTEs Reduction	Currently Vacant posts	RAG Risk (deliverability)
COO15	COO	Culture & Customer Access	S	Restructure of the Youth Service in the context of Children's Early Help and Intervention	The youth service is currently planned to be 'lifted and shifted' into the Children's Directorate to become integrated as part of the Early Intervention and Prevention service. This saving will be delivered through the restructure of the Early Intervention service. The youth service will become less associated with the MyPlace building itself and will operate as a more integrated part of the wider Early Intervention service. MyPlace will continue to operate and will require a core team of staff to maintain the daily functions and facilitate activities from fee paying groups. Plans are also under consideration to expand the community based activity from this location during 18/19. The total saving is currently assessed at £0.150m of which £0.100m would accrue to the HRA, leaving a net £0.050m saving to the general fund. Staff consultation will need to assess the options for delivery of the saving as this would be post reduction, however this would be done in the context of the wider Early Intervention restructure and management rationalisation.		(0.050)				(0.050)	S		27.0	7.3	2.0	H
COO16	COO	Registration	S	Non Statutory Registration Fees and charges.	An increase on most non-statutory registration fees of 15% could generate an additional £60,000 based on current sales from April 2018. This includes services like wedding ceremonies, Hall and function lettings, fast-track administration fees and rehearsal services.	(0.060)					(0.060)	I	N/A	N/A	N/A	N/A	L
COO18	COO	Policy, Performance & Community	S	Reorganisation	To rationalise and review the reources necessary to achieve efficiency savings whilst ensuring delivery of key deliverables.	(0.153)	(0.052)				(0.205)	S	18.0	18.0	4.0	0.0	M
COO19	COO	Bereavement Services	S	Fee increase	South Essex Crematorium (Havering) currently charge £850 for basic adult cremation (40min slot) which is, based on recent benchmarking, the highest charge compared to all other Essex based* Crematoriums and the highest in London* (* Local Authority Run) Consideration could be given to increasing the fee to £875 - Careful consideration would need to be given to the competitive risk of placing Havering here. Based on 3000 cremations per year this could generate an additional £75,000 but this cannot be guaranteed as it is highly likely cremation numbers would drop. Given that other sites are so much cheaper now, we are no longer the crematorium of choice plus and if families can make a significant saving elsewhere it is highly likely they will choose a cheaper crematorium as the industry is so competitive. The prevalent culture of 'funeral poverty' is increasingly becoming a social issue which needs to be considered before applying any significant price rise to the current fee. Loss of cremation business also leads to on-going losses in memorial sales whereby families purchase a memorial for the laying of rest to ashes following cremation and also further impact on on-going loss of income renewals of those memorials, which are currently down by 54% compared to last year. The figures included within this proposal incorporate the 3% proposed rise in fees and charges, therefore when the fees and charges report is submitted, no increase will be shown against cremation fees, thus avoiding duplication.	(0.075)					(0.075)	I	N/A	N/A	N/A	N/A	M
					Total Chief Operating Officer Directorate	(0.437)	(0.121)	0.000	0.000	0.000	(0.558)		18.0	45.0	11.3	2.0	

HAVERING 2018/19 REVENUE BUDGET PROPOSALS SUMMARY

Ref No.	Directorate	Specific Service Area	Type of Proposal: S - Savings I - Invest to Save G -	Proposal Title	Proposal Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m	Proposal Category: I - Income E - Efficiency S - Service reduction/stop T -	FTEs in service	Headcount in service	FTEs Reduction	Currently Vacant posts	RAG Risk (deliverability)
ONE1	oneSource	IT	S	Wireless and mobile infrastructure	Over the last three to four years local authorities have increasingly started to become aware of assets and infrastructure that they own and manage and have embarked upon, in most cases successfully developing strategies which have sought ways in which assets and infrastructure could be both commercialised and also leverage wider social, economic and community benefit. This saving will be achieved by leasing council assets to communications providers to use to support wireless and mobile infrastructure. The first example is that the market will be asked to bid for the opportunity to rent street furniture e.g. lampposts to create a public Wi-Fi network via a min-tender from an existing framework. Other projects will need to follow to reach this target but based on the Soft Market Testing Exercise undertaken as part of this initial due diligence phase there does exist a genuine and real interest in the market to engage with the London Borough of Havering in utilising Infrastructure owned by the Borough to support and enable the delivery of commercial wireless services including the provision of free Wi-Fi. Specifically:- - Real interest from in working with the Council and other partners within Havering to deliver a strategy which would attract greater interest and investment from the mobile operators through the deployment of Small Cell. - To build on the current initiatives being pursued by Asset Management in respect to the use of council owned rooftop sites and actively promote and utilise Council owned rooftop assets to enable the provision of Superfast Business Broadband Connectivity into local businesses and business parks as well enhancing mobile coverage within the Borough. To be realised through direct engagement with the market and securing site by site leases to occupy specified rooftops on a non-exclusive basis. - Tangible interest from various sections of the market in engaging with the London Borough of Havering to understand how through the application of social value the Council working with the private sector could leverage a more socially focused approach towards delivering Wi-Fi within the Borough and realise the wider council aspirations for Borough wide Wi-Fi.	(0.050)	(0.100)				**(0.150)**	I					**M**

HAVERING 2018/19 REVENUE BUDGET PROPOSALS SUMMARY

Ref No.	Directorate	Specific Service Area	Type of Proposal: S - Savings I - Invest to Save G -	Proposal Title	Proposal Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m	Proposal Category: I - Income E - Efficiency S - Service reduction/stop T -	FTEs in service	Headcount in service	FTEs Reduction	Currently Vacant posts	RAG Risk (deliverability)
ONE2	oneSource	Crosscutting	S	Mail room Transformation	Current activities are delivered in house and these are: post, print, scan and handling inbound and outbound mail. The detailed proposed new model in relation to the inbound and outbound mail is: Inbound All incoming post is redirected, using a PO Box redirect, to an external supplier. The post is then opened and indexed using a unique barcode identifier. Any post that cannot be redirected will be picked up by daily courier and taken to the external supplier. Post is then scanned directly into whatever IT system is specified e.g.: 1Oracle or Academy. Where no IT systems exists, a cloud based email box is provided so that users can see what post they have received and decide what to do with it, download, delete forward etc. Original hard copies are either returned to the customer, archived or shredded. Any cheques are scanned and paid directly into any designated bank account. Daily management information and reconciliations are provided. Scanning SLA's to be agreed but range from 2 hours to 24 hours. Outbound A print driver is installed on LBH servers which, when clicked, sends the outbound print to the external company. This is then barcoded, printed and enveloped. Post is then franked and sent out via Royal mail Downstream Access. The barcode on outbound post allows for routing of subsequent inbound post to the correct customer, reference number etc. The savings would be achieved by a combination of FTE number reduction and the reduction of posting, printing, scanning costs. Only oneSource FTE have been included. There may be further savings elsewhere within Havering.	(0.145)					**(0.145)**	T	17.0		4.0	0.0	**M**
ONE4	oneSource	Crosscutting	I2S	Sale of oneSource services	oneSource is currently working with Red Quadrant to establish if there is a business case for moving into a separate trading entity, however the business is case is considering the current model and six other delivery models. Regardless of whether oneSource does this, the oneSource Management Team are focussed at developing the external client base in order to generate further income which will be distributed to the three Partner Councils. Red Quadrant are helping oneSource establish if this could go further if it was a separate trading entity. The business case has been completed and has been presented to the oneSource Joint Committee. The next step is to take the recommendations to each Council's Cabinet. There are no staffing implications identified at this time as this is about generating extra income, not reducing staff. The current growth and saving values currently identified are broad estimates at this stage. The growth represents investment that will be required by the Council to transition oneSource into a wholly owned subsidiary which is followed by subsequent potential increased income levels. However, these are broad estimates and can not be confirmed until the business case has been completed and the direction of travel has been agreed by the three Partner Councils.	0.139	(0.064)	(0.064)	(0.279)	(0.214)	**(0.482)**	I					**M**

HAVERING 2018/19 REVENUE BUDGET PROPOSALS SUMMARY																	
Ref No.	Directorate	Specific Service Area	Type of Proposal: S - Savings I - Invest to Save G -	Proposal Title	Proposal Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m	Proposal Category: I - Income E - Efficiency S - Service reduction/stop T -	FTEs in service	Headcount in service	FTEs Reduction	Currently Vacant posts	RAG Risk (deliverability)
ONE4a	Corporate	Transformation	I2S	Sale of oneSource services	Implementation cost to be funded from Transformation reserves.	(0.139)					**(0.139)**	E					**L**
ONE5	ALL	Crosscutting	s	Spans and Layers	A review of all Havering service areas will be undertaken to ascertain whether the agreed organisational design principles have been followed. This includes, but is not limited to, whether any management, supervisory levels are below 1:6, whether layers of management can be reduced and whether cross cutting positions of similar roles can reduce duplication. Note: Savings are exclusive of Revenue Costs: Revenue Costs to be funded from the Transformation Reserve		(0.500)				**(0.500)**	I			15.0		L
ONE6	ALL	IT	G	IT	IT underlying pressures	0.930					**0.930**	G					L
ONE7	oneSource	Crosscutting	S	Business Support	There will be a review of all business support roles across the services to reduce work duplication. The Terms & Conditions review highlighted a number of posts which have been created, that could be placed into a joint administration team where overall staffing numbers would reduce. Note: The review will be led by one HRBP who will also lead the Spans & Layers Review - the associated Revenue Costs (to be funded from the Transformation Reserve) are detailed in the Spans & Layers R2 form	0.000	(0.200)				**(0.200)**	E			8.0		L
ONE8	ALL	Crosscutting	S	Agency Review	Review of all agency workers including length of tenure, categorisation of role and reduction in reliance on agency workers to have a more robust approach to workforce planning and to reduce expenditure.	(0.300)					**(0.300)**	E					L
ONE 9		NNDR	G		NNDR Additional Post - £43k, two posts being shared with Newham to address m	0.043					**0.043**	G					L
ONE 10		Finance	G		Counter Fraud - £55k, following the ending of the DWP grant when the service tra	0.115					**0.115**	G					L
ONE 11		Exchequer	G		Benefits Admin Shortfall - £100k assumed reduction in the DWP benefits admin s	0.100					**0.100**	G					L
ONE 12		Asset Management	G		Technical Services - £228k, where the CIPFA Code advises that a 'surplus' should r	0.228					**0.228**	G					L
ONE 13		Finance	G		Finance 6 Months Review - £110k, Havering's share of the increased Strategic Bus	0.110					**0.110**	G					L
					Total One Source Directorate	**1.032**	**(0.864)**	**(0.064)**	**(0.279)**	**(0.214)**	**(0.390)**		**17.0**	**0.0**	**27.0**	**0.0**	

Page 59

HAVERING 2018/19 REVENUE BUDGET PROPOSALS SUMMARY																	
Ref No.	Directorate	Specific Service Area	Type of Proposal: S - Savings I - Invest to Save G -	Proposal Title	Proposal Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m	Proposal Category: I - Income E - Efficiency S - Service reduction/stop T -	FTEs in service	Headcount in service	FTEs Reduction	Currently Vacant posts	RAG Risk (deliverability)
AS5	Adult Services	Learning Disabilities commissioning	S	Improved market management	Through the recommissioning of existing contracts, especially residential care and block contracts for LD clients - increased focus on Outcome based models, expansion of Direct Payments and sourcing more Community based provision. Links in with increased Supported living Provision in AS11. Additional opportunities from an Integrated Commissioning model being proposed by the JCU, whereby savings can be generated from a single provider delivering support on behalf of multiple agencies.		(1.000)	(0.100)	(0.100)	(0.100)	**(1.300)**	D					**M**
AS6	Adult Services	Community Team commissioning	S	Front door changes	The Front Door staffing establishment is being restructured in 2017/18 both in terms of skill mix - with qualified staff to now support the management of incoming referrals, and to establish a more effective triage of referrals, to reduce the number that are passported to the rest of the service, the revised structure does not initially aim to make any headcount reductions, but could be considered following review. The revised structure is being supported with the introduction of a Transformation Programme, which will be embedded over the next 12-18 months, that will support all ASC staff who have contact with residents in reframing the 'conversation' with those residents, focussing more on the individual's strengths and assets and these will help them maintain independence rather than assessing deficits and setting up services to meet these. The saving is currently profiled for 2020/21, to allow sufficient time for the transformation changes in processes in initial client contact to properly embed. This is also supported by the proposed introduction of a new Care & Support Policy.		0.000	(0.200)	0.000	0.000	**(0.200)**	T					**M**
AS8	Adult Services	Disabilities	S	Day Care Services Review	Consolidating in-house provision to other existing provision, clients will either be given personal budgets to purchase services addressing any identified unmet needs in the community or will be offered the opportunity to use other in-house services as appropriate. The proposal does not aim to make any initial headcount savings, existing staff will look to be utilised in alternative in house services.		(0.043)	(0.100)			**(0.143)**	S					**L**
AS10	Adult Services	Community Team commissioning	S	Intermediate care tier, including Discharge to Assess	Empirical evidence from nationwide research suggest substantial benefits from discharging people into the community to be looked after improves their recovery and wellbeing, whilst also reducing their need for ongoing care/support.	(0.125)	(0.250)	(0.250)	(0.250)	(0.250)	**(1.125)**	D					**H**
AS11 & AS12	Adult Services	Community Team commissioning	S	Managed Transitions from Children Social Care into Adults	Reduced demand through work of PFA, also work on existing cases to review provision, consider extent cases can be jointly funded and wherever possible relocate out of borough provision into future supported living / Extra-care schemes within the borough	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	**(0.500)**	D					**M**
AS13	Adult Services	Learning Disabilities commissioning	S	Move clients in Out of borough Residential Homes into In borough supported living	Working with Housing and Regeneration colleagues to identify needs around developing Supported Living Schemes within the borough				(0.500)	(0.500)	**(1.000)**	D					**M**

HAVERING 2018/19 REVENUE BUDGET PROPOSALS SUMMARY																	
Ref No.	Directorate	Specific Service Area	Type of Proposal: S - Savings I - Invest to Save G -	Proposal Title	Proposal Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m	Proposal Category: I - Income E - Efficiency S - Service reduction/stop T -	FTEs in service	Headcount in service	FTEs Reduction	Currently Vacant posts	RAG Risk (deliverability)
AS14	Adult Services	Mental health commissioning	S	Improved market management	Targeted Management of local care market, aim to work more collaboratively around outcomes for clients and opportunities for greater shared procurement in conjunction with Health. Setting achievable targets around step down and move on. Consideration of internally provided services for closure/outsourcing		(0.050)	(0.050)	(0.050)	(0.050)	**(0.200)**	D					**M**
AS15	Adult Services	Staffing	S	New System implementation	The implementation of a new case Management System should support the delivery of efficiencies especially in some back office functions (across Brokerage, Direct Payments and Business/admin support) - these will be further reviewed as a result of the Implementing. This should also drive workflow efficiencies and deliver improved management information for better decision making around demand management and commissioning strategies. The go-live date for implementation is October 2018, and will require some bedding down within the services. It is anticipated that process efficiencies will be realised from 2020/21.			(0.050)	(0.150)		**(0.200)**	E	31.0	39.0	5.0	7.0	**L**
					Total Adults Directorate	**(0.225)**	**(1.443)**	**(0.850)**	**(1.150)**	**(1.000)**	**(4.668)**	**0**	**31.0**	**39.0**	**5.0**	**7.0**	
CH2	Children's Services	Business Support	S	Revised delivery model for the Business Support Service	A review and restructure of the service will take place. The review will determine what the primary business support needs are for the Social Care service. This will lead to a range of delivery models developed, with an appropriate model selected for consultation. A reduction in headcount will achieve the identified savings. Consultation will commence as soon as possible after October Cabinet with a view to full implementation by 1 April 2018. The saving achieves a reduction in the cost base by 2018-19 which is then sustained in future years.	(0.300)	0.000	0.000	-	-	**(0.300)**	E	61.0	69.0	9.0	5.0	L
CH3	Children's Services	Social Care	S	Revised delivery model for intervention support service.	The saving will be achieved by reviewing the Family Support element within the service. Analysis shows that the functions are no longer required due to a duplication with Early Help and do not deliver value for money. Posts will be deleted, contributing to the MTFS saving. Reduced agency costs will contribute to the identified savings. Consultation will commence as soon as possible after October Cabinet with a view to full implementation by 1 April 2018. The saving achieves a reduction in the cost base by 2018-19 which is sustained in future years.	(0.300)	0.000	-	-	-	**(0.300)**	E	84.0	85.0	8.0	2.0	L

HAVERING 2018/19 REVENUE BUDGET PROPOSALS SUMMARY

Ref No.	Directorate	Specific Service Area	Type of Proposal: S - Savings I - Invest to Save G -	Proposal Title	Proposal Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m	Proposal Category: I - Income E - Efficiency S - Service reduction/stop T -	FTEs in service	Headcount in service	FTEs Reduction	Currently Vacant posts	RAG Risk (deliverability)
CH5	Children's Services	Placements	I2S	Creation of additional In borough placements for Looked After Children	There is scope to improve the offer that we make for looked after children to ensure we can provide suitable accommodation in borough where appropriate. This business case proposes that the council considers building and/ or using any current facilities that are available and meet requirements. With the benefit of having purpose built in borough provision the council will have the flexibility to tender out the required support care. The support care could be tendered either as a stand-alone single borough or as part of the sub-region residential care project. The savings potential (caveated by assumptions of possible costs, ongoing increasing demand and constraints around comparator information) is circa £250k pa based upon a 6 bed residential facility. A key assumption is that the new facility will be a transitional stage in the move away from residential care, and that throughput of occupants should occur on an annual basis. The ambition is, over the course of four years, to see a significant reduction in the population in residential care and a reduction in the cost base of £1m. Further detailed work will be required on costings but an indicative model is as follows. The estimated saving is based on the cost of 6 high cost placements less the assumed running costs of the new faciliity.This generates an estimated saving of £250,000 in the first full year of operation. In the second year, the initial cohort of children and young people are able to move out of residential care into family-based settings sustaining the cost saving for this cohort. This saving is subject to the preparation and approval of a business case to secure the required capital investment from the £5m invest to save capital budget.		(0.250)	(0.250)	(0.250)	(0.250)	**(1.000)**	D					**M**
CH6	Children's Services	Innovation	I2S	Scale and spread of Pathways Innovation Programme in Children's Social Care	By placing children closer to home, using specialist foster carers, we are less reliant on residential placements and independent fostering agencies. The difference in costs between residential and a specialist in-house carer, is circa £2,250 per week. We can save money by placing children who are currently in high cost placements, and bringing them into in-house provision. The intention would be to keep children in a specialist fostering placement for 6 month, the turnover allows for more children to be supported but subsequently increases the savings potential. Foster carers will need to be recruited and also existing foster carers 'converted' to enhanced foster carers. They will receive support from qualified practitioners so they have the necessary support to maintain resilience and the best pathway to succeed.		(0.175)	(0.175)	(0.125)	(0.125)	**(0.600)**	T					**M**

HAVERING 2018/19 REVENUE BUDGET PROPOSALS SUMMARY

Ref No.	Directorate	Specific Service Area	Type of Proposal: S - Savings I - Invest to Save G -	Proposal Title	Proposal Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m	Proposal Category: I - Income E - Efficiency S - Service reduction/stop T -	FTEs in service	Headcount in service	FTEs Reduction	Currently Vacant posts	RAG Risk (deliverability)
CH8	Children's Services	Social Care	I2S	Invest to save proposal to build local SEND care provision	We need local overnight short breaks provision, its part of the need to support families with children with ever increasing complex and challenging needs. This will complement our new special free school. With these 2 provisions in place we will be able to maintain children at home and avoid out of borough expensive school placements and family breakdown which are the 2 reasons we send children to expensive residential schools. There is a current lack of provision in this area and we pay very high rates, despite a new provider providing more competitive rates, there is still a significant pressure. A 6 bed residential home for children with moderate to severe disabilities with or without challenging behaviours, would also be of benefit, as we have a number of children with disabilities who end up in care and we find it difficult to find local foster carers, they end up going out of borough, leaving local schools, making the whole process more disruptive for children. This ultimately significantly raises costs for Havering. Building new provision will require capital investment but early analysis shows long-term revenue savings. A range of assumptions on building/running costs and comparator data have been made in order to calculate potential savings. The highest cost placements can cost Havering £250k per year. This saving is subject to preparation and approval of a business case to secure the required capital investment from the £5m invest to save capital budget.				(0.330)		**(0.330)**	D					**M**
CH9	Children's Services	Social Care	S	Charging model for children accommodated under Section 20 of the Children's Act 1989.	This policy is aimed at operating in partnership with parents and legal guardians to promote best outcomes for children in care under Section 20 arrangements and further ensure that where possible parents and legal guardians financially contribute towards the care of their child. The policy is not intended to leave families in financial hardship as a financial assessment will be undertaken. However, parental responsibility for any child in care should, where feasible, encompass some financial contribution. Whilst the introduction of the Policy may generate some income towards maintenance costs, the main purpose of the proposal is to act as an alert to parents of the cost of the service they are requesting and allow them to reconsider other forms of family support that provides alternatives to care.	(0.050)	0.000	0.000	0.000	0.000	**(0.050)**	D					**M**
					Total Children Services Directorate	**(0.650)**	**(0.425)**	**(0.425)**	**(0.705)**	**(0.375)**	**(2.580)**	**0**	**145.0**	**154.0**	**17.0**	**7.0**	
GRAND TOTAL						**(0.480)**	**(3.303)**	**(1.839)**	**(2.134)**	**(1.589)**	**(9.346)**		**553.0**	**706.0**	**106.7**	**96.0**	

Page 63

APPENDIX B

REVENUE BUDGET STRATEGY

The Council will ensure that there is an effective Medium Term Financial Strategy in place to drive forward the financial planning process and resource allocation. The MTFS has been developed to integrate and support the delivery of the Council's Vision priorities **-** Communities, Places, Opportunities and Connections.

The Council recognises the pressures upon its financial resources, and while seeking to protect and enhance front-line services as far as possible, will seek to prioritise resource allocation and support the Senior Leadership Team in the pursuit of transformational and innovative solutions to deliver key objectives and maintain quality services to the public within available resources.

The Council will wherever possible seek new funding streams and explore new and more cost effective ways of working. The Council will continue to develop partnership working, consider alternative service delivery models and methods and strive for continuous improvement in the provision of services to the public.

By becoming an increasingly 'connected council', Havering will continue to seek to improve efficiency and deliver better value for money. In particular, the Council will aim to identify efficiencies that will minimise the adverse impact upon the delivery of key services to local people. Its focus will be on identifying ways to reduce the cost to tax payers of providing good quality services.

The Council will ensure that, given the continued forecast for financial austerity, that resources will be prioritised to invest in and support the delivery and improvement of its priority services whilst meeting its statutory responsibilities. However, the Council will expect the Government to address anomalies in its central resource allocation and to ensure that adequate funding is made available to meet the needs of the Havering population and to meet the cost of new burdens placed on Havering, or from services transferred to it. Regular and robust lobbying of Government will continue to ensure the best deal possible for the residents of Havering in the future.

The Council will ensure that the most vulnerable members of its community are protected, will continue to lead in the development of social cohesion, and will ensure that the services provided and resources allocated reflect the diverse nature and needs of our local community and our responsibilities to the local environment.

The Council will engage with its local community, its partners and individual stakeholders in developing financial plans, and will reflect on the outcome of its consultation process in the identification of priorities and the allocation of resources.

While addressing its priorities and setting a balanced and prudent budget, the Council will seek to keep any increase in the Council Tax to the lowest possible level and in line with its stated aspirations whilst maintaining a minimum General Fund Balance of £11.766m.

The Council will not utilise General Fund Balances to subsidise its budget or suppress council tax increases. Further it will not use any specified or earmarked reserves to subsidise its ongoing budget or to suppress council tax increases on an on-going basis as this is neither financially sustainable nor prudent.

It may, in exceptional circumstances, utilise appropriate specified or earmarked reserves to bridge short term forecast budget shortfalls to facilitate delivery and implementation of projects and service initiatives that will generate additional income or reduce on-going expenditure to achieve a balanced budget. Approval of decisions to utilise reserves in this manner will require the approval of a robust business case including implementation plan.

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

The Council will adopt a prudent capital investment programme designed to maintain and where possible enhance its assets and supporting the future growth and development of the borough, in line with its Corporate Vision and priorities whilst ensuring a prudent and affordable impact upon its Revenue Budget.

The overarching objective of the Council's financial strategy remains to deliver high quality, value for money services to our community, whilst ensuring that the cost of those services is compatible with the level of funding provided to it by the Government.

APPENDIX C

LEVIES

The levies are as follows:

	2017/18 £m	2018/19 £m	% Increase (Decrease)	Estimated/ Provisional/ Final
East London Waste Authority	14.925	15.992	7.15%	Provisional
Environmental Agency (Thames)	0.183	0.192	5.00%	Estimated
Environment Agency (Anglian)	0.020	0.021	5.00%	Estimated
Lee Valley Regional Park	0.228	0.239	5.00%	Estimated
London Pension Fund Authority	0.311	0.327	5.00%	Estimated
	15.667	**16.772**	**7.05%**	

Note 1 : the ELWA levy is subject to approval by board at its meeting on 5 February 2018. Any amendment to the levy will be advised to Cabinet and reflected in the subsequent report to Council.
Note 2 : all other levy figures are either provisional sums or estimates calculated using the same percentage figure pending confirmation from the levying body.
Note 3 : all levies will be affected by the change in calculation of the Council Tax base.

This page is intentionally left blank

COUNCIL TAX STATEMENT AND SUPPORTING INFORMATION

1. Collection Fund

The Council Tax regime covers eight bands of property. Each band has an arithmetic relationship with the other - and all bands are related to Band D for charge purposes as follows:

Band	Proportion of Band D Charge	
A	$^{6}/_{9}$	of Band D
B	$^{7}/_{9}$	of Band D
C	$^{8}/_{9}$	of Band D
D	$^{9}/_{9}$	of Band D
E	$^{11}/_{9}$	times Band D
F	$^{13}/_{9}$	times Band D
G	$^{15}/_{9}$	times Band D
H	$^{18}/_{9}$	times Band D

It is therefore, possible to work out a tax base by multiplying the number of properties in each of the bands by the relevant proportion (see **Annexe A**). Known single person discount properties and student properties are also taken into account in arriving at this figure.

Certain other factors also have to be taken into account. These are:

- Number of properties that are yet to be listed in the appropriate band for all or part of the coming year.
- Properties Eligible for the Long Term empty Premium
- A reduction for the number of properties that attract disabled relief, which for Bands B-H receive a charge relating to one band lower than the band allocated to the property. Properties in Band A are also entitled to disabled relief, thereby reducing the charge to 5/9ths of a Band D property charge.
- A reduction for the estimated number of successful appeals against the banding allocated for individual properties.
- A reduction for the estimated number of properties becoming subject to single person discount, and student discount during the year.
- A reduction for the estimated number of properties eligible for Council Tax Support

The net effect of these adjustments is incorporated in a single figure called the Band D equivalent figure. Thereafter, the estimated effect of possible non collection also has to be considered, the effect of which is to reduce the equated number of properties taken into account in setting the Council Tax and this final figure is the "Council Tax base".

2. <u>Assessed Level of Non Collection</u>

The estimated non collection level for 2017/18 was 1.25%. This was reviewed in 2016/17 and decreased from 1.50% to 1.25%. As at period nine, the council tax forecast is on budget and on track for delivery. After a review of the Council Tax arrears, the collection rate is recommended to remain the same for 2018/19.

3. Detail of the Calculation of the Council Tax Base

Section 33 of the Local Government Finance Act 1992 has been expanded via an amendment to the Act to accommodate the changes to the taxbase in calculating the final taxbase figure - item T.

The manner of calculation of the Council Tax base is set out in the local Authorities (Calculation of Council Tax Base) (England) Regulations 2012

'T' is determined by the formula:

$$A \times B$$

Where: -

A is the total of the relevant amounts for that year for each of the valuation bands which is shown or is likely to be shown for any day in that year in the Council's valuation list as applicable to one of more dwellings situated in its area (i.e. the Band D equivalent).

B is the Council's estimate of its collection rate for that year.

The regulations lay down a formula for the calculation of A and these are attached at **Annexe A**.

The calculations are as follows: -

A	=	88,452
B	=	98.75%
T	=	87,346

4. Calculation of the Council Tax Base for 2018/19 for Part of the Area

A further calculation is needed to deal with the levies in respect of the Anglian and Thames Regions of the Environment Agency affecting part of the Council's area for Land Drainage purposes. These are derived from the above figures. The formula is shown on **Annexe B**.

TP is the amount of the Council Tax base for the relevant part of its area.

The calculations shown on **Annexe B** give rise to the following figures for TP for each of the Environment Agency regions:

Thames	81,143
Anglia	6,203

ANNEXE A

COUNCIL TAX BASE CALCULATION 2018/19
THE BAND D EQUIVALENT

Item A is found by applying the formula ((H+Q+J+E)+Z)F/G to each of the Council Tax bands and totalling the amounts calculated

		A1*	A	B	C	D	E	F	G	H	Total
	Where										
H	is the number of properties in the valuation list - Regulation 4(2) as at 30th November	0	5,461	10,892	27,643	35,860	15,218	6,403	3,037	322	104,836
	Less										
	the number of properties exempt from a charge - Regulation 4(2)	0	-125	-175	-291	-384	-178	-50	-21	-1	-1,225
	Property Base - Item H	0	5,336	10,717	27,352	35,476	15,040	6,353	3,016	321	103,611
Q	Is the factor to take account of discounts	-1	-768	-1,481	-2,365	-2,279	-829	-275	-110	-13	-8,121
J	is the expected change to the property tax base during the year Regulations 4(6) to 4(8)										
E	Is the factor to take account of premiums, if any, calculated in accordance with regulation 4 (5)	0	0	0	0	0	0	0	0	0	0
	Additions	7	75	149	385	348	168	75	31	3	1,241
	Reductions	0	-120	-106	-183	-260	-136	-79	-61	-20	-965
Z	Is the estimate reduction in relation to claimants receiving Council Tax Support	-2	-1,435	-2,394	-3,314	-2,339	-573	-114	-27	-1	-10,199
	Total tax base adjustment	5	-1,480	-2,351	-3,112	-2,251	-541	-118	-57	-18	-9,923
	Total projection per band	4	3,088	6,885	21,875	30,946	13,670	5,960	2,849	290	85,567
F	Is the proportion of each band in relation to band D	5	6	7	8	9	11	13	15	18	
G	Is the proportion specified for band D	9	9	9	9	9	9	9	9	9	
	((H+Q+J) +Z)x F/G =	2	2,059	5,355	19,445	30,946	16,708	8,609	4,748	580	88,452

The Band D equivalent item A is therefore **88,452**

* Band A Disability Adjustment

December 2017: Item TP for each levy affected is calculated as follows:

$$TP = M \times \frac{N}{M + O}$$

where

		Thames	Anglian
M	is the unscaled Council Tax base for a part of the authority's area, calculated according to the number of dwellings situated in that part of the authority's area (in total that is the band D equivalent figures for the Council, 88,452)	82,171	6,281
N	is the authority's Council Tax base (87,346) (adjusted for 1.25% non-collection rate)	87,346	87,346
O	is the unscaled Council Tax base for the remaining part of the authority's area	6,281	82,171

Thus the calculation for each region is:

Thames $$82{,}171 \times \frac{87{,}346}{6{,}281 + 82{,}171} = 81{,}143$$

Anglian $$6{,}281 \times \frac{87{,}346}{6{,}281 + 82{,}171} = 6{,}203$$

Total: 87,346

Thus, the total for both regions (87,346) equates to the Council's tax base.

LONDON BOROUGH OF HAVERING
PROVISIONAL COUNCIL TAX STATEMENT – 2018/19 BUDGET

2017/18			Estimate 2018/19	
£	**Havering's Expenditure**		**£**	
154,369,511	Service Expenditure		152,100,713	
2,000,000	General Contingency		1,000,000	
156,369,511	**Havering's Own Expenditure**	a	**153,100,713**	
	Levies			
14,925,000	East London Waste Authority		15,992,000	Provisional
182,971	Environment Agency (Thames)		192,120	Estimated
20,341	Environment Agency (Anglia)		21,358	Estimated
228,007	Lee Valley Regional Park Authority		239,407	Estimated
311,127	London Pensions Fund Authority (LPFA)		326,683	Estimated
15,667,446	**Sub Total – Levies**	b	**16,771,568**	
(9,669,228)	Unringfenced Grant	c	(9,890,300)	Provisional
162,367,729	**Sub Total – Total Expenditure**	d=a+b-c	**159,981,981**	
	External Finance			
(12,283,528)	Revenue Support Grant		0	Final
(9,231,836)	Business Rates Top-up		10,310,072	Provisional
(24,099,835)	National Non Domestic Rate		(51,623,259)	Final
(45,615,199)	**Sub Total – External Finance**	e	**(41,313,187)**	
(2,201,000)	Council Tax Deficit/(Surplus)	f	(181,000)	Final
(146,630)	Business Rates Deficit/(Surplus)	g	637,301	Final
114,404,900	**Havering's Precept on the Collection Fund**	h=d+e+f+g	**119,125,095**	

The Collection Fund

2017/18		Expenditure		Estimate 2018/19	
£	**£ p**	**Precepts**		**£**	**£ p**
110,087,292	1,267.98	London Borough of Havering		112,479,811	1,287.75
4,317,608	49.73	Adult Social Care		6,645,284	76.08
114,404,900	1,317.71	**Total London Borough of Havering**	h	**119,125,095**	1,363.83
24,311,616	280.02	Greater London Authority (Provisional)		25,699,814	294.23
24,099,835	277.58	London Borough of Havering Retained Business Rates		51,623,259	591.02
29,723,130	342.35	Greater London Authority - Retained Business Rates		29,038,083	332.45
26,509,819	305.34	Central Government - Retained Business Rates		0	0.00
268,121	3.09	Cost of NNDR collection		272,140	3.12
219,317,421	2,526.09	**Total Expenditure**	i	**225,758,391**	2,584.64
		Total Income			
		National Non-Domestic Rate			
(80,600,905)	(928.36)	NNDR receivable	j	(80,933,482)	(926.58)
138,716,516	**1,597.73**	**COUNCIL TAX per Band D property**	k=i-j	**144,824,035**	**1,658.06**
86,821		**Council Tax Base**		**87,346**	

Council Tax percentage change 3.78%

Council Taxes Per Property Band

Valuation as at 1/4/91	£ p		£ p	Change £ p
Under £40,000	1,065.15	Band A	1,105.37	40.22
£40,000 - £52,000	1,242.68	Band B	1,289.61	46.93
£52,001 - £68,000	1,420.21	Band C	1,473.84	53.63
£68,001 - £88,000	1,597.73	Band D	1,658.06	60.33
£88,001 - £120,000	1,952.77	Band E	2,026.52	73.75
£120,001 - £160,000	2,307.83	Band F	2,394.97	87.14
£160,001 - £320,000	2,662.88	Band G	2,763.43	100.55
Over £320,000	3,195.46	Band H	3,316.12	120.66

This page is intentionally left blank

APPENDIX E

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

Virements

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

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

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

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

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

(a) Virements in excess of £1 million will require Cabinet approval.
(b) Virements between £250,000 and up to £999,999 will require approval by the relevant Cabinet Members.
(c) All other virements will need to comply with procedures specified by the Chief Finance Officer (section 151 officer)
The cumulative value of virements for the year should be considered when deciding whether the various thresholds have been reached. The Chief Finance Officer will take the final decision as to whether a number of smaller virements need to be grouped together for threshold calculation purposes.

Use of Contingency Funds

The Chief Financial Officer may set up a central contingency fund. There will only be one such fund for the entire Council.

The Chief Financial Officer is authorised to release sums from the contingency if:

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

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

(a) the item is deemed by the Chief Financial Officer as unforeseen and a relevant use of the contingency, or
(b) the item is urgent (e.g. an emergency or threat to life) after consultation with the Chief Financial Officer.

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

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

APPENDIX F

Budget report 2018/19 - LOCAL GOVERNMENT ACT 2003
ROBUSTNESS OF ESTIMATES, ADEQUACY OF RESERVES AND THE MANAGEMENT OF RISK

---

1. BACKGROUND

1.1 Section 25 of the Local Government Act 2003 requires Chief Financial Officers to report to their authorities about the robustness of estimates and the adequacy of reserves when determining their budget and level of council tax. Authorities are required to consider their Chief Financial Officer's report when setting the level of council tax.

1.2 Section 26 of the Local Government Act 2003 gives the Secretary of State power to set a minimum level of reserves for which an authority must provide in setting its budget. The minimum would apply to "controlled reserves", as defined in regulations. The intention in defining controlled reserves would be to exclude reserves that are not under the authority's control when setting its call on council tax, for example the balance on the Housing Revenue Account and schools balances. There may also be a case for excluding other types of reserve. Regulations to define controlled reserves would only be made in conjunction with regulations setting a minimum.

1.3 It was made clear throughout the Parliamentary consideration of these provisions that section 26 would only be used where there were grounds for serious concern about an authority. The Minister said in the Commons standing committee debate on 30 January 2003: "The provisions are a fall back against the circumstances in which an authority does not act prudently, disregards the advice of its Chief Finance Officer and is heading for serious financial difficulty. Only in such circumstances do we envisage any need for intervention." There is no intention to make permanent or blanket provision for minimum reserves under these provisions.

1.4 If the need to apply a minimum to an authority were identified, the minimum would be set after considering the advice of the CFO to the authority and any views expressed by the external auditor. The authority would be consulted on the level to be set.

1.5 Any minimum set under section 26 applies to the allowance to be made for reserves in the budget. There is nothing to prevent the reserves being used during the year even if as a result they fell below the minimum. However, if in preparing the following year's budget it was forecast that the current year's reserves would fall below the minimum the CFO would need to report to the authority under section 27.

2. REPORT OF THE CHIEF FINANCIAL OFFICER

2.1 The Chief Financial Officer for the London Borough of Havering has provided the following assurance:

The London Borough of Havering prides itself on its record of creating balanced budgets, delivering challenging savings programmes and carefully managing its finances within each financial year. It is this track record which has helped to build the foundations for setting a robust budget in 2018/19. This effort will need to intensify during 2018/19 to secure financial balance over the period of the MTFS from 2019/20 through to 2022/23.

Recent Government announcements reinforce the direction of travel to fiscal devolution in local government through business rates retention and relaxing constraints on the ability to raise council tax locally. However, the announcements also serve to prolong the funding pressures, risks and uncertainties within which Havering, like many local authorities, is required to set its 2018/19 budget and Medium Term Financial Strategy.

The Government has recently confirmed that it now intends to move towards 75% business rate retention from 2020/21, with the London Business Rate Pilot being one of eleven pilots to operate for up to two years from 2018/19. Whilst it is anticipated that Havering may benefit from between £0.9m and £2.5m per annum of business rate growth retention as a result of the Pilot, this will not be confirmed until mid-way through the 2019/20 financial year and so cannot be prudently relied upon in setting the base budget in 2018/19.

The delayed consultation on Fair Funding has now been issued for local authorities to respond by 12 March 2018 with an intention to implement in 2020/21. In the meantime, the failure of the funding formula to acknowledge the significant financial pressures associated with rapid population growth and its impact upon social care services and housing and homelessness, results in continued significant financial pressures for the Council in delivering its statutory services in the forthcoming years.

No further transition grant is proposed in the draft settlement to alleviate the deeper and faster funding cuts experienced by Havering and other authorities with a higher relative level of council tax which resulted from the introduction of 'core spending power' calculations in 2016. Consequently, levels of Council Tax and budget savings required to balance the budget are likely to be higher than would otherwise be the case for a given level of service, had the anomalies in the funding formula been resolved earlier through the Fair Funding Review as originally intended.

The long awaited Green Paper to address the funding pressures within Adult Social Care has been further delayed until the Summer 2018. This prolongs the risks around the lack of a sustainable funding solution for social care, with reliance upon fixed term Improved Better Care Fund to contain demographic and market pressures and represents a key financial risk for Havering.

Further, despite the national growth in demand upon Children's social care and homelessness services, the Government has not indicated any substantial response to addressing the associated funding requirements of local government.

Within this context, it is essential that Havering makes substantial progress through 2018 to develop its future long term operating model, its policies and its 2019/20 financial strategy to achieve financial balance and secure its financial future over the period to 2022/23 and beyond.

2018/19 Budget

Substantial savings have been made in recent years (£56.6m) over the period 2014/15 to 2017/18). The challenge in preparing the budget for 2018/19 and the MTFS has been to identify proposals which minimise the impact of budget reductions upon delivering the Council's priority services, mitigating further Council Tax increases for residents in the context that Havering has the 4th highest council tax in London in 2017/18, whilst creating a foundation upon which the New Council Administration can build from May 2018 for the 2019/20 MTFS and beyond.

I have assessed the proposals contained in this report for 2018/19 as robust, with a sufficient safety net for savings that are ultimately non-deliverable.

The budget reinforces the need for on-going robust financial management, strict budgetary control and the on-going focus of the Administration and Senior Leadership Team (SLT) to deliver agreed savings plans, service mitigation and recovery plans, with effective processes in place to monitor and report progress throughout the financial year.

In assessing the robustness of estimates, I have drawn upon the advice of Chief Officers within the SLT to give their assurance that the proposals presented for 2018/19 can be delivered within the available resources envelope and to agreed timescales.

In January 2017, Cabinet approved the establishment of a Business Risk Reserve (BRR) with effect from 1 April 2017. The forecast balance on the Business Reserve at 31 March 2018 is £6.872m of which £1.010m is committed leaving £5.862m available. In addition, an amount of £0.700m in respect of one off Under-indexing compensation grant will be received in 2018/19 and will be added to the BRR. The Business Risk Reserve will provide a safety net against the risk of non-delivery of savings and/or over optimism with funding assumptions within 2018/19 but must not be relied upon to meet recurrent operational spending. The Reserve will be supplemented by any underspending on the Corporate Risk Budget and Corporate Contingency Budget at final outturn. At period 9, the underspend on the Corporate Risk Budget after meeting projected overspending in service directorates is forecast to be £2.618m and £2m on the Corporate Contingency Budget.

For 2018/19, the available Corporate Risk Budget of £3.098m is available to support the management of budgetary pressures that may arise within the year. This is much reduced compared to previous years, but is in line with estimates provided in 2017/18 budget setting. It will become more difficult for the Council to respond to financial pressures in services in the future in the way that it has historically.

The Corporate Contingency budget for 2018/19 will reduce from £2m to £1m as planned in the 2017/18 financial strategy. The contingency budget does not provide specific funding for any unforeseeable, extraordinary items of major expenditure, for example, the implications of flooding. If such an event were to occur, it would need to be funding from the existing general reserves and balances, if the general contingency were exhausted.

No call has been made upon the contingency budget during 2017/18 to date and is forecast not to be required at month 9 reporting. In view of this fact and the other risk budgets and reserves available, £1m is considered adequate for the risks that this budget it is expected to cover in 2018/19.

The projected levels of earmarked reserves as referred to in section 3 and 4 below have been established to meet planned projects or budgetary pressures and are considered adequate at this time. The sums earmarked for these purposes were agreed as part of the annual approval of accounts process and the use and application of those reserves are reviewed quarterly as part of the budget monitoring process. Within these reserves, the Transformation Reserve stands at £9.423m, of which £7.792m is committed for projects and initiatives which aim to reduce the ongoing operational expenditure of the Council or generate future income streams.

The General Fund Balance stood at £11.766m at 31 March 2017 and it is recommended that it be retained at this level as a minimum going forward.

Against such a challenging financial background, it will therefore be crucial that reserves, both general and earmarked, continue to be managed in the medium term in a way that gives due regard to the need to set a legally balanced budget.

All of the above comments are made in the context of a planning assumption that the Council will agree to a Council Tax increase of 3.5% including an Adult Social Care precept of 2% in 2018/19.

<u>Medium Term Financial Strategy</u>

The future financial position for Havering is very challenging. Whilst the proposal contained within this report will achieve a balanced budget in 2018/19, a gap of £23.227m is forecast over the following two years to 2020/21, with a total of £30.025m by 2022/23.

Much good work has been undertaken during 2017/18 to develop and launch ambitious housing and regeneration projects through significant capital *investment that aims to deliver much needed housing supply, together with long term income streams to the Council. It is critical that these projects are proactively and robustly managed to deliver the financial returns set out in the approved business cases, thereby contributing to longer term financial sustainability of the Council after meeting the capital financing costs associated with the capital investment.*

During 2018/19, the Council will need to consider its future operating model, challenging its overall spending plans and service priorities in order to develop more transformational savings proposals and income generation plans so that the financial strategy remains fit for purpose over the medium to long term. The SLT is currently developing proposals to present to the new Council Administration for consideration as soon as possible after the local elections in May 2018. It is essential that these plans are considered promptly and progressed at pace in order to enable implementation in sufficient time to address the forecast budget gap in 2019/20 and beyond.

Given the Government's agenda for fiscal devolution, it is further recommended that the Council gives early consideration to determine and maintain its Council Tax Strategy for the duration of the MTFS for 2019/20 through to 2022/23 in order to provide more stability and certainty in financial planning.

Debbie Middleton BA(Hons), CPFA
Chief Finance Officer (Section 151)

3 ROBUSTNESS OF ESTIMATES, RESERVES AND BALANCES

3.1 The budget has been prepared using a five year Financial Strategy agreed by Cabinet in October 2017 as its starting point. This Strategy has been developed through:

- The revenue and capital budget strategy statements, which are included as part of this report;
- The forecast position as set out in the Cabinet reports in October and December 2017 and January and February 2018 and the proposals set out in those reports;
- The outcome and forecast impact on the Council of the provisional Local Government Financial settlement as reported to Cabinet in January 2018;
- A variety of announcements concerning the new government funding regime;
- The Chancellor's Autumn Budget Statement 2017.

3.2 As the development of the budget for 2018/19 has progressed, the position has been the subject to review and challenge with Heads of Service, SLT, the Leader of the Council, Cabinet Members and the Lead Member for Financial Management, ICT(client) and Transformation. Due consideration has been given to the over-arching strategy above along with the delivery of corporate priorities in undertaking these reviews and this is reflected in the detailed budget proposals.

Budget proposals have been developed within the context of current and future service plans. Furthermore:

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

3.3 At a more detailed level, budgets have been built having due regard to:

- Staffing changes incorporating proposed restructures;
- Inflation;
- Contractual commitments;
- Existing budgets;
- The proposals for budget adjustments and savings;
- The impact of changes to specific grants.

3.4 The budget includes a contingency that will provide a reasonable level for unforeseen issues that could arise during the year. This has had due regard to a risk assessment. Further information on the basis of this is set out later in this statement.

3.5 A review of the 2017/18 significant budget variances has taken place to assess any impact on the 2018/19 budget outside of the proposals in order to:

(a) Ensure action plans are in place where a possible adverse variance could occur;
(b) Ensure use of any possible additional favourable variance is considered in the context of the overall strategy;
(c) Inform the risk assessment of contingency and reserves.

3.6 The proposed budget provides a foundation from which to develop the financial strategy over the period to 2022/23 and work will continue during 2018/19.

4. THE ADEQUACY OF ESTIMATES, RESERVES AND BALANCES

4.1 As set out in section 1, local authorities are required to maintain adequate balances to deal with unforeseen demands upon financial resources. It is the responsibility of each authority to set its level of reserves based on local conditions, but taking into account national factors. Although a view can be sought from the external auditors it is not their responsibility to prescribe or recommend the appropriate level. In setting the level, the Authority should take into consideration the advice of their Chief Finance Officer (CFO), taking into account all local relevant circumstances.

4.2 The General Fund Balance stood at £11.766m at 31 March 2017. An annual review of the balance has taken place as part of the budget setting process. The risk assessment is attached at Annex 1 and the CFO's advice is that the minimum level of the General Fund Balance should remain at its current level of £11.766m which represents *7.4%* of the Council's net 2018/19 budget including levies.

4.3 After taking account of the most recent projection in the current year and more significantly the outcome of the Local Government Financial Settlement, it is anticipated that the Council's general reserves will remain at £11.766m as at 31 March 2018.

4.4 Members will be aware that the working balances provide protection against unforeseen events that could impact on the authority. Reserves must be used carefully and can be used only once. As reflected in the revenue budget strategy, the Council will not utilise General Fund Balances to subsidise its budget or suppress council tax increases. Further it will not use any specified or earmarked reserves to subsidise its budget or to suppress council tax increases on an on-going basis as this is neither financially sustainable nor prudent. It may, in exceptional circumstances, utilise appropriate specified or earmarked reserves to bridge short term forecast budget shortfalls to facilitate delivery and implementation of projects and service initiatives that will generate additional income or reduce on-going expenditure to achieve a balanced budget. Approval of decisions to utilise reserves in this manner will require the approval of a robust business case including implementation plan to be approved by Cabinet.

4.5 The Council maintains a number of earmarked funds for specific purposes and their use is planned and approved for these purposes. Often they are used to comply with accounting policies, manage arrangements across financial years, or to fund known future commitments. The most significant are the following which have the projected forecast balances at the 31st of March 2018:

(a) Insurance Reserve (6.446m), which is part of the Insurance Self-Funding Arrangement to meet future liabilities incurred but not yet claimed.
(b) Corporate Transformation Reserve to support corporate transformation (£9.423m, of which £7.792m is committed)) – these funds are earmarked for the various transformation programmes across the Council.
(c) Business Risk Reserve (£6.872m of which £1.010m is committed for potential Adult Social Care pressures) which provides a safety net against unforeseen service pressures, under delivery of agreed savings and/or over optimism of funding streams.

The sums established within earmarked reserves were agreed by SLT as at 1st April 2017 and were fully allocated to projects or liabilities. The balances will be reviewed again as at 31 March 2018.

4.6 Other reserves continue to be expended/ planned in accordance with their specific approved purpose. A review has taken place of these as part of the budget finalisation.

4.7 The working balances of the HRA are also subject to a risk assessment; this will be included in the report to Cabinet on the HRA budget for 2018/19.

5. OPPORTUNITY COST OF RESERVES

5.1 Holding general reserves to meet unexpected events or emergencies is a necessary requirement. However, there are opportunity costs and benefits of holding cash balances, which can be measured in different ways, depending on what these resources were alternatively to be used for. For example, holding cash gives a financial benefit in contrast to using the cash to fund capital expenditure. The financial benefit would be the difference between the investment return and the total borrowing cost. At the current time due to low interest rates, these are in fact broadly neutral. However, a cost of around 4% will be incurred in respect of a requirement make revenue provision to repay debt.

5.2 On this basis, for every £1m of cash held, the purely financial benefit could be deemed to be £0.040m per annum or approximately £0.400m per year for balances of £10 million. This is dependent on prevailing money market conditions, which in the current economic climate can fluctuate significantly. Using the balances to repay debt earlier would not achieve a matching saving given the costs around early redemption and the similarity in short-term lending rates and long-term borrowing rates. For information, £1.1m equates very approximately to 1% on the level of Band D Council Tax.

5.3 If, however, this is considered in the context of using these balances to fund one off expenditure, then the opportunity cost is the improvements that would accrue from that expenditure. This might for example be improvements in services, increased performance or some other measure and would be assessed via a business case. Such items have been considered by officers during the course of developing the MTFS, but these have not generally been included within the final proposals or the detailed budget given the broad financial constraints within which Havering is operating.

5.4 Should these items be included within the budget, they would obviously provide a basis for additional and/or improve services; with the need to appreciate that reserves exist for various reasons, and once expended, either have to be replenished, or the funding terminated. This is the opportunity that is being potentially foregone by holding general reserves. However this is only relevant to the extent that such proposals align to Council's priorities and Medium Term Financial Strategy.

5.5 It is important that in considering the level of working balances that the issue of the opportunity costs and benefits of such an approach is also considered and that Members weigh up the potential benefits against the risks. The other important factor in making this judgement is to consider is that balances can as indicated only be spent once, and can realistically only be used to support one off expenditure, or to allow time for management action to be implemented to address ongoing expenditure requirements.

5.6 As stated above, the use of significant levels of balances to fund ongoing spending or reductions in Council Tax can pose material financial risks, especially given that the Council's ability to generate funds to replenish reserves through Council Tax is severely restricted by the Council Tax capping regime. Hence the level of reserves held overall requires a balance to be struck between the opportunity cost of holding balances against the unknown risks facing the Council and the need to safeguard the provision of local services if such risk were to crystalize.

6. REVIEW OF RESERVES AND CONTINGENCY

6.1 The assessment of the sums required for reserves and contingency purposes is reviewed regularly, taking into account the various risks facing the Council, the level of risk, the actions taken to mitigate risk, and the financial assessment of the risk. The review include consideration of the Corporate Risk Register, with the objective of ensuring that all such risks having a potential financial impact are covered in the reserves and contingency assessment.

6.2 The outcome of this review is set out in Annex 1 to this Appendix. This shows each risk and the detail associated with it, and includes a cross-reference to the Corporate Risk Register. Each risk is evaluated and a financial assessment is made of the potential costs arising and the degree of likelihood, which in turn drives the sum for which provision is being made.

6.3 The Corporate Risk Register is kept under review by the Senior Leadership Team, so any changes are then reflected when the reserves and contingency assessment is updated.

ANNEX 1

RISK ASSESSMENT FOR GENERAL BALANCE / CONTINGENCY 2018/19 REVIEWED AT 20 JANUARY 2018

Risk (incl. Corporate Risk Register item)	Risk Owner	Risk Description	Assessment of Risk (counter measures in place)	Contingency		General Balance	
				Value of Assess-ment £m	Value Having Regard to Risk £m	Value of Assess-ment £m	Value Having Regard to Risk £m
Failure to Balance the annual budget and the MTFS (CR4) : Medium Term Financial Strategy	S151 SLT	MTFS: The financial settlement 2016/17 to 2019/20 resulted in significant reduction in RSG and the review of the RSG formulae via the Fair Funding Review will now not take effect until 2020/21 due to delays in the consultation. Further, the delay in the Green Paper on Adult Social Care adds to the uncertain financial position post 2019/20 due to lack of sustainable funding streams. In the absence of clarity of the Government's position, the potential loss of iBCF of £5.619m is factored into the 2020/21 base budget, albeit that it is probable that Government will either develop sustainable funding solutions or extend BCF beyond 2019/20, nothing is certain. The Base Budget gap in 19/20 is £10.341m with a further £12.886m in 20/21, a total of £23.227m which is roughly double the current GF balance. The cumulative gap over the period to 2022/23 is £30.066m exist in the MTFS over 2019/20 to 2022/23. Therefore the development of further robust and deliverable savings plans are critical to financial sustainability over the medium term. During 2018/19, LBH needs to plan for the worst case scenario over the next two years should it arise by identifying and delivering savings to balance over the medium term. The uncommitted Corporate Risk Budget of £3.098m Minimum GF remains available to meet new unavoidable service pressures that may arise. General Fund balances should go no lower	Medium to High			23.227	11.613

		than their current level of £11.766m					
Failure to Balance the annual budget and the MTFS (CR4) : 18/19 budget	S151 SLT	The 2018/19 base budget assumes that Service Directors deliver all approved savings plans, mitigation plans and manage expenditure within the approved 2018/19 budget. The forecast outturn for 2017/18 shows underlying financial pressures of £2.280m within directorates for which mitigation plans are being pursued and these must be controlled effectively in 2018/19. The Corporate Risk Budget of £3.098m exists in 2018/19 to meet new unavoidable service pressures that may arise. The uncommitted Business Risk Reserve of £6.562m is available to underpin pressures which may arise from delays or ultimate non delivery of directorate savings and mitigation plans. In addition a general contingency of £1m is provided to meet significant and unanticipated financial risks.	Medium to High	1.200	1.000		
Failure to Balance the annual budget and the MTFS (CR4) : Education Support Grant (ESG)	Director of Children's Services	The ESG ceased from September 2017 and for 2018/19 a sum of approximately £0.590m has been included in the Central Schools Services Block. This leaves a shortfall against the cost of providing LA statutory services in spite of the savings made centrally and a contribution from LA maintained schools to meet the cost of central services relating only to that sector. The forecast shortfall in funding in 2018/19 is £0.835m (Service cost after 2017/18 savings is £1.746m less DSG central services block for LA central duties (£0.589m) and Contribution from schools (£0.322m)..This is planned to be met in full from the Schools Traded Services Reserve, whilst longer term solutions to deliver the services within available resources are developed.	Medium	0.835	NIL		
Assessment having regard to risk likelihood – Minimum required			**Overall Medium /High Risk**	2.035	1.000	23.227	11.613

APPENDIX G

CAPITAL PROGRAMME

Annex 1

Appendix G1 - Existing Capital Programme by Theme	2018/19 £m	2019/20 £m	2020/21 £m	Total £m
Asbestos Removal	0.050	0.000	0.000	**0.050**
Cemetery Work	0.170	0.068	0.000	**0.238**
Children Centres	0.118	0.000	0.000	**0.118**
Corporate Buildings	0.576	0.147	0.000	**0.723**
Corporate ICT	0.500	0.000	0.000	**0.500**
Development	0.088	0.000	0.000	**0.088**
Fire Risk Assessment Work	0.102	0.002	0.006	**0.110**
Footways	0.230	0.000	0.000	**0.230**
Health and Safety Work/Equipment	0.266	0.073	0.000	**0.339**
Highways	0.264	0.282	0.000	**0.546**
Housing GF - Disabled Facilities Grant	0.321	0.000	0.000	**0.321**
Housing GF - Private Sector Empty Properties	0.251	0.000	0.000	**0.251**
HRA Historic Programme	8.828	0.000	0.000	**8.828**
Landfill	0.051	0.000	0.000	**0.051**
Libraries	0.045	0.060	0.000	**0.105**
Parking Schemes	0.010	0.000	0.000	**0.010**
Policy & Performance ICT Hardware	0.035	0.000	0.000	**0.035**
Pre-sale Expenses for Land and Property	0.440	0.019	0.000	**0.459**
Regeneration	0.355	0.001	0.003	**0.359**
Romford Leisure Centre Development	0.003	0.000	0.000	**0.003**
Romford Town Centre	0.296	0.579	0.000	**0.875**
Schools	25.752	17.536	0.458	**43.746**
Street Care	0.078	0.020	0.000	**0.098**
Street Furniture	0.027	0.000	0.000	**0.027**
Street Lighting	0.300	0.000	0.000	**0.300**
TfL Schemes	0.012	0.000	0.000	**0.012**
Theatre and Leisure Building Work	0.090	0.000	0.000	**0.090**
Traffic Management Schemes	0.020	0.069	0.000	**0.089**
Upminster Windmill Heritage Site	0.140	0.000	0.000	**0.140**
	39.419	**18.855**	**0.467**	**58.741**

Funding Sources of Schemes Presented for Approval	2018/19 £m	2019/20 £m	2020/21 £m	Total £m
Capital Receipts	12.347	1.250	0.003	**13.600**
Revenue and Reserve Contribution	4.283	0.020	0.000	**4.303**
Grants	21.727	16.892	0.464	**39.083**
Section 106	1.062	0.693	0.000	**1.756**
Prudential Borrowing	0.000	0.000	0.000	**0.000**
TOTAL FUNDING	**39.419**	**18.855**	**0.467**	**58.741**

Annex 2

Schemes Presented for Consideration for Approval	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m
APPROVED BIDS - Development						
Bridge Close Redevelopment	21.500	26.700	4.200	4.700	0.900	**58.000**
MLH	6.590	14.811	8.999	5.249	0.000	**35.649**
Rainham and Beam Park Housing Zone	0.600	23.891	19.042	16.467	0.000	**60.000**
	28.690	**65.402**	**32.241**	**26.416**	**0.900**	**153.649**
APPROVED BIDS - SLM						
SLM	4.670	11.706	5.664	0.854	0.485	**23.379**
	4.670	**11.706**	**5.664**	**0.854**	**0.485**	**23.379**
EXTERNALLY FUNDED BIDS						
2018/19 Local Implementation Plan (TfL Funding)	2.193	0.000	0.000	0.000	0.000	**2.193**
2018/19 TfL Funded Programmes	3.730	5.780	5.652	0.030	0.030	**15.222**
	5.923	**5.780**	**5.652**	**0.030**	**0.030**	**17.415**
EFFICIENCY PROGRAMME FUNDED BIDS						
Children with SEND Residential provision	0.350	1.000	0.000	0.000	0.000	**1.350**
Children's Residential and Attached Semi Independent Provision Home - Build	0.950	0.950	0.000	0.000	0.000	**1.900**
Adults Learning Disabilities provision build	0.000	0.000	2.800	0.000	0.000	**2.800**
Children's Semi Independent Provisions and/ or Residential Care Homes	0.500	0.000	0.000	0.000	0.000	**0.500**
	1.800	**1.950**	**2.800**	**0.000**	**0.000**	**6.550**
ICT BIDS						
Infrastructure Improvement and Resilience	1.000	1.000	0.620	0.620	0.620	**3.860**
	1.000	**1.000**	**0.620**	**0.620**	**0.620**	**3.860**
SLT and CAMG Endorsed Projects						
School Expansion Programme	7.425	19.225	2.950	0.000	0.000	**29.600**
Upminster Windmill Ground Contamination	0.066	0.000	0.000	0.000	0.000	**0.066**
Initial Three Year Footway and Carriageway Resurfacing Programme	3.000	2.000	2.000	2.000	2.000	**11.000**
Bedford Park Play Area	0.050	0.000	0.000	0.000	0.000	**0.050**
Langtons House and Orangery Improvement Scheme	0.075	0.000	0.000	0.000	0.000	**0.075**
Play and recreation facilities improvements	0.235	0.000	0.000	0.000	0.000	**0.235**
Health & Safety Works	0.200	0.000	0.000	0.000	0.000	**0.200**
Schools Maintenance (Capital) Programme 18/19 - Schools	1.500	0.700	0.000	0.000	0.000	**2.200**
Central Depot Expansion	0.535	0.000	0.000	0.000	0.000	**0.535**
Cemetery Pathway Repairs	0.020	0.000	0.000	0.000	0.000	**0.020**
Replacement Programmable Logic Controllers & Analysers for Cremators	0.091	0.000	0.000	0.000	0.000	**0.091**
Replacement Drainage System	0.015	0.000	0.000	0.000	0.000	**0.015**
Queens Theatre - addressing items identified through a condition survey	0.193	0.220	0.000	0.000	0.000	**0.413**
Cemetery Extension Phases 2 & 3	0.000	1.000	1.500	0.000	0.000	**2.500**
Invest to Save - Capital	2.000	0.000	0.000	0.000	0.000	**2.000**
	15.405	**23.145**	**6.450**	**2.000**	**2.000**	**49.000**
TOTAL CAPITAL PROGRAMME	**57.488**	**108.983**	**53.427**	**29.920**	**4.035**	**253.853**

Funding Sources of Schemes Presented for Approval	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m
Capital Receipts	3.145	1.950	2.800	0.000	0.000	**7.895**
Revenue and Reserve Contribution	0.126	0.000	0.000	0.000	0.000	**0.126**
Grants	14.848	40.905	23.602	15.030	0.009	**94.394**
Section 106	0.285	0.000	0.000	0.000	0.000	**0.285**
Other External Funding	16.855	16.565	1.273	0.254	0.000	**34.947**
Prudential Borrowing	22.229	49.563	25.752	14.635	4.026	**116.206**
TOTAL FUNDING	**57.488**	**108.983**	**53.427**	**29.920**	**4.035**	**253.853**

APPENDIX H

1. The Council is required to set a Council Tax for 2018/19 before 11 March 2018. It may not be set before all precepts have been issued and the decision cannot be delegated to a committee or to Officers. Before setting the level of the tax the Council must have agreed a balanced budget, differentiated by services, which is sufficient to meet estimated revenue expenditure, levies, contingencies, any deficit estimate to be brought forward from previous years, and any amounts required to be transferred between funds. The tax itself must be sufficient to cover the difference between the agreed budget less government grants retained Business Rates and other grants credited to the consolidated revenue account, and any other expenditure which must be met from the Collection Fund, less any surplus (or plus any deficit) brought forward from previous years.

2. In reaching decisions on these matters, Members are bound by the general principles of administrative law and must not fetter their discretion. All relevant considerations must be taken into account and irrelevant ones disregarded. Any decision made must be one that only a reasonable authority, properly directing itself, could have reached. Members must also balance the interests of service users against those who contribute to the Council's finances. The full resources available to the Council must be deployed to their best advantage and Members must act prudently.

3. Among the relevant considerations, which Members must take into account in reaching their decisions, are the views of business ratepayers and the advice of officers. The duty to consult representatives of non-domestic ratepayers on the Council's expenditure plans which existed under previous legislation is repeated in Section 65 of the Local Government Finance Act 1992.

4. In considering the advice of officers, and the weight to be attached to that advice, Members must have regard to the personal duties placed upon the Council's Section 151 Officer (see para 5 below). The Council may take decisions which are at variance with her advice, providing there are reasonable grounds to do so. However, Members must take into consideration the Council's exposure to risk if they disregard clearly expressed advice, for example, as to the level of provision required for contingencies, bad debts and future liabilities.

5. The Section 151 Officer is required by the Local Government Act 1972 and by the Accounts and Audit Regulations 2015 to ensure that the Council's budgeting, financial management and account practices meet relevant statutory and profession requirements. Furthermore Section 25 of the Local Government Act 2003 requires the Corporate Director of Finance and Resources to report on the robustness of the budget estimates and the adequacy of reserves to which Members must have regard.

6. Members must also have regard to, and be aware of the wider duties placed upon the Council by various statutes governing the conduct of its financial affairs. These include the distinction between revenue and capital expenditure, specified within the Local Government and Housing Act 1989.

The Local Government Act 2003 requires that the prudential borrowing limits are set by the Council having regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code. This sets out a framework for self-regulation of capital spending, in effect allowing Councils to invest in capital projects without any limit, so long as they are affordable, prudent and sustainable. To facilitate this arrangement the code requires the Council to agree and monitor a number of prudential indicators.

7. Section 106 of the Local Government Finance Act 1992 makes it a criminal offence for any Member to attend any meeting of the Council or one of its committees at which a decision affecting the budget is to be made, where a payment of Council Tax that a member is liable to make has been outstanding for two months or more, unless the Member concerned declares at the outset of the meeting that he or she is in arrears, and will not be voting on the decision for that reason. The Member concerned must then abstain from voting. The application of Section 106 is very wide and there have been successful prosecutions under this legislation. It can include meetings held at any time during the year, not just the annual budget meeting, and it may include meetings of committees or sub-committees as well as Council meetings. Members should be aware that the responsibility for ensuring that they act within the law at all times rest solely with the individual Member concerned.

8. The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 provide that the Council's procedures must provide for the minutes to record how each Councillor voted (including any abstentions) when determining the Council's budget and the level of Council Tax to be levied.

9. Having set a budget at the beginning of the year, the Council is also under a duty to monitor that budget during the course of the year and to take remedial action if at any time it appears likely that expenditure will exceed available resources. Members are aware of the duty of the Section 151 Officer under Section 114(3) of the Local Government Finance 1988 Act to report to the Council if it appears that this will happen, and of the impact of Section 115(6) which prohibits any new agreement which would incur expenditure from being entered into following the issuing of such a report and pending its consideration by the Council. The Members of the Council, having received a Section 114 report are obliged to take all reasonable practicable measures to bring the budget back into balance.

10. A Section 114 report is a serious matter which can destabilise an authority and can only be avoided by prudent budgeting and effective budgetary control. This adds emphasis to the need for an adequate contingency provision and a strong corporate commitment to holding chief officers accountable for containing expenditure within cash limits approved during the budget process.

11. It is the duty of the Chief Financial Officer as the Section 151 Officer to provide the relevant financial information, which is or ought to be available and advise on the financial prudence of options before Members, and Members must take account of such information and advice in reaching their

decisions. The Council is however free to take decisions which are at variance with the advice of those officers, providing there are reasonable grounds to do so.

12. The Section 151 Officer must consider whether in her view the Council had agreed a balanced budget which is capable of delivery taking all know factors into account. In the event that she considers this not to be the case, then she has a personal duty to indicate this by issuing the Council with a notice under Section 114 Local Government Finance Act 1988.

13. Any questions arising regarding the ability of members to vote on matters within this report having reference to any disclosable pecuniary interest or any personal or prejudicial interests will be addressed at the beginning of the council meeting.

14. Section 149 of the Equality Act 2010 sets out the public sector equality duty which requires the Council, when exercising its functions to have 'due regard' to the need to eliminate discrimination (both direct and indirect discrimination), harassment and victimization and other conduct prohibited under the Equality Act, and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not share that protected characteristic.

15. A 'protected characteristic' is defined in the Equality Act as:

- age;
- disability;
- gender reassignment;
- pregnancy and maternity;
- race; (including ethnic or national origins, colour or nationality)
- religion or belief;
- sex;
- sexual orientation.

Marriage and civil partnership are also a protected characteristic for the purposes of the duty to eliminate discrimination Having due regard to the need to 'advance equality of opportunity' between those who share a protected characteristic and those who do not, includes having due regard to the need to remove or minimize disadvantages suffered by them. Due regard must also be had to the need to take steps to meet the needs of such persons where those needs are different from persons who do not have that characteristic, and encourage those who have a protected characteristic to participate in public life.

Complying with the duty may involve treating some people better than others, as far as that is allowed by the discrimination law. Due regard to the need to eliminate discrimination, advance equality, and foster good relations must form an integral part of the decision making process. The Council must consider the effect that implementing a particular policy will have in relation to equality before making a decision.

16. There is no prescribed manner in which the equality duty must be exercised. However, the council must have an adequate evidence base for its decision making. Where it is apparent from the analysis of the information that the proposals would have an adverse effect on equality then adjustments should be made to avoid that effect (mitigation).The duty is not to achieve the objectives or take the steps set out in s.149. Rather, the duty on public authorities is to bring these important objectives relating to discrimination into consideration when carrying out its functions. "Due regard" means the regard that is appropriate in all the particular circumstances in which the authority is carrying out its functions.

17. There must be a proper regard for the goals set out in s.149. At the same time, the council must also pay regard to any countervailing factors, which it is proper and reasonable for them to consider. Budgetary pressures, economics and practical factors will often be important. The weight of these countervailing factors in the decision making process is a matter for the Council. The equality and diversity implications of budget proposals are considered at all stages of the budget process, from the development of the initial budget strategy, through consideration of individual growth and savings proposals, to the production of service development plans. The processes in place are therefore aimed at ensuring that the budget proposals in this report do not discriminate against communities or individuals because of age, ethnicity, gender, disability, religion, or sexual orientation, and support the council in meeting its other duties to promote equal opportunities.

APPENDIX I

CAPITAL INVESTMENT STRATEGY

Effective capital investment is essential to the delivery of the council's priorities and capital assets are a key resource contributing to the prosperity and well-being of Havering. The council's medium term financial strategy is supported by the capital strategy, and recognises the links between capital and revenue resources. The capital investment strategy is intrinsically linked to the revenue budget strategy. The revenue implications of capital expenditure and funding decisions are explored and accounted for on an on-going basis. These are reflected as appropriate and include the consideration of the challenging financial climate which the Council faces.

The Capital Investment Strategy is in place to drive forward the financial planning process and make best use of capital resources. The Capital Investment Strategy will continue to be reviewed and developed to integrate and support the delivery of the Council's Corporate Vision – 'Havering - Making a Greater London' and its four cross cutting priorities - Communities, Places, Opportunities and Connections.

The capital management framework has been under review and as a result a revised capital programme, profiled over a 5 year MTFS period is in place. However the business cases of schemes within that programme are assessed on a whole programme life basis. The revised capital programme recommended for approval includes the Development programme, incorporating the Mercury Land Holdings investments and the regeneration proposals of the 12 Estates, Bridge Close and Rainham- Beam Park. These are long term capital investments and it is critical that they are considered along with revenue funding. Over the whole life of a capital project there may be a wide range of cost and cost saving implications. The whole life cost and potential income returns of each capital investment project will be considered from the earliest stage of project development.

The capital strategy informs the treasury management strategy. The capital financing requirement is established from the approved capital programme, with the planned profile adjusted to allow for known capital programme slippage, and this is compared to the funding streams known at any given time.

The strategy will drive the development of the future Capital Programme over the medium term and will be further developed during 2018 to ensure that it integrates with and supports the delivery of the Council's Corporate Vision. There are three core elements to the Council's future Capital Investment Plans:

<u>Invest to Save - Efficiency Programme</u>

The 2017/18 capital approval includes a budget of £5m which was made available to fund an 'Efficiency Programme' to enable capital investment projects that will deliver:

- On-going reductions in revenue expenditure (i.e. cashable savings)
- On-going cost avoidance measures to avoid future increases in expenditure (i.e. non-cashable savings)

This resource, added to other existing invest to save budgets within the capital programme, subject to approval, will be invested in developing local social care residential provisions thereby enabling people to stay in Havering and the council to make revenue savings from expensive out of borough placements. These proposals will be supported by robust business cases and implementation of projects will be subject to benefits realisation management to ensure that investment delivers the stated benefits including financial benefits in terms of savings.

The principle of invest to save remains a key element of the capital strategy, and with the limited availability of financial and other resources, remains one of the evaluation measures of business cases. Efficiency savings and service improvements can be achieved by doing things not just better but differently. It is recommended that individual schemes that are forthcoming in the year with the identification of funding streams are considered by the officer Strategic Capital Asset Management Group (CAMG) with the final scheme approval being delegated to the Chief Financial Officer in consultation with the Leader of the Council and Lead Member for Financial Management. All schemes would require a robust business case demonstrating the link between investment and delivery of revenue savings and/or income returns.

<u>Development programme</u> **-** Mercury Land Holdings and Regeneration schemes
In 2016/1, £100m was included in the capital programme for Regeneration and Development schemes to be funded by prudential borrowing subject to approval of robust business cases. The majority of this provision is being used to fund the Mercury Land Holdings investment programme included in the business plan agreed by cabinet in December 2017 and the acquisition of land from and awarding of a loan to Havering College agreed in June 2017.
In addition Cabinet has given approval for the progressions of three regeneration schemes

- 12 Estates programmes, regenerating and redeveloping 12 of the councils housing estates
- Bridge Close
- Rainham –Beam Park.

These schemes have been subject to demonstration of robust business cases, linked to long term capital and revenue investment plans integrated within the MTFS and robust due diligence mechanisms. The physical and social infrastructure benefits that should result from the regeneration programmes are also recognised as part of the benefits of the capital investment. Ensuring the realisation of all the benefits is part of the programme management requirement. The importance of managing and monitoring delivery of these programmes has been recognised with the proposal of a governance structure including the Regeneration board, and the establishment of robust client side management structures.

<u>Asset Management</u>

The delivery of Council services is dependent upon the effective utilisation of resources including its asset base to provide services to the community. Investment in core assets such as highways, buildings and IT is essential to the delivery of

effective services over the medium to long term. Capital investment in assets is informed by effective asset management and planning.
Investment in ICT should reflect the roadmap for investment and corporate direction of travel as outlined in the INCt Strategy. This document is under development and should inform and direct ICT investment strategies to ensure the delivery of the corporate vision.

The Council's approach to capital asset management includes the review of existing assets in terms of suitability for purpose, alternative and future use, and maintenance requirements. The aim for the Council to rationalise its asset portfolio and only retain assets that support the delivery of its goals, offer value for money or in some other way are important for community, heritage or other significant social purpose. The current Asset Management plan covers the period from 2015 to 2019, and will need to be refreshed during 2018/19 within the context of the capital strategy.

<u>Overall Approach</u>

The Council will continue to adopt a prudent capital programme taking into account the views of the local community and wider stakeholders as far as possible in line with its corporate priorities and will seek to:

- protect, maintain and develop existing assets and infrastructure – the backlog of repairs to existing assets such as school buildings, office accommodation, and infrastructure assets such as roads and paths;
- develop new facilities for which there is significant public demand or upgrading assets to meet the expectations of local people, and obtaining value for money from the use of our assets and resources;
- support the delivery of the Council's transformation programme and further initiatives to improve efficiency and effectiveness e.g. through the adoption of new technology to realise revenue savings or improve service delivery to the community.
- The Council will seek to continue to improve efficiency and value for money, in particular to:
    - maximise asset utilisation;
    - ensure assets are fit for purpose and health and safety compliant;
    - facilitate and promote community use;
    - explore alternative management arrangements e.g. leases to community groups;
    - explore opportunities for innovative ways to procure and deliver capital projects to maximise the resources available;
    - developing invest to save initiatives with agreed levels of return expected from such investments
    - consider the wider aspects of capital projects, for example whole life asset costs, return on investments, equality and diversity, and environmental implications;
    - investigate shared usage/ownership arrangement with other local authorities, partners and stakeholders.

Financing

The Council will finance capital expenditure through a combination of:

- Capital Receipts
- External Funding
- S106 Contributions or future CIL receipts
- Revenue Contributions to Capital
- Capital Grants
- Prudential Borrowing

Each funding stream will be considered in terms of risk and affordability in the short and long term.

The current and future economic climate has a significant influence on capital funding decisions. As a result planned disposals are kept under regular review to ensure the timing maximises the potential receipt where market conditions are not favourable. Review of this will be consolidated within the Strategic CAMG remit. Capital expenditure will only be permitted where funding streams have been identified and confirmed.

Prudential borrowing will be used to fund regeneration and development initiatives, where a robust business case can be made to finance the investment from an income or savings stream. The rates of return expected from investment of corporate resources will be ratified as part of the business case approval and gateway process to be approved in the capital strategy. Every effort is made to maximise grant funding, leverage opportunities and other external funding opportunities, where they are consistent with the Council's Corporate Vision. Use of grant funding will however only be made where the cost to the Council is minimised or where this – both capital and revenue – can be contained within existing resources.

Where expenditure is to be financed through capital, this will only occur where funds have been realised. Neither capital receipts generated through disposals nor S106 contributions will be committed to fund projects until they are actually received. This is due to the complex conditions and timing issues that can be associated with them. The Council is also continuing to attract private investment into Council facilities through exploration of potential partnership and outsourcing arrangements, and this has led to the development of the regeneration schemes included in the capital programme for financial approval, and the establishment of the joint venture organisations.

This funding approach has been made with reference to the Council's current and longer term financial position, the prudential code, the current and projected economic climate, and the Council's asset management strategy as set out in the Corporate Asset Management Plan. The revised prudential code, released by CIPFA in January this year, includes changed requirements for the capital strategy. These are outlined in the body of the report in section 9, paragraphs 9.22 onwards.

The capital programme will continue to be reviewed on an annual basis. This will consider items such as new funding opportunities and Corporate priorities outlined in the corporate vision. In year changes e.g. the availability of additional external funding, will be made on an ongoing basis as part of routine programme management. These will be implemented with regard to the Council's Constitution and agreed procedures.

Three elements of the capital strategy development will be completed and approved over the next three months.

- Capital investment approval process including a gateway review process for business cases. This will include the consideration of a prioritisation approach to ensure the investments support corporate vision.
- Capital programme Governance process, including the Strategic Capital Assets Group
- Integration of the capital financial management analysis into the Execview programme management system

APPENDIX J

SCHEDULE OF FEES AND CHARGES

(as detailed below)

This page is intentionally left blank

Adults
Adult Services

(A) Statutory and Nationally Agreed Charges -

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
1 Respite Care				
Weekly charges*				
Age over Pension Credit age	120.65	TBC	09/02/17	T/L
Age 25 up to Pension Credit age	79.85	TBC	09/02/17	T/L
Age 18 to 24	64.65	TBC	09/02/17	T/L
Annual increase subject to DWP minimum income allowance				
Net of personal expense allowance set by DOH				

* These charges will change in Jan/Feb 2018 when new benefit & pension, and Personal Expense Allowance, rates are announced.

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

T - Subject to Benefit & Pension, Personal Expense Allowance Rate

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Adults
Adult Services

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
1. Personal care and Support				
Provision of homecare delivery to Service Users				
Homecare rate - hourly charge; per minute of actual care	16.43	TBC	01/04/17	C/L
The individual contribution is subject to the individual means test assessment				
2. Care home				
Provision of care home delivery to Service Users				
Care home rate based on authority's 'usual costs' -weekly charge				
Residential Frail	506.00	TBC	01/04/17	U/L
Residential Dementia	568.00	TBC	01/04/17	U/L
Nursing Frail	513.00	TBC	01/04/17	U/L
Nursing Dementia	529.00	TBC	01/04/17	U/L
Nursing Higher Rate	539.00	TBC	01/04/17	U/L
3. Day Centre				
Day care delivery to Service Users	40.00	40.00	07/04/14	L
Day Centre daily rate	10.00	10.00	07/04/14	L
Transport to Day Centre (inclusive of return journey)				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

U - Subject to consultation with providers Jan/Feb 2018 and ED will follow

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Adults and Public Health
Adult Services

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
4. Extra Care Housing				
Dreywood Court - hourly rate	17.97	15.00	01/04/18	Y/L
St Ethelburga Court - hourly rate	12.45	15.00	01/04/18	Y/L
Paines Brook Court - hourly rate	14.80	15.00	01/04/18	Y/L
5. Deferred Payment Admin fees				
Initial set-up fee	658.00	658.00	11/04/16	L
Annual review charge	89.00	89.00	11/04/16	L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

Y - Rates changed following a recommissioning exercise of the current extra care service provision

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Bereavement Services

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
BEREAVEMENT SERVICES:				
Interments				
Cemeteries (fees doubled for non-residents of LBH)				
Over 16 years	1,296.00	1,320.00	01/04/18	D/L
2 simultaneous full body interments aged over 16 years	1,944.00	1,980.00	01/04/18	D/L
Cremated remains	246.00	250.00	01/04/18	D/L
Surcharge for cremated remains in full coffin	220.00	224.00	01/04/18	D/L
Extra depth (each interment over two) or casket/walled grave per depth	233.00	238.00	01/04/18	I/N/P
Resident child not over 16 Years	No Charge	No Charge	01/04/16	Y/P
Non resident stillborn to 1 month in child's grave or public grave	233.00	238.00	01/04/18	I/N/P
2 simultaneous non resident stillborn/to 1 month in child's or public grave	350.00	357.00	01/04/18	D/L
Non resident child not over 10 years in child's grave or public grave	360.00	367.00	01/04/18	D/L
Non resident child not over 16 years in child's grave	2,444.00	2,492.00	01/04/18	D/L
Use of chapel including organist at Upminster cemetery (subject to availability)	90.00	92.00	01/04/18	I/N/P
Hospital Contract NVB burials	233.00	240.00	01/04/18	I/N/P
Exclusive Right of Burial (50 years with option of further 10 years)				
Lawn Section grave	2,027.00	2,070.00	01/04/18	I/N/P
Traditional Grave	3,145.00	3,210.00	01/04/18	I/N/P
Children's section (under 10)	420.00	428.00	01/04/18	D/L
Children's section (under 16)	838.00	855.00	01/04/18	I/N/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Recommendation of Head of Service

Y - No change recommended by Head of Serivce

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Bereavement Services

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Surcharges				
Saturday full burial surcharge	648.00	660.00	01/04/18	D/L
Sunday full burial surcharge	1,296.00	1,320.00	01/04/18	D/L
Weekend cremated remains surcharge	246.00	250.00	01/04/18	D/L
Funeral After Published Time or 48 hours of booking	300.00	310.00	01/04/18	I/N/P
Booking cancelled after 48 hours of booking	300.00	310.00	01/04/18	I/N/P
Booking cancelled within 48 hours of burial	300.00	310.00	02/04/18	I/N/P
Extension of Right of Burial for 10 years				
Lawn Section Grave	500.00	510.00	01/04/18	D/L
Traditional Grave	627.00	640.00	01/04/18	I/N/P
Children's Section (under 10)	109.00	112.00	01/04/18	I/N/P
Children's Section (under 16)	224.00	230.00	01/04/18	I/N/P
Walled graves	1,188.00	1,224.00	01/04/18	I/N/P
Other Charges				
Transfer of Exclusive Rights by Will, Letters of Administration or Assignment	48.00	50.00	01/04/18	I/N/P
Transfer of Exclusive Rights by Statutory Declaration or combination of methods	90.00	92.00	01/04/18	I/N/P
Certified extract from Burial Register	58.00	60.00	01/04/18	I/N/P
Staff attendance to select a new grave by appointment	47.00	48.00	01/04/18	I/N/P
Exhumation of cremated remains resident	246.00	250.00	01/04/18	D/L
Exhumation of cremated remains non-resident	492.00	500.00	01/04/18	D/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Recommendation of Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Bereavement Services

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Permit Charge				
Clean and Renovate/ NAMM fixing	No charge	No charge	01/04/16	Y/P
Lawn (Standard) Headstone & kerb/Additional Memorial	128.00	128.00	01/04/17	Y/L
Additional Inscription on headstone or permit for a vase only/ Lawn kerb	86.00	86.00	01/04/17	Y/L
Full kerb Traditional Grave	328.00	328.00	01/04/17	Y/L
Grave Maintenance Fees				
Bi annual Spring and Summer planting Service	254.00 *	261.00 *	01/04/18	I/N/P
Annual maintenance clean and tidy Service	157.00 *	162.00 *	01/04/18	I/N/P
Turfing (Winter months only after grave has settled)	101.00	105.00	01/04/18	I/N/P
Cremated Remains Burial Plots				
Purchase of exclusive rights (25 year term)	590.00	602.00	01/04/18	I/N/P
Extension of exclusive rights of burial for 10 years flat stone cremated remains plot	345.00	355.00	01/04/18	I/N/P
Tablet with First inscription	450.00	459.00	01/04/18	D/L
Additional / subsequent inscriptions	146.00	148.00	01/04/18	D/L
Blank stone	341.00	347.00	01/04/18	D/L
Photograph fixed to memorial	305.00	305.00	01/04/17	Y/L
Granite memorial vases for use with cremated remains tablets (includes 45 letters)	411.00	350.00	01/04/18	Z/L
Regilding or additional letter on granite vase	3.50	3.50	01/04/17	Y/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Recommendation of Head of Service

Y - No change recommended by Head of Serivce

Z - Decrease recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Bereavement Services

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
South Essex Crematorium				
Cremation includes organ/organist/polytainer or biodegradable casket:				
Over 16 years	850.00	875.00	01/04/18	I/N/P
Resident child not exceeding 16 years	No Charge	No Charge	01/04/17	Y/P
Non resident to 6 years but not exceeding 16 yrs	204.00	210.00	01/04/18	I/N/P
Non resident up to 6 years	103.00	106.00	01/04/18	I/N/P
Hospital Contract Non-viable foetus cremation	70.00	75.00	01/04/18	I/N/P
Saturday Cremation (subject to availability)	1,275.00	1,312.00	01/04/18	I/N/P
Sunday Cremation (subject to availability)	1,700.00	1,750.00	01/04/18	I/N/P
Unattended Cremation (adult)	450.00	499.00	01/04/18	I/N/P
Early Adult Cremation 15 minute service	N/A	700.00	01/04/18	D/L
Additional Services and Surcharges				
Bookings cancelled after 10am one working day before reserved time	250.00	258.00	01/04/18	I/N/P
Surcharge for services over-running	250.00	258.00	01/04/18	I/N/P
Surcharge for Cremation after 4pm	250.00	258.00	01/04/18	I/N/P
Use of chapel for private memorial service or extra time	250.00	258.00	01/04/18	I/N/P
CD recording of service	82.00 *	84.00 *	01/04/18	I/N/P
CD discs 2-10	23.00 *	24.00 *	01/04/18	I/N/P
DVD recording of service	100.00 *	103.00 *	01/04/18	I/N/P
DVD discs 2-10	30.00 *	31.00 *	01/04/18	I/N/P
Webcast of service	105.00 *	108.00 *	01/04/18	I/N/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Recommendation of Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Bereavement Services

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Additional Services and Surcharges (continued)				
Visual Tributes 10 photographs	45.00 *	46.00 *	01/04/18	I/N/P
Visual Tributes per additional 5 photographs	16.00 *	17.00 *	01/04/18	I/N/P
Per minute of video used plus set up cost	12.00 *	13.00 *	01/04/18	I/N/P
Tributes embedded into DVD recording of the service	113.00 *	116.00 *	01/04/18	I/N/P
Strewing (burial) of cremated remains from elsewhere	106.00	110.00	01/04/18	I/N/P
Witness Committal	50.00	52.00	01/04/18	I/N/P
Weekend Witness committal	100.00	104.00	01/04/18	I/N/P
Storage of cremated remains after one month per quarter	52.00 *	54.00 *	01/04/18	I/N/P
Storage of cremated remains after one month per year	122.00 *	125.00 *	01/04/18	I/N/P
Genealogy Searches per search not through Deceased Online	25.00 *	26.00 *	01/04/18	I/N/P
Containers				
Bronzed metal urns	69.00 *	71.00 *	01/04/18	I/N/P
Standard wooden or metal casket	86.00 *	88.00 *	01/04/18	I/N/P
Juvenile caskets	33.00 *	34.00 *	01/04/18	I/N/P
Various Decorative urns/caskets (new charge)	RRP *	RRP *	01/04/17	Y/L
Dedicated Hymn Book	80.00 *	82.00 *	01/04/18	I/N/P
Various keepsake memorials made from or to contain cremated remains including diamonds, paperweights, jewellery	Cost recovery *	Cost recovery *	01/04/17	Y/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Recommendation of Head of Service

Y - No change recommended by Head of Serivce

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Memorials				
Kerb Plaques				
Perspex Plaque only	118.00 *	120.00 *	01/04/18	D/L
Bronze Plaque only	238.00 *	242.00 *	01/04/18	D/L
Rights to second dedication (plus cost of plaque)	115.00	115.00	01/04/17	Y/L
Kerb plaque Rights or Renewal	240.00	240.00	01/04/17	Y/L
Bronze Wall Plaque				
Bronze wall plaque only	238.00 *	242.00 *	01/04/18	D/L
Bronze wall plaque renewal	240.00	240.00	01/04/17	Y/L
Large Wall Plaques				
Single Slate or Large Bronze Wall Plaques				
Single plaque only (slate or bronze tablet)	324.00 *	324.00 *	01/04/17	Y/L
Single plaque - Rights or Renewal fee for 10 years	240.00	240.00	01/04/17	Y/L
Double Slate Wall Plaque single inscription	487.00 *	487.00 *	01/04/17	Y/L
Double Slate Wall Plaque double inscription	783.00 *	783.00 *	01/04/17	Y/L
Double Slate Wall Plaque second inscription within 1 year of original dedication	174.00 *	174.00 *	01/04/17	Y/L
Double Plaque - Rights or Renewal 10 year renewal	480.00	480.00	01/04/17	Y/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Recommendation of Head of Service

Y - No change recommended by Head of Serivce

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Bereavement Services

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Wall Niche for 10 years				
Renewal or Pre-purchase for Single Niche for 10 years	860.00	850.00	01/04/18	Z/L
Renewal for Single Niche for 5 years	522.00	520.00	01/04/18	Z/L
Replacement single plaque	572.00 *	572.00 *	01/04/17	Y/L
Renewal Rights or Pre-purchase for Double Niche for 10 years	1,721.00	1,721.00	01/04/17	Y/L
Renewal for Double Niche for 5 years	952.00	952.00	01/04/17	Y/L
Replacement double plaque	883.00 *	883.00 *	01/04/17	Y/L
Wall Niche rights for second inscription	145.00	145.00	01/04/17	Y/L
Wall Niche Additional Items:				
Motif (optional)	90.00	90.00	01/04/17	Y/L
Additional Bud Vase	30.00	31.00	01/04/18	I/N/P
Additional Inscription	260.00	265.00	01/04/18	D/L
Casket including nameplate	90.00	92.00	01/04/18	I/N/P
Photograph	305.00	305.00	01/04/17	Y/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Recommendation of Head of Service

Y - No change recommended by Head of Serivce

Z - Decrease recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Bereavement Services

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Sanctum ii Vaults for 10 years				
Second Interment	158.00	160.00	01/04/18	D/L
Sanctum Second inscription	538.00 *	540.00 *	01/04/18	D/L
Sanctum Plaque	423.00 *	431.00 *	01/04/18	D/L
10 Year Rights or Renewal	1,095.00	1,095.00	01/04/17	Y/L
5 Year Renewal	638.00	638.00	01/04/17	Y/L
Regilding (Inc. postage)	115.00 *	117.00 *	01/04/18	D/L
Replacement vase	17.00 *	18.00 *	01/04/18	I/N/P
Vase Blocks and Tablets (includes Scented Garden Memorials)				
Vaseblock tablet	253.00	258.00	01/04/18	D/L
Vaseblock Rights or Renewal for 10 years	562.00	562.00	01/04/17	Y/L
Memorials				
Summer House Memorial				
Floris plaque only	160.00 *	160.00 *	01/04/17	Y/L
Floris Plaque Renewal Rights for 10 years	240.00	240.00	01/04/17	Y/L
Posy Holder rights or Renewal for 10 years	150.00	150.00	01/04/17	Y/L
Posy Holder Memorial	18.00 *	19.00 *	01/04/18	I/N/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Recommendation of Head of Service

Y - No change recommended by Head of Serivce

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Bereavement Services

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Shrub, Rose or Tree with 10 Year dedication				
Shrub or Rose (including Bronze Stem Plaque)	238.00 *	242.00 *	01/04/18	D/L
Shrub 10 Year Rights or Renewal (also applies to vase block with rose)	644.00	644.00	01/04/17	Y/L
Shrub 5 Year Renewal Rights (also applies to vase block with rose)	415.00	415.00	01/04/17	Y/L
Tree (including bronze Stem or Strap plaque)	238.00 *	242.00 *	01/04/18	D/L
Tree 10 Year Rights or Renewal	776.00	776.00	01/04/17	Y/L
Tree 5 Year Renewal Rights	480.00	480.00	01/04/17	Y/L
Benches and Chairs - 10 Year dedications				
Bench / Replacement Bench	1,200.00 *	1,200.00 *	01/04/17	Y/L
Chair / Replacement Chair	700.00 *	700.00 *	01/04/17	Y/L
Bench 10 Year Rights or Renewal	1,094.00	1,094.00	01/04/17	Y/L
Chair 10 Year Rights or Renewal	966.00	966.00	01/04/17	Y/L
Regular maintenance (per 2 years of remaining lease if not purchased or renewed since 1/1/2001)	46.00 *	47.00 *	01/04/18	I/N/P
Renovation of Bench	204.00 *	210.00 *	01/04/18	I/N/P
Renovation of Chair	130.00 *	134.00 *	01/04/18	I/N/P
Summerhouse Chair	1,150.00 *	1,150.00 *	01/04/17	Y/L
Replacement Summerhouse Chair	690.00 *	690.00 *	01/04/17	Y/L
Summerhouse Chair Renewal Rights	460.00	460.00	01/04/17	Y/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Recommendation of Head of Service

Y - No change recommended by Head of Serivce

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Bereavement Services

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Bench, Tree & Shrub Additional dedications				
Rights to second dedication within 1 year of original (plus cost of plaque)	115.00	115.00	01/04/17	Y/L
Rights to second dedication after 1 year of original or renewal per remaining year of lease (plus cost of plaque)	20.00	21.00	01/04/18	I/N/P
Rights to 2nd Dedication Life time of item (plus cost of plaque)	450.00	459.00	01/04/18	D/L
Replacement bronze plaque	238.00 *	242.00 *	01/04/18	D/L
Replacement Perspex plaque	118.00 *	120.00 *	01/04/18	D/L
Miscellaneous Memorials				
Mallard Bridge	317.00 *	326.00 *	01/04/18	I/N/P
Admin Fee for private purchase of plaque (plus cost of plaque)	25.00 *	26.00 *	01/04/18	I/N/P
Replacement metal vase	17.00 *	18.00 *	01/04/18	I/N/P
Floral arrangements stand - plus cost of flowers	30.00 *	31.00 *	01/04/18	I/N/P
Hanging baskets (per year)	128.00 *	130.00 *	01/04/18	D/L
Sculpture Garden Memorial	253.00	258.00	01/04/18	D/L
Sculpture Garden Rights	562.00	562.00	01/04/17	Y/L
Birdbath Rights	562.00	562.00	01/04/17	Y/L
Books of Remembrance				
2 line entry	104.00 *	107.00 *	01/04/18	I/N/P
3 - 5 lines	150.00 *	154.00 *	01/04/18	I/N/P
6 - 8 lines	216.00 *	222.00 *	01/04/18	I/N/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Recommendation of Head of Service

Y - No change recommended by Head of Serivce

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Bereavement Services

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Cards of Remembrance & Additional Entries in existing miniature books				
2 line entry	37.00 *	38.00 *	01/04/18	I/N/P
3 - 5 lines	64.00 *	66.00 *	01/04/18	I/N/P
6 - 8 lines	100.00 *	103.00 *	01/04/18	I/N/P
Miniature Triptych of Remembrance/Book of Remembrance				
2 line entry	74.00 *	76.00 *	01/04/18	I/N/P
3 - 5 lines	104.00 *	107.00 *	01/04/18	I/N/P
6 - 8 lines	136.00 *	140.00 *	01/04/18	I/N/P
Book of Remembrance Sundries				
Motif	78.00 *	80.00 *	01/04/18	I/N/P
Triptych photograph	78.00 *	80.00 *	01/04/18	I/N/P
Mini Headstone Cremated Remains Burial Plots				
Purchase of exclusive rights (25 year term)	1,040.00	1,050.00	01/04/18	D/L
Extension of exclusive rights of burial for 10 years mini headstone cremated remains plot	433.00	445.00	01/04/18	I/N/P
Memorial and installation with first 60 characters	1,114.00	1,125.00	01/04/18	D/L
Additional inscription rate per letter	3.50	3.50	01/04/17	Y/L
Blank headstone only	277.00	280.00	01/04/18	D/L
Photograph fixed to memorial	305.00	305.00	01/04/17	Y/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Recommendation of Head of Service

Y - No change recommended by Head of Serivce

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Bereavement Services

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Mini Headstone Cremated Remains Burial Plots (continued)				
Replacement Granite memorial vase only for Mini Headstone Only	70.00	72.00	01/04/18	I/N/P
Inscription first 60 characters on a pre purchased memorial	245.00	249.00	01/04/18	D/L
Blank memorial headstone only	819.00	820.00	01/04/18	D/L
Stone chippings per bag	55.00	56.00	01/04/18	D/L
Flower Holder	18.00	19.00	01/04/18	I/N/P
Book of Remembrance Memorial Tree				
Memorial Tree leaf 10 Year Rights or Renewal	228.00	232.00	01/04/18	D/L
Memorial Tree leaf plaque	150.00 *	150.00 *	01/04/17	Y/L
Rights for 2nd inscription - Rights remain the same (plus cost of plaque)	112.00	112.00	01/04/17	Y/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Recommendation of Head of Service

Y - No change recommended by Head of Serivce

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Bereavement Services

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Advertising fees - pre funeral brochure				
Display Advertisement Quarter A4 page	600.00 *	620.00 *	01/04/18	I/N/P
Display and Directory Entry Quarter A4 page and directory entry	750.00 *	775.00 *	01/04/18	I/N/P
Display Advertisement half A4 page	800.00 *	825.00 *	01/04/18	I/N/P
Display and Directory Entry half A4 page and directory entry	950.00 *	980.00 *	01/04/18	I/N/P
Display Advertisement Full A4 page	980.00 *	1,010.00 *	01/04/18	I/N/P
Display and Directory Entry Full A4 page and directory entry	1,130.00 *	1,160.00 *	01/04/18	I/N/P
Display Advertisement Full inside back A4 page	1,200.00 *	1,240.00 *	01/04/18	I/N/P
Display and Directory Entry Full inside back A4 page and directory entry	1,350.00 *	1,390.00 *	01/04/18	I/N/P
Copy design simple half page	21.00 *	50.00 *	01/04/18	I/N/P
Copy design complex full page	42.00 *	75.00 *	01/04/18	I/N/P
All fees discounted by 10% for repeat customers	N/A	New Policy	01/04/18	D/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
LIBRARY SERVICES:				
Fines (per item, per day)				
Adults	0.37	0.38	01/04/18	I/N/P
Children	0.18 *	0.19 *	01/04/18	I/N/P
Spoken Words	0.37	0.38	01/04/18	I/N/P
Lost Tickets	4.10	4.20	01/04/18	I/N/P
Lost Items - Replacement Cost (Minimum charge £10 + fines)	Cost + fines	Cost + fines	01/04/14	Y/P
Pre Overdue by email	Cost + fines	Cost + fines	01/04/14	Y/P
Overdue notifications				
1st Overdue (E-Mail)	No Charge	No Charge	01/04/14	Y/P
1st Overdue (Text/Telephone)	0.20 *	0.21 *	01/04/18	I/N/P
1st Overdue (Post)	1.17	1.20	01/04/18	I/N/P
Reservations				
Adult (E-mail)	1.22	1.26	01/04/18	I/N/P
Adult (Text/Telephone)	1.42	1.46	01/04/18	I/N/P
Adult (Post)	1.83	1.89	01/04/18	I/N/P
Children	No Charge	No Charge	01/04/14	Y/P

Basis of Increase:

C - An increase dependent on committee approval
G - An increase below inflation in line with a corporate growth plan
I - Based on relevant inflationary change
N - A nominal adjustment e.g. due to rounding of charge
S - An increase above inflation in line with a corporate saving plan
D - Recommendation of Head of Service
X - Increase above inflation
Y - No change recommended by Head of Serivce
Z - Decrease recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy
L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Culture and Customer Access

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Items not held within borough				
Adult	2.75	2.85	01/04/18	I/N/P
British Library Loans (plus postage)	12.80	13.20	01/04/18	I/N/P
Children	No Charge	No Charge	01/04/14	Y/P
CDs				
Per week:				
Singles	1.30	1.35	01/04/18	I/N/P
Sets	2.30	2.35	01/04/18	I/N/P
Per 3 weeks:				
Spoken Word (registered blind exempt)	1.22	1.26	01/04/18	I/N/P
DVDs (per week)	3.15	3.25	01/04/18	I/N/P
Music Scores (3 Months)				
Cost to be agreed with customer before progressing order	Quoted	Quoted	01/04/15	Y/P
Computer Use				
IT Hub - reservation fee per computer, per hour	No Charge	No Charge	01/04/15	Y/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Recommendation of Head of Service

X - Increase above inflation

Y - No change recommended by Head of Serivce

Z - Decrease recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Culture and Customer Access

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Photo Copies				
B/W A4	0.33 *	0.34 *	01/04/18	I/N/P
B/W A3	0.38 *	0.39 *	01/04/18	I/N/P
Colour A3	2.10 *	2.16 *	01/04/18	I/N/P
Colour A4	1.45 *	1.50 *	01/04/18	I/N/P
Photocopying single sided	0.33 *	0.34 *	01/04/18	I/N/P
Photocopying double sided	0.50 *	0.52 *	01/04/18	I/N/P
People's Network - Printing				
B/W A4 (Printout per page)	0.33 *	0.34 *	01/04/18	I/N/P
Colour A4 (Printout per page)	1.45 *	1.50 *	01/04/18	I/N/P
People's Network - Usage				
Elect Equipment i.e. Laptop charging per day etc.	1.00 *	1.10 *	01/04/18	I/N/P
Elect Equipment I.e. Mobile Phone charging per day etc.	1.00 *	1.10 *	01/04/18	I/N/P
All other elect appliances	1.00 *	1.10 *	01/04/18	I/N/P
Library Space				
2 hours for sole & guaranteed use of specific space, to include use of a desk/table & chair(s) to organisations for activities that benefit their members or participants, or where "drop in" services are being offered	10.00	10.30	01/04/18	I/N/P
Office Space in libraries	10.00	10.30	01/04/18	I/N/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

D - Recommendation of Head of Service

Y - No change recommended by Head of Serivce

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Community Group Room Hire	20% discount	20% discount	01/04/17	Y/P
Elm Park Library				
Elm Park Meeting Room per hour (Equiv. Hornchurch CR2)	15.50	16.00	01/04/18	I/N/P
Harold Hill Library				
Harold Hill Meeting Room per hour	20.50	21.10	01/04/18	I/N/P
Harold Hill Office Space per hour	15.00	15.50	01/04/18	I/N/P
Hornchurch Library				
Hornchurch Large meeting room - First Hour	25.50	26.25	01/04/18	I/N/P
Hornchurch Large meeting room - Additional Hours	20.50	21.10	01/04/18	I/N/P
Hornchurch - After 10pm £26.25 locking up fees	25.50	26.25	01/04/18	I/N/P
Hornchurch Class Room One, per hour	25.50	26.25	01/04/18	I/N/P
Hornchurch Class Room Two, per hour	15.50	16.00	01/04/18	I/N/P
Hornchurch Office Space per hour	10.00	10.30	01/04/18	I/N/P
Upminster Library				
Upminster Meeting Room per hour	20.50	21.10	01/04/18	I/N/P
Upminster - After closing time £26.25 locking up fees	25.50	26.25	01/04/18	I/N/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

D - Recommendation of Head of Service

Y - No change recommended by Head of Serivce

Z - Decrease recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Culture and Customer Access

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Rainham Library				
Rainham Library Meeting Room 1 (large room) First Hour	25.50	26.25	01/04/18	I/N/P
Rainham Library Meeting Room 1 (large room) Additional Hours	20.50	21.10	01/04/18	I/N/P
Rainham Library Meeting Room 2 per hour	20.50	21.10	01/04/18	I/N/P
Rainham Library Meeting Room 3 per hour	20.50	21.10	01/04/18	I/N/P
Rainham Library Meeting Room 4 per hour	15.50	16.00	01/04/18	I/N/P
Rainham Library Meeting Room 5 per hour	15.50	16.00	01/04/18	I/N/P
Rainham - After closing time £26.25 locking up fees	25.50	26.25	01/04/18	I/N/P
Nursery Room	20.50	21.10	01/04/18	I/N/P
Romford Library				
Romford Large meeting room - First Hour	25.50	26.25	01/04/18	I/N/P
Romford Large meeting room - Additional Hours	20.50	21.10	01/04/18	I/N/P
Romford second meeting room per hour	20.50	21.10	01/04/18	I/N/P
Romford - After closing time £26.25 locking up fees	25.50	26.25	01/04/18	I/N/P
South Hornchurch Library				
South Hornchurch Library Room 1 per hour	10.00	10.30	01/04/18	I/N/P
South Hornchurch Library Room 2 per hour	10.00	10.30	01/04/18	I/N/P
South Hornchurch Library Room 3 per hour	15.50	16.00	01/04/18	I/N/P
Harold Wood Library				
Harold Wood Library Meeting Room per hour	15.50	16.00	01/04/18	I/N/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

D - Recommendation of Head of Service

Y - No change recommended by Head of Serivce

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Culture and Customer Access

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Room Hire Cancellation				
Notice of cancellation of room hire under 24 hours	75% of room hire fee	75% of room hire fee	01/04/14	Y/P
Notice of cancellation of room hire 1-3 days	50% of room hire fee	50% of room hire fee	01/04/15	Y/P
Notice of cancellation of room hire 3-7 days	25% of room hire fee	25% of room hire fee	01/04/15	Y/P
N.B The above room hire charges are maximum charges that are to be applied. Managers will have the discretion to negotiate lower				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Recommendation of Head of Service

Y - No change recommended by Head of Serivce

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Culture and Customer Access

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Exhibitions (per week)				
Upminster at exhibitors liability for one week	No Charge	No Charge	01/04/12	Y/P
Hornchurch at exhibitors liability for one week	No Charge	No Charge	01/04/12	Y/P
Cost of Recovery				
Accounts owing up to £99.00	10.00	10.30	01/04/18	I/N/P
Accounts owing £100.00 plus	20.00	20.60	01/04/18	I/N/P
Cost of Digital images				
Image on disc (including disc)	3.65 *	3.75 *	01/04/18	I/N/P
Image on USB (excluding USB)	3.65 *	3.75 *	01/04/18	I/N/P
Image on Paper price on application plus postage	Quoted *	Quoted *	01/04/14	Y/P
Commercial Reproduction price on application	Quoted *	Quoted *	01/04/14	Y/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Recommendation of Head of Service

X - Increase above inflation

Y - No change recommended by Head of Serivce

Z - Decrease recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
FAIRKYTES				
Off Peak: Mon-Fri up to 6pm***** (per hour unless otherwise stated)				
Main Room	18.00	18.50	01/04/18	I/N/P
Three hour hire discounted rate	39.00	40.50	01/04/18	I/N/P
Room 12	14.50	15.00	01/04/18	I/N/P
Three hour hire discounted rate	31.20	32.00	01/04/18	I/N/P
Room 13	11.00	11.50	01/04/18	I/N/P
Three hour hire discounted rate	24.00	25.00	01/04/18	I/N/P
Room 9	11.00	11.50	01/04/18	I/N/P
Three hour hire discounted rate	23.00	25.00	01/04/18	I/N/P
Art Room	13.50	14.00	01/04/18	I/N/P
Three hour hire discounted rate	28.00	29.50	01/04/18	I/N/P
Sculpture (includes access to Kiln Room when available)	11.00	11.50	01/04/18	I/N/P
Three hour hire discounted rate	23.00	24.00	01/04/18	I/N/P
Studio 1	26.00	27.00	01/04/18	I/N/P
Three hour hire discounted rate	56.10	58.00	01/04/18	I/N/P

** Excludes public holidays

*** A hire that begins before 6pm but crosses into the Peak time period will be subject to peak rates.

N.B: The above room hire charges are maximum charges that are to be applied. Managers will have the discretion to negotiate lower charges per hour/session if a hirer pays in advance and commits to a long term hire, with such discounts to be agreed by the Head of Service.

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Off Peak: Mon-Fri up to 6pm*** (continued)**				
(per hour unless otherwise stated)				
Studio 2	17.50	18.00	01/04/18	I/N/P
Three hour hire discounted rate	38.00	40.00	01/04/18	I/N/P
Studio 3	11.00	11.50	01/04/18	I/N/P
Three hour hire discounted rate	23.00	24.00	01/04/18	I/N/P
Billet Studio 1	17.50	18.00	01/04/18	I/N/P
Three hour hire discounted rate	38.00	40.00	01/04/18	I/N/P
Billet Studio 2	11.00	12.00	01/04/18	I/N/P
Three hour hire discounted rate	23.00	25.00	01/04/18	I/N/P
Gallery Studio	n/a	15.50	01/04/18	D/L
Three hour hire discounted rate	n/a	35.00	01/04/18	D/L
Peak rate: Mon-Fri 6pm* to close, all day Sat,Sun,public holidays**				
(per hour unless otherwise stated)				
Main Room	21.00	22.00	01/04/18	I/N/P
Three hour hire discounted rate	46.00	48.00	01/04/18	I/N/P
Room 12	18.00	18.50	01/04/18	I/N/P
Three hour hire discounted rate	38.00	40.00	01/04/18	I/N/P
Room 13	14.50	15.00	01/04/18	I/N/P
Three hour hire discounted rate	31.20	32.00	01/04/18	I/N/P
Room 9	13.00	14.00	01/04/18	I/N/P
Three hour hire discounted rate	28.00	29.50	01/04/18	I/N/P

** Excludes public holidays

*** A hire that begins before 6pm but crosses into the Peak time period will be subject to peak rates.

N.B: The above room hire charges are maximum charges that are to be applied. Managers will have the discretion to negotiate lower charges per hour/session if a hirer pays in advance and commits to a long term hire, with such discounts to be agreed by the Head of Service.

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Peak rate: Mon-Fri 6pm* to close, all day Sat,Sun,public holidays**				
(per hour unless otherwise stated)				
Art Room	18.00	18.50	01/04/18	I/N/P
Three hour hire discounted rate	38.00	40.00	01/04/18	I/N/P
Sculpture (includes access to Kiln Room when available)	12.00	12.50	01/04/18	I/N/P
Three hour hire discounted rate	25.00	26.00	01/04/18	I/N/P
Studio 1 ****	35.00	36.00	01/04/18	I/N/P
Three hour hire discounted rate	73.50	75.50	01/04/18	I/N/P
Studio 2	20.00	21.00	01/04/18	I/N/P
Three hour hire discounted rate	44.00	45.50	01/04/18	I/N/P
Studio 3	13.00	13.50	01/04/18	I/N/P
Three hour hire discounted rate	28.10	29.00	01/04/18	I/N/P
Billet Studio 1	20.00	21.00	01/04/18	I/N/P
Three hour hire discounted rate	44.00	45.50	01/04/18	I/N/P
Billet Studio 2	13.50	14.50	01/04/18	I/N/P
Three hour hire discounted rate	28.50	30.50	01/04/18	I/N/P
Gallery Studio	n/a	19.50	01/04/18	D/L
Three hour hire discounted rate	n/a	43.50	01/04/18	D/L

* *Excludes public holidays

*** A three-hour hire that begins before 6pm and crosses into the Peak time period will be subject to the peak rate discount

N.B: The above room hire charges are maximum charges that are to be applied. Managers will have the discretion to negotiate lower charges per hour/session if a hirer pays in advance and commits to a long term hire, with such discounts to be agreed by the Head of Service.

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Culture and Customer Access

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Peak rate: Mon-Fri 6pm* to close, all day Sat,Sun,public holidays**				
(per hour unless otherwise stated)				
Private Studio/Workshop/Office (flat rate per calendar month)	189.00	195.00	01/04/18	I/N/P
Private/Commercial Function Rates in Studio 1 (Main Hall)******				
(The below charged at a flat rate per hire including staffing charge)				
Saturday 6.00pm - 11pm †	271.00	280.00	01/04/18	I/N/P
Sunday & Public Holidays 6.00pm - 10.30pm †	240.00	250.00	01/04/18	I/N/P
Friday 6.00-10.30pm †	190.00	195.00	01/04/18	I/N/P

**** Includes use of an adjoining room on request (subject to availability)

† Out of hours bookings accepted subject to availability of staff

Other out of hours bookings will include a £25 per hour staffing charge in addition to the Peak rate.

N.B: The above room hire charges are maximum charges that are to be applied. Managers will have the discretion to negotiate lower charges per hour/session if a hirer pays in advance and commits to a long term hire, with such discounts to be agreed by the Head of Service.

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Culture and Customer Access

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
HORNCHURCH STADIUM				
Weekday Use by Athletics Clubs (excluding training session)*				
Half Day*	82.00	84.50	01/04/18	I/N/P
Full Day*	154.00	159.00	01/04/18	I/N/P
Saturday Use by Athletics Clubs (excluding training session)*				
Half Day*	102.50	105.60	01/04/18	I/N/P
Full Day*	190.00	196.00	01/04/18	I/N/P
Sunday Use by Athletics Clubs (excluding training session)*				
Half Day*	135.00	139.00	01/04/18	I/N/P
Full Day*	258.00	266.00	01/04/18	I/N/P
Use by Schools (excluding training session)**				
Half Day**	98.00	101.00	01/04/18	I/N/P
Full Day**	202.00	208.00	01/04/18	I/N/P
Schools Training Sessions (per hour Inc. equipment)**	37.00	38.10	01/04/18	I/N/P
Occasional use - Football - without lights Seniors (3 hours)**	190.00	196.00	01/04/18	I/N/P
Occasional use - Football - without lights Juniors (2.5 hours)**	105.00	108.10	01/04/18	I/N/P
Occasional use - Football - with lights Seniors (3 hours)**	298.00	307.00	01/04/18	I/N/P
Occasional use - Football - with lights Juniors (2.5 hours)**	132.00	136.00	01/04/18	I/N/P
* VATable unless block (10 or more) booking				
** VATable unless block (10 or more) booking or Havering schools				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Culture and Customer Access

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Marketing Advertising in Fairkytes and other culture publications				
Full page (A4)	245.00 *	250.00 *	01/04/18	I/N/P
Full page (A5) or Half page (A4)	122.50 *	125.00 *	01/04/18	I/N/P
Half page (A5) or Quarter page (A4)	61.50 *	65.00 *	01/04/18	I/N/P
Quarter page (A5) or Eighth page (A4)	31.00 *	35.00 *	01/04/18	I/N/P
Online ticket sales				
10% of ticket price to be added to the charge for Culture Events when sold on-line	10% of ticket price	10% of ticket price	01/04/16	Y/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Y - No change recommended by Head of Serivce

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Culture and Customer Access

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
MUSIC SCHOOL:				
Associate Ensemble Membership				
Associate Member (Adult)	48.00	49.45	01/04/18	I/P
Hire of Instruments (Annual Charge)	34.00	35.00	01/04/18	I/P

Basis of Increase:

C - An increase dependent on committee approval
G - An increase below inflation in line with a corporate growth plan
I - Based on relevant inflationary change
N - A nominal adjustment e.g. due to rounding of charge
S - An increase above inflation in line with a corporate saving plan
D - Recommendation of Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy
L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Culture and Customer Access

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Scholarships				
Secondary - Individual Lesson (30 minutes) (Direct Debit fees now apply)	Deleted	Deleted	01/04/17	Y/L
Please note: Scholarships are no longer offered to primary age children. Those that are still running are all 30mn lessons and the charge is based on the Gold 3rd Instrument rate.	11.45	Withdrawn	01/04/18	D/L
Administration fees				
Examination entries	2.00	2.00	01/04/17	Y/L
Assisted Instrument Purchase Scheme	5.50	5.50	01/04/17	Y/L
Exam fees				
Including any required piano accompaniment are collected on a cost recovery basis (accompaniment required for most instruments except piano/ guitar/ percussion).	Cost Recovery	Cost Recovery	01/04/17	Y/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Recommendation of Head of Service

Y - No change recommended by Head of Serivce

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Culture and Customer Access

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Peripatetic tuition in schools and colleges (per hour pro rata)				
Academies and non-LA				
Basic	42.50	43.00	01/04/18	I/N/P
Over 15 hours per week	41.50	42.00	01/04/18	I/N/P
LA schools in Havering				
Basic	41.50	42.50	01/04/18	I/N/P
Over 15 hours per week	40.50	42.00	01/04/18	I/N/P
Over 25 hours per week	39.50	40.50	01/04/18	I/N/P
Direct Debit (weekly cost, charged over 52 weeks)				
Bronze (36 shared 20mn lessons, Theory & 30mn Ensemble)				
First instrument	6.60	6.80	01/04/18	I/N/P
Second instrument	5.15	5.25	01/04/18	I/N/P
Third instrument	3.90	4.50	01/04/18	I/N/P
Silver (36 shared 30mn lessons, Theory, 60mn Ensemble & Summer School)				
First instrument	10.90	11.10	01/04/18	I/N/P
Second instrument	8.30	8.50	01/04/18	I/N/P
Third instrument	5.75	6.10	01/04/18	I/N/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Recommendation of Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Direct Debit (continued)				
Gold (36 individual lessons, Theory, unlimited Ensembles & Summer School)				
First instrument	16.60	17.20	01/04/18	D/L
Second instrument	13.45	13.75	01/04/18	D/L
Third instrument	11.45	12.00	01/04/18	D/L
Kindergarten	3.00	3.00	01/04/16	Y/L
One ensemble only	3.00	3.00	01/04/16	Y/L
Unlimited ensembles only	5.95	5.95	01/04/16	Y/L
Remissions Scheme charges (reduced fees)				
Bronze (36 shared 20mn lessons, Theory & 30mn Ensemble)				
First instrument (Pupil Premium students)	2.34	2.50	01/04/18	I/N/P
First instrument (Looked After Children)	No Charge	No Charge	01/04/16	Y/L
Silver (36 shared 30mn lessons, Theory, 60mn Ensemble & Summer School)				
First instrument (Pupil Premium students)	3.87	4.00	01/04/18	I/N/P
First instrument (Looked After Children)	No Charge	No Charge	01/04/16	Y/L
Gold (36 individual lessons, Theory, unlimited Ensembles & Summer School)				
First instrument (Pupil Premium students)	5.89	6.50	01/04/18	I/N/P
First instrument (Looked After Children)	No Charge	No Charge	01/04/16	Y/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Recommendation of Head of Service

Y - No change recommended by Head of Serivce

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Remissions Scheme charges (reduced fees)				
Kindergarten or One ensemble only:				
Pupil Premium students	1.07	1.50	01/04/18	D/L
Looked After Children	No Charge	No Charge	01/04/16	Y/L
Unlimited ensembles only:				
Pupil Premium students	2.10	2.50	01/04/18	D/L
Looked After Children	No Charge	No Charge	01/04/16	Y/L
Instrument Hire (per annum):				
Pupil Premium students	10.00	10.00	01/04/16	Y/L
Looked After Children	No Charge	No Charge	01/04/16	Y/L
Eligibility for reduced fees based on children (age 5-18): 1. Student's school in receipt of Pupil Premium for the pupil 2. Looked After Child 3. Current Free School Meals eligibility or similar at Music Manager's discretion New students usually eligible for one remission but Music School Manager to retain discretion to allow additional instruments, e.g. in cases where an existing multi-instrumentalist learning with HMS becomes eligible for a remission.				

Basis of Increase:

C - An increase dependent on committee approval
G - An increase below inflation in line with a corporate growth plan
I - Based on relevant inflationary change
N - A nominal adjustment e.g. due to rounding of charge
S - An increase above inflation in line with a corporate saving plan
D - Recommendation of Head of Service
Y - No change recommended by Head of Serivce

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy
L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Culture and Customer Access

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
MY PLACE: (All charges are for 1hr unless stated otherwise)				
Off Peak (Mon - Fri 9am - 6pm)				
Performance Hall	23.00	23.00	01/04/17	Y/L
Performance Hall with sound and lighting:	28.50	28.50	01/04/17	Y/L
Performance Hall with staging				
4 hrs (if stage erected by myplace staff)	137.00 *	137.00 *	01/04/17	Y/L
Music Studio				
1 hr	10.75 *	11.00 *	01/04/18	D/L
Technician	23.20 *	23.75 *	01/04/18	D/L
Games Room	18.00	18.00	01/04/17	Y/L
Art Room	9.70	9.90	01/04/18	D/L
Health Room	8.20	8.30	01/04/18	D/L
IAG Room	7.65	7.80	01/04/18	D/L
Counselling Room	7.65	7.80	01/04/18	D/L
Large Meeting Room	14.30	14.60	01/04/18	D/L
N.B The above room hire charges are maximum charges that are to be applied. Managers will have the discretion to negotiate lower charges per hour/session if a hirer pays in advance and commits to a long term hire, with such discounts to be agreed by the Head of Service.				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Recommendation of Head of Service

Y - No change recommended by Head of Serivce

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Culture and Customer Access

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Off Peak (Mon - Fri 9am - 6pm)				
Small Meeting Room	10.00	10.00	01/04/17	Y/L
Bike Workshop	12.95	13.20	01/04/18	D/L
IT Hub - reservation fee per computer	No charge	No charge	01/04/13	Y/L
Peak (Mon - Fri after 6pm)				
Performance Hall	28.00	28.00	01/04/17	Y/L
Performance Hall with sound and lighting:	40.00	40.00	01/04/17	Y/L
Performance Hall with staging				
4 hrs (if stage erected by myplace staff)	191.50 *	191.50 *	01/04/17	Y/L
Music Studio				
1 hr	13.80 *	14.00 *	01/04/18	D/L
Technician	23.20 *	23.75 *	01/04/18	D/L
Games Room	24.00	24.00	01/04/17	Y/L
Art Room	13.00	13.10	01/04/18	D/L
Health Room	10.75	11.00	01/04/18	D/L
IAG Room	10.20	10.50	01/04/18	D/L
N.B The above room hire charges are maximum charges that are to be applied. Managers will have the discretion to negotiate lower charges per hour/session if a hirer pays in advance and commits to a long term hire, with such discounts to be agreed by the Head of Service.				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Recommendation of Head of Service

Y - No change recommended by Head of Serivce

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Culture and Customer Access

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Peak (Mon - Fri after 6pm)				
Counselling Room	10.20	10.40	01/04/18	D/L
Large Meeting Room	17.75	18.00	01/04/18	D/L
Small Meeting Room	12.50	12.50	01/04/17	Y/L
Bike Workshop	16.20	16.50	01/04/18	D/L
IT Hub - reservation fee per computer	No charge	No charge	01/04/13	Y/L
N.B The above room hire charges are maximum charges that are to be applied. Managers will have the discretion to negotiate lower charges per hour/session if a hirer pays in advance and commits to a long term hire, with such discounts to be agreed by the Head of Service.				

Basis of Increase:

C - An increase dependent on committee approval
G - An increase below inflation in line with a corporate growth plan
I - Based on relevant inflationary change
N - A nominal adjustment e.g. due to rounding of charge
S - An increase above inflation in line with a corporate saving plan
D - Recommendation of Head of Service
Y - No change recommended by Head of Serivce

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy
L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Saturday and Sunday				
Performance Hall	71.40	72.50	01/04/16	D/L
Performance Hall with sound and lighting:	94.40	94.40	01/04/17	Y/L
Performance Hall with staging				
4 hrs (if stage erected by myplace staff)	424.00 *	424.00 *	01/04/17	Y/L
Music Studio				
1 hr	46.95 *	46.95 *	01/04/17	Y/L
Technician	28.00 *	29.00 *	01/04/15	D/L
Games Room	71.40	71.40	01/04/17	Y/L
Art Room	52.40	52.40	01/04/17	Y/L
Health Room	49.00	49.00	01/04/17	Y/L
IAG Room	47.60	47.60	01/04/17	Y/L
Counselling Room	49.00	49.00	01/04/17	Y/L
Large Meeting Room	60.20	60.20	01/04/17	Y/L
Small Meeting Room	51.00	51.00	01/04/17	Y/L
Bike Workshop	57.70	57.70	01/04/17	Y/L
IT Hub - reservation fee per computer	No charge	No charge	01/04/13	Y/L
N.B The above room hire charges are maximum charges that are to be applied. Managers will have the discretion to negotiate lower charges per hour/session if a hirer pays in advance and commits to a long term hire, with discounts to be agreed by the Head of Service.				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Recommendation of Head of Service

Y - No change recommended by Head of Serivce

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Registrars (A) - Statutory

(A) Statutory and Nationally Agreed Charges - GRO (General Register Office)

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Registrar of Births, Deaths and Marriages and Civil Partnerships:				
Places of Worship Registration Act 1855 Section 5				
Certification of place of meeting for religious worship	29.00	29.00	01/09/14	P
Marriage Act 1949:				
Section 27 (6) Entering a notice of marriage in a marriage notice book				
(A) Where both parties to the proposed marriage are exempt persons within the meaning of section 49 Immigration act 2014	35.00	35.00	01/04/12	P
(B) In any other cases from 2nd March 2014	47.00	47.00	02/03/15	P
Section 41 (6) Registration of building for solemnization of marriages	123.00	123.00	01/09/14	P
Section 51 Fee of registrar for attending marriage/civil partnership:				
(i) At a register office	46.00	46.00	01/04/12	P
(ii) At a registered building or at a place where the house hold or detained person usually resides	86.00	86.00	01/09/14	P
(iii) Fee of Superintendent Registrar for attending marriage/civil partnership at the place where:				
a) Housebound or	84.00	84.00	01/09/14	P
b) Detained person usually resides	94.00	94.00	01/09/14	P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Recommendation of Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Registrars (A) - Statutory

(A) Statutory and Nationally Agreed Charges - GRO (General Register Office)

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Immigration Act 2016 :				
Consideration by a Superintedent Registrar of a divorce/civil partnership dissolution obtained outside of the British Isles (from 01/11/17)	50.00	50.00	01/04/18	P
Consideration by the Registrar General of a divorce/civil partnership dissolution obtained outside of the British Isles (from 01/11/17)	75.00	75.00	01/04/18	P
Consideration of a reduction in the 28 day notice to marry or form a civil partnership (from 01/11/17)	60.00	60.00	01/04/18	P
Marriage Act 1949 (continued):				
Section 64(1)				
Certified copy of entry issued under the subsection:				
(i) When application is made at the time of registering	4.00	4.00	01/04/12	P
(ii) After the time of registration	7.00	7.00	01/04/10	P
Certified copy of entry for Civil Partnerships:				
(i) At the time of registration	4.00	4.00	01/04/12	P
(ii) After the time of registration	10.00	10.00	01/04/10	P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Recommendation of Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Registrars (A) - Statutory

(A) Statutory and Nationally Agreed Charges - GRO (General Register Office)

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Section 64(2) General search of indexes of register of books kept by superintendent registrars	18.00	18.00	01/04/04	P
Certified copy of entry issued under that sub-section	10.00	10.00	01/04/12	P
Section 65(2) Certified copy of entry ,following search of indexes kept at General Register Office	10.00	10.00	01/04/10	P
Births, Deaths Registration Act 1953:				
Section 30(2) certified copy of entry following search of indexes kept at General Register Office	10.00	10.00	01/04/10	P
Immigration Act 2016 :				
Fees for corrections to Initial Registration				
Forename added within 12 months of birth registration (from 01/11/17)	40.00	40.00	01/11/17	P
Consideration by Registrar/Superintendent Registrar of a correction application (from 01/11/17)	75.00	75.00	01/11/17	P
Consideration by Registrar General of a correction application (from 01/11/17)	90.00	90.00	01/11/17	P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Registrars - Non Statutory

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
REGISTRAR OF BIRTHS, DEATHS, MARRIAGES AND CIVIL PARTNERSHIPS:				
Off site attendance to officiate at an approved premise wedding/civil partnership:				
Monday to Friday	510.00	585.00	01/04/18	S/L
Saturday	610.00	700.00	01/04/18	S/L
Sunday/ Bank Holiday	715.00	715.00	01/04/17	D/L
On site attendance to officiate at a wedding/civil partnership held in Langtons Hall:				
Monday to Thursday	460.00	530.00	01/04/18	S/L
Friday (Inc. red carpet)	560.00	640.00	01/04/18	S/L
Saturday (Inc. red carpet)	765.00	880.00	01/04/18	S/L
Sunday/ Bank Holiday (Inc. red carpet)	815.00	815.00	01/04/17	D/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Registrars - Non Statutory

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
On site attendance to officiate at a wedding/civil partnership at Langtons House/Orangery				
Monday to Thursday	255.00	290.00	01/04/18	S/L
Friday	410.00	470.00	01/04/18	S/L
Saturday	510.00	585.00	01/04/18	S/L
Sunday/ Bank Holiday	715.00	715.00	01/04/17	Y/L
Other Civil Ceremonies				
Welcoming Ceremonies / Re-affirmation of vows (* prices include VAT) Held in Langtons Wedding Rooms				
Monday to Thursday	255.00 *	290.00 *	01/04/18	S/L
Friday	410.00 *	470.00 *	01/04/18	S/L
Saturday	510.00 *	585.00 *	01/04/18	S/L
Sunday	715.00 *	715.00 *	01/04/17	Y/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Y - No change recommended by Head of Serivce

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Registrars - Non Statutory

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Welcoming Ceremonies / Re-affirmation of vows (* prices include VAT) Held in Langtons Hall				
Monday to Thursday	460.00 *	530.00 *	01/04/18	S/L
Friday	560.00 *	640.00 *	01/04/18	S/L
Saturday	765.00 *	880.00 *	01/04/18	S/L
Sunday	815.00 *	815.00 *	01/04/17	Y/L
(An additional amount is charged if any ceremony falls on the following three days: Valentine's Day, Christmas Eve or New Year's Eve)	102.00	115.00	01/04/18	S/L
Individual Citizenship Ceremony	155.00	175.00	01/04/18	S/L
Wedding Rehearsal fee (per half hour)	50.00	55.00	01/04/18	S/L
Wedding Packages (see footnote below)				
Silver Wedding Package/Civil Partnership Package (Friday)	2,000.00	2,000.00	01/04/17	Y/L
Gold Wedding Package/Civil Partnership Package	3,000.00	3,000.00	01/04/17	Y/L
Saturday Winter Wedding Package	4,000.00	4,000.00	01/04/17	Y/L
Surcharge for evening weddings at 5pm & 6pm on Thursdays & Fridays (includes Langton's House and Approved Premises)	182.00	200.00	01/04/18	S/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Y - No change recommended by Head of Serivce

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Registrars - Non Statutory

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Surcharge for candlelit weddings between October-March in addition to an evening wedding option	182.00	200.00	01/04/18	S/L
Payment in advance of a non-refundable booking fee for Register Office Weddings only	50.00	50.00	01/04/16	Y/L
Change of ceremony appointment fee	50.00	55.00	01/04/18	S/L
Premium Appointment Service (additional casual registrars used to cover up to one hour)	40.00	46.00	01/04/18	S/L
Non-Refundable booking fee for Notice of Marriage (applies to non-attendees only - in line with statutory fee for notice of marriage)	35.00	35.00	01/04/17	Y/L
Langtons Hall Hire (Hourly)				
Monday - Friday 9.00-17.00	40.00	40.00	01/04/16	Y/L
Monday - Thursday 17.00-24.00	50.00	50.00	01/04/16	Y/L
Friday Evening, Saturday and Sunday (A discount of 20% applies for bookings of more than 6 hours for Friday evening and the weekend)	95.00	95.00	01/04/17	Y/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Y - No change recommended by Head of Serivce

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Chief Operating Officer
Registars - Non Statutory

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Langtons Room Hire at all times (Hourly)	40.00	40.00	01/04/16	Y/L
(A discount of 40% applies for Charity/Community groups by application)				
Damage deposit for Langton's Hall function bookings	250.00	250.00	01/04/16	Y/L
Sponsorship for Langtons Ceremony Brochure				
Whole A5 page - Portrait	735.00 *	750.00 *	01/04/18	D/L
Half A5 Page - Landscape	390.00 *	420.00 *	01/04/18	S/L
Quarter A5 Page - Portrait	245.00 *	260.00 *	01/04/18	S/L
Back Cover - Whole A5 Page - Portrait	1,468.00 *	1,468.00 *	01/04/17	Y/L
Inside Front and Back Cover - Whole A5 Page - Portrait	1,101.00 *	1,101.00 *	01/04/17	Y/L
Nationality Checking Service				
Single Adult	72.00 *	service withdrawn	01/04/18	S/L
Child	42.00 *	service withdrawn	01/04/18	S/L
Nationality Document Return Service				
Per person		45.00*	01/04/18	D/L
Passport Checking Service				
Per Person	10.00 *	15.00 *	01/04/17	Y/L
Copy Certificate fast-track service				
Within 24 hours+	20.00	25.00	01/04/18	S/L
While you wait+	40.00	45.00	01/04/18	S/L
(plus charges in addition to statutory fee for charge of actual certificate)				
Postage Costs:				
Marriage Authorities to other Districts by 1st class recorded delivery	6.00	6.00	01/04/16	Y/L
Copy certificates by 1st class recorded delivery	5.00	5.00	01/04/16	Y/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Y - No change recommended by Head of Serivce

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Childrens
Learning & Achievement

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
1 **School Meals**				
1a Primary school meal	2.20	2.20	01.09.16	C/L
1b Secondary meal	2.50	2.50	01.09.16	C/L
1c Special infant	2.20	2.20	01.09.16	C/L
Special Junior	2.20	2.20	01.09.16	C/L
Adult	3.35	3.35	01.09.16	C/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Table 1:

Charges for New Dwellings <150m2

New Houses and Blocks of Flats on the same site constructed at the same time

Number of Dwellings	Total
1	**£982.00**
2	**£1,310.00**
3	**£1,528.00**
4	**£1,855.00**
5	**£2,073.00**
6	**£2,400.00**
More than 6 - Please contact Building Control for individually assessed charges	

Table 2:

Charges for: Extensions, Garage Conversions and Loft Conversions

Separate Extensions constructed at the same time may be aggregated together

Type of work	Total
1. Detached non-habitable building having a floor area not exceeding 40m^2 in total	**£508.00**
2. Garage Conversions where the total floor area does not exceed 30m², including means of access and work in connection with that extension.	**£508.00**
3. Any extension or Loft Conversion where the total floor area of which does not exceed 30m², including means of access and work in connection with that extension.	**£650.00**
4. Any extension or Loft Conversion where the total floor are of which exceeds 30m² but does not exceed 60m², including means of access and work in connection with that extension.	**£895.00**
5. Any extension or Loft Conversion where the total floor area of which exceeds 60m2 but does not exceed 100m2, including means of access and work in connection with that extension.	**£1,064.00**
6. Extension etc >100m² - Please refer to Table 3 otherwise contact Building Control for Individually assessed charges	

Table 3:

Charges for other work

For all other work not covered in Tables 1 or 2

Estimated Cost of Work	Total
£0-2,000	**£235.00**
£2,000-5,000	**£350.00**
£5,000-10,000	**£508.00**
£10,000-20,000	**£665.00**
£20,000-30,000	**£808.00**
£30,000-40,000	**£928.00**
£40,000-50,000	**£1,047.00**
£50,000-60,000	**£1,135.00**
£60,000-70,000	**£1,222.00**
£70,000-80,000	**£1,309.00**
£80,000-90,000	**£1,408.00**
£90,000-100,000	**£1,505.00**
£100,000-120,000	**£1,610.00**
£120,000-140,000	**£1,740.00**
£140,000-160,000	**£1,844.00**
£160,000-180,000	**£1,948.00**
£180,000-200,000	**£2,057.00**
Over £200,000 - Please contact Building Control for individually assessed charges.	

The Building Regulation charges are the same for corresponding building work for a: Full Plans Application; Building Notice; Regularisation Application; and, Reversion Application (refer to note 7 for Partnership Applications). All charges are shown with VAT at 20%. Only a charge for a Regularisation Certificate and a Reversion Certificate are exempt VAT however it is subject to a 20% uplift therefore the total fee is equivalent to all other Building Control Charges for corresponding building work.

Explanatory Notes

1. Before you build, extend or convert, you or your Agent must advise your Local Authority either by submitting Full Plans or a Building Notice. The Charge payable depends on the type of work, the number of dwellings in a building and/or the total floor area. The following tables (which are an integral part of this Schedule) may be used in conjunction with the current Charge Scheme to calculate the Charges. If you have any difficulties calculating the Charges please consult building control.
2. **Table 1:** Charges for new dwellings e.g. certain houses and flats - applicable where the total internal floor area of each dwelling, does not exceed 150m2 and the building has no more than three storeys, each basement level being counted as one storey. In any other case, Table 3 applies.
3. **Table 2:** Loft conversion – For the purpose of calculating charges a reference to an extension includes a room or rooms in the roof space (including access) of an existing building not exceeding three storeys in height. Where work comprises more than one extension which is to be constructed at the same time (including rooms in roofs and associated access in buildings of three storeys or less) the total internal floor areas of all storeys of all the extensions shown on the application may be added together to determine the relevant Charge. If the extension(s) exceed 100m2 or three storeys in height then Table 3 applies. All work contained within the footprint of an extensions or loft conversion is included in the fee but does not include work outside the footprint of the extension or loft conversion. For additional internal or external alterations Table 3 should be used. For multiple work that is to be carried out at the same time and falls into Table 3 as well as Table 2 the Table 3 fee may be discounted by 25%.
4. **Table 3:** Applicable to all other building work not covered by Tables 1 or 2. Total estimated cost means an estimate accepted by the local authority of a reasonable cost that would be charged by a person in business to carry out the work shown or described in the application, excluding VAT, and any professional fees paid to an architect, engineer or surveyor etc, and also exc

5. Disabled Persons: Building works to provide access and/or facilities for disabled people to existing dwellings and buildings to which the public have access may be exempt from Charges.
6. Supplementary Charges: The Building (Local Authority Charges) Regulations 2010 allow a local authority to make supplementary charges if additional costs arise as a result of confirming compliance with the Building Regulations. Such supplementary charges may be considered if costs result from: consultant costs; inaccurate/incomplete plans; revised schemes; work not being ready for inspection or additional site inspection; and, non compliant work etc.
7. Partnership Applications: Proposed building work outside the boundaries of the London Borough of Havering will be subject to a plan fee equating to 25% of the full plans application charge. Partnership Applications for building work checked by a Partnering Authority will be subject to an inspection fee equating to 75% of the full plans application charge.
8. Making a Payment: Payment can be made by credit/debit card by telephoning 01708 432700 (please note there is a 1.5% surcharge for credit card payments) or by cheque, made payable to - The London Borough of Havering.
Building Control may be contacted by telephone: 01708 432700 or by e-mail at: buildingcontrol@havering.gov.uk
Further information on submitting a Building Control application is available on our website at:
www.havering.gov.uk/buildingcontrol

Neighbourhoods
Environment

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Borough Roads:				
Note: Unlicensed Skips/Materials will be on the spot fined & removed @ £600	550.00	600.00	01/04/18	D/L
Each Skip / Builders materials on public highway				
Up to first 14 days	70.00	70.00	01/04/17	P
Each additional period of up to 7 days	60.00	60.00	01/04/17	P
Structures / Hoardings / Scaffolds				
Bond				
£100 per linear metre - Minimum 6 Metres	600.00	600.00	01/04/17	L
Licence				
Each additional period of up to 28 days/occasion				
£75.00 per linear metre - minimum 6 metres up to 28 days	450.00	450.00	01/04/17	L
£195 for 3 x NRSWA inspections @ £65 each inspection	150.00	195.00	01/04/18	D/L
Minimum charge length 6 mtrs & combined inspection = Total £600.00 min Charge	Above total 600	Above total 645		
(ii) Vehicle Crossovers (per square metre)	125.50	140.00	01/04/18	D/L
Non refundable charge for assessing applications	50.00	50.00	01/04/17	L
Waste disposal surcharge	149.00	10.00 per sq.m	01/04/18	D/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
(iii) Road Closures (per road)	1,500.00	2,050.00	01/04/18	D/L
(iv) Clearance of Blocked Drains				
(Vatable unless working under Statutory power)	122.50	122.50	01/04/17	L
(v) Parking Bay suspensions	20.00	0.00		See Below
price per parking space per day (1 - 14 days)	0.00	35.00	01/04/18	D/L
price per parking space per day (15th and subsequent days)	0.00	40.00	01/04/18	D/L
(vi) Crane license (charges based on TMA 2004 permitted charges)				
Minimum	275.00	300.00	01/04/18	D/L
Maximum	500.00	550.00	01/04/18	D/L
(vii) Section 50 Licence (private individual to place/maintain apparatus in highway)	745.00	745.00	01/04/17	L
(£150 for 3 x NRSWA inspections @ £50 each inspection)	150.00	150.00	01/04/17	L
	Above total £895	Above total £895		

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Refuse Collection:				
(i) Bulky Household Refuse				
1 to 3 items	40.00	40.00	01/04/17	L
Each additional item	10.00	10.00	01/04/16	L
(ii) Compostable garden refuse sacks				
(Year's supply of 5 rolls of 10 sacks per roll)				
Standard	45.00	55.00	01/04/18	N/S/L
Top up roll (10 sacks)	9.00	11.00	01/04/18	N/S/L
Top up roll delivery	4.00	4.50	01/04/18	I/N/L
(iii) Green Waste Collection Service (per annum)				
(Wheeled bin hire included)				
Full year	45.00	55.00	01/04/18	N/S/L
Late payment charge	5.00	5.00	01/04/16	L
Late payment charge after bin collection	10.00	11.00	01/04/18	I/N/L
Replacement bin charge	27.00	28.00	01/04/18	I/N/L

Basis of Increase:

C - An increase dependent on committee approval
G - An increase below inflation in line with a corporate growth plan
I - Based on relevant inflationary change
N - A nominal adjustment e.g. due to rounding of charge
S - An increase above inflation in line with a corporate saving plan
D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy
L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
(iv) Trade Refuse Collection Service				
From 1st April 2015 this service will be independently operated by Serco. These charges will only apply if a business within the borough exercises its legal right to require the Council to undertake the collection.				
Trade refuse sacks (pack of 26)	148.00	152.44	01/04/18	I/L
Trade refuse sacks (pack of 26) for Charity shops	115.50	118.97	01/04/18	I/L
Cardboard Collection	4.00	5.00	01/04/18	I/N/P
Container emptying and disposal:				
1100 / Pal / 660 litre bin -1st bin per visit	32.00	33.00	01/04/18	I/N/P
2nd & subsequent bins	31.00	32.00	01/04/18	I/N/P
360 litre wheeled bin	26.00	27.00	01/04/18	I/N/P

Basis of Increase:

C - An increase dependent on committee approval
G - An increase below inflation in line with a corporate growth plan
I - Based on relevant inflationary change
N - A nominal adjustment e.g. due to rounding of charge
S - An increase above inflation in line with a corporate saving plan
D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy
L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Environment

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
(iv) Trade Refuse Collection Service (continued)				
Container emptying:				
Charity shops	26.00	27.00	01/04/18	I/N/L
LBH Schools	26.00	27.00	01/04/18	I/N/L
2nd collection from residential blocks per bin	8.00	9.00	01/04/18	I/N/L
Container hire (per annum):				
Eurobins:				
1100 litres	219.50	226.50	01/04/18	I/N/L
660 litres	163.50	168.50	01/04/18	I/N/L
Chamberlains:				
940 litres	163.50	168.50	01/04/18	I/N/L
Palladin:				
940 litres	148.00	152.50	01/04/18	I/N/L
Container Sale				
360 litres recycling	80.00	80.00	01/04/17	P
(v) Collection & disposal of trade clinical waste (per bag / box)	12.00	13.00	01/04/18	I/N/P
(vi) Special clearances of rubbish:				
Up to 30 minutes on site	102.00	105.06	01/04/18	I/L
Up to 1 hour on site	204.00	210.12	01/04/18	I/L
Each 15 minute thereafter	51.00	53.00	01/04/18	I/N/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
FOOTBALL AT PARKS WITH CRICKET (28 WEEKS)				
Pavilion with washing facilities				
Adult				
Each Saturday or Sunday during Season**	1,612.00	1,660.00	01/04/18	I/P
Each alternate Saturday or Sunday during Season**	814.00	838.00	01/04/18	I/P
Additional Matches during Season	58.00 *	60.00 *	01/04/18	I/P
Junior (under 18)				
Each Saturday or Sunday during Season**	790.00	814.00	01/04/18	I/P
Each alternate Saturday or Sunday during Season**	368.00	379.00	01/04/18	I/P
Additional Matches during Season	29.00 *	30.00 *	01/04/18	I/P
Pavilion without washing facilities Each Saturday or Sunday during Season				
Adult				
Each Saturday or Sunday during Season**	1,336.00	1,376.00	01/04/18	I/P
Each alternate Saturday or Sunday during Season**	655.00	675.00	01/04/18	I/P
Additional Matches during Season	46.50 *	48.00 *	01/04/18	I/P
**Bookings of less than 10, will attract a VAT charge.				

Basis of Increase:

C - An increase dependent on committee approval
G - An increase below inflation in line with a corporate growth plan
I - Based on relevant inflationary change
N - A nominal adjustment e.g. due to rounding of charge
S - An increase above inflation in line with a corporate saving plan
D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy
L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Environment

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £		Charges 2018/19 (from April 2018) £		Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
FOOTBALL AT PARKS WITH CRICKET (28 WEEKS) (continued)						
Junior (under 18)						
Each Saturday or Sunday during Season**	605.00		623.00		01/04/18	I/N/P
Each alternate Saturday or Sunday during Season**	302.50		312.00		01/04/18	I/N/P
Additional Matches during Season No Pavilion Facilities	22.00	*	23.00	*	01/04/18	I/N/P
No Pavilion Facilities						
Adult						
Each Saturday or Sunday during Season**	970.00		999.00		01/04/18	I/N/P
Each alternate Saturday or Sunday during Season**	490.50		505.00		01/04/18	I/N/P
Additional Matches during Season	35.50	*	37.00	*	01/04/18	I/N/P
Junior (under 18)						
Each Saturday or Sunday during Season**	450.00		464.00		01/04/18	I/N/P
Each alternate Saturday or Sunday during Season**	224.50		231.00		01/04/18	I/N/P
Additional Matches during Season	16.00	*	16.00	*	01/04/17	P
**Bookings of less than 10, will attract a VAT charge.						

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
FOOTBALL AT PARKS WITH CRICKET (32 WEEKS)				
Pavilion with washing facilities				
Adult				
Each Saturday or Sunday during Season**	1,872.00	1,928.00	01/04/18	I/N/P
Each alternate Saturday or Sunday during Season**	936.50	965.00	01/04/18	I/N/P
Additional Matches during Season	59.50 *	61.00 *	01/04/18	I/N/P
Junior (under 18)				
Each Saturday or Sunday during Season**	850.00	876.00	01/04/18	I/N/P
Each alternate Saturday or Sunday during Season**	425.50	438.00	01/04/18	I/N/P
Additional Matches during Season	26.50 *	27.00 *	01/04/18	I/N/P
**Bookings of less than 10, will attract a VAT charge.				

Basis of Increase:

C - An increase dependent on committee approval
G - An increase below inflation in line with a corporate growth plan
I - Based on relevant inflationary change
N - A nominal adjustment e.g. due to rounding of charge
S - An increase above inflation in line with a corporate saving plan
D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy
L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
FOOTBALL AT PARKS WITH NO CRICKET (32 WEEKS)				
Pavilion without washing facilities				
Adult				
Each Saturday or Sunday during Season**	1,482.50	1,527.00	01/04/18	I/N/P
Each alternate Saturday or Sunday during Season**	741.00	763.00	01/04/18	I/N/P
Additional matches during Season	46.50 *	48.00 *	01/04/18	I/N/P
Junior (under 18)				
Each Saturday or Sunday during Season**	684.50	705.00	01/04/18	I/N/P
Each alternate Saturday or Sunday during Season**	342.50	353.00	01/04/18	I/N/P
Additional Matches during Season	22.00 *	23.00 *	01/04/18	I/N/P
No Pavilion Facilities				
Adult				
Each Saturday or Sunday during Season**	1,118.00	1,152.00	01/04/18	I/N/P
Each alternate Saturday or Sunday during Season**	559.50	576.00	01/04/18	I/N/P
Junior (under 18)				
Each Saturday or Sunday during Season**	512.50	528.00	01/04/18	I/N/P
Each alternate Saturday or Sunday during Season**	256.00	264.00	01/04/18	I/N/P
**Bookings of less than 10, will attract a VAT charge.				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Environment

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £		Charges 2018/19 (from April 2018) £		Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
FOOTBALL AT WESTLANDS FIELD						
Pavilion with washing facilities						
Adult						
Each Saturday or Sunday during Season**	1,872.00		2018.00		01/04/18	D/L
Each alternate Saturday or Sunday during Season**	936.50		1055.00		01/04/18	D/L
Additional Matches during Season	59.50	*	151.00	*	01/04/18	D/L
MINI SOCCER						
1 Hour Slots (during season)						
Each Saturday or Sunday**	343.50		354.00		01/04/18	I/N/P
Alternate Saturday or Sunday**	171.00		176.00		01/04/18	I/N/P
RUGBY (per game)**	12.00		12.00		01/04/17	D/P
CRICKET						
No Pavilion Facilities						
Adults Each Saturday or Sunday during Season**	1,388.00		1,527.00		01/04/18	D/L
Colts (under 18) Teams Each Saturday or Sunday during Season**	694.00		763.00		01/04/18	D/L
Occasional Matches Adults	77.50	*	85.00	*	01/04/18	D/L
Occasional Matches Colts Team	39.00	*	43.00	*	01/04/18	D/L

Basis of Increase:

C - An increase dependent on committee approval
G - An increase below inflation in line with a corporate growth plan
I - Based on relevant inflationary change
N - A nominal adjustment e.g. due to rounding of charge
S - An increase above inflation in line with a corporate saving plan
D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy
L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £		Charges 2018/19 (from April 2018) £		Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Pitches with Pavilions						
Adults Each Saturday or Sunday during Season**	2,493.00		2,742.00		01/04/18	D/L
Adults Additional Bank Holiday Mondays 3 per season**	831.00		914.00		01/04/18	D/L
Adults Alternate Saturday or Sunday**	1,247.00		1,372.00		01/04/18	D/L
Colts (under 18) Teams Each Saturday or Sunday during Season**	1,247.00		1,372.00		01/04/18	D/L
Colts (under 18) Teams Additional Bank Holiday Mondays (per game)**	415.50		457.00		01/04/18	D/L
Colts (under 18) Teams Alternate Saturday or Sunday**	623.50		686.00		01/04/18	D/L
Occasional Matches Adults	138.50	*	152.00	*	01/04/18	D/L
Occasional Matches Colts (under 18) Team	69.50	*	76.00	*	01/04/18	D/L
**Bookings of less than 10, will attract a VAT charge.						
CRICKET (continued)						
Boot camps & Personal Training (2 hour session)						
1 - 6 people	7.00		See Below		01/04/18	
6 - 12 people	13.00		See Below		01/04/18	
12 - 20 people	22.00		See Below		01/04/18	
20 - 30 people	32.00		See Below		01/04/18	
BOOT CAMPS & PERSONAL TRAINING (annual licence)						
1-5 clients 1- 3 sessions per week	0.00		560.00		01/04/18	P
1-5 clients 4 - 7 sessions per week	0.00		1,540.00		01/04/18	P
6-20 clients 1-3 sessions per week	0.00		1,040.00		01/04/18	P
6-20 clients 4-7 sessions per week	0.00		2,860.00		01/04/18	P
charges based on previous year's fee x median no. sessions x 40(weeks)						

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
ALLOTMENTS				
Land charge per acre	189.00	195.00	01/04/18	I/N/P
Plot Rent (This fee is set by the Allotment Society and therefore is not published in the Councils fees and charges)				
WEDDING PHOTOGRAPHY				
Exclusive use of area of a park for wedding photography	51.00	53.00	01/04/18	I/N/P
FUNFAIRS & CIRCUSES (Circuses were charged a flat rate in 2014/15)				
Ground rent per day of operation - self standing	473.50	1,200.00	01/04/18	D/L
part of larger event	634.00	1,500.00	01/04/18	D/L
Returnable deposit per visit.	Negotiated according to the size of the event	Negotiated according to the size of the event	01/04/17	D/L
Additional ground rent for extra non-operational days spent on site	152.50	360.00	01/04/18	D/L
TENNIS				
Licence fee per court per day for Coach/Club**	6.00	6.00	01/04/17	D/P
**Bookings of less than 10, will attract a VAT charge.				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
PARKS (all events and activities are subject to appropriate licence fees at a separate charge)				
Minimum charge for the hire of park & open space	85.00	88.00	01/04/18	I/N/P
Charges to be negotiated with organiser based on details of event provided on the application . Factors to be considered are the type of organisation/individual, park and area being used, is it exclusive use of the space, time of usage, and scale of the event	0.00	By Negotiation	01/04/18	D/L
Inflatables (per item)	0.00	75.00	01/04/18	D/L
Mobile catering unit (per month)	0.00	250.00	01/04/18	D/L
Raphael Park Meeting Room (charge per hour)	16.00	16.00	01/04/17	L
Westlands Pavilion hire (charge per hour)	0.00	20.00	01/04/18	D/L
Refreshment's (per booking)	7.00	Withdrawn	01/04/18	L
CHARGES FOR NON SCHEDULED WORKS				
Week day rates				
18 tonne grab lorry and driver per hour	153.50 *	158.00 *	01/04/18	I/N/P
2 staff & a van (includes tools & machinery) per hour	73.50 *	76.00 *	01/04/18	I/N/P
1 staff & a van (includes tools & machinery) per hour	42.50 *	44.00 *	01/04/18	I/N/P
Tractor & implement, or trailer with operator per hour	47.00 *	48.00 *	01/04/18	I/N/P
Ride on mower & operator per hour	42.50 *	44.00 *	01/04/18	I/N/P
Member of staff per hour (standard hours)	31.00 *	32.00 *	01/04/18	I/N/P
Charge hand per hour (standard hours)	38.50 *	40.00 *	01/04/18	I/N/P
Supply & plant memorial tree (up to 2metre football Inc. stakes & ties)	295.00 *	304.00 *	01/04/18	I/N/P
Initial mark - rugby pitch per pitch per occasion	121.00 *	125.00 *	01/04/18	I/N/P

Basis of Increase:

C - An increase dependent on committee approval
G - An increase below inflation in line with a corporate growth plan
I - Based on relevant inflationary change
N - A nominal adjustment e.g. due to rounding of charge
S - An increase above inflation in line with a corporate saving plan
D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy
L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
CHARGES FOR NON SCHEDULED WORKS (continued)				
Week day rates				
Re-mark - rugby pitch per pitch per occasion	43.00 *	44.00 *	01/04/18	I/N/P
Initial mark – football pitch per pitch per occasion	110.00 *	113.00 *	01/04/18	I/N/P
Re-mark football pitch per pitch per occasion	37.00 *	38.00 *	01/04/18	I/N/P
Initial mark six lane 400 metre running track per occasion	482.00 *	496.00 *	01/04/18	I/N/P
Re-mark six lane 400 metre running track per occasion	110.00 *	113.00 *	01/04/18	I/N/P
Initial mark hockey pitch per occasion	73.50 *	76.00 *	01/04/18	I/N/P
Re-mark hockey pitch per occasion	25.00 *	26.00 *	01/04/18	I/N/P
Remove or install goal post socket each (excludes socket)	73.50 *	76.00 *	01/04/18	I/N/P
Preparation of new or renovation of shrub beds per m2	50.00 *	52.00 *	01/04/18	I/N/P
Shrub bed planting (five 3 litre container grown shrubs) per m2	45.00 *	46.30 *	01/04/18	I/N/P
Shrub bed mulching (using composted whole tree mulch) per m2	3.00 *	3.00 *	01/04/17	P
Hedge cutting per linear metre	8.00 *	8.00 *	01/04/17	P
Prepare ground, supply & lay turf per m2	8.00 *	8.00 *	01/04/17	P
Prepare ground, supply and sow grass seed per m2	5.00 *	5.00 *	01/04/17	P
Saturday rates				
1 staff & a van (includes tools & machinery) per hour	58.00 *	60.00 *	01/04/18	I/N/P
2 staff & a van (includes tools & machinery) per hour	104.50 *	108.00 *	01/04/18	I/N/P
Member of staff per hour (standard hours)	47.00 *	48.00 *	01/04/18	I/N/P
Charge hand per hour (standard hours)	57.50 *	59.00 *	01/04/18	I/N/P

Basis of Increase:

C - An increase dependent on committee approval
G - An increase below inflation in line with a corporate growth plan
I - Based on relevant inflationary change
N - A nominal adjustment e.g. due to rounding of charge
S - An increase above inflation in line with a corporate saving plan
D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy
L - A local charging policy that deviates from the Corporate Charging Policy

(A) Statutory and Nationally Agreed Charges - See individual fee/Charge

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
ENVIRONMENTAL HEALTH:				
Defra				
Stray Dog Service - Environmental Protection (Stray Dogs) Regulation 1992				
Impounding fee per dog	25.00	25.00	01/04/92	P
Gambling Act 2005				
Bingo club - Gambling Act 2005 Dept. of Culture and Media and Sport				
Copy licence	25.00	25.00	01/10/06	P
Notification of change	50.00	50.00	01/10/06	P
Betting shop - Dept. of Culture and Media and Sport				
Copy licence	25.00	25.00	01/10/06	P
Notification of change	50.00	50.00	01/10/06	P
Betting premises tracks - Dept. of Culture and Media and Sport				
Copy licence	25.00	25.00	01/10/06	P
Notification of change	50.00	50.00	01/10/06	P
Family entertainment centres - Dept. of Culture and Media and Sport				
Application to vary	1,000.00	1,000.00	01/10/06	P
Copy licence	25.00	25.00	01/10/06	P
Notification of change	50.00	50.00	01/10/06	P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Environment

(A) Statutory and Nationally Agreed Charges - See individual fee/Charge

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Adult gaming centres - Dept. of Culture and Media and Sport				
Application to vary	1,000.00	1,000.00	01/10/06	P
Copy licence	25.00	25.00	01/10/06	P
Notification of change	50.00	50.00	01/10/06	P
Lottery - Dept. of Culture and Media and Sport				
New registration	40.00	40.00	01/10/06	P
Annual re registration	20.00	20.00	01/10/06	P
Permit fees - Dept. of Culture and Media and Sport				
Notification of right of licensed premises to have 2 gaming machines	50.00	50.00	01/10/06	P
Family entertainment centre - Dept. of Culture and Media and Sport				
New application	300.00	300.00	01/10/06	P
Change of name	25.00	25.00	01/10/06	P
Copy of permit	15.00	15.00	01/10/06	P
Prize Gaming permit (S 16) Dept. of Culture and Media and Sport				
New application	300.00	300.00	31/03/05	P
Change of name	25.00	25.00	31/03/05	P
Copy of permit	15.00	15.00	31/03/05	P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Environment

(A) Statutory and Nationally Agreed Charges - See individual fee/Charge

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Licensed premises gaming machine permit - Dept. of Culture and Media and Sport				
New application (new operator)	150.00	150.00	31/03/05	P
New application (existing operator)	100.00	100.00	31/03/05	P
Vary a permit	100.00	100.00	31/03/05	P
Transfer application	25.00	25.00	31/03/05	P
Annual fee (1st fee payable within 30 days of issue)	50.00	50.00	31/03/05	P
Change of name	25.00	25.00	31/03/05	P
Copy of permit	15.00	15.00	31/03/05	P
Club gaming machine permit - Dept. of Culture and Media and Sport				
New application	200.00	200.00	31/03/05	P
Renewal	100.00	100.00	31/03/05	P
New application (existing operator)	100.00	100.00	31/03/05	P
Vary a permit	100.00	100.00	31/03/05	P
Copy of permit	15.00	15.00	31/03/05	P
Annual fee (1st fee payable within 30 days of issue)	50.00	50.00	31/03/05	P
Environment Protection Act (Defra)				
Application Fee				
Standard Process	1,579.00	1,650.00	01/04/18	P
Additional fee for operating without a permit	1,137.00	1,188.00	01/04/18	P
Service stations PVR I/dry cleaner/ waste oil burner <0.4MW	246.00	257.00	01/04/18	P
Vehicle refinisher	346.00	362.00	01/04/18	P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(A) Statutory and Nationally Agreed Charges - See individual fee/Charge

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Environment Protection Act (Defra) (continued)				
Service station PVR I& II combined	246.00	257.00	01/04/18	P
Additional fee for operating without a permit	68.00	71.00	01/04/18	P
Mobile screening and crushing plant	1,579.00	1,650.00	01/04/18	P
For the third to seventh applications	943.00	985.00	01/04/18	P
For the eight and subsequent applications	477.00	498.00	01/04/18	P
where the above is for a combined part B and waste site, add £297	297.00	No Charge	01/04/18	P
Annual subsistence charge				
Standard process Low (+£99.00)	739.00	772.00	01/04/18	P
Standard process Medium (+£149.00)	1,111.00	1,161.00	01/04/18	P
Standard process High (+£198.00)	1,672.00	1,747.00	01/04/18	P
(+) to be added when the above standard process is for combined part B and waste site				
Service stations PVR I/dry cleaner/ waste oil burner <0.4MW				
Low	76.00	79.00	01/04/18	P
Medium	151.00	158.00	01/04/18	P
High	227.00	237.00	01/04/18	P
Vehicle refinisher				
Low	218.00	228.00	01/04/18	P
Medium	349.00	365.00	01/04/18	P
High	524.00	548.00	01/04/18	P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(A) Statutory and Nationally Agreed Charges - See individual fee/Charge

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Environment Protection Act (Defra) (continued)				
Service station PVRI and II combined				
Low	108.00	113.00	01/04/18	P
Medium	216.00	226.00	01/04/18	P
High	326.00	341.00	01/04/18	P
Mobile screening and crushing plant				
For the first and second plants				
Low	618.00	626.00	01/04/18	P
Medium	989.00	1,034.00	01/04/18	P
High	1,484.00	1,551.00	01/04/18	P
For the third to seventh applications				
Low	368.00	385.00	01/04/18	P
Medium	590.00	617.00	01/04/18	P
High	884.00	924.00	01/04/18	P
Subsistence Charge under Reg 33 for Part B solvent waste & solvents				
Low	0.00	104.00	01/04/18	P
Medium	0.00	156.00	01/04/18	P
High	0.00	207.00	01/04/18	P

Basis of Increase:

C - An increase dependent on committee approval
G - An increase below inflation in line with a corporate growth plan
I - Based on relevant inflationary change
N - A nominal adjustment e.g. due to rounding of charge
S - An increase above inflation in line with a corporate saving plan
D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy
L - A local charging policy that deviates from the Corporate Charging Policy

(A) Statutory and Nationally Agreed Charges - See individual fee/Charge

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Environment Protection Act (Defra) (continued)				
For the eighth and subsequent applications				
Low	189.00	198.00	01/04/18	P
Medium	302.00	314.00	01/04/18	P
High	453.00	473.00	01/04/18	P
Where a part B is subject to E-PRTR Regulations reporting, add £104 to above	99.00	104.00	01/04/18	P
Late payment fee	50.00	52.00	01/04/18	P
Transfer and Surrender of a permit				
Standard process transfer	162.00	169.00	01/04/18	P
Standard process partial transfer	476.00	497.00	01/04/18	P
New operator at low risk reduced fee activity	75.00	78.00	01/04/18	P

Basis of Increase:

C - An increase dependent on committee approval
G - An increase below inflation in line with a corporate growth plan
I - Based on relevant inflationary change
N - A nominal adjustment e.g. due to rounding of charge
S - An increase above inflation in line with a corporate saving plan
D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy
L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Environment

(A) Statutory and Nationally Agreed Charges - See individual fee/Charge

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Transfer and Surrender of a permit (continued)				
Surrender	No Charge	No Charge	01/05/12	P
Transfer : Service Stations and Waste Oil burners <0.4MW	No Charge	No Charge	01/05/12	P
Partial Transfer : Service Stations and Waste Oil burners <0.4MW	45.00	47.00	01/04/18	P
Substantial changes to s10 and s11				
One off annual payment				
Standard process	1,005.00	1,050.00	01/04/18	P
Standard process where the substantial change results in a new PPC activity	1,579.00	1,650.00	01/04/18	P
Service stations/Dry cleaners /waste oil burner <0.4MW/ vehicle re-sprayers	98.00	102.00	01/04/18	P
Payment in 4 equal instalments (1st April, 1st July, 1st October, 1st January)				
Standard process	1,041.00	1,088.00	01/04/18	P
Standard process where the substantial change results in a new PPC activity	1,615.00	1,688.00	01/04/18	P
Service stations/Dry cleaners /waste oil burner <0.4MW/ vehicle re-sprayers	134.00	140.00	01/04/18	P
Licensing Act 2003 fees set by Home Office				
Application for the grant or renewal of a personal licence	37.00	37.00	01/11/05	P
Temporary event notice	21.00	21.00	01/11/05	P
Theft, loss, etc. of premises licence or summary	21.00	21.00	01/11/05	P
Application for a provisional statement where premises being built etc.	10.50	10.50	01/11/05	P
Notification of change of name or address	10.50	10.50	01/11/05	P
Application to vary licence to specify individual as premises supervisor	23.00	23.00	01/11/05	P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Environment

(A) Statutory and Nationally Agreed Charges - See individual fee/Charge

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Licensing Act 2003 fees set by Home Office (continued)				
Application for transfer of premises licence	23.00	23.00	01/11/05	P
Interim authority notice following death etc. of licence holder	10.50	10.50	01/11/05	P
Theft, loss etc. of certificate or summary	23.00	23.00	01/11/05	P
Notification of change of name or alteration of rules of club	23.00	23.00	01/11/05	P
Licensing Act 2003 fees set by Home Office (continued)				
Change of relevant registered address of club	23.00	23.00	01/11/05	P
Theft, loss etc. of temporary event notice	10.50	10.50	01/11/05	P
Theft, loss etc. of personal licence	10.50	10.50	01/11/05	P
Duty to notify change of name or address	10.50	10.50	01/11/05	P
Right of freeholder etc. to be notified of licensing matters	10.50	10.50	01/11/05	P
Main Fee Levels				
Based on non domestic rateable value:				
Band A £0 - £4,300				
Band B £4,301 - £33,000				
Band C £33,001 - £87,000				
Band D £87,001 - £125,000				
Band E £125,001 and over				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(A) Statutory and Nationally Agreed Charges - See individual fee/Charge

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Premises Licences				
New Applications and variation				
Band A	100.00	100.00	01/11/05	P
Band B	190.00	190.00	01/11/05	P
Band C	315.00	315.00	01/11/05	P
Band D	450.00	450.00	01/11/05	P
Band E	635.00	635.00	01/11/05	P
Multiplier applied to premises used exclusively or primarily for the supply of alcohol for consumption on the premises (bands D & E only)				
Band D x 2	900.00	900.00	01/11/05	P
Band E x 3	1,905.00	1,905.00	01/11/05	P
Annual maintenance fee to keep premises licence current.				
Band A	70.00	70.00	01/11/05	P
Band B	180.00	180.00	01/11/05	P
Band C	295.00	295.00	01/11/05	P
Band D	320.00	320.00	01/11/05	P
Band E	350.00	350.00	01/11/05	P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(A) Statutory and Nationally Agreed Charges - See individual fee/Charge

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Premises Licences (continued)				
Annual charge multiplier applied to premises used exclusively or primarily for the supply of alcohol for consumption on the premises (bands D & E only)				
Band D x 2	640.00	640.00	01/11/05	P
Band E x 3	1,050.00	1,050.00	01/11/05	P
Additional Fees				
There are additional fees for premises licence applications, and the annual fee for exceptionally large scale events (5000+), unless certain conditions apply. Please read Regulation 4(4) and 4(5) of the licensing Act (Fees) Regulations 2005.				
Additional Premises licence fee				
Numbers in attendance at any one time				
5,000 - 9,999	1,000.00	1,000.00	01/11/05	P
10,000 - 14,999	2,000.00	2,000.00	01/11/05	P
15,000 - 19,999	4,000.00	4,000.00	01/11/05	P
20,000 - 29,999	8,000.00	8,000.00	01/11/05	P
30,000 - 39,999	16,000.00	16,000.00	01/11/05	P
40,000 - 49,999	24,000.00	24,000.00	01/11/05	P
50,000 - 59,999	32,000.00	32,000.00	01/11/05	P
60,000 - 69,999	40,000.00	40,000.00	01/11/05	P

Basis of Increase:

C - An increase dependent on committee approval
G - An increase below inflation in line with a corporate growth plan
I - Based on relevant inflationary change
N - A nominal adjustment e.g. due to rounding of charge
S - An increase above inflation in line with a corporate saving plan
D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy
L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Environment

(A) Statutory and Nationally Agreed Charges - See individual fee/Charge

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Additional Premises licence fee (continued)				
70,000 - 79,999	48,000.00	48,000.00	01/11/05	P
80,000 - 89,999	56,000.00	56,000.00	01/11/05	P
90,000 and over	64,000.00	64,000.00	01/11/05	P
Additional annual maintenance fee payable (if applicable)				
Numbers in attendance at any one time				
5,000 - 9,999	500.00	500.00	01/11/05	P
10,000 - 14,999	1,000.00	1,000.00	01/11/05	P
15,000 - 19,999	2,000.00	2,000.00	01/11/05	P
20,000 - 29,999	4,000.00	4,000.00	01/11/05	P
30,000 - 39,999	8,000.00	8,000.00	01/11/05	P
40,000 - 49,999	12,000.00	12,000.00	01/11/05	P
50,000 - 59,999	16,000.00	16,000.00	01/11/05	P
60,000 - 69,999	20,000.00	20,000.00	01/11/05	P
70,000 - 79,999	24,000.00	24,000.00	01/11/05	P
80,000 - 89,999	28,000.00	28,000.00	01/11/05	P
90,000 and over	32,000.00	32,000.00	01/11/05	P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(A) Statutory and Nationally Agreed Charges - See individual fee/Charge

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Club premises certificates				
New application variation				
Band A	100.00	100.00	01/11/05	P
Band B	190.00	190.00	01/11/05	P
Band C	315.00	315.00	01/11/05	P
Band D	450.00	450.00	01/11/05	P
Band E	635.00	635.00	01/11/05	P
Annual maintenance fee				
Band A	70.00	70.00	01/11/05	P
Band B	180.00	180.00	01/11/05	P
Band C	295.00	295.00	01/11/05	P
Band D	320.00	320.00	01/11/05	P
Band E	350.00	350.00	01/11/05	P
Fireworks Explosives Regulations 2014 (set by HSE)				
Registration (Unlimited) initial application	500.00	500.00	01/04/17	P
Renewal	552.00	552.00	01/04/17	P
Licence (limited) to store explosives (fireworks)				
New Application 1 year	109.00	109.00	01/04/17	P
Renewal 1 year	52.00	52.00	06/04/16	P
Renewal 3 year	120.00	120.00	01/04/17	P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(A) Statutory and Nationally Agreed Charges - See individual fee/Charge

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Fireworks Explosives Regulations 2014 (set by HSE) - Continued				
Licence to store explosives where a minimum separation distance is prescribed				
New application 1 year	185.00	185.00	06/04/16	P
Renewal 1 year	86.00	86.00	06/04/16	P
Renewal 3 years	206.00	206.00	06/04/16	P
Varying a licence				
Varying the name of licensee or address of site	36.00	36.00	06/04/16	P
Transfer of licence	36.00	36.00	06/04/16	P
Replacement of licence if lost	36.00	36.00	06/04/16	P

Basis of Increase:

C - An increase dependent on committee approval
G - An increase below inflation in line with a corporate growth plan
I - Based on relevant inflationary change
N - A nominal adjustment e.g. due to rounding of charge
S - An increase above inflation in line with a corporate saving plan
D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy
L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
LOCAL LAND CHARGES:				
Certain fees are laid down in regulations made under the Local Land Charges Act 1975.				
Fees for Official Local Land Charge Certificates				
Registration of a charge in Part II of the registers	85.00	88.00	01/04/18	I/N/P

Basis of Increase:

C - An increase dependent on committee approval
G - An increase below inflation in line with a corporate growth plan
I - Based on relevant inflationary change
N - A nominal adjustment e.g. due to rounding of charge
S - An increase above inflation in line with a corporate saving plan
D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy
L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Development

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Official search (including issue of official certificate of search)				
a) in only part of the register (one parcel)	8.00	8.50	01/04/18	I/N/P
b) in only part of register (each additional parcel thereafter),	2.00	2.25	01/04/18	I/N/P
c) in the whole of the register - post or fax (one parcel)	20.00	21.00	01/04/18	I/N/P
d) in the whole of the register - post of fax (each additional parcel thereafter)	5.00	5.25	01/04/18	I/N/P
e) in the whole of the register - where the requisition is made by electronic means in accordance with rule 16 (one parcel)	20.00	21.00	01/04/18	I/N/P
f) in the whole of the register - where the requisition is made by electronic means in accordance with rule 16 (each additional parcel thereafter)	5.00	5.25	01/04/18	I/N/P
Office copy of any entry in the register (not including a copy or extract of any plan or document filed pursuant to these rules)	1.50	1.75	01/04/18	N/P
Office copy of any plan or other document filed pursuant to these rules:				
Personal Searches in whole or part of the Register	No Charge	No Charge	01/07/10	
Extract of register in place of personal search				
First Page	2.00	2.25	01/04/18	I/N/P
Subsequent pages	0.20	0.25	01/04/18	I/N/P
CON29(R) Enquiries				
One parcel of land	102.00 *	106.00 *	01/04/18	I/N/P
Several parcels of land				
Each additional (fees that exceed 100 to be fixed by arrangement)	44.00 *	45.50 *	01/04/18	I/N/P
Update Search Fee	73.00 *	75.25 *	01/04/18	I/N/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Development

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Part 2 Enquiries				
Each printed enquiry	21.00 *	21.75 *	01/04/18	I/N/P
With exception to Question 4	33.50 *	33.50 *	01/04/18	L
With exception of surrounding area enquiries	36.00 *	37.25 *	01/04/18	I/N/P
Provision of access data to external body to answer CON29(R) and (O) questions Data for CON 29(R) questions	No charge	No charge	01/07/10	
Copying Charges - Legal Documents				
Certified Copy of Land Search - Paper Copy	15.00	15.50	01/04/18	I/N/P
First Page	2.00	2.25	01/04/18	N/P
Subsequent pages	0.20	0.25	01/04/18	N/P
Certified copy of extract of Highways Register (letter and extract)	30.00	31.00	01/04/18	I/N/P
Certified copy of extract of Highways Register (extract only and collection only)	0.00	15.50	01/04/18	P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Development

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
New Residential Addresses - (building names included) in an existing road				
1 dwelling	60.00	62.00	01/04/18	I/N/P
2 - 5 dwellings	80.00	82.50	01/04/18	I/N/P
6 - 25 dwellings	95.00	98.00	01/04/18	I/N/P
26 - 45 dwellings	195.00	201.00	01/04/18	I/N/P
46 - 100 dwellings	415.00	428.00	01/04/18	I/N/P
100+ plots (plus an extra fee of £95 for each additional 10 dwellings (of part	700.00	721.00	01/04/18	I/N/P
thereof)	95.00	98.00	01/04/18	I/N/P
New Residential Addresses (building names included) plus single road name				
1 - 5 dwellings	135.00	139.00	01/04/18	I/N/P
6 - 25 dwellings	155.00	160.00	01/04/18	I/N/P
26 - 45 dwellings	250.00	257.50	01/04/18	I/N/P
46 - 100 dwellings	470.00	484.50	01/04/18	I/N/P
100+ plots (plus an extra fee of £155 for each additional 10 dwellings (or part	755.00	777.50	01/04/18	I/N/P
thereof)	155.00	160.00	01/04/18	I/N/P
For each additional road name	65.00	67.00	01/04/18	I/N/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Development

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
New Commercial/Industrial Addresses (building name included) in an existing road				
1 unit	60.00	62.00	01/04/18	I/N/P
2 - 5 units	80.00	82.50	01/04/18	I/N/P
6 - 10 units	95.00	98.00	01/04/18	I/N/P
11 units plus	135.00	139.00	01/04/18	I/N/P
New Commercial/Industrial Addresses (building name included) plus a single road name				
1 unit	80.00	82.50	01/04/18	I/N/P
2 - 5 units	95.00	98.00	01/04/18	I/N/P
6 - 10 units	115.00	118.50	01/04/18	I/N/P
11 units plus	155.00	160.00	01/04/18	I/N/P
For each additional road name	65.00	67.00	01/04/18	I/N/P
New street name without any new dwellings or units	65.00	67.00	01/04/18	I/N/P
Naming of land parcel	65.00	67.00	01/04/18	I/N/P
Renaming of existing road or building (residential, commercial or	65.00	67.00	01/04/18	I/N/P
industrial) (plus an extra fee of £20 for each additional dwelling or building affected)	20.00	20.75	01/04/18	I/N/P
Research time: flat fee for research into possible street names Non-refundable in the event that the suggested name(s) are not selected. One set of research to be undertaken.	40.00	41.25	01/04/18	I/N/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(A) Statutory and Nationally Agreed Charges - London Councils

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
TRAFFIC & PARKING CONTROL:				
Parking Facilities				
Penalty Charge Notices				
(Levels set by London Councils and agreed by the Mayor of London and endorsed by the Secretary of State)				
Less Serious Contravention Band A	80.00	80.00	01/04/11	P
Less Serious Contravention Band A if paid within 14 days	40.00	40.00	01/04/11	P
Serious Contravention Band A	130.00	130.00	15/04/11	P
Serious Contravention Band A paid within 14 days	65.00	65.00	15/04/11	P
Less Serious Band B	60.00	60.00	01/04/11	P
Less Serious paid within 14 days	30.00	30.00	01/04/11	P
Serious Band B	110.00	110.00	15/04/11	P
Serious Band B if paid within 14 days	55.00	55.00	15/04/11	P
Vehicle Clamping and Removal				
Vehicle Immobilisation release fee	70.00	70.00	01/04/11	P
Vehicle Pound release fee (if clamped)	200.00	200.00	01/04/11	P
Disposal Fee	70.00	70.00	01/04/11	P
Vehicle Pound storage fee (per day)	40.00	40.00	01/04/11	P

Basis of Increase:

C - An increase dependent on committee approval
G - An increase below inflation in line with a corporate growth plan
I - Based on relevant inflationary change
N - A nominal adjustment e.g. due to rounding of charge
S - An increase above inflation in line with a corporate saving plan
D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy
L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
TRAFFIC & PARKING CONTROL:				
PARKING FACILITIES				
Romford Area Car Parks - Mixed Tariff				
Monday to Friday (Period Hours)				
0 - 1	0.60 *	0.60 *	04/06/07	L
1 - 2	1.20 *	1.20 *	04/06/07	L
2 - 3	2.40 *	2.40 *	04/06/07	L
3 - 4	3.00 *	3.00 *	04/06/07	L
4 - 5	6.00 *	6.00 *	04/06/07	L
5 - 6	7.00 *	7.00 *	04/06/07	L
6 - 7	8.00 *	8.00 *	04/06/07	L
7 - 8	9.00 *	9.00 *	04/06/07	L
over 8	10.00 *	10.00 *	04/06/07	L
Lost Ticket	10.00 *	10.00 *	04/06/07	L
Solo Motorcycle	No Charge *	No Charge *	04/06/07	L
Saturday (Period Hours)				
0 - 1	1.20 *	1.20 *	04/06/07	L
1 - 2	2.40 *	2.40 *	04/06/07	L
2 - 3	2.60 *	2.60 *	04/06/07	L
3 - 4	3.00 *	3.00 *	04/06/07	L
4 - 5	6.00 *	6.00 *	04/06/07	L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Romford Area Car Parks - Mixed Tariff (continued)				
Saturday (Period Hours)				
5 - 6	7.00 *	7.00 *	04/06/07	L
6 - 7	8.00 *	8.00 *	04/06/07	L
7 - 8	9.00 *	9.00 *	04/06/07	L
over 8	10.00 *	10.00 *	04/06/07	L
Lost Ticket	10.00 *	10.00 *	04/06/07	L
Solo Motorcycle	No Charge	No Charge	04/06/07	L
Front of Town Hall - First 20mins (Then variable as above)	0.20 *	0.20 *	04/06/07	L
Market Place (Non-market days)				
0 - 1	0.60 *	0.60 *	04/06/07	L
1 - 2	1.20 *	1.20 *	04/06/07	L
•[1]Pay by Phone Convenience Fee for transactions £1.00 and under £0.05	0.00 *	0.00 *	01/04/17	L
•[1]Pay by Phone Convenience Fee for transactions over £1.00 £0.10	0.00 *	0.00 *	01/04/17	L
[1]Pay by Phone Text Messages £0.10	0.00 *	0.00 *	01/04/11	L
Pay by Phone Convenience Fee is currently £0.05 for tariff less than £1.00 and £0.10 for tariff above £1.00				
[1]This charge is levied by an external supplier and is not received by the the Council. It is an independent service fee included here for transparency.				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Car Parks excluding Romford Area Car Parks - Mixed Tariff				
Monday to Friday (Period Hours)				
0 - 30 minutes	No Charge *	No Charge *	27/04/15	L
0 - 2	1.50 *	1.50 *	01/04/17	L
2 - 3	2.00 *	2.00 *	01/04/15	L
3 - 4	3.00 *	3.00 *	01/04/15	L
4 - 5	4.00 *	4.00 *	07/02/10	L
5 - 6	5.00 *	5.00 *	07/02/10	L
6 - 7	6.00 *	6.00 *	07/02/10	L
7 - 8	7.00 *	7.00 *	07/02/10	L
8 - 12	8.00 *	8.00 *	07/02/10	L
Solo Motorcycles	No Charge	No Charge	07/02/10	L
6pm to 7am	No Charge	No Charge	07/02/10	L

Basis of Increase:
C - An increase dependent on committee approval
G - An increase below inflation in line with a corporate growth plan
I - Based on relevant inflationary change
N - A nominal adjustment e.g. due to rounding of charge
S - An increase above inflation in line with a corporate saving plan
D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:
P - The Corporate Charging Policy
L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Environment

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Long Stay Car Parks				
Marshalls				
Weekdays (All day)	6.00 *	Withdrawn *	01/04/18	L
Saturdays (All day)	6.00 *	Withdrawn *	01/04/18	L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Season Tickets				
Romford Central Area				
All car parks:				
Per quarter	200.00 *	200.00 *	01/02/12	L
Per month	70.00 *	70.00 *	01/02/12	L
Season Tickets (continued)				
Outside Romford Central Area				
5 Day season – Balgores Square:				
per quarter	200.00 *	200.00 *	04/06/08	L
per month	70.00 *	70.00 *	07/02/11	L
All other car parks:				
per quarter	155.00 *	160.00 *	01/04/18	I/N/L
per month	60.00 *	60.00 *	01/04/16	I/N/L
The Overnighter' (07:00 - 10:00 Mon-Fri/All day Sat-Sun) per month	30.00 *	Withdrawn *	01/04/18	L

Page 189

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Environment

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
On Street Parking Meters and High Street Pay and Display				
Romford Town Centre (Maximum Stay 2 hours)				
0 - 12 mins	0.20	0.20	07/02/11	L
12 mins - 30 mins	0.60	0.60	07/02/11	L
30 mins - 1 hour	1.00	1.00	07/02/11	L
1 hour - 1 hour 30 mins	1.60	1.60	07/02/11	L
1 hour 30 mins - 2 hours	2.00	2.00	07/02/11	L
Outside Romford Town Centre (Maximum Stay 3 hours)				
0 - 30 mins	No Charge	No Charge	06/04/15	L
0 - 2 hours	1.50	1.50	01/04/17	L
2 - 3 hours	2.00	2.00	06/04/15	L
Upminster Road South (Maximum Stay 1 hour)				
0 - 30 mins	No Charge	No Charge	06/04/15	L
0 - 1 hour	1.50	1.50	01/04/17	L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Controlled Parking Zones				
Resident's parking permit (per annum)				
1st Permit per household	35.00	35.00	03/04/17	L
2nd Permit per household	60.00	60.00	03/04/17	L
3rd Permit per household	85.00	85.00	03/04/17	L
Resident's visitor permits (book of 10)	12.50	13.00	01/04/18	I/N/L
Resident's All Day visitor permits (book of 10)	37.50	39.00	01/02/18	I/N/L
Resident's Hourly visitor permits (book of 10)	0.00	10.00	01/04/18	L
Casual permit per 2 hours	5.25	Withdrawn	01/04/18	L
Business parking permits (per annum)	200.00	200.00	01/04/16	L
Commuter Bays (per annum)	500.00	500.00	01/04/16	L
Domestic Carer Permit (per annum)	40.00	40.00	01/04/16	L
Amendment to existing permit	25.50	25.50	01/04/16	L
Cancellation of permit	15.00	15.00	07/02/11	L
Disc Parking Scheme and Other Miscellaneous Charges				
Purchase of Disc (per annum)	36.00	Withdrawn	01/04/18	L
Waiver	20.00	20.00	06/04/15	L
Health and Homecare Permit (per annum)	60.00	60.00	01/04/16	L
Amendment to existing permit	22.50	22.50	06/04/15	L
Cancellation of permit	15.00	15.00	07/02/11	L
License Holder Car Parks (per annum)	86.30 *	90.00 *	01/04/18	I/N/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Environment

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Disabled Blue Badge (per 3 years)	10.00	10.00	01/01/12	L
Car Parking in Parks and Open Spaces				
Effective 01/04/2015 Maximum Stay 5 hours				
Mon - Friday 8.00am to 6.30pm.				
0 - 3 hours	0.20 *	0.20 *	01/04/14	L
3 - 5 hours	0.50 *	0.50 *	01/04/14	L
Saturdays, Sundays & Bank Holidays	No Charge	No Charge		
Blue Badge holders (for up to 5 hours)	No Charge	No Charge		
VEHICLE PARKING - WITHIN PARKS AND OPEN SPACES ONLY				
Release of vehicles that have been locked in a car park	78.00	80.00	01/04/18	I/N/L
Fee for vehicle left in car park overnight	104.00	107.00	01/04/18	I/N/L
Events Charging For Traffic Management and Parking				
0 - 50 attendees	0.00	100.00 *	02/04/18	D/L
51 - 100 attendees	0.00	200.00 *	02/04/18	D/L
101 - 1000 attendees	0.00	500.00 *	02/04/18	D/L
1001+ attendees	0.00	1,000.00 *	02/04/18	D/L
plus hourly rate of £65 per hour	0.00	65.00 *	02/04/18	D/L
NRSW (Mayrise) fees and charges apply				
Road closure per road	0.00	2,050.00 *	02/04/18	D/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Environment

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
ENVIRONMENTAL HEALTH:				
Annual Licences				
Animal boarding establishments (Animal Boarding Establishments Act 1963)				
New application	322.00	0.00	01/04/18	See Below
Renewal	263.50	0.00	01/04/18	See Below
New application Part A	0.00	270.00	01/04/18	D/L
New application Part B	0.00	100.00	01/04/18	D/L
Note: total fee for new application £370				
Renewal Part A	0.00	150.00	01/04/18	D/L
Renewal Part B	0.00	150.00	01/04/18	D/L
Note: total fee for renewal £300				
Duplicate	0.00	25.00	01/04/18	D/L

Basis of Increase:
C - An increase dependent on committee approval
G - An increase below inflation in line with a corporate growth plan
I - Based on relevant inflationary change
N - A nominal adjustment e.g. due to rounding of charge
S - An increase above inflation in line with a corporate saving plan
D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:
P - The Corporate Charging Policy
L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Annual Licences (continued)				
Breeding establishments for dogs (Breeding of dogs act 1973 and 1991)				
New application	322.00	0.00	01/04/18	See Below
Renewal	263.50	0.00	01/04/18	See Below
New application Part A (Plus vet fees if applicable)	0.00	270.00	01/04/18	D/L
New application Part B (Plus vet fees if applicable)	0.00	100.00	01/04/18	D/L
Note: total fee for new application £370				
Renewal Part A	0.00	150.00	01/04/18	D/L
Renewal Part B	0.00	150.00	01/04/18	D/L
Note: total fee for renewal £300				D/L
Duplicate	0.00	25.00	01/04/18	D/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Annual Licences (continued)				
Keeping of dangerous wild animals (Dangerous Wild Animals Act 1976)				
New application	345.50	0.00	01/04/18	See Below
Renewal (no change)	263.50	0.00	01/04/18	See Below
New application Part A	0.00	330.00	01/04/18	D/L
New application Part B	0.00	100.00	01/04/18	D/L
Note: total fee for new application £430				
Renewal Part A	0.00	330.00	01/04/18	D/L
Renewal Part B	0.00	100.00	01/04/18	D/L
Note: total fee for renewal £430				
Duplicate	0.00	25.00	01/04/18	D/L
Special treatment establishments (London Local Authority Act 1991)				
Single treatment	247.50	0.00	01/04/18	See Below
Multiple treatment	362.00	0.00	01/04/18	See Below
If paid before the licence expiry date plus 10 working days fee reduced to				
Single treatment	196.00	0.00	01/04/18	See Below
Multiple treatment	300.00	0.00	01/04/18	See Below

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Annual Licences (continued)				
Special treatment establishments (London Local Authority Act 1991)				
Variation of licence	74.00	0.00	01/04/18	See Below
Transfer of licence	72.50	Withdrawn	01/04/18	L
One day licence	65.00	Withdrawn	01/04/18	L
High risk single treatment New	0.00	510.00	01/04/18	D/L
High risk single treatment New	0.00	150.00	01/04/18	D/L
Note: total fee for new application £660				
High risk Multiple treatment New	0.00	630.00	01/04/18	D/L
High risk Multiple treatment New	0.00	150.00	01/04/18	D/L
Note: total fee for new application £780				
High risk renewal single treatment	0.00	150.00	01/04/18	D/L
High risk renewal single treatment	0.00	150.00	01/04/18	D/L
Note: total fee for renewal £300				
High risk Renewal multiple treatment	0.00	210.00	01/04/18	D/L
High risk Renewal multiple treatment	0.00	150.00	01/04/18	D/L
Note: total fee for renewal £360				
Variation(additional treatment High risk)	0.00	300.00	01/04/18	D/L
Variation(additional treatment High risk)	0.00	0.00	01/04/18	D/L
Note: total fee for variation £300				
Change of details	0.00	100.00	01/04/18	D/L
Late renewal surcharge**	0.00	40.00	01/04/18	D/L
Duplicate	0.00	25.00	01/04/18	D/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Annual Licences (continued)				
**surcharge to be paid for renewal applications that are received within 30				
low risk single treatment New	0.00	330.00	01/04/18	D/L
low risk single treatment New	0.00	150.00	01/04/18	D/L
Note: total fee for new application £480				
low risk multiple treatment New	0.00	450.00	01/04/18	D/L
low risk multiple treatment New	0.00	150.00	01/04/18	D/L
Note: total fee for new application £600				
Low risk renewal single treatment	0.00	100.00	01/04/18	D/L
Low risk renewal single treatment	0.00	150.00	01/04/18	D/L
Note: total fee for renewal £250				
Low risk renewal multiple treatment	0.00	150.00	01/04/18	D/L
Low risk renewal multiple treatment	0.00	150.00	01/04/18	D/L
Note: total fee for renewal £300				
Variation (additional treatment low risk)*	0.00	150.00	01/04/18	D/L
Change of details	0.00	25.00	01/04/18	D/L
Late renewal surcharge**	0.00	40.00	01/04/18	D/L
Duplicate	0.00	25.00	01/04/18	D/L
* if the additional treatment is high risk the higher fee must be paid.				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Annual Licences (continued)				
Performing Animals				
Performing Animals (Regulations) Act 1925				
Registration	105.00	0.00	01/04/18	See Below
Application to vary registration	51.00	Withdrawn	01/04/18	L
Certificate	28.25	29.00	01/04/18	I/N/P
New application Part A	0.00	270.00	01/04/18	D/L
New application Part B	0.00	50.00	01/04/18	D/L
Note: total fee for new application £320				
Renewal Part A	0.00	90.00	01/04/18	D/L
Renewal Part B	No Charge	No Charge	01/04/18	L
Note: total fee for renewal £90				
Duplicate	0.00	25.00	01/04/18	D/L
Pet Animals				
Pet Animals Act 1951				
Pet Shops new application (plus vet fees if applicable)	322.00	0.00	01/04/18	See Below
Renewal (no change)	263.50	0.00	01/04/18	See Below
Pet Shops New application Part A (plus vet fees if applicable)	0.00	315.00	01/04/18	D/L
Pet Shops New application Part B	0.00	100.00	01/04/18	D/L
Note: total fee for new application £415				
Renewal Part A	0.00	120.00	01/04/18	D/L
Renewal Part B	0.00	150.00	01/04/18	D/L
Note: total fee for renewal £270				
Duplicate	0.00	25.00	01/04/18	D/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Annual Licences (continued)				
Riding Establishments (Riding Establishments Acts 1964-1970)				
New application (plus vet fees if applicable)	340.75	0.00	01/04/18	See Below
Application to change licence (plus vet fees if applicable)	51.00	Withdrawn	01/04/18	L
New application Part A (plus vet fees if applicable)	0.00	315.00	01/04/18	D/L
New application Part B	0.00	50.00	01/04/18	D/L
Note: total fee for new application £365				
Renewal Part A plus vet inspection fee	0.00	90.00	01/04/18	D/L
Renewal Part B	0.00	50.00	01/04/18	D/L
Note: total fee for renewal £140				
Duplicate	0.00	25.00	01/04/18	D/L

Basis of Increase:
C - An increase dependent on committee approval
G - An increase below inflation in line with a corporate growth plan
I - Based on relevant inflationary change
N - A nominal adjustment e.g. due to rounding of charge
S - An increase above inflation in line with a corporate saving plan
D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:
P - The Corporate Charging Policy
L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Zoo Licensing (Zoo Licensing Act 1981)				
Notification to operate a Zoo	171.50	Withdrawn	01/04/18	L
New application (plus vet fees if applicable)	572.00	0.00	01/04/18	See Below
Application to change (plus vet fees if applicable)	319.25	0.00	01/04/18	See Below
New application Part A fee	0.00	630.00	01/04/18	D/L
New application Part B fee	No Charge	No Charge	01/04/18	L
Note: total fee for application £630				
Renewal (no change) Part A fee plus vet inspection fee	0.00	450.00	01/04/18	D/L
Renewal Part B fee	No Charge	No Charge	01/04/18	L
Note: total fee for renewal £450				
Alteration Part A plus vet inspection fee	0.00	550.00	01/04/18	D/L
Alteration Part B plus vet inspection fee	No Charge	No Charge	01/04/18	L
Note: total fee for alteration £550				
Sex Establishment Licensing (Local Govt. Miscellaneous Provisions Act 1982)				
New application	2,144.00	0.00	01/04/18	See Below
Application to change licence	1,072.00	Withdrawn	01/04/18	L
New application Part A fee	0.00	2,040.00	01/04/18	D/L
New application Part B fee	No Charge	No Charge	01/04/18	L
Note: total fee for application £2040				
Renewal Part A fee	0.00	300.00	01/04/18	D/L
Renewal Part B fee	0.00	100.00	01/04/18	D/L
Note: total fee for renewal £400				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Hypnotism consent (Hypnotism Act 1952)	123.50	0.00	01/04/18	See Below
New application Part A	0.00	300.00	01/04/18	D/L
New application Part B	No Charge	No Charge	01/04/18	L
Note: Total fee for new application £300				
Street Trading Licences (London Local Authorities Act 1990)				
Subject to review and a separate consultation for proposed street trading protocol				
Trading between 05:00 - 20:00				
Seven days per week	2,040.75	2,102.00	01/04/18	I/N/P
Six days per week	1,749.50	1,802.00	01/04/18	I/N/P
Five days per week	1,462.75	1,507.00	01/04/18	I/N/P
Four days per week	1,167.00	1,202.00	01/04/18	I/N/P
Three days per week	877.25	904.00	01/04/18	I/N/P
Two days per week	583.50	601.00	01/04/18	I/N/P
One day per week	293.25	302.00	01/04/18	I/N/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Street Trading Licences (Continued)				
Trading between 20:00 - 02:00				
Seven days per week	2,525.50	2,602.00	01/04/18	I/N/P
Six days per week	2,166.00	2,231.00	01/04/18	I/N/P
Five days per week	1,804.75	1,859.00	01/04/18	I/N/P
Four days per week	1,444.00	1,488.00	01/04/18	I/N/P
Three days per week	1,082.50	1,115.00	01/04/18	I/N/P
Two days per week	716.50	738.00	01/04/18	I/N/P
One day per week	358.50	370.00	01/04/18	I/N/P
These can be paid annually in advance				
Temporary Street Trading Licences (up to 6 months)				
Trading between 05.00 and 20.00				
Seven days per week	1,021.00	1,052.00	01/04/18	I/N/P
Six days per week	876.00	903.00	01/04/18	I/N/P
Five days per week	732.00	740.00	01/04/18	I/N/P
Four days per week	583.50	601.00	01/04/18	I/N/P
Three days per week	438.75	452.00	01/04/18	I/N/P
Two days per week	292.25	301.00	01/04/18	I/N/P
One day per week	147.25	152.00	01/04/18	I/N/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Environment

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Advertisement A Boards				
Removal cost	112.20	116.00	01/04/18	I/N/P
Storage cost per week	10.20	11.00	01/04/18	I/N/P
Disposal cost	30.60	32.00	01/04/18	I/N/P
Return cost (collection only)	56.10	58.00	01/04/18	I/N/P
Total cost if not collected within 14 days	204.00	211.00	01/04/18	I/N/P
Abandoned Shopping Trolleys				
Collection fee	30.00	31.00	01/04/18	I/N/P
Storage fee per week/part week	20.00	21.00	01/04/18	I/N/P
Administration fee	25.00	26.00	01/04/18	I/N/P
Disposal of unwanted trolleys	25.00	26.00	01/04/18	I/N/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Temporary Street Trading Licences (up to 6 months) (continued)				
Trading between 20.00 and 02.00				
Seven days per week	1,263.50	1,302.00	01/04/18	I/N/P
Six days per week	1,084.75	1,118.00	01/04/18	I/N/P
Five days per week	903.00	931.00	01/04/18	I/N/P
Four days per week	722.00	744.00	01/04/18	I/N/P
Thee days per week	541.25	558.00	01/04/18	I/N/P
Two days per week	361.75	373.00	01/04/18	I/N/P
One day per week	188.00	194.00	01/04/18	I/N/P
Daily Temporary Licence for special events	42.25	44.00	01/04/18	I/N/P
Duplicate Licence	45.50	47.00	01/04/18	I/N/P
Variations to existing Licences	95.75	99.00	01/04/18	I/N/P
Stray Dog Service				
Administration Fee	10.00	11.00	01/04/18	D/L
Weekdays 09:00 - 16:59	50.00	52.00	01/04/18	D/L
Weekdays 17:00 - 21:59	65.00	67.00	01/04/18	D/L
Weekdays 22:00 - 08:59	70.00	73.00	01/04/18	D/L
Weekends 09:00 - 16:59	70.00	73.00	01/04/18	D/L
Weekends 17:00 - 08:59	70.00	73.00	01/04/18	D/L
Bank Holidays	70.00	73.00	01/04/18	D/L
Charge per day per dog/part day	14.00	15.00	01/04/18	D/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Environment

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Land Quality Reports				
Written report that takes less than 2 hours to complete:				
a) 5 working day response (where available and on request)	510.00 *	526.00 *	01/04/18	D/L
b) 20 working day response	280.50 *	290.00 *	01/04/18	D/L
For every hour over 2 hours	81.75 *	85.00 *	01/04/18	D/L
To respond to specific questions on land quality hourly rate	81.75 *	85.00 *	01/04/18	D/L
5 – Year Licence				
Mandatory HMO Licensing (Housing Act 2004)				
New licences:				
Up to 5 lettings	1,081.25	1,115.00	01/04/18	D/L
6 - 9 lettings	1,245.00	1,284.00	01/04/18	D/L
10 - 14 lettings	1,428.00	1,473.00	01/04/18	D/L
15 - 19 lettings	1,581.00	1,630.00	01/04/18	D/L
20 lettings and above	1,734.00	1,788.00	01/04/18	D/L
Changes to a licence:				
Single dwelling is re-let as a House in Multiple Occupation	877.25	Withdrawn	01/04/18	L
House in Multiple Occupation is re-let as a single dwelling	158.25	Withdrawn	01/04/18	L
Additional HMO Licence	900.00	900.00	01/11/17	L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Environment

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Miscellaneous housing-related fees				
Fee for each type of Statutory Notice served under the Housing Act 2004 with the ability to add the cost of any report required from external experts such as Gas, Electricity or Structural surveyors	510.00	510.00	01/04/17	L
Fee per visit for Housing Inspection and Assessments for Immigration	132.75	133.00	01/04/18	D/L
Caravan site licence (Caravan Sites and Control of Development Act 1960)	377.50	378.00	01/04/18	D/L
Gambling Act 2005 Bingo Club premises				
Fees set by LA (subject to maxima set by Govt.)				
New premises application	3,346.25	3,347.00	01/04/18	I/N/P
Annual fee	655.00	675.00	01/04/18	I/N/P
Application to vary	1,088.00	1,121.00	01/04/18	I/N/P
Application to transfer	550.00	567.00	01/04/18	I/N/P
Gambling Act 2005 Bingo Club premises (continued)				
Fees set by LA (subject to maxima set by Govt.)				
Application for reinstatement	853.25	879.00	01/04/18	I/N/P
Application for a provisional statement	1,138.00	1,173.00	01/04/18	I/N/P
License application (provisional statement holders)	853.25	879.00	01/04/18	I/N/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Environment

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Betting shop				
New premises application	1,115.00	1,150.00	01/04/18	I/N/P
Annual fee	600.00	600.00	01/04/17	L
Application to vary	834.75	861.00	01/04/18	I/N/P
Application to transfer	550.00	567.00	01/04/18	I/N/P
Application for reinstatement	853.25	880.00	01/04/18	I/N/P
Application for a provisional statement	1,138.00	1,174.00	01/04/18	I/N/P
License application (provisional statement holders)	853.25	880.00	01/04/18	I/N/P
Betting premises tracks				
New premises application	2,500.00	2,578.00	01/04/18	D/L
Annual fee	860.75	888.00	01/04/18	I/N/P
Application to vary	1,098.75	1,133.00	01/04/18	I/N/P
Application to transfer	550.00	567.00	01/04/18	I/N/P
Application for reinstatement	824.00	850.00	01/04/18	I/N/P
Application for a provisional statement	2,500.00	2,578.00	01/04/18	D/L
License application (provisional statement holders)	824.00	850.00	01/04/18	I/N/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Family Entertainment centres				
New premises application	1,494.00	1,541.00	01/04/18	I/N/P
Annual fee	655.00	676.00	01/04/18	I/N/P
Application to vary	1,000.00	1,000.00	01/04/16	L
Application to transfer	550.00	567.00	01/04/18	I/N/P
Application for reinstatement	824.00	850.00	01/04/18	I/N/P
Application for a provisional statement	1,527.75	1,575.00	01/04/18	I/N/P
License application (provisional statement holders)	857.50	884.00	01/04/18	I/N/P
Adult gaming centres				
New premises application	1,515.50	1,563.00	01/04/18	I/N/P
Annual fee	655.00	676.00	01/04/18	I/N/P
Application to vary	1,000.00	1,031.00	01/04/18	D/L
Application to transfer	550.00	567.00	01/04/18	I/N/P
Application for reinstatement	824.00	850.00	01/04/18	I/N/P
Application for a provisional statement	1,472.25	1,560.00	01/04/18	I/N/P
License application (provisional statement holders)	824.00	850.00	01/04/18	I/N/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Scrap Metal Dealers Act 2013				
Application for a new scrap metal site licence	830.00	856.00	01/04/18	D/L
Application for a new scrap metal collectors licence	250.00	276.00	01/04/18	D/L
Application for a variation of an existing licence	134.00	139.00	01/04/18	D/L
Site licence to a collectors licence				
Application for a variation of an existing licence	700.00	722.00	01/04/18	D/L
			01/04/18	
Scrap Metal Dealers Act 2013 (continued)				
Collectors licence to a site licence				
Application for a variation of an existing licence not listed above	184.50	191.00	01/04/18	D/L
Renewal application for a site licence under Scrap Metal Dealers Act 2013	830.00	856.00	01/04/18	D/L
Renewal application for a collectors licence under Scrap Metal Dealers Act 2013	250.00	258.00	01/04/18	D/L
Lost licence replacement	52.00	25.00	01/04/18	D/L
			01/04/18	
Marriage Act 1949				
Wedding Registration	800.75	See Below	01/04/18	L
New application Part A fee	0.00	675.00	01/04/18	L
New Application Part B fee	0.00	180.00	01/04/18	L
Note: Total fee parts A and B £855				
Renewal of Premises Licensing				
Renewal Part A fee	0.00	195.00	01/04/18	L
Renewal Part B fee	0.00	180.00	01/04/18	L
Note: Total fee parts A and B £375				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Environment

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Primary Authority				
Annual Fee, pays for 20 hours work (Enterprise and Regulatory Reform Act)	1,200.00	1,236.00	01/04/18	I/L
Hourly rate, agreed in advance for work beyond 20 hours.	60.00	62.00	01/04/18	I/N/L
Food				
Health Export Certificates **(these are issued on request to food businesses who wish to export foodstuff** outside the EU. They are provided to assist local exporters in meeting the food safety requirements. Only the local authority can provide them.)	50.00	52.00	01/04/18	D/L
Food Hygiene Rating Requested rerating inspection , New charge for 2017. Can only be supplied by the local authority by the Enterprise Act. No Vat applicable	195.00	202.00	01/04/18	I/N/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Development

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
PLANNING AND BUILDING CONTROL:				
Photocopying per A4 and A3 sheet (minimum charge £1)	0.20 *	0.25 *	01/04/18	N/P
Photocopying of plans (per sheet)	19.00 *	19.75 *	01/04/18	I/N/P
Other Planning requests - per hour (minimum 1/2 hour)	72.50	74.75	01/04/18	I/N/P
Other Building Control requests - per hour	72.50	74.75	01/04/18	I/N/P
[The Building (Local Authority Charges) Regulations 2010]				
Committee reports (available from website for free)				
Section 106 Monitoring - A percentage of the total tariff payment required under the Council's Planning Obligations Supplementary Planning Document. For further details please				
Demolition Notices (Per Site) (larger sites will be assessed separately, customers are invited to contact Building control for a bespoke price)	225.00	235.00	01/04/18	D/L
Building Control - Dangerous Structure charge				
8am - 5pm - per hour	75.00	77.50	01/04/18	D/L
5pm - 8am - per hour	112.50	77.50	01/04/18	D/L
(Travelling costs will also be charged as appropriate as well as Dangerous Structures Consortium Contractors Costs)				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Pre-Application advice				
Pre-Application advice				
Householder/Small Business - Face to Face	51.50 *	53.25 *	01/04/18	I/N/P
Householder/Small Business - Written Response	83.00 *	85.50 *	01/04/18	I/N/P
Change of Business Premises up to 99 sq.m	154.50 *	159.25 *	01/04/18	I/N/P
Pre-Application advice - Residential units/Commercial or Industrial Floor space				
1 residential unit	154.50 *	159.25 *	01/04/18	I/N/P
1 residential unit - Follow up advice	31.00 *	32.00 *	01/04/18	I/N/P
2-3 residential/100-499sq m floor space	309.00 *	318.25 *	01/04/18	I/N/P
2-3 residential/100-499sq m floor space - Follow up advice	61.50 *	63.50 *	01/04/18	I/N/P
4-9 residential/500-999 sq. m floor space	824.00 *	848.75 *	01/04/18	I/N/P
4-9 residential/500-999 sq. m floor space - Follow up advice	204.00 *	210.25 *	01/04/18	I/N/P
10-24 residential/1000-1999 sq.m floor spc/telecoms	1,545.50 *	1,592.00 *	01/04/18	I/N/P
10-24 residential/1000-1999 sq.m floor spc/telecoms - Follow up advice	306.00 *	315.25 *	01/04/18	I/N/P
25-49 residential/2000-4999 sq. m floor space	1,803.00 *	1,857.25 *	01/04/18	I/N/P
25-49 residential/2000-4999 sq. m floor space - Follow up advice	357.00 *	367.75 *	01/04/18	I/N/P
50-99 residential/5000-9999 sq. m floor space	2,060.50 *	2,122.50 *	01/04/18	I/N/P
50-99 residential/5000-9999 sq. m floor space - Follow up advice	408.00 *	420.25 *	01/04/18	I/N/P
100+ residential/10000+ sq. m floor space	2,575.50 *	2,652.75 *	01/04/18	I/N/P
100+ residential/10000+ sq. m floor space	510.00 *	525.50 *	01/04/18	I/N/P

Basis of Increase:
C - An increase dependent on committee approval
G - An increase below inflation in line with a corporate growth plan
I - Based on relevant inflationary change
N - A nominal adjustment e.g. due to rounding of charge
S - An increase above inflation in line with a corporate saving plan
D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:
P - The Corporate Charging Policy
L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Development

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Research, retrieval and copy of one document for domestic properties	40.00	41.25	01/04/18	I/N/P
Research, retrieval and copy of one document for non-domestic properties	60.00	62.00	01/04/18	I/N/P
For each additional document	19.00	19.75	01/04/18	I/N/P
Planning Condition History Search (30 minutes)	36.00	37.25	01/04/18	I/N/P
Additional research time (per 15 minutes)	18.00	18.75	01/04/18	I/N/P
Supply of letter detailing inspections				
(where no completion certificate exists) per hour	105.00	116.25	01/04/18	D/L
Request for written confirmation that Enforcement Notice complied with or of no effect	140.00	144.25	01/04/18	I/N/P
Request to withdraw Enforcement Notice where no longer of effect	800.00	824.00	01/04/18	I/N/P
High Hedge Complaint	310.00	500.00	01/04/18	D/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Environment

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
TRADING STANDARDS:				
Trading Standards NE London Metrology Partnership Income				
Income is credited to the joint trading account				
Section 11 (4) of the Weights and Measures Act 1985				
Measuring Instruments:				
(a) Linear (with or without divisions/sub divisions)				
First Tape	12.40 *	12.80 *	01/04/18	I/N/L
(b) Capacity (without divisions, not exceeding 1 litre) - each measure	10.20 *	10.50 *	01/04/18	I/N/L
(c) Cubic ballast				
Other than brim (each measure)	205.60 *	211.80 *	01/04/18	I/N/L
Brim/bucket type (each measure)	90.80 *	93.50 *	01/04/18	I/N/L
1. Liquid capacity measures for making and checking average quantity purchases each measure	32.20 *	33.20 *	01/04/18	I/N/L
2. Templates (per scale)				
First item	56.40 *	58.10 *	01/04/18	I/N/L
Second and subsequent items	22.95 *	23.65 *	01/04/18	I/N/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee *VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Measuring Instruments (continued):				
(d) Liquid fuel, Lubricants etc. (each instrument)				
1. Container type (not sub-divided)	105.10 *	108.25 *	01/04/18	I/L
2. Other types (multi-outlets)				
1 meter tested	136.70 *	140.80 *	01/04/18	I/L
Each additional meter tested	84.15 *	86.67 *	01/04/18	I/L
3. Test of peripheral equipment on separate visit	105.10 *	108.25 *	01/04/18	I/L
4. Test of credit card acceptor	105.10 *	108.25 *	01/04/18	I/L
5. MID verification				
1 meter tested	171.70 *	176.85 *	01/04/18	I/L
Each additional meter	105.10 *	108.25 *	01/04/18	I/L
(e) Intoxicating liquor (each instrument)				
Not exceeding 150ml (individual submissions)	20.40 *	21.00 *	01/04/18	I/N/L
Other	24.50 *	25.25 *	01/04/18	I/N/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Measuring Instruments (continued):				
(g) Each weight (stamping)				
1. Weights exceeding 5kg or not exceeding 500mg, 2cm	11.25 *	11.60 *	01/04/18	I/N/L
2. Other weights	8.60 *	8.90 *	01/04/18	I/N/L
3. Other weights (more than one submitted)	7.20 *	7.45 *	01/04/18	I/N/L
4. Adjusting weights (per hour)	107.10 *	110.00 *	01/04/18	I/N/L
(h) Verification - Weighing Machines / Weighing Equipment				
1. Calibrated to weigh only metric:				
Not exceeding 15kg	34.90 *	36.00 *	01/04/18	I/N/L
Exceeding 15kg to 100kg	49.90 *	51.50 *	01/04/18	I/N/L
Exceeding 100kg to 250kg	82.70 *	85.20 *	01/04/18	I/N/L
Exceeding 250kg to 1 tonne	120.00 *	123.60 *	01/04/18	I/L
Exceeding 1 tonne to 10 tonne	191.80 *	197.60 *	01/04/18	I/N/L
Exceeding 10 tonnes to 30 tonnes	402.90 *	415.00 *	01/04/18	I/L
Exceeding 30 tonnes to 60 tonnes	600.30 *	618.30 *	01/04/18	I/L
2. When testing instruments incorporate peripherals such as remote display or printing facilities, and where completion of the test requires a second person or a second series of tests by the same person, an additional fee may be charged at the standard hourly rate:	107.10 *	110.30 *	01/04/18	I/N/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Measuring Instruments (continued):				
3. Medical weighing scales				
Not exceeding 15kg	34.70 *	35.75 *	01/04/18	I/N/L
Exceeding 15kg to 100kg	50.25 *	51.75 *	01/04/18	I/N/L
Exceeding 100kg to 250kg	82.70 *	85.20 *	01/04/18	I/N/L
Exceeding 250kg to 1 tonne	120.00 *	123.60 *	01/04/18	I/L
Certificate of errors				
For supplying a certificate containing results of errors found on testing (cert supplied upon request of the submitter, fee applies when no other fee is payable)	46.72 *	48.12 *	01/04/18	I/L
Measuring Instrument Directive				
Measuring Instruments for liquid fuel and lubricants (initial verification not re-verification) (surcharge over fee listed above)	10% Surcharge *	10% Surcharge *	01/04/17	D/L
Other Weighing or Measuring Equipment				
Brake tester/spring balance type	56.45 *	58.15 *	01/04/18	I/N/L
For equipment other than the categories specifically described above, or equipment submitted for testing by means of statistical sampling techniques, or in pursuance of a Community obligation other than EEC. Initial or partial verification per man hour spent at place of submission of equipment etc. (pro rata for one quarter hour periods)	107.10 *	110.30 *	01/04/18	I/N/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

Neighbourhoods
Environment

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Standards Services provided to Other Local Authorities				
Testing and Associated Services (per hour)	89.40	92.10	01/04/18	I/N/L
Collection Delivery charge (price shown is per mile) return trip + congestion charge where applicable	0.72	0.74	01/04/18	I/N/L
Inspections during standard office hours, including travelling time	89.40	92.10	01/04/18	I/N/L
Block Booked and Pre-paid Inspections totalling more than £5000 (per hour)	61.30	63.15	01/04/18	I/N/L
Section 76 of the 1985 Act				
For other services or facilities provided, or for authorisation, certificates or other documents issued in pursuance of a community obligation				
Per man hour spent at place of providing the service, facility etc. (pro rata of one quarter hour periods)	89.35	92.00	01/04/18	I/N/L
UKAS Laboratory				
Charge for calibration to M1 level 25kg - 1mg (Incl. cert where total order over £100)				
One weight submitted	19.40 *	20.00 *	01/04/18	I/N/L
Certificate where total order is less than 100	30.70 *	31.70 *	01/04/18	I/N/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
UKAS Laboratory (continued):				
Charge for calibration to F2 level 20kg - 1mg (Incl. cert where total order over £100)				
One weight submitted	47.50 *	48.95 *	01/04/18	I/N/L
Certificate where total order is less than £100	30.70 *	31.65 *	01/04/18	I/N/L
(Where multiple weights are submitted of the same nomination a 10% reduction may apply).				
GLC (General Powers) Act 1985				
Competitive Bidding - Licence Registration fee	344.50	354.85	01/04/18	I/L
Financial Investigation by Accredited Financial Investigator (LA)				
Where no individual agreement exists, per hour spent by AFI	66.30	68.30	01/04/18	I/N/L
'PASS' Alcohol awareness retailer training fee (per delegate - Inc. VAT)	64.50 *	66.45 *	01/04/18	I/N/L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

D - Increase recommended by Head of Service

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

oneSource
Asset Management

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Licenced Trader Market Charges				
Monthly Charges (Includes Weds,Fri & Sat Markets)				
Market - All Locations				
Ground space/6ft frontage	171.00	171.00	01/04/15	L
Electricity Charge per Ground Space/6ft frontage	11.70	11.70	01/04/15	L
(Electricity Charges will be applied to all licences other than to				
Extra Land (Daily Charge)	5.35	5.35	01/04/15	L
Other one-off charges				
Nomination of Licence	255.00	255.00	01/04/15	L
Nomintation of Licence to member of Family	185.00	185.00	01/04/15	L
Other alterations to Licences	42.50	42.50	01/04/15	L
Casual Trader Market Charges				
Daily Charges				
Saturday Market – Ground Space/6ft frontage including electricity	27.00	27.00	01/04/15	L
Wed or Friday Market – Ground Space/6ft frontage including electricity	19.00	19.00	01/04/15	L
Extra Land (Daily Charge)	5.35	5.35	01/04/15	L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Extra Market Days – At Christmas/Sundays/Banks Holidays				
Daily Charges				
Market - All Locations				
Licenced Traders - Ground space/6ft frontage including electricity (Must have held a Licence for at least 2 mths to qualify for this rate)	18.00	18.00	01/04/15	L
Casual Traders - Ground space/6ft frontage including electricity	24.00	24.00	01/04/15	L
Extra Land (Daily Charge)	5.35	5.35	01/04/15	L

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

oneSource
Exchequer and Transactional Services

(A) Statutory and Nationally Agreed Charges as set by Havering & The Magistrates Courts

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018 £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Legal Fees				
Recovery of Rates/Community Charge/Council tax				
Summons Council Tax (inc £3 paid to the court)	105.00	105.00	01/04/11	P
Liability Order	10.00	10.00	01/04/10	P
Summons NNDR (inc £3 paid to the court)	180.00	180.00	01/04/11	P
Liability Order NNDR	47.00	47.00	01/04/11	P
Means Enquiry Summonses Council Tax (£245.00 paid to the court)	305.00	305.00	22/04/14	P
Arrest Warrants with Bail Council Tax (inc. £75 paid to the court)	145.00	145.00	22/04/14	P
Arrest Warrants without Bail Council Tax (inc. £75 paid to the court)	130.00	130.00	22/04/14	P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

oneSource
Legal & Governance

(A) Statutory and Nationally Agreed Charges -

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Electoral Registration				
Sale of Electoral Registers				
Data format	20.00	20.00	01/02/01	P
Additional charge per 1000 entries	1.50	1.50	01/02/01	P
Paper format	10.00	10.00	01/02/01	P
Additional charge per 1000 entries	5.00	5.00	01/02/01	P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

oneSource
Legal & Governance

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Electoral Registration				
Registration Certificate	17.40	17.90	01/04/18	I/N/P
Charge for each additional year checked	0.00	0.00	01/04/18	I/N/P
Ward Map	3.75	3.85	01/04/18	I/N/P
Photocopying:				
First page	2.15 *	2.20 *	01/04/18	I/N/P
Cost per additional page	0.30 *	0.30 *	01/04/18	I/N/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

oneSource
Legal & Governance

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Legal & Democratic Services				
Licences to Assign (Seal)	448.00	750.00	01/04/18	S/P
Licence to Alter	448.00	750.00	01/04/18	S/P
Sale of Council Houses - Mortgage Fees	135.00	139.00	01/04/18	I/P
Mortgage Redemption Fees:				
Early redemption	122.00	126.00	01/04/18	I/P
Complete term	64.00	66.00	01/04/18	I/P
Deeds of release for pre-emption discount repayment	143.00	147.00	01/04/18	I/P
Release from Mortgage Covenant	92.00	95.00	01/04/18	I/P
Second Charge Questionnaire	96.00	99.00	01/04/18	I/P
Enquiries re: Discount repayment from Commercial sources	69.00	71.00	01/04/18	I/P
Administration fee re:enquiries from commercial sources on 2nd charges	50.00 *	52.00 *	01/04/18	I/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

oneSource
Legal & Governance

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Reserve/Access Licences:				
Single payment	54.00	56.00	01/04/18	I/P
Annual payment	21.00	21.00	01/04/14	I/P
Lease of shops/offices:				
Town centre	655.00	750.00	01/04/18	S/P
Other	490.00	505.00	01/04/18	I/P
Complex Commercial Leases				
(fees dependent on complexity, urgency and time)				
Sale of surplus land/property				
N.B. All other conveyancing costs where Council can charge when terms so provide are by agreement in terms of solicitors Remuneration Order 1972.				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

oneSource
Legal & Governance

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Planning Agreements (Section 106 Town & Country Planning act 1990)	£120 - £210 ph	£140 - £230 ph	01/04/18	S/P
Unilateral Undertaking	£120 - £210 ph	£140 - £230 ph	01/04/18	S/P
Legal Charges				
S38 Highways Act 1980 Supervision	£120 - £210 ph	£140 - £230 ph	01/04/18	S/P
Section 278 Highways Act 1980	£120 - £210 ph	£140 - £230 ph	01/04/18	S/P
Highway Agreements (Minimum Fee)	515.00	530.00	01/04/18	I/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

oneSource
Legal & Governance

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Use of Council Chamber and Committee Rooms – Town Hall				
Council Chamber				
Monday to Friday - per whole day	347.00	357.00	01/04/18	I/P
Monday to Friday - per half day	174.00	179.00	01/04/18	I/P
Weekends - per whole day	480.00	494.00	01/04/18	I/P
Weekends - per half day	242.00	249.00	01/04/18	I/P
Evenings - after 6pm (Fridays and weekends only)	210.00	216.00	01/04/18	I/P
Committee Room 3				
Monday to Friday - per whole day	216.00	222.00	01/04/18	I/P
Monday to Friday - per half day	108.00	111.00	01/04/18	I/P
Monday to Friday - per 2 hour session	82.00	84.00	01/04/18	I/P
Evening - after 6pm (Fridays and weekends only)	108.00	111.00	01/04/18	I/P
Other Committee Rooms - per hour (daytime & evening)				
Room 1	33.00	34.00	01/04/18	I/P
Room 2	33.00	34.00	01/04/18	I/P
Room 4	33.00	34.00	01/04/18	I/P
Lettings to Charities and Voluntary Organisations				
Lettings to charities and voluntary organisations will usually attract a 50% discount.				

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Land and Property Services				
Various charges for services to private sector				
Democratic Services				
Copies of the Constitution	29.00	30.00	01/04/18	I/P
All Departments				
Local Government (Access to Information) Act 1985				
Inspection of papers in background paper list				
Copying				
Supply of photocopies of background papers				
First page	2.00 *	2.00 *	01/04/15	I/P
Cost per additional page	0.20 *	0.20 *	01/04/15	I/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

oneSource
Legal & Governance

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Admission appeals				
Per appeal withdrawn before processing	No charge	No charge	01/04/14	
Per processed appeal withdrawn less than three weeks before hearing	144.00	155.00	01/04/18	I/P
Per appeal withdrawn once papers for hearing have been distributed	173.00	188.00	01/04/18	I/P
Per appeal heard	230.00	250.00	01/04/18	I/P
Per appeal referred to the Secretary of State alleging maladministration	Charge to be agreed on basis	Charge to be agreed on basis	01/04/18	I/P
Per appeal subject to judicial review proceedings	of work required	of work required	01/04/18	I/P
Exclusion reviews				
Per review withdrawn before processing	No charge	No charge		
Per processed review withdrawn less than three weeks before hearing	143.00	147.00	01/04/18	I/P
Per review withdrawn once papers for hearing have been distributed	169.00	174.00	01/04/18	I/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Education Appeals:				
Per review heard				
For first hour of hearing and up to four hours of the clerk's time after the hearing; plus	287.00	296.00	01/04/18	I/P
For each subsequent hour or part of an hour of hearing; plus	65.00	67.00	01/04/18	I/P
For each subsequent hour or part of an hour of clerk's time	46.00	47.00	01/04/18	I/P
Per review referred to the Secretary of State alleging maladministration	Charge to be agreed on basis	Charge to be agreed on basis	01/04/18	I/P
Per review subject to judicial review proceedings	of work required at £46 per hour	of work required at £46 per hour	01/04/18	I/P
Applications to correct the Registers of Common Land and Town and Village Greens under the Commons Act 2006				
Declaration of entitlement to exercise a right of common	33.00	34.00	01/04/18	I/P/N
Creation of a right of common resulting in the registration of new common land	No charge	No charge	01/04/18	
Creation of a right of common over existing common land	129.00	133.00	01/04/18	I/P
Variation of a right of a common	129.00	133.00	01/04/18	I/P
Apportionment of a right of common	129.00	133.00	01/04/18	I/P
Attachment of a right of common	No Fee	No Fee		
Re-allocation of attached rights	129.00	133.00	01/04/18	I/P
Transfer of a right in gross	52.00	54.00	01/04/18	I/P

Basis of Increase:

C - An increase dependent on committee approval

G - An increase below inflation in line with a corporate growth plan

I - Based on relevant inflationary change

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

S - An increase above inflation in line with a corporate saving plan

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy

L - A local charging policy that deviates from the Corporate Charging Policy

oneSource
Legal & Governance

(B) Charges determined by Committee

*VAT inclusive

Income Source	Charges 2017/18 (from April 2017) £	Charges 2018/19 (from April 2018) £	Operative Date of Latest Notified Charge	Basis of Increase and Charging Policy
Surrender or extinguishment of a right of common	100.00	100.00	15/12/14	
Statutory disposition pursuant to section 14 of the 2006 Act (including the exchange of land for land subject to a statutory disposition)	193.00	199.00	01/04/18	I/P
Registration of a new town or village green other than by owner	No charge	No charge	15/12/14	
Registration of a new town or village green by the owner	No charge	No charge	15/12/14	

Basis of Increase:

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

Basis for setting charge increase above complies with either:

P - The Corporate Charging Policy
L - A local charging policy that deviates from the Corporate Charging Policy

Havering
LONDON BOROUGH

CABINET

7 February 2018

Subject Heading:	**HRA Budget for 2018/2019 and HRA Major Works Capital Programme 2018/19 – 2020/21**
Cabinet Member	**Councillor Damian White –** Deputy Leader of the Council, Lead Member of Housing
SLT Lead:	Steve Moore, Director of Neighbourhoods
Report Author and contact details:	Kevin Hazlewood, Acting Assistant Director of Housing 01708 434091 Kevin.hazlewood@havering.gov.uk Hayley O'Brien Strategic Finance Business Partner Regeneration and Housing 0203 373 9394 hayley.obrien@onesource.co.uk Martin Fahy Interim HRA Accountant 01708 432651 martin.fahy@havering.gov.uk John Price Finance Business Partner 01708 433595 j.price@havering.gov.uk
Policy context:	This report presents the HRA Budget recommendations for agreement by Cabinet and recommendation on to Council for consideration and approval.
Financial summary:	The Council is required to set an annual HRA Revenue Budget 2018/19. This report includes the recommendations to agree the HRA revenue spend budget, rents and other charges as detailed in Appendix 1, the HRA Major Works Capital programme, detailed in Appendix 2a and the Business Plan projections as outlined in Appendix 3a and 3b.
Is this a Key Decision?	**Yes**
Is this a Strategic Decision?	**Yes**

When should this matter be reviewed?	September 2018
Reviewing OSC	Towns and Communities

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

This report sets a budget for the Council's Housing Revenue Account (HRA) and HRA Major Works Programme. An update to the HRA Business Plan is also provided. In particular, this report provides Cabinet with the latest assessment on the impact of the provision of new homes via the HRA 12 sites regeneration project and the setting up of the HRA Joint Venture and the identification of a provision in the HRA for affordable housing on other regeneration opportunities in the borough.

The HRA remains a ring-fenced account that is used to manage the Council's own housing stock. The proposed budget will enable the Council to manage the stock to a reasonable standard, maintain the existing stock to the Decent Homes standard and provide funding for a significant new build and estate regeneration programme. It further sets rents, service charges and other charges for Council tenants and leaseholders for the year 2018/19.

In the HRA rent setting report for last year it was identified that the former rent setting rules limiting increases to CPI + 1% had been changed and that Local Authorities and Housing Associations are being required to reduced general rents by 1% for the four years from 2016/17. This budget reduction was part of the Government's austerity measures and was designed to reduce welfare benefit expenditure by £1.45bn. The DCLG has issued further policy statements on rent policy which members should be aware of and note. The current policy of a 1% reduction is applicable to general needs and supported housing in the financial years of 2018/19 and 2019/20. For the fiscal year 2020/21 a new rent policy will be in place and is outlined later in the report.

The one per cent reduction last year for 2017/18 was applied to all rent levels in general needs and supported housing charged. A similar reduction is to be applied for 2018/19 to all general needs rents and supported housing.

In order to change any HRA rent liability, the Local Authority must notify tenants and give 28 days' notice of any change, after the authority has made a properly constituted decision of that change. This means that, following the Cabinet decision on rent levels to be charged in any year, the Local Authority must write to all tenants to advise them of the new rent liability for the following 12 months. In order to achieve this and, make the new charge effective from the first week of April 2017, notification must be sent out to tenants the first week of March 2017.

RECOMMENDATIONS

That Cabinet:

1. **Approve** the Housing Revenue Account Budget as detailed in **Appendix 1**.

2. **Agree** that the average rents chargeable for tenants in general needs Council properties owned by the London Borough of Havering be decreased by 1% from the w/c 2 April 2018 in line with the indicative figures contained in paragraph 2.1.7 of this report.

3. **Agree** that the average rents chargeable for tenants in supported housing Council properties, such as sheltered housing and hostels, owned by the London Borough of Havering, be reduced by 1% from the w/c 2 April 2018 in line with the indicative figures contained in paragraph 2.1.8 and 2.1.9 of this report.

4. **Agree** the four rent-free weeks for 2018/19 as being: w/c 20 August 2018, the two weeks commencing 17 and 24 December 2018, and the week commencing 25 March 2019.

5. **Agree** that service charges and heating and hot water charges for 2018/19 are as detailed in paragraph 2.2.2 of this report.

6. **Agree** that the service charges for homeless households accommodated in the Council's hostels 2018/19 are as detailed in paragraph 2.2.3 of this report.

7. **Agree** that charges for garages should be increased by 7.5% in 2018/19 as detailed in paragraph 2.3.1 of this report

8. **Agree** that the service charge for the provision of security and support in sheltered housing for 2017/18 shall be as detailed in paragraph 2.4.1 of this report.

9. **Agree** that the Careline support charge should be increased by 4% for 2018/19 as detailed in paragraph 2.5.1 of this report.

10. **Agree** that the Telecare support charges should be increased by 4% for 2018/19 as detailed in paragraph 2.5.1 of this report.

11. **Approve** the HRA Major Works Capital Programme, detailed in **Appendix 2a** of this report and **refer it to full Council** for final ratification.

12. **Approve** the HRA Capital expenditure and financing for the 12 Sites Joint Venture, detailed in paragraphs 3.19.1 to 3.19.8 and **Appendix 2a** of this report and **refer it to full Council** for final ratification.

13. **Approve** the HRA Capital expenditure and financing to acquire up to 375 affordable dwellings from the Bridge Close JVLLP, detailed in paragraphs 3.20.1 to 3.20.5 and **Appendix 2a** of this report and **refer it to full Council** for final ratification.

14. **Agree** to delegate to the Lead Member for Housing, after consultation with the Director of Neighbourhoods, the Monitoring Officer and the s151 Officer, authority to finalise agreement on the terms of the acquisition of affordable housing on Bridge Close referred to in recommendation 13.
.
15. **Agree** to redirect both the balance in the RTB debt repayment reserve and future RTB attributable debt receipts towards the funding of the Estate Regeneration Programme and associated vacant possession costs.

16. **Agree** to release balances and redirect the proceeds from the disposal of HRA shared ownership properties and other HRA disposals towards the funding of the Estate Regeneration Programme, associated costs of vacant possession and the HRA New Build Programme.

REPORT DETAIL

1. BACKGROUND

1.1 As reported previously to Cabinet, the Localism Act 2011 changed the financial system for the management of council housing. The new system has provided freedom and independence for the local management of council housing finance by comparison to the previous national subsidy system.

1.2 The new system started in April 2012, and so the Housing Revenue Account (HRA) budget now looks very different from budgets in previous years. The business plan is designed to provide long term management of the Council's housing assets. We have more freedom to direct our resources to the best and most cost effective management of the Council's housing stock. However, we do not have complete freedom – some aspects remain centrally controlled, such as the use of capital receipts and rent setting - as highlighted by the 1% reduction in rent.

1.3 This report sets out what HRA income the Council has available to spend on housing, sets out the current HRA financial position and proposed spending plans for 2018/19.

1.4 The central driving aims of the Council is to maintain the Decent Homes Standard for its existing stock, improve the quality of the housing service and maximise the number of new affordable homes built for local residents thus replacing some of the properties lost through Right to Buy and helping to reduce homelessness pressures in the General Fund.

1.5 The Council recognises that there is a need for good quality affordable homes, especially for vulnerable residents such as the elderly, those on low incomes and first time buyers, and has set out its ambition to meet these needs by using resources generated through the Council's Housing Revenue Account Business Plan. The Council also has ambition to use HRA new build development resources to facilitate in line with legislation and kick start regeneration of Havering.

1.6 Cabinet has received a series of reports since February 2016 detailing the new build plans and the specific sites and estates identified for regeneration. Cabinet have also received a review of the HRA Business Plan in November 2017 and have approved the award of preferred bidder status for the regeneration of the 12 Estates project.

1.7 However, there are many influences on the resources available to the HRA. These are all identified and quantified within the HRA Business Plan (HRA BP). The Business Plan is composed of various income and expenditure lines. Some of the lines in the HRA BP are under the complete control of the council, whilst some are impacted upon by Government policy and legislation.

The lines in the business plan that have a direct impact on the income into the HRA BP include:

- Any capping of Local Housing Allowance (LHA) levels.
- Rent policy regarding supported housing rents.
- Service charge recovery.

The lines in the business plan which impact on the levels of expenditure in the HRA BP include:

- Planned maintenance to existing stock.
- Responsive repairs costs to existing stock.
- Delivery of new build homes.
- Staffing costs.
- Financing costs of the borrowing in the HRA.
- Losses from bad debts, voids etc.

1.8 There is still uncertainty regarding the Government's proposed higher value sales programme proposed to fund the extension of the Right to Buy system to Housing Association properties. This could have an impact on the resources available in the HRA BP. However, as this is still unknown, the impact has not been included for the purposes of this report. As soon as final proposals are known and modelled for Havering, this will be reported back to Cabinet.

1.9 The tragic events at Grenfell Tower have led to the holding of a public enquiry as to the circumstances which led to the loss of so many lives. The early discussions have also centred on the potential for a detailed and comprehensive review of the current building regulations. The implications for landlords and building owners generally remain very uncertain. This is a key risk for the HRA Business Plan but as implications become clearer this will reported back to Cabinet.

2. INCOME

2.1 Rents

2.1.1 The Council's main source of income to manage its housing stock is tenants' rents. The setting of rents is directed by central government policy. The formula used to develop the HRA Business Plan from 2015/16 onwards, and as reported to Cabinet in February 2015, allowed rents to be increased by a maximum of CPI + 1% annually.

2.1.2 However, the previous Government required Councils to reduce rents by 1% against July 2015 levels for four years as part of on-going austerity measures. This reduces the rental income available to the HRA over the four years of the reduction by just below £8.000m. This reduces the income into the business plan model by £68.000m over 10 years and is a significant reduction. Two 1% annual reductions have been applied to tenant's rents so far. The third is the 2018/19 rent setting process via the Council's constitution.

2.1.3 The Government announcement on the 4th October 2017 has clarified rent setting policy for the medium term. After the four years of 1% reduction, it has been announced that the HRA will revert back to the original rent setting formula of CPI +1% for 5 years from 2020. The announcement was made with the following additional comment:

"As set out in the Housing White Paper, to help encourage more investment in social housing, government will create a stable financial environment by setting a long term rent deal for councils and housing associations in England.

Under the proposal set out today (04/10/17), increases to social housing rents will be limited to the Consumer Price Index (CPI) plus 1% for 5 years from 2020. This will give social tenants, councils and housing associations the security and certainty they need."

This provides certainty for rents in council housing up to 2025. In addition, it was announced that Government would carry out a consultation exercise on rents in 2018. For the purposes of the business plan, it has therefore been assumed that the rent increase guidelines of CPI + 1% will continue. The outcome of any future changes will be factored in to future budget reports provided to Cabinet.

2.1.4 The Government announced a one year exemption from the 1% reduction for supported housing in 2016/17. This is because the level of support provided to residents living in supported housing is higher and the maintenance and investment costs for the buildings are higher. Government is completing a review into supported housing rent policy and the outcome is awaited. However, for the next two years a 1% rent reduction is also being applied to supported housing rents and is included within the Business Plan with increases of CPI + 1% from 2020.

2.1.5 The capping of new rents at LHA levels is now effective. In Havering, the LHA levels for each bed size is above the levels of the 2017/18 rents and so there is no impact on the HRA BP. However, the LHA levels have been frozen for 4 years. This also has no additional financial impact on the HRA BP over and above the impact of the 1% reduction. Future announcements on LHA levels may have a future impact and this will be kept under scrutiny and reported annually as part of the rent setting report.

2.1.6 The level of rent recovery in Havering is extremely good. The national accepted level of good performance is in the region of 98%. For 2016/17, Havering achieved a level of 98.24%. Nationally this figure is top quartile performance and is the best figure Havering has achieved.

2.1.7 In 2017/18, the average rent including all rented units in Havering is £97.19. Applying the 1% reduction to all General Needs properties and to Sheltered Housing in April 2018 gives an average decrease of £0.97 per week. The average rent in 2018/19 will be £96.22 per week. This will mean that average rents are as set out in the table below:

	Rents 2017/18 52 weeks (£)	**Rents 2018/19 52 weeks (£)**	**Decrease (£)**	**Decrease (%)**
Bedsit	77.89	77.11	0.78	1%
1 Bed	84.46	83.61	0.85	1%
2 Bed	94.94	93.99	0.95	1%
3 Bed	113.43	112.30	1.13	1%
4 Bed	131.66	130.35	1.31	1%
5 Bed	147.47	145.99	1.48	1%
Average Rent	**97.19**	**96.22**	**0.97**	**1%**

2.1.8 This can be further broken down to show the impact on rents within general needs housing and sheltered housing accommodation as follows:

General Needs Housing 1% reduction:

	Rents 2017/18 52 weeks (£)	Rents 2018/19 52 weeks	Decrease (£)	Decrease (%)
Bedsit	76.71	75.95	0.76	1%
1 Bed	84.52	83.67	0.85	1%
2 Bed	94.94	93.99	0.95	1%
3 Bed	113.43	112.30	1.13	1%
4 Bed	131.66	130.35	1.31	1%
5 Bed	147.47	145.99	1.48	1%
Average Rent	**98.34**	**97.35**	**0.99**	**1%**

Sheltered Housing Accommodation 1% reduction:

	Rents 2017/18 52 weeks (£)	Rents 2018/19 52 weeks	Decrease (£)	Decrease (%)
Bedsit	80.37	79.57	0.80	1%
1 Bed	84.25	83.41	0.84	1%
2 Bed	95.51	94.55	0.96	1%
Average Rent	**83.88**	**83.04**	**0.84**	**1%**

The above tables show the average rent levels. Within those averages there are wide bands within the maximum and minimum rent levels. This is because the rent calculation takes into account the value of the property and floor area of individual properties.

2.1.9 The rent charged to hostel residents will reduce by 1 %.

2.1.10 By applying the rent changes for 2018/19, there is a continued annual reduction in rental income to the HRA. By the fourth year of applying a 1% reduction to General Needs housing rents, the HRA business plan loses £7.9m of annual income compared with the assumptions made and reported to Cabinet in February 2015. In order to mitigate the impact of this reduction significant steps have been taken to reduce costs and improve the efficiency of the service:

- Restructuring across the Housing Service reducing salary costs by just under 20%,
- Reduced void numbers and void property turn around times to well above the London top performance levels. In November 2017, the number of void properties available to let, including sheltered, was 38 and the turn-around time for a void property was 9.25 calendar days.
- Reducing levels of costs within the repairs service through improved efficiency leading to cost certainty.

- Realigning the capital investment programme away from planned expenditure to a 'just in time' approach, allowing an annual reduction of £2.5m on capital works whilst still maintaining standards of property. No further reduction is being proposed for 2018/19.
- Improved efficiency levels in general across the housing service by improved ways of working, lean design and reduced waste and duplication.

2.1.11 The decreased income from the rent reduction will be offset by these measures. The HRA will therefore be able to maintain the condition of the stock and continue to provide services that meet the needs of the residents. The level to which the HRA is now able to support new build is detailed in Section 5 of this report.

2.2 Service charges

2.2.1 The aim of the Council, in respect of service charges, is to ensure that those receiving the service are paying for them. We are now in a position where the cost of each service can be fully recovered from the service charges raised. Work has also been done to improve the value-for-money of some services, either by reviewing the staffing and costs of the service, or by renegotiation of contracts with some service providers. There will continue to be a regular programme of reviews of services, in order to ensure that we remain aware of the views of tenants on the levels of services that they wish to pay for.

2.2.2 The basis for calculation of service charges is to ensure full recovery of the cost of the service. Continuing on from last year, following the completion of the restructure and improvements to services along with corresponding reductions in central support charges, the full cost of services is being calculated to include associated overheads. Overheads have not previously been included in service charges but going forward these will be calculated on an annual basis and included. This is accepted practice where landlords are able to fully justify the cost base and calculation method. In order to cap any increases and mitigate potential financial impact on residents a limit of 25% has been applied to the increase on each service charge line. On that basis the service charges and heating and hot water charges for 2017/18 are detailed in the following table:

Service Charges	2017/18 Weekly charge – 48 weeks (£)	2018/19 Weekly charge – 48 weeks (£)
Caretaking	4.73	5.06
Internal Block Cleaning	1.95	2.44
Bulk Refuse Collection	0.50	0.52
CCTV - Mobile Service	0.56	0.70
CCTV - Static Service	1.51	1.47
Community Wardens	1.09	1.10
Door Entry	0.30	0.32
Ground Maintenance	4.29	3.98
Sheltered Cleaning	4.48	5.60
TV access	1.71	1.83

Heating	7.29	6.44
Heating and Hot Water	10.69	9.82

2.2.3 It is proposed that service charges for hostel residents will increase to £26.68 per week (£25.65 in 2017/18). Service charges in hostels cover the maintenance of the hostel communal areas, as well as 24 hour staffing. The basis for this calculation is also to ensure full cost recovery.

2.3 **Garages**

2.3.1 It is proposed to increase the level of charges for garages in 2018/19 by 7.5%. There are currently a range of charges for garages within the high, medium and low demand bands. However, there are over 50% of the garages vacant at the present time due to the poor condition of the buildings and sites where garages are situated. There is a significant investment programme needed to bring the buildings and sites up to good standards that will enable better utilisation of this asset and increase revenue whilst at the same time improving the amenities for residents. The increased charges will enable revenue to be raised to carry out the much needed improvements and support a review of the garages and parking arrangements. This issue of one of our tenants key priorities and will need to dove tail into a wider borough wide strategy. The increase means that the average charge for a high demand garage will be £14.45 per week (£13.44 in 2017/18), £13.46 per week (£12.52 in 2017/18) for a medium demand garage and £10.47 per week (£9.74 in 2017/18) for a low demand garage.

2.3.2 These charges compare favourably with charges in the private market which range from £31.25 per week to £15.63 per week depending on location, size and condition.

2.4 **Support charges – mobile support**

2.4.1 The mobile support service visits residents in their homes and was formerly funded by a Supporting People grant, which met the charges for elderly residents. The Housing Service has previously implemented a service funded through a mix of HRA funding and service charges that tenants opted for following consultation. When the new service was being designed, the funding was to be derived from an equal contribution from rent and service charges. Good practice, as adopted for general service charges, is that support costs are de-pooled from rent costs. The Council is therefore embarking on a programme to ensure this service is paid for via service charges. This will be linked to the Older Persons Housing review outcomes. Over the next couple of years, several sheltered schemes will close and three will be redeveloped. In addition, the remaining sites will have improved scheme manager resources so that they can become community hubs for residents not living in the schemes to help tackle social isolation. The move to cost recovery via service charges will be linked to the modernisation of this service and will be completed over three years. As with the general service charges detailed above, in order to cap any increases and mitigate potential financial impact on residents a limit of 25% has been applied to the increase. In addition, the rent for sheltered housing is being reduced by 1%. The service charge for 2018/19 will be £8.54 per week (52 weeks) (£8.21 in 2017/18).

2.5 **Service charges – Careline and Telecare support**

2.5.1 It is proposed that the Careline and Telecare service charges will be increased by 4% for 2017/18 as detailed below:

Service	Weekly support charge in 2017/18 – 52 weeks (£)	Weekly support charge in 2018/19 – 52 weeks (£)
Careline – sheltered tenants	4.53	4.71
Careline – community users	4.84	5.03

Service	Weekly support charge in 2017/18 – 52 weeks	Weekly support charge in 2018/19 – 52 weeks
Telecare – base unit plus two sensors	7.03	7.31
Additional Telecare sensor	1.16	1.21

3. THE HRA BUDGET 2018/19

3.1 The major expenditure from the HRA BP is the investment in existing stock or the capital programme. The level of expenditure is controlled by each local authority and is dependent on the investment levels in the Asset Management Strategy (AMS). The proposed budget continues the AMS principle for investment in existing stock of "just in time" as reported to Cabinet in October 2016 and February 2017. The impact of this change is to reduce the average annual expenditure from £13.9m to £8.600m, a reduction of £5.300m per year. Over the 30 years of the HRA BP, this amounts to a reduction in spend of £159.000m.

3.2 As detailed in the AMS, this level of expenditure allows the decent homes levels to be maintained and all health and safety requirements to be met. In order to meet the decent homes target planned expenditure on new kitchens, bathrooms and electrical systems remain at previous levels. What reduces is the high level of "hypothetical" investments in building elements that would be unnecessary, such as walls, chimneys and roofs.

3.3 The expected level of expenditure on the repairs service will continue at an average of £6.632m per year. This projects spending of £705 per year per property, a level that is considered good performance for the type of properties Havering owns along-side a robustly-managed repairs contract

3.4 The restructuring of the Housing Service completed in April 2016 reduced the staffing costs to the HRA of £1.700m per year, a reduction of 20%. Across the 30 year HRA BP this reduced the cost by £51.000m. A detailed review has also been completed associated with other associated costs to reduce expenditure whilst maintain services.

3.5 The update to the HRA Business Plan presented to Cabinet in November 2017, made the assumption the HRA will not need to utilise the full level of borrowing permissible under the HRA reform rule. However, this is subject to a number of key assumptions, any change in which may require the HRA to utilise the full level of borrowing. The “borrowing cap” is a tool introduced by Her Majesty’s Treasury limiting the borrowing in the HRA. The HRA is not allowed to use prudential borrowing rules where the borrowing level is restricted by its ability to repay the debt through the revenue generated through borrowing. This “cap” therefore restricts the borrowing levels to around half of the amount were prudential borrowing rules applied. The borrowing cap for the Havering HRA is £209.003m. The gap between the actual borrowing and the cap is termed “headroom”. The current level of borrowing is £174.669m which leaves headroom in the HRA Business Plan of £34.334m. However, were the Council to agree a move to an accelerated payment methodology to the Bridge Close JVLLP to acquire 375 affordable units, this would require the Council to borrow an additional £17.7m by the close of 2025/26. Under an accelerated payment commitment, the Council would make regular stage payments (in line with the construction programme) in consideration of the grant of head lease interests in shared ownership units. This would bring the total borrowing in the HRA up to £192.4m. The full costs of borrowing are included within the Business Plan.

3.6 It is anticipated that the high level of performance around void properties will be maintained. The vastly improved void loss of £0.700m per year (1.6%) has been included in the proposed budget.

3.7 Despite the implementation of universal credit and payments direct to new applicants, the arrears and losses figures have remained low. The introduction of Universal Credit (UC) for all applicants introduces a significant risk to the levels of arrears in the HRA that will need constant monitoring and attention. The bad debt provision is proposed at £0.665m per annum based on a collection rate of 98.24%.

3.8 As the main level of income to the HRA BP comes from rents, it is imperative that the number of rental properties is maximised. The current HRA BP expects to lose 80 properties per year through RTB. This reduces rental income by around £0.277m per year, assuming a full year loss of income per property.

3.9 As increased demand for properties continues and the number of families presenting as homeless rise, there is a trend for more families to be housed for longer in the hostels and there is a risk that the council will need to resort to the use of expensive B&B emergency accommodation. This is a General Fund cost. More properties available in the HRA mean more properties available for permanent housing and therefore reduced spend on B&B in the GF.

3.10 In addition, changes to the costs of temporary accommodation are adversely impacting on the General Fund. The detail of these pressures was included in the budget report presented to Cabinet in January 2018. The increased costs of procuring temporary accommodation in the private rented sector and reductions in benefit subsidy to pay for temporary accommodation. One way of mitigating these rising pressures is to build new homes that can be accessed by local people who are facing homelessness.

3.11 The HRA BP resources can be used to fund new build and can be augmented by right-to-buy receipts. Failure to use right-to-buy receipts in this way would see the Council having to pay the receipts over to the DCLG with additional interest. Some council housing new build schemes have also attracted grant from the GLA. The Council have been awarded just over £30.296m from the GLA for the affordable housing provision on the first three sites in the HRA 12 sites project. Those sites are Waterloo Estate in Romford, Napier and New Plymouth Houses in Rainham and Solar, Serena, Sunrise sheltered scheme in South Hornchurch.

3.12 The HRA BP presented to Cabinet in November 2017 identified a total of £169.000m available within the HRA BP over the next 10 years that was available for investment in new units of affordable housing to help replenish losses of units through the right to buy and to help local people access affordable housing. This report therefore updates Cabinet on the progress of the land and estates review already in progress. It also updates Cabinet on the financial impact of the HRA new build programme and in particular the impact of the work carried out in relation to the HRA 12 sites project.

3.13 The focus of new build units is to provide general needs rented properties, low cost home ownership and supported housing for Havering residents. This will be achieved by looking to build on unused or derelict land in the HRA, such as garage sites as well as looking to maximise the number of units on existing estates where there are opportunities for estate regeneration or in-fill developments plus opportunities to purchase affordable housing on other regeneration sites in Havering. The additional resource is also to be used to focus on out dated units, such as bedsit sheltered units and those estates where there is a negative or low value to the HRA.

3.14 As previously reported to Cabinet, the council's preferred method to deliver this project is via a Joint Venture so that the council retains the long term ownership of the land and exerts control over the developments carried out. This also enables the council to share in the proceeds of the venture so that additional value can be used to extend the regeneration of estates across the borough in the future. The procurement exercise was carried out via competitive dialogue and the preferred bidder stage approved by Cabinet in January 2018.

3.15 The HRA BP update report presented to cabinet in November 2017 detailed the impact of the 12 Estates project and other regeneration projects across the borough. The basis of this report is the assumptions and proposed budget structure outlined in that report.

3.16 The continued provision of temporary resource of 2 full time equivalents (FTEs) in the Home Ownership and Leasehold Team to support the delivery of the Estate Regeneration Programme by the re-purchase of leasehold and freehold properties. A provision of £0.070m has been made for this.

3.17 Attached at **Appendix 1** is the proposed HRA budget for 2018/19. A summary of the main movement from the 2017/18 budget is as follows:-

	(£)
Revised Expenditure Budget 2017/18	**57,185,960**
Provision for pay award and additional resourcing requirements (para 3.18.1)	521,810
Tenants Insurance Adjustment (para 3.18.2)	184,610
Hostels Security (para 3.18.3)	250,000
Contract Inflation (para 3.18.4)	211,550

Decrease in SERCOP Recharges (Support Charges) (para 3.21.1)	(159,050)
2018/19 Original Expenditure Budget	**58,194,880**
Revised Income Budget 2017/18	**(55,747,740)**
Rent decrease	630,440
Increase in Service Charges	(135,520)
2018/19 Original Income Budget	**(55,252,820)**
Net Budget	**2,942,060**
Decrease in Capital funded by revenue	(8,101,730)
Net Budget after Capital Adjustment	**(5,159,670)**

3.18 *Reasons for variation – growth and additional cost items*

3.18.1 A provision has been made for a 1% pay award, at a cost of £0.110m. The pay negotiations however continue for London authorities and in light of the latest information the pay award is expected to be 2.38% in 2018/19 and this brings an additional pressure of £0.151k. The HRA has historically taken a prudent approach to budgeting for salaries, to cover the maximum impact of the incremental drift and staff reaching the top of grades over the long term. This ensures there is a provision to cover fully funding the structure at the maximum potential cost. In order to achieve this, it is necessary to increase the salary budgets by £0.412m. This will prevent incremental progression arising in future years.

3.18.2 There has been a reduction in the numbers of Tenants wanting to take advantage of the Insurance Scheme offered by Housing. This has resulted in a budget reduction of £0.185m.

3.18.3 A provision of £0.250m has been allowed to cover the costs for providing security and cleaning services to the Hostel accommodation. The provision of these services will be reviewed during 2018/19 to establish the most effective service option.

3.18.4 Contract inflation has been allowed for to the sum of £0.212m.

3.19 12 Sites Joint Venture Funding

The remaining provisions for expenditure in 3.19.1 to 3.19.8 below relate to the 12 sites Joint Venture proposal agreed at Cabinet on the 17th January 2018. One of the recommendations agreed at that Cabinet was:

That Cabinet:

1. ***Approve** the inclusion of a budget of £63.3m equity for the scheme together with a budget of £50.5m for potential land acquisition/CPO costs within the proposed HRA capital programme that will be considered by Cabinet in February 2018 in the annual rent setting and capital programme report and this is recommended to Council for final approval in February 2018.*

Items 3.19.3 to 3.19.8 are capital requirements, which are included in the table in Appendix 2a and are the first 5 years funding requirement from the current 15 year programme for the 12 Sites JVLLP .

3.19.1 The capital programme will be required to provide initial equity of £63.3m. Of that, £59.7m is in the form of land value, agreed at the point the land is transferred into the JV with the benefit of planning approval and £3.637m is cash to fund pre-development costs. The impacts of these are both contained within the HRA Business Plan and the expected first five years land transfer value are included in the 5 year capital programme in Appendix 2a. See 3.19.6 and 3.19.7 below

3.19.2 The funding for land acquisition/CPO costs of £50.5m relate to achieving vacant possession of the leasehold, freehold and tenanted properties. The budget requirement identified below is £37m. When added to the £13.5m already agreed by Cabinet for 2017/18, this accounts for the £50.5m. See 3.19.3 and 3.19.4 below.

3.19.3 The funding of £2.3m has been allowed for the provision of decanting services associated with the Estate Regeneration Programme. This includes the direct costs relating to statutory home loss payments, disturbance payments and for two FTE posts for specialist Rehousing/Decant Officers. It is expected this provision will be required until the end of the 2019/20 financial year, being the planned decanting time table.

3.19.4 A revised provision of £21.20m has been allowed for the costs associated with the re-purchase of freehold and leasehold properties (Buy Backs) where the Estate Regeneration Programme will be carried out for 2018/19. It is expected a provision of £11.20m will be required until the end of the 2019/20 financial year, being the planned site assembly time table.

3.19.5 A provision of £0.50m has been allowed in 2018/19 for the funding of set up costs of the JV LLP to deliver the Estate Regeneration Programme.

3.19.6 A provision of £3.502m has been allowed for 2018/19 and £0.135m for 2020/21(total £3.637m) for the funding of two cash vouchers to the JVLLP to cover pre development costs.

3.19.7 The expected initial five year land value transfers into the JVLLP are detailed in Appendix 2a. They amount to a total value of £29.227m between 2019/20 and 2022/23.

3.19.8 An additional provision of £2.00m has been allowed in 2018/19 for the funding of a contingency allowance for the 3 year period of the programme. This is to mitigate the risks of any increased cash draw down associated with the JV LLP should initial estimates vary to the final agreed programme. This prudent measure is recommended by senior accountants within Finance Services. Should this not be the case the resources would be made available for additional HRA investment projects**.**

3.19.9 The Council is currently in the process of applying for two types of funding from the GLA in connection with the 12 Sites project. The first was reported to Cabinet in January and is for £30.2m of affordable housing grant money to help provide the affordable housing on the first four sites. This is expected to be signed off by the Council and the GLA during February 2018 with the agreement and signing of formal contracts. Until the formal contracts are signed however, this funding is at risk. Not receiving this funding could impact on the level of affordable homes provided on the estates but would not impact severely enough on the financial aspects of the project to put it at risk and would be mitigated by any increase in land values above the prudent level assumed in the 12 Sites financial modelling.

3.19.10 The second offer of assistance is via Housing Zone money originally reported to Cabinet in June 2016. This funding is for £2.7m and is specifically to assist with the purchase of existing land holdings. This is also expected to reach formal approval stage during February 2018. Whilst all amounts of funding is welcomed and would be used to deliver increased affordable housing, the failure to agree the contract on this funding would not be significant in the overall financial modelling.

3.19.11 Both the above funding opportunities will be subject to further formal decisions.

3.20 Bridge Close Joint Venture – Acquisition of Affordable Dwellings

The remaining provisions for expenditure in 3.20.1 to 3.20.5 below relate to the acquisition of affordable housing from the Bridge Close JV LLP proposal. The November HRA Business Plan Update presented at Cabinet on the 15th November 2017 noted;

This report identifies a provision within the HRA BP of £55.000m over 7 years from 2020 to deliver this aspiration whilst adding significantly to the asset base in the HRA. This allocation could provide for a further 300 units subject to how the purchases are negotiated. This will be financed through a combination of 1-4-1 RTB receipts, GLA grant funding where available and HRA capital resources.

3.20.1 This assumption was predicated on delivering a 30% affordable housing solution (320 units, 106 units for rent and 214 low cost home ownership units). The expectation of officers however was to seek to increase this figure to 35% and indeed, this was the challenge referred to when the report was presented to Cabinet in November 2017. The GLA have subsequently offered to increase the level of grant to £13.940m for the provision of 35% affordable housing: 375 units, 106 units for rent and 269 low cost home ownership units.

3.20.2 Increasing the level of affordable housing to 35% will require the capital programme to set aside a provision of £128.3m from 2019-20 to 2026-27 to cover the cost of acquiring the affordable units, including SDLT and make provision for payment of receipts from the disposal of shared ownership interests to the Bridge Close JVLLP. This will require further HRA resources to be made available.

3.20.3 Funding, including the proceeds from the disposal of shared ownership interests, has been identified to reduce the overall net capital commitment from £128.3m to £55.9m, which compares to the net capital commitment of £36.7m (overall commitment of £55m) as reported in the November HRA BP updated presented to Cabinet in November 2017.

3.20.4 As such it is forecast that the Council's current HRA level of borrowing will increase from £174.7m to £192.4m by the close of 2025/26 in order to achieve this additional affordable housing provision.

3.20.5 The detail of the financial impact to increase the affordable housing provision is still under negotiation between the JVLLP and the GLA (in relation to the terms of the grant). Once the final terms are reached there will be a need to delegate to the Lead Member for Housing, after consultation with the Director of Neighbourhoods, the Monitoring Officer and the s151 Officer, authority to finalise the agreement. This is identified in recommendation 14.

3.21 *Reasons for variations – lost and reduced income*

3.21.1 A provision has been made for the loss of income (rent and service charges) from properties sold under RTB. For 2018/19 this loss is expected to be £0.277m.

3.22 *Reasons for Variation – savings items*.

3.22.1 In line with the principles set out in paragraph 4.2., further work associated with validation of the stock condition has continued during the financial year. As a consequence, no further savings have been identified from the 2016-17 forecasts. Notwithstanding this has resulted in an average saving of £1.54m across ten years of the business plan.

3.22.2 As a result of the work, supported by the Chartered Institute of Housing (CIH), a detailed review of the Repairs Service and associated costs was completed. The improvements that have been made relate to service delivery, a reduction in demand and improved efficiencies led to a reduction in costs in 2017/18. An annual saving of £0.500m continues to be reflected in the budget.

3.23 *Miscellaneous*

3.23.1 Central Services recharges have decreased by £0.159m. This is the result of a reduction in central costs, in conjunction with the apportionment changes for the staff based recharges, as a result of headcount reductions due to the restructure implemented in April 2016.

4. MAJOR WORKS BUDGET – HRA 2018/19 – 2020/21 major works resources and proposed spend

4.1 With the introduction of Self Financing in 2012, and as reported to Cabinet in the 2015/16 HRA Budget setting report, it was anticipated that it would be possible to plan major works expenditure beyond one year at a time with certainty. However, as described elsewhere in this report, the 1% reduction in rent for four years has impacted on the ability to do this.

4.2 In order to reduce spend on capital programme items that were unnecessary e.g. the renewal of roofs that still had a serviceable life, the Asset Management Strategy was reviewed and the investment strategy moved from a planned and preventative basis to a "Just in Time" basis. This was reported to and agreed by Cabinet in February 2016. This has reduced capital expenditure by over £80m across the 30 year Business Plan life, or around £2.5m per year. 2016/17 was the first year of the JIT regime. The agreed methodology included a higher rate of validation inspections. These inspections are carried out prior to confirming works to the stock. Surveyors visit and check that the works that have been planned are actually required in order to ensure that only work to defective elements is carried out. Those inspections have enabled further reductions in planned works as they have identified that works expected to be needed are not required.

4.3 The annual planned maintenance levels as contained within the Asset Management Plan amount to an average annual expenditure figure of £6.6m across the period 2018/19 – 2020/21.

4.4 The decent homes principle continues and the decent homes target of 98% continues to be achieved.

4.5 The main source of funds for investment in the existing stock stems from tenants' rents. Surpluses in rental income net of day-to-day management and maintenance of the stock and meeting the costs of borrowing can be converted to investment in major projects.

4.6 These HRA resources can also be used to fund new build. HRA Business Plan resources for this purpose can be augmented by right-to-buy receipts as the Council has an agreement with the GLA to use 100% of the usable element of right-to-buy receipts on the building of new social housing within three years of their generation. Failure to use right-to-buy receipts in this way would see the Council having to pay the receipts over to the GLA with additional interest. Some council housing new build schemes have also attracted grant from the GLA.

4.7 Another element of expenditure on the Housing stock which should be taken into consideration is expenditure on responsive works. These works are for routine repairs and regular servicing of gas appliances and various testing regimes. As part of the CIH Action Plan, work continues to establish the value added to the overall stock from these repairs and any compensatory reduction in planned maintenance forecast within the Asset Management Plan. An example of this is to standardise materials and components so that supply chain relationships can be utilised to reduce costs.

4.8 Contained within this report is a major investment programme for sheltered housing. As part of the regeneration programme and review of older persons housing, the remaining sheltered housing schemes are being improved to ensure that they are fit for purpose and meet the requirements of an aging and frailer community, including making improvements to create dementia friendly schemes. A wide ranging consultation programme with the residents in schemes has informed this investment. The type of work to be included will be the completion of the bedsit conversion works, installations of lifts in all schemes, improvements to CCTV systems and improvements to communal lounges and gardens. This investment programme will see £4.7m invested in the schemes over two years culminating in 2018/19.

4.9 The full proposed Major Works programme – covering investment in the existing council housing stock and building of new properties – for the three years 2018/19 to 2020/21 is included in **Appendix 2a**. Appendix 3a, shows a 10 year extract from the Business Plan which identifies surpluses of £15.836m. This will be used to support the Estate Regeneration Programme.

5. 30 year Business Plan 2017/18 to 2047/48

5.1 Attached at **Appendix 3a and 3b** are extracts from the reworked HRA Business Plan financial model. Years 1 to 10 have been included. Year 1 of the business plan is based on the 2017/18 proposed budget.

5.2 The plan for the HRA is based on keeping a minimum of £2.5m in working balances and using current reserves above this figure to invest in the major works programme. It has been assumed that all available resources over and above those required for revenue spend, payment of interest on debt and maintaining reserves at **£2.5m** are available for major works, for as long as the stock condition survey need to spend exists, and new development.

5.3 There have been a number of changes to the Business Plan since it was first approved in February 2012. In particular, the Government changes to Right to Buy have increased the number of sales completed above that originally anticipated and is currently running at an average of 100 per year. In addition, now that the majority of borrowing (self financing debt) has been fixed at 3.26% for the next 11 years this has stabilised the long term interest charges in the Business Plan at a very low level. There is a significant beneficial impact caused by the Council's proposals to move directly to formula rents in 2015/16. However, the latest negative impact has been the 1% reduction in rent levels against July 2015 levels. This reduces the rental income available to the HRA over the four years of the reduction by approximately £7.9m. This reduces the income into the business plan model by £68m over 10 years and is thus a significant change.

5.4 The Government "high value sales levy" policy has been delayed with no indication on a time table for a decision. The impact of this is therefore still unknown. However, the serious risk to the sustainability of this policy change remains a significant if unquantified risk. Once details are known and the impact calculated, it will be fully reworked and re-presented along with any subsequent changes to expenditure levels that are required to produce a balance Business Plan.

5.5 The "pay to stay" regime is now a discretionary policy and the proceeds will no longer be paid over to the Treasury. Instead any additional income can be retained by the Local Authority. This would therefore have a potentially positive impact on the HRA Business Plan if implemented. During 2017/18, officers reviewed the possibility of implementing such a scheme, linking the rents paid and income levels of residents to the income level of £36k per year contained in the new Allocation Policy. The results of this work identified that the costs of implementation and administration would exceed any income increase received by the HRA. This will be kept under review should there be any changes associated with access to residents earnings become more accessible.

5.6 Reduction in costs associated with salaries, the move to the JIT principle and improved efficiency in the repairs service along with increased income associated with improved rent arrears and reduced voids numbers mean that the pressures identified above have been mitigated and a significant provision in future years has been identified to support the Estate Regeneration Programme that will see up to 3,200 homes built over 12 years.

6. CONCLUSION

6.1 The Self Financing Business Plan extracts (**Appendix 3a and 3b**) show that the Council is able to maintain and improve its stock and provide good quality housing services over the next 3 years. The Housing Revenue Account budget which is set out in this report is a prudent budget, designed to maintain a good level of service, and inject further resources into a programme of major investment in the housing stock that will maintain the Decent Homes standard of existing housing stock and provide significant funding for a wide-ranging estate regeneration programme

REASONS AND OPTIONS

Reasons and Options

Reasons for the Decision

The Council is required to set the housing rent, service charges and a budget in accordance with the Local Government and Housing Act 1989.
Alternative Options Considered

There are no alternative options in so far as setting a budget is concerned. However, there are options in respect of the various elements of the budget. These are considered in preparing the budget and cover such things as the rent and service charge increases, budget growth and major works programme proposals. The rationale for the levels of investment and levels of charges are contained within the body of this report.

IMPLICATIONS AND RISKS

Financial implications and risks:

HRA Revenue

This report largely concerns the financial implications and risks concerning the setting of the HRA budget for 2018/19 and the revision of the figures for the 30 year Self Financing Business Plan. The HRA is sufficiently robust to generate a minimum estimated annual working balance reserve of £2.5m at the end of 2017/18 and for the following 3 years.

In addition to £2.5m reserves on the HRA, the following estimated provisions / reserves are predicted as at 31 March 2018:-

- Bad and doubtful debt provision of £3.129m (including leaseholder major works) - calculated according to best practice
- Leaseholder Major Works Reserve of £2.918m – this is the balance remaining on the reserve. £0.200m is generated from this reserve each year as a contribution to the HRA Investment programme.

The impact of the third year of the Government’s 1% rent reduction will see income levels fall by £1.4m.

HRA Investment Capital Budget

Appendix 2a sets out the Major Works Programme 2018-20. This is funded from resources available for housing expenditure, which is summarised in the table below: -

	2018-19	2019-20	2020-21	2021-22	2022-23	5 Years
Capital Requirement	**51.7**	**31.1**	**21.4**	**42.8**	**39.8**	**186.8**
Funding						
Major Repairs Reserve	-10.1	-1.1	0	-1.8	-0.0	-13.0
Shared Ownership Proceeds	-8.0	0	0	-0.5	-5.3	-13.8
Grants	-2.8	-2.2	-8.9	-3.7	-4.8	-22.4
RTB 1-4-1	-7.5	-4.0	-0.9	-0.9	-0.9	-14.2
RTB Allowable Debt Receipts	-11.7	-5.8	-1.9	-1.1	-1.1	-21.6
HRA Resources	-11.6	-12.9	-7.9	-13.9	-26.3	-72.6
Land Receipts	0	-5.1	-1.8	-20.9	-1.4	-29.2
Total Funding	**-51.7**	**-30.1**	**-21.4**	**-42.8**	**-39.8**	**-186.8**

The capital programme incorporates the HRA capital funding requirements for the 12 Estates JV LLP and sets aside sufficient capital resources to fund the acquisition of 375 affordable dwellings (35% affordable) from the Bridge Close JV LLP. These commitments will require the Council (HRA) to borrow an additional £17.7m by the close of 2025/26.

There will however, be a need to refinance certain loans as they mature over the 12 Estates JV LLP development and sale period. This has been factored into the business plan. In the November 2017 cabinet report, approximately £50.5m of loans were scheduled to mature and require refinancing but given the programme is likely to be extended by a further two years; the Council will need to consider refinancing an additional £30.4m. However, current forecasts suggest that the Council should receive sufficient cash returns from the 12 Estates JV LLP to avoid the need to refinance debt beyond 2027-28 thereby reducing the overall refinancing requirement to £19.3m.

It should be noted that it is likely further HRA borrowing cannot be avoided if either current regeneration schemes are expanded in scope or new schemes are approved. Careful consideration will need to be given to finding the right balance between borrowing, revenue resources and cash returns from the 12 Estates JVLLP. Consideration should be given to reviewing the minimum HRA reserve threshold (currently £2.5m) with a view to ensuring adequate funds are in place to service additional debt albeit temporarily.

Risks

The introduction of the Governments “higher value sales levy” policy has been delayed and as such the risks, whilst expected to be significant, cannot as yet be quantified.

The Governments intentions after the four’s years of rent reductions have now been clarified and the assumptions made within the business plan are prudent.

Legal implications and risks:

Under Part VI of the Local Government and Housing Act 1989 any local authority that owns housing stock is obliged to maintain a Housing Revenue Account. The HRA is a record of revenue expenditure and income in relation to an authority’s own housing stock. The items to be credited and debited to the HRA are prescribed by statute. It is a ring fenced account within the authority’s General Fund, which means that local authorities have no general discretion to transfer sums into or out of the HRA. The Council is required to prepare proposals in January and February each year relating to the income of the authority from rents and other charges, expenditure in respect of repair, maintenance, supervision and management of HRA property and other prescribed matters. The proposals should be made on the best assumptions and estimates available and should be designed to secure that the housing revenue account for the coming year does not show a debit balance. The report sets out information relevant to these considerations.

Section 76 Local Government and Housing Act 1989 places a duty on local housing authorities: (a) to produce, and make available for public inspection, an annual budget for their HRA which avoids a deficit; (b) to review and if necessary, revise that budget from time to time and (c) to take all reasonably practicable steps to avoid an end-of-year deficit. The proposed HRA budget fulfils these requirements.

The report seeks approval for major investment estimates in relation to a variety of schemes. In compliance with Section 151 of the Local Government Act 1972, the Council has in place Financial Regulations and Financial Procedures which provide appropriate arrangements for the approval of major works estimates. The various major works schemes must be capable of being carried out within the Council’s statutory powers. To the extent that the details of the schemes appear from the body of the report, it does appear that the proposed works meet this requirement. In particular the maintenance and repaid of dwellings may be considered consistent with the Council’s repairing obligation under Section 11 of the Landlord and Tenant Act 1985.

To comply with the Welfare Reform and Work Act 2016, the report also seeks Cabinet agreement to a 1% reduction in rent levels for general needs and supported housing. Although Havering’s tenancy agreement requires at least 4 weeks notice of a variation in rent, pursuant to section 28 of the WRWA 2016, a term is implied into the Council’s tenancy agreements enabling the 1% rent reduction without prior notice where the reduction is made for the purpose of complying with the Act. The provisions for variation of the terms of a secure tenancy under the Housing Act 1985 also take effect subject to section 28. However, to the extent that increases will be made to service charges, then the provisions as to notice of variation under the tenancy agreement and the Housing Act 1985 remain applicable.

Human Resources implications and risks:

None specific.

Equalities implications and risks:

An equalities impact assessment has been carried out. Of note, rent levels are influenced by central government. Furthermore, best practice and guidance dictates that service charges should be set at a level which covers the cost of providing the service to which the charge relates. Therefore, the Council cannot operate in an unfettered way within regard to the rents and service charges it sets. That said, the Council has examined the proposals in this report from an equalities perspective.

60% of council tenants are in receipt of Housing Benefit. The proposed rents and service charges eligible for housing benefit are within the housing benefit caps for Havering, therefore those in most financial hardship, which can include particular minority groups, will be protected.

The major works programme makes available resources to bring forward works to make the remaining sheltered bedsits with shared bathrooms / showers fully self-contained. This will advantage this section of the community who are people over the age of 55.

The Council will monitor the impact of the increase across protected characteristics. We will ensure that anyone affected by the increase has equal access to advice and information in relation to income maximisation should they be unable to meet their rent/service charge liabilities. We will follow the guidelines set out in the income maximisation policy. The EIA will be updated in 6 months with information provided through the monitoring process and if required further activity will be undertaken to mitigate any adverse impact.

BACKGROUND PAPERS

There are none.

APPENDIX 1 – HRA budget 2018/19

	2017-18 Final Budget	2018-19 Final Budget	Variance
Income and Expenditure	£	£	£
Income			
Dwelling rents	(47,143,540)	(46,513,100)	630,440
Garages	(346,870)	(346,870)	
Charges for services and facilities - Tenants	(6,058,310)	(6,193,830)	(135,520)
Charges for services and facilities – Leaseholders	(1,574,340)	(1,574,340)	
Shared ownership	(113,980)	(113,980)	
Other	(445,890)	(445,890)	
Total Income	**(55,682,930)**	**(55,188,010)**	**494,920**
Expenditure			
Repairs and maintenance	6,453,740	6,631,830	178,090
Supervision and management plus recharges	24,178,370	25,009,200	830,830
Depreciation and impairment	16,590,400	16,590,400	
Debt management costs	47,820	47,820	
Bad debt	665,000	665,000	
Total Expenditure	**47,935,330**	**48,944,250**	**1,008,920**
Net cost of HRA services	**(7,747,600)**	**(6,243,760)**	**1,503,840**
Interest payable and similar charges	5,853,300	5,853,300	
Interest and investment income	(64,810)	(64,810)	
Surplus or deficit for the year on HRA services	**(1,959,110)**	**(455,270)**	**1,503,840**
Statement on movement of HRA balances			
Surplus or deficit for the year on HRA services	**(1,959,110)**	**(455,270)**	**1,503,840**
Major works expenditure funded by the HRA	19,737,732	11,636,000	8,101,732
Depreciation and impairment Contra)	(16,340,400)	(16,340,400)	
Net (income)/Expenditure	**1,438,222**	**(5,159,670)**	**(6,597,892)**
HRA balance brought forward	(2,830,058)	(10,694,175)	
Net (income)/Expenditure	1,438,222	(5,159,670)	
Unallocated 16/17 Capital	(9,302,339)		
HRA balance carried forward	**(10,694,175)**	**(15,853,845)**	

Appendix 2a – Funded 2018/19 – 2022/23 HRA Major Works Capital Programme

Major Works Programme 2018-23

	18/19	19/20	20/21	21/22	22/23	5 yr totals
New Build Programme and pre-commitments in 2016/17	**£M**	**£M**	**£M**			**£M**
New Build Programme (funded)	8.085	1.622	0.000	0.000	0.000	9.707
Other Capital Schemes (funded)	5.300	0.000	0.000	0.000	0.000	5.300
Total	**13.385**	**1.622**	**0.000**	**0.000**	**0.000**	**15.007**
Stock Upkeep works to maintain standards including Major Repairs						5 yr totals
Major Voids	0.270	0.270	0.270	0.275	0.281	1.366
Structural	0.050	0.050	0.050	0.051	0.052	0.253
Electrical Upgrade/Mains Supplies	0.100	0.100	0.100	0.102	0.104	0.506
Legionella	0.170	0.170	0.170	0.173	0.177	0.860
Fencing / Boundary Walls	0.050	0.050	0.050	0.051	0.052	0.253
Drainage/Sewers	0.050	0.050	0.050	0.051	0.052	0.253
Asbestos Removal/Management	0.100	0.100	0.100	0.102	0.104	0.506
External Redecorations	0.818	0.818	0.000	0.833	0.850	3.318
DDA Fire Protection/Means of Escape	0.035	0.035	0.035	0.036	0.036	0.177
Careline equipment	0.050	0.050	0.050	0.051	0.052	0.253
Stock condition surveys 10%	0.000	0.000	0.000	0.000	0.000	0.000
Aids and Adaptations	0.550	0.550	0.550	0.561	0.572	2.783
Total	**2.243**	**2.243**	**1.425**	**2.287**	**2.333**	**10.529**
Stock Reinvestment to improve conditions including maintaining the Decent Homes Standard						5 yr totals
Stock Investment "Replacements"	3.926	3.235	3.510	3.060	2.684	16.416
Non Trad Houses/Flats System Build	0.000	0.000	0.000	0.000	0.000	0.000
Kitchen/Bathrooms at Void stage	0.270	0.270	0.270	0.275	0.281	1.366
Total	**4.196**	**3.505**	**3.780**	**3.335**	**2.965**	**17.782**
Stock Remodelling						5 yr totals
Bedsit Remodelling	0.109	0.109	0.000	0.000	0.000	0.218
Total	**0.109**	**0.109**	**0.000**	**0.000**	**0.000**	**0.218**
Future Investment						5 yr totals
Major Improvements (sheltered housing)	2.289	0.000	0.000	0.000	0.000	2.289
Environmental Improvements (Minor)	0.000	0.000	0.000	0.000	0.000	0.000
	2.289	**0.000**	**0.000**	**0.000**	**0.000**	**2.289**

	18/19	19/20	20/21	21/22	22/23	5 yr totals
Works to existing stock Programme Totals	**8.836**	**5.857**	**5.205**	**5.622**	**5.298**	30.818
	Average Annual Investment in existing stock					***6.164***

Below the Line Additional Capital Expenditure

Estates Renewal Programme - Land Assembly "Buy Backs"	21.200	11.200	0.000	0.000	0.000	32.400
Decanting costs	2.300	2.300	0.000	0.000	0.000	4.600
12 Estates JV LLP - Setup costs including professional fees	0.500	0.000	0.000	0.000	0.000	0.500
12 Estates JV LLP - Land Voucher	0.000	5.096	1.836	20.869	1.426	29.227
12 Estates JV LLP - Cash Voucher	3.502	0.000	0.135	0.000	0.000	3.637
12 Estates JV LLP - Contingency	2.000	2.000	2.000	0.000	0.000	6.000
Acquisitions - Bridge Close	0.000	3.066	12.266	13.393	14.972	43.697
Acquisitions - 12 Estates	0.000	0.000	0.000	2.894	18.107	21.001
	29.502	**23.662**	**16.237**	**37.156**	**34.505**	**141.062**
Proposed Capital Expenditure (including New Build)	**51.723**	**31.140**	**21.442**	**42.778**	**39.803**	**186.886**

Appendix 2b – Funded 2018/19 – 2022/23 HRA Major Works Capital Programme Funding

Funded from	18/19	19/20	20/21	21/22	22/23	5 yr totals
Major Repair Reserve Balances (use of)	-10.139	-1.140	0.000	-1.808	0.000	-13.087
Shared Ownership Sale Proceeds	-7.996	0.000	0.000	-0.548	-5.291	-13.835
Grants (Housing Zone)	-2.700	0.000	0.000	0.000	0.000	-2.700
Grants (Affordable Housing)	-0.080	-2.215	-8.859	-3.692	-4.841	-19.687
1-4-1 RTB Funding	-7.509	-4.064	-0.889	-0.889	-0.889	-14.240
RTB Allowable Debt Reserve / Receipts	-11.663	-5.789	-1.867	-1.053	-1.053	-21.425
JV LLP - Grant of Licence / Lease Proceeds	0.000	-5.096	-1.836	-20.869	-1.426	-29.227
HRA Resources	-11.636	-12.836	-7.991	-13.919	-26.303	-72.685
Proposed Capital Funding (including New Build)	**-51.723**	**-31.140**	**-21.442**	**-42.778**	**-39.803**	**-186.886**

Havering
LONDON BOROUGH

Appendix 3a: HRA Projections from Business Plan - Years 1-10

Year	**2017.18**	**2018.19**	**2019.20**	**2020.21**	**2021.22**	**2022.23**	**2023.24**	**2024.25**	**2025.26**	**2026.27**
£M	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
INCOME:										
Rental Income	(48.006)	(46.585)	(45.049)	(46.604)	(47.390)	(48.558)	(50.062)	(51.845)	(54.204)	(56.588)
Void Losses	0.924	0.749	0.726	0.753	0.767	0.788	0.816	0.850	0.892	0.935
Service Charges	(7.633)	(7.768)	(7.924)	(8.082)	(8.244)	(8.409)	(8.577)	(8.748)	(8.923)	(9.102)
Non-Dwelling Income	(0.347)	(0.347)	(0.354)	(0.361)	(0.401)	(0.559)	(1.110)	(2.019)	(3.058)	(4.007)
Grants & Other Income	(0.560)	(0.560)	(0.571)	(0.582)	(0.594)	(0.606)	(0.618)	(0.631)	(0.643)	(8.493)
Total Income	**(55.621)**	**(54.511)**	**(53.171)**	**(54.876)**	**(55.861)**	**(57.343)**	**(59.551)**	**(62.393)**	**(65.936)**	**(77.255)**
EXPENDITURE:										
General Management	24.428	25.009	25.384	25.891	26.407	26.934	27.471	28.020	28.579	29.149
Bad Debt Provision	0.665	0.642	0.619	0.638	0.648	0.662	0.678	0.698	0.726	0.754
Responsive & Cyclical Repairs	6.478	6.524	6.546	6.657	6.747	6.910	7.081	7.305	7.507	7.761
Total Revenue Expenditure	**31.571**	**32.175**	**32.550**	**33.185**	**33.802**	**34.506**	**35.230**	**36.023**	**36.811**	**37.664**
Interest Paid	5.874	5.874	5.874	5.874	5.870	5.868	5.868	6.108	6.488	6.599
Finance Administration	0.048	0.048	0.049	0.050	0.051	0.052	0.053	0.054	0.055	0.057
Interest Received	(0.149)	(0.103)	(0.092)	(0.113)	(0.134)	(0.113)	(0.056)	(0.018)	(0.013)	(0.034)
Depreciation	9.195	8.838	8.578	8.528	8.419	8.538	8.666	8.846	9.071	9.359
Net Operating Income	**(9.082)**	**(7.679)**	**(6.212)**	**(7.352)**	**(7.854)**	**(8.493)**	**(9.790)**	**(11.380)**	**(13.525)**	**(23.611)**
APPROPRIATIONS:										
Revenue Contribution to Capital	1.240	2.798	4.258	0.000	5.500	17.765	23.058	13.449	13.600	15.068
Total Appropriations	**1.240**	**2.798**	**4.258**	**0.000**	**5.500**	**17.765**	**23.058**	**13.449**	**13.600**	**15.068**
ANNUAL CASHFLOW	**(7.842)**	**(4.881)**	**(1.954)**	**(7.352)**	**(2.354)**	**9.272**	**13.268**	**2.069**	**0.075**	**(8.543)**
Opening Balance	(2.830)	(10.672)	(15.553)	(17.507)	(24.860)	(27.214)	(17.942)	(4.675)	(2.605)	(2.530)
Closing Balance	**(10.672)**	**(15.553)**	**(17.507)**	**(24.860)**	**(27.214)**	**(17.942)**	**(4.675)**	**(2.605)**	**(2.530)**	**(11.073)**

Appendix 3b: HRA Capital Investment Requirement Projection from Business Plan

Year	2017.18	2018.19	2019.20	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27
£M	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
EXPENDITURE:										
Planned Variable Expenditure	0.000	0.000	0.000	0.000	0.000	0.074	0.145	0.237	0.255	0.304
Planned Fixed Expenditure	23.527	43.637	23.681	16.643	15.503	15.370	19.667	16.950	15.664	6.738
Disabled Adaptations	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Capital Expenditure	0.000	0.000	5.096	1.836	20.869	4.853	28.547	18.028	11.843	19.211
New Build Expenditure	14.016	8.085	2.362	2.963	6.405	19.506	25.910	41.789	33.288	41.831
Previous Year's B/F Shortfall	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Capital Expenditure	**37.542**	**51.723**	**31.140**	**21.442**	**42.778**	**39.803**	**74.269**	**77.005**	**61.050**	**68.085**
FUNDING:										
Major Repairs Reserve	(30.178)	(18.976)	(9.718)	(7.991)	(10.227)	(8.539)	(8.666)	(8.846)	(9.071)	(9.359)
Right to Buy Receipts	0.000	(2.409)	(1.867)	(1.867)	(1.053)	(1.053)	(1.053)	(1.053)	(1.053)	(1.053)
HRA CFR Borrowing	0.000	0.000	0.000	0.000	(0.000)	0.000	0.000	(13.333)	(4.409)	0.000
Other Receipts/Grants	(3.674)	(25.581)	(14.594)	(10.696)	(25.109)	(11.557)	(40.603)	(39.434)	(32.251)	(42.605)
HRA Reserves	(2.450)	(1.959)	(0.704)	(0.889)	(0.889)	(0.889)	(0.889)	(0.889)	(0.667)	0.000
Revenue Contributions	(1.240)	(2.798)	(4.258)	0.000	(5.500)	(17.765)	(23.058)	(13.449)	(13.600)	(15.068)
Total Capital Funding	**(37.542)**	**(51.723)**	**(31.140)**	**(21.442)**	**(42.778)**	**(39.803)**	**(74.269)**	**(77.005)**	**(61.050)**	**(68.085)**
In-Year Net Cashflow	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Cumulative Position	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

Havering
LONDON BOROUGH

CABINET
7 February 2018

Subject Heading:	Treasury Management Strategy Statement, Prudential Indicators and Minimum Revenue Provision Statement for 2018/19
Cabinet Member:	Cllr Clarence Barrett
SLT Lead:	Debbie Middleton
Report Author and contact details:	Reena Patel / Stephen Wild Reena.Patel@onesource.co.uk/ Stephen.Wild@onesource.co.uk 01708 432485 / 02033 733881
Policy context:	The Council is required to formally approve the Treasury Management Strategy Statement, Prudential Indicators and the Minimum Revenue Provision Statement following recommendation from Cabinet
Financial summary:	The Treasury Management Strategy forms part of the Council's overall budget strategy and financial management framework.
Is this a Key Decision?	No
When should this matter be reviewed?	Bi-Annually
Reviewing OSC:	Audit Committee

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

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

SUMMARY

The Authority has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. CIPFA consulted on changes to the Code in 2017, and published a revised Code on 29th December 2017. The new code was published too late to influence the 2018/19 budget cycle and therefore this report is presented in accordance with the 2011 Code.

In addition, the Department for Communities and Local Government (DCLG) issued revised *Guidance on Local Authority Investments* in March 2010 that requires the Authority to approve an investment strategy before the start of each financial year.

This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the DCLG Guidance, and it covers:

- The Borrowing and Investment Strategies
- Treasury Management Indicators
- Prudential Indicators
- A Minimum Revenue Provision Policy (the means by which capital expenditure which is financed from borrowing is paid for by council tax payers)

RECOMMENDATIONS

Cabinet is asked to

1. Approve the Treasury Management Strategy Statement (TMSS) 2018/19.
2. Approve the Treasury Management and Prudential Indicators set out in Appendix 7 of this report.
3. Approve the Annual Minimum Revenue Provision (MRP) Statement for 2018/19 set out in Appendix 8 of this report.
4. Recommend the annual TMSS and MRP statements 2018/19 to Council for approval.

5. **Delegate** future changes required to this Strategy to the Chief Financial Officer in consultation with the Cabinet Member for Financial Management, ICT (client) & Transformation. This will provide the additional flexibility to swiftly respond to changing financial markets.

REPORT DETAIL

1. INTRODUCTION

1.1 The Authority's treasury policy is set out in **Appendix 1** of this report.

1.2 The Authority is required to set a balanced budget each financial year, which broadly means that income received during the year will meet its operational expenditure. As part of the overall financial management arrangements, a primary objective of the Treasury Management service is to ensure that the Authority's cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in counterparties or instruments commensurate with the Authority's appetite for risk and liquidity requirements, as priorities before considering investment return.

1.3 The second main objective of the Treasury Management service is to ensure property funding of the Authority's capital expenditure plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. In addition the Authority's commercial agenda established to mitigate the impact on services from government grant reductions is also driving its capital plans. The funding needs of these commercial activities differ from those of the general capital programme and this is addressed in this strategy. The Government is seeking to change how these commercial activities are reported in future through its current consultation papers and this will feature in future TMSS reports.

2. SERVICE DELIVERY AND PERFORMANCE ISSUES

2.1 **Economic background:** The major external influence on the Authority's treasury management strategy for 2018/19 will be the UK's progress in negotiating its exit from the European Union and agreeing future trading arrangements. The domestic economy has remained relatively robust since the outcome of the 2016 referendum, but there are indications that uncertainty over the future is now weighing on economic growth. Transitional arrangements may prevent a "cliffedge", but will also extend the period of uncertainty for several years. Economic growth is therefore forecast to remain insipid throughout 2018/19.

2.2 **Credit outlook:** The health of the European banking sector although improving remains an area of concern.

Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union. In addition, the largest UK banks will ring-fence their retail banking functions into separate legal entities. This is expected to take place around March/April 2018. There remains some uncertainty over how these changes will impact upon the credit strength of the residual legal entities.

The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Authority; returns from cash deposits however remain very low.

2.3 **Interest rate forecast:** The Authority's treasury adviser (Arlingclose) central case is for UK Bank Rate to remain at 0.50% during 2018/19**,** following the rise from the historic low of 0.25%. The MPC re-emphasised that any prospective increase in Bank Rate would be expected to be at a gradual pace and limited in extent.

A more detailed economic and interest rate forecast is attached in **Appendix 2**.

3. BALANCE SHEET SUMMARY AND FORECAST

On 31st December 2017, the Authority held £229.5m of borrowing and £230.3m of investments. This is set out in further detail in **Appendix 3**. Forecast changes at summary level are shown in the balance sheet analysis in table 1 below which is based upon the proposed Capital Programme for 2018/19 which will require the Council to borrow an additional £10m in 2019/20 and a further £30m in 2020/21.

Table 1: Balance sheet summary and forecast

	31.3.17 Actual £m	31.3.18 Estimate £m	31.3.19 Forecast £m	31.3.20 Forecast £m	31.3.21 Forecast £m	31.3.22 Forecast £m	31.3.23 Forecast £m
General Fund CFR	76	97	118	165	185	194	193
HRA CFR	175	175	175	175	175	175	175
Total CFR	**251**	**272**	**293**	**340**	**360**	**369**	**368**
Less: External borrowing	-215	-210	-210	-230	-260	-270	-270
Internal borrowing	**36**	**62**	**83**	**110**	**100**	**99**	**98**
Less: Usable reserves	-209	-176	-137	-121	-114	-114	-115
Less: Working capital	-28	-28	-28	-28	-28	-28	-28
Investments	**-201**	**-142**	**-82**	**-39**	**-42**	**-43**	**-45**

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to be compliant with this requirement. The split between internal borrowing and external borrowing may change depending on the outlook on future interest rates.

4. BORROWING STRATEGY

4.1 Objectives: The Authority's borrowing strategy will be informed by:

- Interest rate forecasts and the shape of the interest rate curve.
- Spread of current debt maturities to avoid high concentrations in any year
- Shape of the Authority's future capital finance requirement (CFR) curve; and
- Balance of callable long term debt and non-callable long term debt in the portfolio.

4.2 Strategy: Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead. All capital investment schemes assume an external borrowing rate in their cost of capital.

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal and short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. The treasury advisor will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2018/19 with a view to keeping future interest costs low, even if this results in a short term carrying cost.
Alternatively, the Authority may arrange forward starting loans during 2018/19, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
In addition, the Authority may borrow further short-term loans to cover unplanned cash flow shortages.

4.3 Medium term capital programme

The Authority's General Fund CFR is increasing due to its decision in February 2016 to approve £100m of capital expenditure for regeneration and development financed by prudential borrowing.

Further to the additional £100m, approval is being sought to fund capital expenditure from prudential borrowing for the joint venture schemes' Bridge Close, Rainham and Beam Park partnerships as part of the overall capital programme which is set out in the Medium Term Financial Strategy Report elsewhere on this Cabinet agenda.

The Authority's HRA Business plan which is also set out elsewhere on this Cabinet agenda for approval will result in an accelerated use of the HRA ring fenced reserves and consequently a gradual decrease in the Authority's total cash balances.

Based on the proposed 2018/19 capital programme, internal borrowing will be utilised in the first instance. However, it is forecasted that the Council's General Fund will need to undertake additional external borrowing of £20m in 2019/20 and a further borrowing of £30m in 2020/21 in order to maintain working balances of approximately £40m.

As detailed in the HRA business plan, the current headroom available to the HRA is £34.334m. It should be noted that the move to an accelerated payment commitment to the Bridge Close JV LLP to acquire 375 affordable units will require the HRA to borrow an additional £13.333m in 2024/25 and a further borrowing of £4.409m by the close of 2025/26.

Appendix 4 shows the current profile of the Authority's borrowing.

Other factors such as interest rates and cost of carry will also be considered when determining the optimum period in which to undertake external borrowing and this may be earlier than is currently profiled.

The Council, if required, will look to borrow for the agreed capital programme at the best rates available within the stated borrowing limits in Table 1 and subject to budget availability.

4.4 **Sources of borrowing:** The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- UK public and private sector pension funds (except LB of Havering Pension Fund)
- capital market bond investors: and
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

The Authority has previously raised the majority of its long-term borrowing from the PWLB but it continues to investigate other sources of finance, such as local authority loans and bank loans that may be available at more favourable rates.

The Authority's policy on Borrowing in advance of need is stated in **Appendix 8.**

4.5 **Lender's Option Borrowers' Option (LOBO):** The Authority holds a £7m LOBO loan, where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. The LOBO loan has options during 2018/19, and although the Authority understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Authority will opt to repay the LOBO loan at no cost if the opportunity arises.

4.6 **Short-term and variable rate loans**: These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates as set out in the section on treasury management indicators discussed later in this report.

4.7 **Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates although this is not expected to be a viable option in 2018/19. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

5. INVESTMENT STRATEGY

5.1 The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has ranged between £201.3m and £251.7m. The requirements of the proposed capital programme and likeliness of funding the programme through internal borrowing will possibly lead to a decline in cash balances over the coming period.

5.2 **Objectives:** Both the CIPFA Code and the CLG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

5.3 **Strategy:** Investments will make reference to the core balance, cash flow requirements and the outlook for short and medium term interest rates. The Authority will consider placing longer term deals while investment rates are at historically low levels where attractive rates with high quality counterparties are available.

5.3.1 Given the volatile nature of financial markets and the need to respond quickly it may be necessary to revise the strategy throughout the year. It is, therefore, proposed to delegate changes to the Chief Financial Officer (S151 Officer) in consultation with the Cabinet Member for Financial Management, ICT (client) & Transformation notifying the Authority in the Mid-year or the Annual Treasury Management Report.

5.4 **Approved counterparties and Limits:**

5.4.1 **Credit Ratings:** The Authority has chosen to apply the creditworthiness service provided by the treasury advisor, which employs a sophisticated modelling approach utilising credit ratings from all the three main credit rating agencies – Fitch, Moody's and Standard and Poor's. The credit ratings of counter parties are supplemented with the following:

- Credit watches and Credit outlooks from the credit rating agencies
- Credit Default Swaps (CDS) spreads to give early warnings of likely changes in credit ratings; and
- Sovereign ratings to select counterparties from only the most creditworthy countries.

The use of these criteria for deposits with banks and building societies will meet the definition of “high” credit ratings as required by the CLG guidance.

5.4.2 The Authority’s current criteria and durations for investments are set out in **Appendix 5.** The Chief Financial Officer (S151 Officer) will, on advice, make operational changes to the criteria in response to prevailing market conditions.

5.4.3 Investment instruments identified for use in the financial year are listed in **Appendix 6** under the ‘Specified’ and ‘Non Specified’ investment categories.

5.4.4 **Risk assessment and credit ratings**: Credit ratings are obtained and monitored by the Authority’s treasury adviser, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “rating watch negative” or “credit watch negative”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

5.4.5 **Other information on the security of investments**: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations, in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

All eligible counterparties and new types of investments will be discussed prior to their use by the Lead Member, Chief Financial Officer and other senior finance officers where the appropriateness and security of the investments will be assessed. Any counterparties or investments that fail to meet approval of the group will not be used despite meeting the investment strategy criteria.

5.4.6 **Liquidity management**: The Authority maintains a detailed cash flow forecast to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium term financial plan and cash flow forecast.

6. TREASURY MANAGEMENT INDICATORS

The CIPFA Prudential Code and TM Code requires authorities to set treasury indicators and these are set out in draft in **Appendix 7**. No breaches in the indicators are likely in 2018/19.

7. MINIMUM REVENUE PROVISION (the MRP)

The proposed MRP policy statement 2018/19 is set out in **Appendix 9** of this report. The policy has been amended to give the flexibility of using the annuity method for charging purposes and any revenue cost savings can be used to fund the holding costs associated with the commercial schemes.

8. LOANS TO THIRD PARTIES

The Authority may borrow to make grants or loans to third parties for the purpose of capital expenditure, as allowable under paragraph 25 (1) (b) of the Local Authorities (Capital Financing and Accounting) (England) Regulations 2003 (Statutory Instrument No. 3146). This facility is likely to be used to support local economic regeneration and development activity but not limited to those purposes. The additional capital expenditure may be funded by external borrowing. Loans for working capital or revenue purposes are permitted as long as these are funded from the Council's internal cash balances as external borrowing is not permitted in such circumstances.

9. OTHER ITEMS

There are a number of additional items that the Authority is obliged by CIPFA or CLG to include in its Treasury Management Strategy.

9.1 **Policy on the use of financial derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit. Whilst this provides the flexibility to use these instruments there are no immediate plans to deploy them in 2018/19.

9.2 **Policy on apportioning interest to the HRA:** On 1st April 2012, the Authority notionally split each of its existing long-term loans into General Fund and HRA pools. New long-term loans borrowed are assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) are charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each month and interest transferred between the General Fund and HRA at the Authority's average interest rate on investments, adjusted for credit risk.

9.3 **Investment training:** The needs of the Authority's treasury management staff for training in investment management are assessed on a regular basis as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change.
Staff regularly attend training courses, seminars and conferences provided by the treasury management adviser and CIPFA. Relevant staffs are also encouraged to study professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.

9.4 **Investment advisers:** The Authority's current treasury management adviser is Arlingclose Limited and receives specific advice on investment, debt and capital finance issues. The Authority recognises that responsibility for treasury management decisions remains with itself at all times and will ensure that undue reliance is not placed upon our advisers.

9.5 **Investment of money borrowed in advance of need**: The Authority may, from time to time, borrow in advance of need, where this is expected to provide the best long-term value for money. Since amounts borrowed will be invested until spent, the Authority is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Authority's overall management of its treasury risks.

9.6 **Markets in Financial Instruments Directive (MiFID II)**

The Authority has opted up to the 'Elective Professional Status' where necessary in regards to MiFID II. The opt-up is an annual process or as and when dealing with a new financial institution.

9.7 **Policy Implications & Corporate Priorities**

The revised CIPFA Prudential Code and CIPFA Treasury Management Code released on 29/12/17 and were therefore published too late to influence the 2018/19 budget cycle and therefore this strategy is prepared in accordance with the 2011 code.

Furthermore, the Authority is also awaiting the publication on the outcome of the consultation carried out by DCLG on MRP and Investment Guidance.

Officers will arrange member training on the changes and help the Council respond to the new requirements.

The Codes appear to accept the drive for financial returns and the use of non-treasury related investments, but reaffirms the need for risk management and proportionality of commercial activities in relation to the Council's core activities.

REASONS AND OPTIONS

Reasons for the decision:

The statutory Codes set out that the Council ought to approve a Treasury Management Strategy Statement, the MRP Strategy and the Prudential Indicators.

Other options considered:

The CLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Financial Officer, having consulted the Cabinet Member for Financial Management, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain

IMPLICATIONS AND RISKS

Financial implications and risks:

The Treasury Management Strategy Statement is a key part of the overall budget strategy and financial management framework and governs the strategic and operational treasury management activities throughout each financial year in order to manage the Council's financial risks associated with cash management via borrowing and investments.

For the financial year 2018/19, the budget for investment income has been set at £1.105m, based on an average interest rate of 0.60%.

The budget for long term debt interest payable in 2018/19 has been increased from £7.6m to £8.5m. This is based on the existing average long term debt portfolio of £210m at an average interest rate of 3.6% and has been adjusted for anticipated borrowing as described in paragraph 4.3.
Of the existing £210m of long term debt, £170m is in relation to HRA, with a budget for debt interest payable of £5.8m.
The General Fund Budget for debt interest on external debt has been increased by £0.900m from £1.8m to £2.7m to allow for external borrowing to be undertaken should it be considered necessary in 2018/19 to fund the cost of borrowing for the increased capital programme.

If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different. Variance from budget will be reported on a bi-annual basis to full Council.

Legal implications and risks:

The Council must comply with its duty under section 3 Local Government Act 2003 to keep under review the amount of money the Authority can afford to borrow. Regulation 2 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003/3146 requires the Authority to have regard to the code of practice entitled the "Prudential Code for Capital Finance in Local Authorities" published by CIPFA when considering its duty under section 3.

The Council has fiduciary duties toward its tax payers to act in good faith in the interests of those tax payers with the considerable sums of money at their disposal. The Strategies being proposed for approval seek to discharge those duties in a reasonable and prudent fashion and therefore there is a low risk of successful challenge.

Otherwise there are no apparent legal implications arising as a result of this Report."

Human Resources implications and risks:

There are no direct Human Resources implications arising as a result of this report

Equalities implications and risks:

There are no equalities implications within this report

BACKGROUND PAPERS

- None

Appendix 1: Treasury Management Policy Statement

1. Treasury management within this Authority is undertaken in accordance with the CIPFA Code of Practice for Treasury Management in the Public Services ("the CIPFA Code").

2. The Authority has been compliant with the requirements of the CIPFA Code and has formally adopted the key recommendations as described within Section 4 of the CIPFA Code.

3. In accordance with the CIPFA Code, the Authority defines treasury management activities as: "The management of the council's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

4. The Authority regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

5. The Authority acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

6. The Authority will create and maintain, as the cornerstone for effective treasury management:

    a. Treasury policy statement, stating the objectives of its Treasury Management activities suitable Treasury Management Practices (TMP's) setting out the manner in which the Authority will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

    b. Treasury management Prudential Indicators as determined by the requirements of the CIPFA Prudential Code; and

    c. The content of the policy statement and TMPs will follow the recommendations contained in Sections 7 of the CIPFA Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the CIPFA Code's key principles.

7. The Authority will receive reports on its treasury management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, an annual report after its close and an interim review report.

8. The Authority delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Cabinet Member for Financial Management and for the execution and administration of treasury management decisions to the Chief Financial Officer (S151 Officer), who will act in accordance with the Authority's policy statement and the CIPFA Code.

Appendix 2 – Arlingclose Economic & Interest Rate Forecast November 2017

Underlying assumptions:

- In a 7-2 vote, the MPC increased Bank Rate in line with market expectations to 0.5%. Dovish accompanying rhetoric prompted investors to lower the expected future path for interest rates. The minutes re-emphasised that any prospective increases in Bank Rate would be expected to be at a gradual pace and to a limited extent.

- Further potential movement in Bank Rate is reliant on economic data and the likely outcome of the EU negotiations. Policymakers have downwardly assessed the supply capacity of the UK economy, suggesting inflationary growth is more likely. However, the MPC will be wary of raising rates much further amid low business and household confidence.

- The UK economy faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. While recent economic data has improved, it has done so from a low base: UK Q3 2017 GDP growth was 0.4%, after a 0.3% expansion in Q2.

- Household consumption growth, the driver of recent UK GDP growth, has softened following a contraction in real wages, despite both saving rates and consumer credit volumes indicating that some households continue to spend in the absence of wage growth. Policymakers have expressed concern about the continued expansion of consumer credit; any action taken will further dampen household spending.

- Some data has held up better than expected, with unemployment continuing to decline and house prices remaining relatively resilient. However, both of these factors can also be seen in a negative light, displaying the structural lack of investment in the UK economy post financial crisis. Weaker long term growth may prompt deterioration in the UK’s fiscal position.

- The depreciation in sterling may assist the economy to rebalance away from spending. Export volumes will increase, helped by a stronger Eurozone economic expansion.

- Near-term global growth prospects have continued to improve and broaden, and expectations of inflation are subdued. Central banks are moving to reduce the level of monetary stimulus.

- Geo-political risks remains elevated and helps to anchor safe-haven flows into the UK government bond (gilt) market.

Forecast:

- The MPC has increased Bank Rate, largely to meet expectations they themselves created. Future expectations for higher short term interest rates are subdued. On-going decisions remain data dependant and negotiations on exiting the EU cast a shadow over monetary policy decisions.

- Our central case for Bank Rate is 0.5% over the medium term. The risks to the forecast are broadly balanced on both sides.

- The Arlingclose central case is for gilt yields to remain broadly stable across the medium term. Upward movement will be limited, although the UK government's seemingly deteriorating fiscal stance is an upside risk. The PWLB certainty rate is 80bps above the gilt yield rate across all time periods.

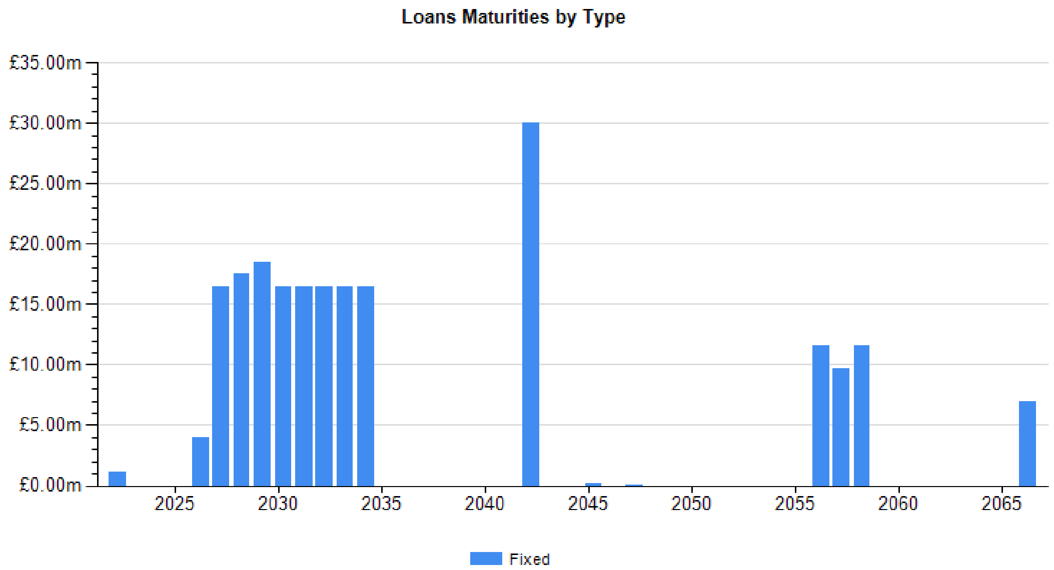
	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Average
Official Bank Rate														
Upside risk	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.21
Arlingclose Central Case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	0.00	0.00	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.17
3-month LIBID rate														
Upside risk	0.10	0.10	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.23
Arlingclose Central Case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	-0.10	-0.15	-0.15	-0.15	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.22
1-yr LIBID rate														
Upside risk	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.28
Arlingclose Central Case	0.70	0.70	0.70	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.78
Downside risk	-0.20	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.15	-0.15	-0.15	-0.26
5-yr gilt yield														
Upside risk	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.33
Arlingclose Central Case	0.75	0.80	0.80	0.80	0.85	0.90	0.90	0.95	0.95	1.00	1.05	1.10	1.15	0.92
Downside risk	-0.20	-0.25	-0.25	-0.25	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.35
10-yr gilt yield														
Upside risk	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.33
Arlingclose Central Case	1.25	1.25	1.25	1.25	1.30	1.30	1.35	1.40	1.45	1.50	1.55	1.55	1.60	1.38
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.34
20-yr gilt yield														
Upside risk	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.33
Arlingclose Central Case	1.85	1.85	1.85	1.85	1.90	1.90	1.95	1.95	2.00	2.05	2.05	2.05	2.10	1.95
Downside risk	-0.30	-0.25	-0.25	-0.30	-0.35	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.41
50-yr gilt yield														
Upside risk	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.33
Arlingclose Central Case	1.70	1.70	1.70	1.70	1.75	1.80	1.85	1.90	1.95	1.95	1.95	1.95	2.00	1.84
Downside risk	-0.30	-0.25	-0.25	-0.30	-0.35	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.41

Appendix 3 – Existing Investment & Debt Portfolio Position

	31/12/17 **Actual Portfolio £m**	31/12/17 **Average Rate %**
External borrowing:		
Public Works Loan Board	203.234	
Local authorities	19.000	
LOBO loans from banks	7.000	
Other loans	0.249	
Total external borrowing	**229.483**	**3.32%**
Treasury investments:		
Banks & building societies (unsecured)	95.208	
Covered bonds & repo (secured)	9.021	
Government (incl. local authorities)	117.600	
Corporate bonds and loans	0	
Money Market Funds	8.487	
Other pooled funds	0	
Total treasury investments	**230.316**	**0.65%**
Net Investments	**0.832**	

Appendix 4 – The Authority's Debt Portfolio

The graph and table below shows the debt and maturity profile of the Authority's **fixed** term borrowing.



Maturity Period	Total £
Liquid	
< 1 Year	
1 - 2 Years	
2 - 5 years	1,109,799
5 - 10 years	21,532,612
10 - 20 years	117,631,812
20 - 30 years	30,249,313
30 - 40 years	32,274,481
40 - 50 years	7,685,374
> 50 Years	
Total	£210,483,391

Appendix 5 – The Authority's Minimum Credit Rating Criteria

Credit Rating: Investment decisions are made by reference to the lowest published long term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

The notes below should be read in conjunction with table 1 overleaf.

1. **Banks (Unsecured) and Building Societies**: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

   For non UK Banks, the Authority's credit criteria will require that banks from AA+ rated countries and above can be used.

   Current bank accounts: the Authority's own banker, Should the credit rating fall below A-, for liquidity purposes the Authority may continue to deposit surplus cash with the group providing that investments can be withdrawn on the next working day. Balances will be reviewed on a daily basis to assess their appropriateness.
   Banks (secured): Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits.
   The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

2. **Rated Building Societies -** The Authority's credit rating criteria for UK Building Societies in 2018/19 will continue to limit deposits to those UK Building Societies that meet the credit criteria in table 1 below.

3. **Non Rated Building Societies –** The criteria in table 1 overleaf will apply.

4. **Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

5. **Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made following an external credit assessment as part of a diversified pool in order to spread the risk widely.

6. **Registered providers:** Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing, formerly known as housing associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services; they retain the likelihood of receiving government support if needed.

7. **Residential Mortgage Based Schemes [New]** - Investment will be restricted to AAA rated funds with only UK exposure. These funds offer stronger risk-adjusted returns whilst maintaining high daily liquidity with time plus two days (T+2) access.

8. **Pooled funds:** Shares in diversified investment vehicles consisting of any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee.

9. **Money Market Funds (MMF):** The Authority will continue to use MMF's, which provide lower interest returns but do provide a highly liquid, diversified investment via a highly credit-rated pooled investment vehicle.

   Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Table 1: Approved investment counterparties and limits

Credit rating	**Banks unsecured**	**Banks secured**	**Government**	**Corporates**	**Registered Providers**
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£35m 5 years	£35m 20 years	£35m 50 years	£15m 20 years	£15m 20 years
AA+	£35m 5 years	£35m 10 years	£35m 25 years	£15m 10 years	£15m 10 years
AA	£35m 4 years	£35m 5 years	£35m 15 years	£15m 5 years	£15m 10 years
AA-	£35m 3 years	£35m 4 years	£35m 10 years	£15m 4 years	£15m 10 years
A+	£35m 2 years	£35m 3 years	£15m 5 years	£25m 3 years	£15m 5 years
A	£35m 13 months	£35m 2 years	£15m 5 years	£25m 2 years	£15m 5 years
A-	£35m 6 months	£35m 13 months	n/a	£15m 13 months	£15m 5 years
None	£1m 6 months	n/a	n/a	£5m 5 years	£10m 5 years
	UK Local Authorities £35m; 50 years				
Pooled funds	£25m per fund These include Bond Funds, Gilt Funds, Equity, Enhanced Cash Funds, Mixed Asset Funds and Money Market Funds.				
UK AAA	Residential Mortgage Based Schemes (RMBS) £25m				

Investment Limits: The Authority further proposes the investment limits as set out in the table below to protect the security of its investments. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 2: Investment limits

	Cash limit
UK Central Government	unlimited
Any single organisation, except the UK Central Government	£35m each
Any group of organisations under the same ownership	£35m per group
Any group of pooled funds under the same management	£35m per manager
Financial instruments held in a broker's nominee account	£50m per broker
Foreign countries	£35m per country
Registered providers	£35m in total
Unsecured investments with building societies	£50m in total
Loans to unrated corporates	£35m in total
Money Market Funds	£50m in total
UK Residential Mortgage Backed Securities (RMBS)	£25m in total

Revisions made to this Investment Strategy from the 17/18 Strategy:

- The Authority at its meeting of 13th September 2017 approved undertaking investments in unrated and secured corporate bonds. The investment limits for this class was set at £5m with a maximum duration of 5 yrs.

- It is proposed to use a bank whose ratings fall below the criteria specified in Appendix 5, Table1; if the bank is a UK part nationalised /nationalised bank. These banks are deemed to be strategically important to the UK economy and the Government stake in these companies provides a stronger covenant.

- The Investment limits in Table 2 above have been extended to £35m from £25m. This increase provides the Authority with additional scope to make investments with institutions that have a strong credit rating and offer better yields.

- An additional investment category of Residential Mortgage Backed Security (RMBS) is included in tables 1& 2 above. Investment will be restricted to AAA rated funds with only UK exposure. These funds offer stronger risk-adjusted returns whilst maintaining high daily liquidity with time plus two days (T+2) access. This will enable officers to optimise returns on liquid assets and help achieve the Authority's treasury investment income budget.

Appendix 6 – Specified and Non Specified Investments

Specified investments: The CLG Guidance defines specified investments as those:
- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
  - the UK Government,
  - a UK local authority, parish council or community council, or
  - a body or investment scheme of "high credit quality".

The Authority defines "high credit quality" organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds "high credit quality" is defined as those having a credit rating of A- or higher.

Cabinet, 7 February 2018

Table 1: Specified Investments

Instrument	Institution Type	Instrument Minimum 'High' Credit Criteria	Limits	Max. Maturity Period
Accounts, deposits, certificates of deposit and senior unsecured bonds with banks other than multilateral development banks, UK Government Gilts.	UK Banks and UK Banking Groups[1]	per Appendix 5, Table 1	£35m	per Appendix 5, Table 1
	UK Building Societies	per Appendix 5, Table 1	£35m	per Appendix 5, Table 1
	Non UK Banks	Sovereign Rating of AA+ and above and meet Credit Criteria in Appendix 5, Table 1	£35m	per Appendix 5, Table 1
Covered bonds, floating rate notes, reverse repurchase agreements and other collateralised arrangements with banks and building societies	UK Banks and Building Societies and Non UK Banks	Per Appendix 5, Table 1 (and Sovereign Rating of AA+ minimum for Non UK Banks)	See Note 2	per Appendix 5, Table 1
Term Deposits	Local Authorities and other Public Institutions	UK Sovereign Rating	£35m	per Appendix 5, Table 1
Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing.	Registered Social Housing Providers	per Appendix 5, Table 1		per Appendix 5, Table 1
Money Market Fund		Long Term A- [3]	£25m	
Enhanced Cash Funds		Long Term AA/Aa[4]	£25m	
Bond Funds		Investment Grade BBB or higher	£25m	
Gilt Funds		UK Sovereign Rating	£25m	
Property Funds		UK Property Only	£25m	
Equity Funds		FTSE 100 Companies Only	£25m	
Mixed Asset Funds		Mixed Investments 20% to 60% shares only	£25m	
Residential Mortgage Based Schemes (RMBS)		UK AAA	£25m	

1. £35m Limit per bank / banking group.
2. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.
3. Investments will be made with those MMF’s which have long term rating of A-
4. Minimum of Fitch / Standard & Poor’s AA or Moody’s Aa rating

Non-specified investments:

Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality.

Limits on non-specified investments are shown in table 2 below.

Table 2: Non-specified investment limits

	Cash Limit £m
Total long-term investments	75
Total Investments without credit ratings or rated below A-	20
Total Investments (except pooled funds) with institutions domiciled in foreign countries rated below AA+	15
Total non-specified investments	**110**

NON SPECIFIED INVESTMENTS

Instruments	Non Specified Investments	Institution Type	Minimum Credit Criteria	Maximum Duration	Cash limit
Accounts, deposits, certificates of deposit, structured deposits and senior unsecured bonds with banks other than multilateral development banks. Covered bonds, reverse repurchase agreements, and other collateralised arrangements with banks and building societies. Short Dated Bond Funds, Diversified Growth Funds, Absolute Return Funds and Property Funds. Unrated Bonds.	Total long-term investments (investments over 1 year)	UK and Non UK Banks and Building Societies, Rated Registered Social Housing Providers (RSP)	Per Appendix 5, Table 1	10 yrs.	£75m
	Total investments without credit ratings or rated below A- (except UK Government and local authorities)	Unrated Registered Social Housing Providers (RSP), Unrated Banks and Building Societies	N/A	5 yrs.	£20m
		Other banks and building Societies rated below A-.	N/A		
	Total Investments made in pooled investment vehicles.			7 yrs.	
	Total Investments made in un-rated bonds.				
	Total investments (except pooled funds) with institutions domiciled in foreign countries rated below AA+	Non UK Banks	Per Appendix 5, Table 1	10 yrs.	£15m
	Total non-specified investments				**£110m**

Appendix 7 – Treasury Management Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.
As stated in the section 9.7 of the main report, these indicators are subject to review per the revised CIPFA prudential code published in December 2017.

Security: The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	Target
Portfolio average credit rating	A-

Liquidity: The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

	Target
Total cash available within 3 months	£20m[1]

1. Revised to £20m from £30m, as short term temporary borrowing is readily available in current market conditions at attractive rates. This will help officers optimise returns.

Interest rate exposures: This indicator is set to control the Authority's exposure to interest rate risk on its debt portfolio. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of gross [principal borrowed will be:

	2018/19	**2019/20**	**2020/21**
Upper limit on fixed interest rate exposure	100%	100%	100%
Upper limit on variable interest rate exposure	25%	30%	35%

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

Maturity structure of borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Upper	Lower
Under 12 months	40%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	60%	0%
5 years and within 10 years	75%	0%
10 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment. (LOBO option dates are treated as potential repayment dates and variable rate borrowing is excluded)

Principal sums invested for periods longer than 364 days: The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

	2018/19	2019/20	2020/21
Limit on principal invested beyond year end	£75m	£75m	£75m

Prudential Indicators 2018/19

The Local Government Act 2003 requires the Council to have regard to the Chartered Institute of Public Finance and Accountancy's *Prudential Code for Capital Finance in Local Authorities* (the Prudential Code) when determining how much money it can afford to borrow.

The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice.
To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

As stated in the section 9.7 of the main report, these indicators are subject to review per the revised CIPFA prudential code published in December 2017.

Estimates of Capital Expenditure: The Authority's planned capital expenditure and financing may be summarised as follows:

Capital Expenditure and Financing	**2017/18 Revised £m**	**2018/19 Estimate £m**	**2019/20 Estimate £m**	**2020/21 Estimate £m**	**2021/22 Estimate £m**	**2022/23 Estimate £m**
General Fund	66.359	90.968	137.946	53.894	29.920	4.035
HRA	37.542	51.723	31.140	21.442	42.778	39.803
Total Expenditure	**103.901**	**142.691**	**169.086**	**75.336**	**72.698**	**43.838**
Capital Receipts	17.183	39.639	23.223	7.395	23.359	8.659
Government Grants	29.037	40.844	65.066	32.925	4.087	4.850
Reserves & Revenue	33.868	21.777	13.976	7.991	15.727	26.303
S106	0.809	1.347	0.693	0.000	11.620	0.000
External Funding	0.000	16.855	16.565	1.273	3.270	0.000
Borrowing	23.004	22.229	49.563	25.752	14.635	4.026
Total Financing	**103.901**	**142.691**	**169.086**	**75.336**	**72.698**	**43.838**

Estimates of Capital Financing Requirement (CFR): The CFR measures the Authority's underlying need to borrow for a capital purpose.

Capital Financing Requirement	31.03.17 Actual £m	31.03.18 Revised £m	31.03.19 Estimate £m	31.03.20 Estimate £m	31.03.21 Estimate £m	31.03.22 Estimate £m	31.03.23 Estimate £m
General Fund	75.910	97.438	117.583	164.584	185.741	194.444	192.861
HRA	174.669	174.669	174.669	174.669	174.669	174.669	174.669
Total CFR	**250.579**	**272.107**	**292.252**	**339.253**	**360.140**	**369.113**	**367.530**

Gross Debt and the Capital Financing Requirement: In order to ensure that over the medium term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

Debt	31.03.17 Actual £m	31.03.18 Revised £m	31.03.19 Estimate £m	31.03.20 Estimate £m	31.03.21 Estimate £m	31.03.22 Estimate £m
Borrowing	214.571	210.234	210.234	230.234	260.234	260.234

Total debt is expected to remain below the CFR during the forecast period.

Operational Boundary for External Debt: The operational boundary is based on the Council's estimate of most likely, i.e. prudent, but not worst case scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease, Private Finance Initiative and other liabilities that are not borrowing but form part of the Council's debt.

Operational Boundary	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
Borrowing	360.100	369.100	367.500
Other long-term liabilities	10.000	10.000	10.000
Total Debt	370.100	379.100	377.500

Authorised Limit for External Debt: The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Authorised Limit	**2018/19 Estimate £m**	**2019/20 Estimate £m**	**2020/21 Estimate £m**
Borrowing	448.200	458.600	457.900
Other long-term liabilities	10.000	10.000	10.000
Total Debt	458.200	468.600	467.900

Ratio of Financing Costs to Net Revenue Stream: This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	**2017/18 Estimate %**	**2018/19 Estimate %**	**2019/20 Estimate %**	**2020/21 Estimate %**
General Fund	1.89	2.17	3.28	5.72
HRA	4.00	3.40	3.50	3.50

Ratio of financing costs to the net revenue stream is set to increase gradually as the Authority's commercial agenda moves forward. The above figures incorporate borrowing pressures that may result due to the commercial undertakings.

Incremental Impact of Capital Investment Decisions: This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and housing rent levels. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the revenue budget requirement arising from the new capital programme.

Incremental Impact of Capital Investment Decisions	**2018/19 Estimate £**	**2019/20 Estimate £**	**2020/21 Estimate £**
General Fund - increase in annual band D Council Tax	17.14	36.88	82.08
HRA - increase in average weekly rents	0.45	0.22	0.20

Appendix 8 – Borrowing in advance of need

Borrowing is primarily required to finance the council's capital expenditure programme and is long term in nature. Views of interest rate movements and moreover rising interest rate risk must be managed. This may result in borrowing in advance of need to secure long term finance on advantageous terms and reduce financing risk when capital will be required.

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

There are attendant risks associated with investments but the council has taken measures to substantially reduce the level of credit risk from holding investments and manage the carry cost (the difference between borrowing costs and investment yield)

Officers will monitor the interest rate market and adopt a pragmatic approach to changing circumstances. Risks associated with any borrowing in advance activity will be subject to proper appraisal and subsequent reporting through the mid-year or annual reporting mechanism

Appendix 9 – Minimum Revenue Provision (MRP)

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP). Although there has been no statutory minimum provision requirement since 2008, The Local Government Act 2003 requires the Authority to have regard to the Department for Communities and Local Government's *Guidance on Minimum Revenue Provision* issued in 2012.

The broad aim of the DCLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The DCLG Guidance requires the Council to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. The following statement only incorporates options recommended in the Guidance.

For capital expenditure incurred before 1st April 2008, MRP will be determined in accordance with the former regulations that applied on 31st March 2008, incorporating an "Adjustment A" of £2.9m on a reducing balance method

For capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant assets in equal instalments, but under exceptional circumstances MRP the annuity or equal instalments method may apply. Furthermore, where appropriate provision of MRP will commence in the year after the asset becomes operational.

Estimated life periods will be determined under delegated powers. The council may defer to the estimated useful economic life periods specified in the MRP guidance, but reserves the right to determine such periods and prudent MRP.
As some types of capital expenditure incurred by the Authority are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.
For assets acquired by finance leases or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

No MRP will be charged in respect of assets held within the Housing Revenue Account.

Third party loans – Under statutory requirements the payment of the loan will normally be treated as capital expenditure. The subsequent loan repayments, (which are treated as capital receipts under statutory requirements), will be used to reduce the long term liability and consequently the CFR. As a result MRP will not generally be charged on the loan as it is not appropriate to do so.

This page is intentionally left blank

Havering
LONDON BOROUGH

CABINET **7 FEBRUARY 2018**	
Subject Heading:	Financial Inclusion Strategy
Cabinet Member:	Councillor Roger Ramsey
SLT Lead:	Sarah Homer, Interim Chief Operating Officer
Report Author and contact details:	Pippa Brent-Isherwood, Assistant Director of Policy, Performance and Community phillipa.brent-isherwood@havering.gov.uk 01708 431950
Policy context:	The Financial Inclusion Strategy contributes to the achievement of all four thematic areas of the Corporate Plan.
Financial summary:	There are no direct financial implications arising from this report. It is expected that the strategy and accompanying action plan will be delivered within existing resources.
Is this a Key Decision?	Yes
Is this a Strategic Decision?	Yes
When should this matter be reviewed?	The strategy will be fully reviewed by February 2021.
Reviewing OSC:	Overview and 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

Many individuals and families, both in Havering and elsewhere, are experiencing financial pressures due to factors such as rising living costs, welfare reform and stagnant salaries. This impacts adversely on their own outcomes and also generates demand, and therefore cost pressures, on many Council services as well as those provided by our partners. The Council has therefore developed a new Financial Inclusion Strategy (attached at **Appendix 1**) which focuses on identifying, prioritising and tackling the major causes of financial exclusion, whilst also promoting the tools and services that facilitate financial inclusion. The strategy seeks to help local residents to access the information they need to help them manage their finances and prioritise their financial commitments. It also sets out how the Council will work with suppliers of services to support local residents and promote financial inclusion. Finally, it highlights the importance of educating children and young people across the borough to ensure that they are aware of the financial services they can access, now and in the future.

RECOMMENDATIONS

That the Cabinet **agrees** the Financial Inclusion Strategy attached at **Appendix 1**.

REPORT DETAIL

The Financial Inclusion Strategy contributes to the achievement of all four thematic areas of the Corporate Plan:

Communities - We want to help our residents to make positive lifestyle choices and ensure a good start for every child to reach their full potential. We will support families and communities to look after themselves and each other through promoting financial inclusion across the borough.

Places - Implementation of the Financial Inclusion Strategy should assist the Council to prevent homelessness and sustain vulnerable residents in their homes and tenancies.

Opportunities - We will provide first-class opportunities by supporting residents to develop skills so that they have the opportunity to manage their finances sustainably. We will particularly consider how we can better support looked after children, those who are not in education, employment of training (NEET), the long term unemployed and disabled people to access the financial services and skills they need to live successfully independently. In so doing, we will generate increased local wealth for the benefit of all the residents of Havering.

Connections - We will continue to make Havering a digitally-enabled borough that is well connected to residents and businesses. Enhancing our connections will strengthen the borough's ability to promote digital inclusion across Havering, which will in turn assist us in promoting financial inclusion.

The proposed strategy focuses on four themes:

- **Digital Inclusion** – providing residents with support to develop the skills necessary to access a range of services online, including completing the necessary forms to access Universal Credit.

- **Educating children and young people about financial services** – working with schools and community groups to promote financial services, the range of options available and best money practices to future generations of adults.

- **Debt and money advice** – collaborating with existing and developing services to provide money and debt advice to financially excluded residents across the borough.

- **Improved provision of information across the council** – primarily through the development of a directory that provides staff and residents with information about the services available across the borough that assist with financial inclusion, as well as adopting an intelligence led approach to identifying and offering assistance to those owing multiple debts to the Council.

The Financial Inclusion Strategy is one of a number of plans and strategies that the Council has in place to prevent and / or mitigate the effects of poverty, deprivation and financial exclusion. It should therefore be read alongside, but does not replace, related documents such as the Demand Management Strategy, Housing Strategy, Customer Experience Strategy, Local Plan and Private Sector Landlord Licensing Scheme.

The proposed Financial Inclusion Strategy has been developed by a cross-departmental working group including representatives from a range of services including Debt Management, Council Tax Collection, Housing, Customer Services, Community Development, Employment and Skills and Business Development. The working group will continue to meet quarterly to monitor its implementation and impact.

REASONS AND OPTIONS

Reasons for the decision: Through the implementation of the strategy, the Council aims to improve the financial management capabilities of residents in the borough and, in so doing, reduce the accumulation of personal debts, which are both stressful to the individuals involved and costly to creditors, including the Council.

Other options considered: The Cabinet could decide not to adopt and implement the Financial Inclusion Strategy however to do so would miss the opportunity to achieve the objectives outlined above.

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no direct financial implications arising from this report. It is expected that the Financial Inclusion Strategy will be delivered within existing resources.

Human Resources implications and risks:

There are not any implications arising directly from this report that impact on the Council's workforce.

Legal implications and risks:

There are no apparent legal implications of approving the proposed Financial Inclusion Strategy.

Equalities implications and risks:

An Equality Impact Assessment has been carried out of the proposed strategy, which is attached at **Appendix 2**.

BACKGROUND PAPERS

None

Financial Inclusion Strategy

2018 - 2021

Havering
Making a Greater London

Document Control

Document details

Name	*Financial Inclusion Strategy*
Version number	*V0.2*
Status	*Final draft*
Author	*Madeleine Leathley (Graduate Management Trainee)*
Lead officer	*Phillipa Brent-Isherwood (Assistant Director of Policy, Performance and Community)*
Approved by	*Cabinet*
Review date	*February 2019*

Supersedes	*N/A*
Target audience	*Members, staff and residents*
Related to	*Corporate Plan, Demand Management Strategy, Health and Wellbeing Strategy, Employment and Skills Plan, Housing Strategy, Early Help Strategy, Customer Experience Strategy, Local Plan and Private Sector Landlord Licensing Scheme*

Version history

Version	Status	Date	Dissemination/Change
V0.1	*1st draft*	*11/12/2017*	*Working Group* *Assistant Director*
V0.2	*2nd draft*	*21/12/2017*	*Assistant Director comments reflected in document and action plan attached.*
V0.3	*3rd draft*	*05/01/2017*	*Senior Leadership Team's comments reflected in document*

Approval history

Version	Status	Date	Approved by

Equality Impact Assessment record

Date	Completed by	Review date

Contents

Foreword

This strategy outlines the Council's vision and priorities to encourage a fair and equal borough where all residents are able to access appropriate, mainstream financial services. We believe financial inclusion is important in ensuring that the London Borough of Havering achieves its corporate vision of promoting opportunities across the borough, as well as encouraging the development of places, communities and connections.

It is now more important than ever for the Council to work with residents, community groups, local businesses, banks and our statutory partners to ensure that everybody in our borough has access to the financial services and products they need to help them cope with the financial pressures and challenges of modern life. By promoting financial inclusion and helping residents to develop the skills to manage their finances to best effect, we aim to achieve the vision set out in our Corporate Plan that families and communities will be able to look after themselves and each other wherever possible. We also have an important role to play in seeking to influence national policy, as well as the behaviour of key suppliers of services, such as private sector landlords. In setting out our priorities within this Financial Inclusion Strategy, we have looked at local issues, data and statistics and current provision across the borough. This strategy focuses on four key priorities and I am confident that these will lead to a brighter financial future for our residents.

Cllr. Roger Ramsey, Leader of the Council

Executive Summary

Many individuals and families, both in Havering and elsewhere, are experiencing financial pressures due to factors such as rising living costs, welfare reform and stagnant salaries. This impacts adversely on their own outcomes and also generates demand, and therefore cost pressures, on many Council services as well as those provided by our partners; for example if residents are unable to sustain mortgage payments or private sector tenancies, and therefore seek the assistance of the Council in meeting their housing need .

In keeping with other key corporate strategies, this Financial Inclusion Strategy seeks to prioritise early help, intervention and prevention, as well as continuing to protect and support those who are vulnerable and need our help now. It therefore focuses on identifying, prioritising and tackling the major causes of financial exclusion, whilst also promoting the tools and services that facilitate financial inclusion.

The strategy outlines the four key priorities that will be implemented across the council to ensure an increase in financial inclusion across the borough. These four priorities are to make available and promote digital inclusion; educating children and young people about financial services; to provide debt and money advice to those who need it, and to share relevant information about the support and services available effectively both across the council and with residents. By implementing these four priorities the council will be able to provide timely assistance residents in the borough who may be experiencing difficulties now, while also developing long term skills that will develop and sustain financial inclusion within our communities in the long term.

Introduction

What is Financial Exclusion/Inclusion?

Financial exclusion is the process whereby people encounter difficulties accessing financial services and products in the mainstream market that are appropriate to their needs. These products and services include the ability to get a bank account, lower rates of interest on loans and access to internet banking. Access to and understanding of these services and products would enable residents to become financially included and develop long term skills to help them in the future with any monetary issues.

Financial inclusion is the process by which the effects of financial exclusion can be overcome. This can be achieved by ensuring that everyone has access to the financial services and products that could enable them to cope with financial pressure, deal effectively with financial distress and manage their money effectively on a day to day basis.

Purpose of the Strategy

The purpose of this document is to set out our commitment to financial inclusion for our residents and show how we plan to achieve this in the future. This strategy cuts across many of our services and links in with and complements our Corporate Vision and many other corporate plans and strategies.

The focus of this strategy is on access to financial services and products as it is possible to be wealthy and financially excluded or financially included yet struggling due to low income and/or high expenses. However, it is accepted that, in most scenarios, financial exclusion is a symptom of poverty and / or deprivation as well as a cause. Financial exclusion also has significant impacts on children within financially excluded families and therefore educating children and young people about financial inclusion is also an important element within this strategy.

The strategy seeks to help local residents to access the information they need to help them manage their finances and prioritise their financial commitments. It also sets out how the Council will work with local key suppliers of services to help support local residents and promoting financial inclusion. The Council is also committed to working with central government to influence national policy so that financial inclusion remains a priority on the national and local agenda.

Scope

The Financial Inclusion Strategy is one of a number of strategies the Council has in place to prevent and/or mitigate the effects of poverty and deprivation. It should be read alongside, but does not replace, related documents such as the Demand Management Strategy, Housing Strategy, Local Plan and Private Sector Landlord Licensing Scheme.

This strategy sets out the outcomes that will be pursued across the organisation and in partnership with other organisations and agencies to ensure the promotion of financial inclusion across the borough. The themes identified highlight the areas where skill development is necessary to ensure that residents and future generations are able to become and remain financially included and access the services and products that best meet their needs.

The National and Local Context

The National Context

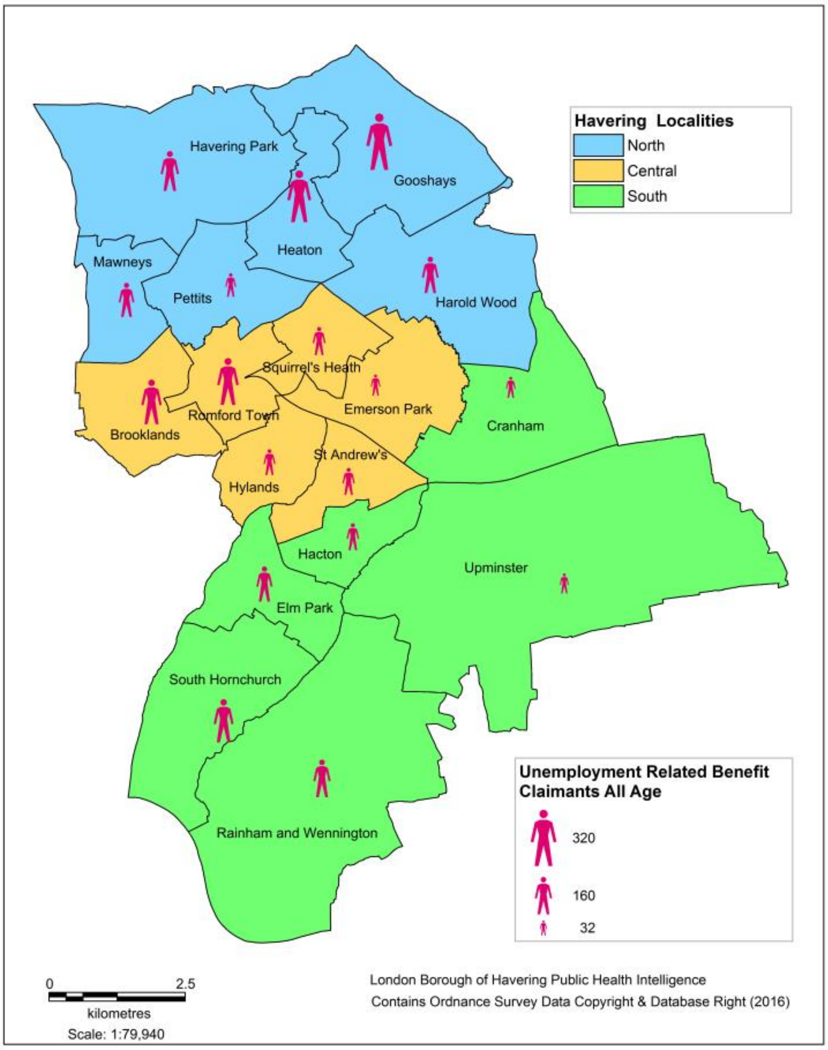
In 2017 the Select Committee on Financial Exclusion called for tackling financial exclusion to become a priority across the UK. As of March 2017, 1.7 million people in the UK did not have a bank account and 40% of the working population has less than £100 in savings[1]. It is therefore a national priority to prevent people from being excluded from accessing even the most basic financial services and products. In response to this the Government has appointed a Parliamentary Under-Secretary for Pensions and Financial Inclusion within the Department for Work and Pensions (DWP).

The Local Context

Havering is a relatively affluent borough and ranks sixth out of 32 London Boroughs for income inequality (with mean income being 121.162% of median income)[2]. The borough's overall poverty rate is 16.6%, compared with 27% across the whole of London, placing it fifth out of the 32 London Boroughs[3]. Based on the Index of Multiple Deprivation (IMD) 2015, Havering is ranked 166th overall out of 326 local authorities in England for deprivation (where 1st is the most deprived). However, there has been a slight increase in deprivation in the borough since 2010, when Havering ranked 177th.

The overall employment rate in Havering (at 76.9%) is higher than both London (73.6%) and the national average (73.9%), whilst the proportion of working-age residents claiming out of work benefits (at 7.0%) is significantly lower than nationally (8.6%). Gooshays, Heaton and Romford Town have the highest numbers of unemployment related benefit claimants whilst Upminster has the lowest. The three wards with the highest numbers of claimants account for almost a third (32%) of all cases, whereas the three with the fewest (Cranham, Emerson Park and Upminster) account for only 6%[4].

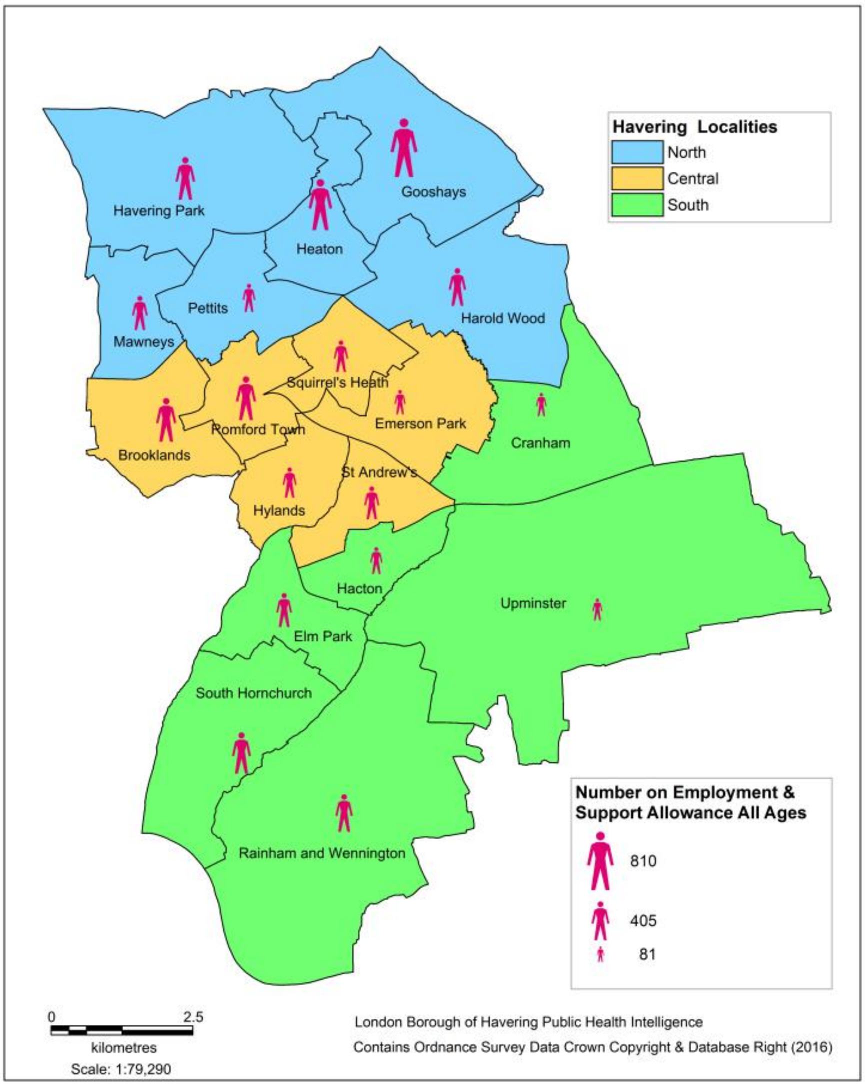
1 https://www.parliament.uk/business/committees/committees-a-z/lords-select/financial-exclusion/news-parliament-2015/financial-exclusion-report-published/
2 http://www.londonspovertyprofile.org.uk/indicators/boroughs/havering
3 http://www.londonspovertyprofile.org.uk/indicators/boroughs/havering
4 www.nomisweb.co.uk



All unemployment related benefit claimants, all age (July 2017)

Gooshays, Heaton and Romford Town also have the highest numbers of claimants of Employment and Support Allowance (ESA), whilst Emerson Park, Cranham and Upminster again have the lowest. The three wards with the highest numbers of claimants again account for almost a third (30%) of all cases whereas the three wards with the fewest account for only 7%[5].

[5] www.nomisweb.co.uk



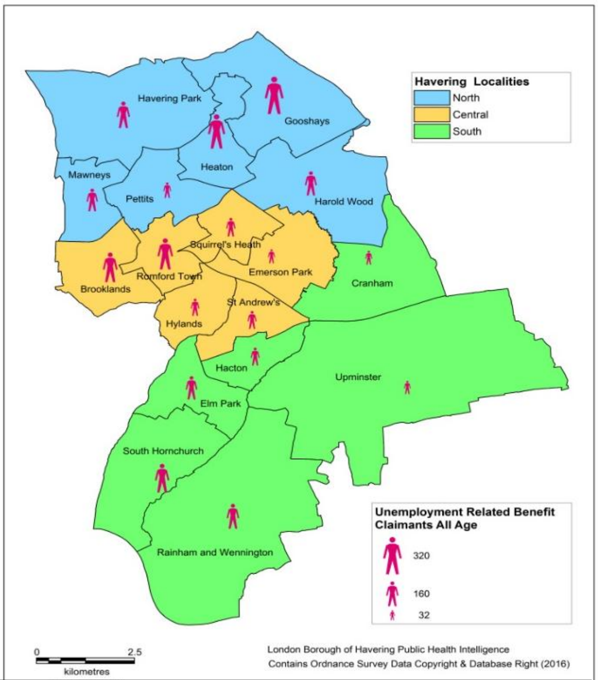
Number of Havering residents on ESA, all age (February 2017)

20.823% of local employees are in jobs paid below the London Living Wage, placing Havering 15th amongst 32 London Boroughs against this measure[6]. Despite low deprivation scores and high employment rates, the average gross income per household in Havering (at £44,430) is low in comparison with the London average (£51,770) (and in the lowest third of all London Boroughs) but slightly higher than the national average (£39,557). The most income deprived wards are in the north of the borough[7], and include Gooshays, Havering Park and Heaton. These are also the most deprived wards in regards to employment.

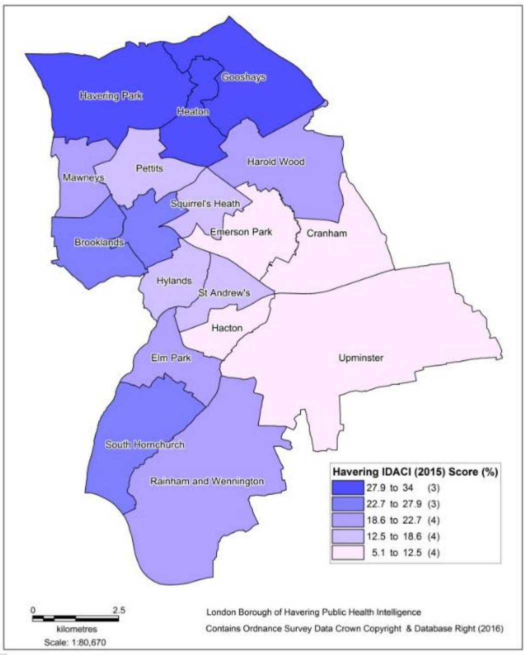
As well as these wards being the most deprived in the borough they also, in comparison to the other wards within the borough, have the highest percentage of children living in poverty. Whilst the majority of children living in Havering are not poor, around 8,800 (24.731%) children aged under 16 do live in income-deprived households. Havering ranks seventh amongst 32 London Boroughs against this measure[8] and is one of just two London boroughs experiencing a rise in child poverty,

[6] http://www.londonspovertyprofile.org.uk/indicators/boroughs/havering
[7] Public Health: Needs analysis, figure 11.
[8] http://www.londonspovertyprofile.org.uk/indicators/boroughs/havering

while other boroughs are experiencing a reduction. The graphs below demonstrate the levels of child poverty across the borough and the areas with the highest number of households that claim income related benefits. The similarities between the two graphs highlight how the two variables are interrelated and the importance of working with financially excluded adults and children across the borough to ensure both an increase in financial inclusion and a reduction in child poverty in Havering. For financial inclusion to bring about wide benefits to the borough these wards must be specifically targeted at these three wards to ensure the benefits are felt by those most in need of the services.



All unemployment related benefit claimants, all age (July 2017)



Income deprivation affecting children (IDACI) score 2015

"Under-employment" is the under-use of a worker due to a job that does not use the worker's skills or leaves the worker idle. In 2018, 2,083 residents were recognised as under-employed within the borough. Financial exclusion affects the under-employed if they are not able to access the services and skill development opportunities that could lead them to becoming fully employed individuals, which in turn can lead to in-work poverty, not least by keeping wages down. Workforce and employment opportunities will need to be developed in the borough in order for under-employment to decrease, and this is to be addressed primarily in other strategies that are currently in development, including the Employment and Skills Plan and Economic Development Strategy.

More people moved into residential accommodation in Havering during 2015 than in any other London borough. Linked to this, the borough has seen a significant increase in the private rented sector. The 2011 Census revealed that the private rented sector in Havering had almost doubled over the previous five years, and the rapid growth of this sector has continued year on year. Private rent in the borough remains more affordable for low earners than anywhere else in London and the borough ranks 22nd out of 32 London Boroughs for landlord repossession orders per 1,000 renting households[9]. This, combined with recent welfare reforms, has resulted in people on low incomes and / or claiming housing benefit moving out of central London, towards outer London boroughs such as Havering. However, between November 2014 and November 2015, the London Borough of Havering, along with the neighbouring borough of Barking and Dagenham, experienced a 12.5% increase in the average cost of rental properties. This grew by a further 5% over the following two years, and was at £1,210 per calendar month as at November 2017[10]. The ever increasing rental costs within the borough mean that financial pressures are continuing to be felt, particularly by those renting in the private sector. The rate of homeless households in temporary accommodation (at 7 per 1,000) is lower than across London (at 14.9 per 1,000) but higher than the national figure (at 3.4 per 1,000). The rate of statutory homelessness is similar to the rest of London but higher than across England as a whole. However, the borough has the third highest rate of homelessness acceptances per 1,000 households in London[11].

Current Provision

The Council already does a significant amount to help prevent residents from becoming financially excluded in the first instance and to assist those who are, much of which is set out in separate but related plans and strategies. For example, the London Borough of Havering has built the third most social housing of all the London Boroughs since 2013, with only Greenwich and Tower Hamlets building more[12]. Through its Appointeeship and Deputyship Service, Adult Social care is also able to manage the property and financial affairs of clients who lack the capacity to manage these affairs for themselves and have no one else willing and / or able to act in their best interests.

At a strategic level, the Council's Demand Management Strategy prioritises (among other things) tackling poverty and the root causes of poverty; providing effective and sustainable housing options, and increasing employment opportunities, especially for young people. It sets out how we will seek

[9] http://www.londonspovertyprofile.org.uk/indicators/boroughs/havering
[10] https://homelet.co.uk/homelet-rental-index/interactive-infographic
[11] http://www.londonspovertyprofile.org.uk/indicators/boroughs/havering
[12] http://www.londonspovertyprofile.org.uk/indicators/boroughs/havering

to derive social value from commissioning, for example by requiring providers to provide jobs for local residents or target groups (e.g. looked after children or care leavers). It describes how the Council is providing low cost internet access across its housing estates and other areas of the borough, and also how we can assist older residents who are asset rich but cash poor (who have a housing asset of potentially considerable value but limited cash resources to fund activities and care that would enhance their quality of life, independence and wellbeing) whilst also helping someone in housing need. The Council's housing management company is able to lease such properties and enter into a management agreement to rent them to those in housing need. Meanwhile, the home owner is housed in sheltered accommodation, funded by the rental income from their property, and is able to use the balance to self-fund various services to promote their independence. This taps into the value of the person's home without necessitating equity release or sale.

The Council is currently also developing a new Local Plan for Havering which will guide future growth and development in the borough up to 2031. This sets out the need to build more homes and seeks to ensure that the right numbers and types of jobs, as well as the critical infrastructure required, are provided to support the growing and changing population of Havering. For example, it strengthens policy support for independent living and the adaptations needed to facilitate this, and describes how the Council intends to secure improved transport infrastructure (to help residents access work and other services) and optimise the benefits of Crossrail for local residents. The main growth in homes, jobs and infrastructure will be focused on the two Housing Zones in Romford and Rainham and Beam Park as these areas have the capacity to accommodate this development.

The Council's Customer Experience Strategy sets out the steps we will take to ensure that we have a high quality digital environment (including a better functioning website and high quality ICT infrastructure) which allows customers to access the right information, advice and guidance to help themselves, and to access the right service at the right time to meet their need. It sets out our commitment to joining up Council information digitally with partners and appropriate voluntary and community sector organisations; for example, by signposting residents through the Council's website to information provided by the CAB about financial inclusion and debt management, and by improving access to service directories, including those produced by partners. The strategy describes how we will continue to develop and use tools such as the Data Warehouse and Customer Relationship Management (CRM) system to create a "single view" of each customer (including by creating one useful and extensively used customer account), so that they only have to tell us their story once and the Council has a robust overview of any issues and difficulties affecting them. It also sets out how we will seek to help residents prevent and reduce debts to the Council by increasing online and direct debit payments and encouraging advance payments where appropriate, and by ensuring that Council officers have real time data available in relation to payments and debt management. Importantly, the Customer Experience Strategy also describes how we will "future proof" these improvements by asking current and potential future customers to co-design our offer with us.

The Council provides direct support with financial inclusion through Housing Officers who advise residents on what services are available across the borough and any life changes they may be able to make to help them to become more financially included. A specialist debt advice service carried out affordability assessments on behalf of those wanting to access Council tenancies in order to ensure that they do not over-commit themselves. Officers provide advice on claiming the correct benefits and how to access grants residents may be entitled to. In addition, they refer residents for computer courses with Havering Adult College to build or enhance skills. The officers also research the facilities and services being offered by local banks so they can advise residents accordingly.

Various other discretionary services are also available across the council to assist those who are financially excluded. The authority has a Council Tax Financial Hardship Policy, which grants discretion to reduce the amount of Council Tax an individual is liable to pay by up to 100% if they meet certain criteria. The Council also has an Emergency Assistance Scheme which assists benefit claimants in emergency situations with short term loans, supermarket vouchers, food bank vouchers, furniture and white goods.

The Council also supports Havering College's ROSE programme by providing supported employment opportunities for people with learning disabilities who might otherwise become financially excluded. It also provides up to 12 hours of start-up support for those establishing their own businesses, and has assisted 200 start-ups over the last two financial years. In addition, an Employment and Skills Plan is currently in development, with the aims both of helping those who are currently unemployed to access the labour market, and of supporting those who are currently under-employed or otherwise at risk of suffering in-work poverty and financial exclusion.

As set out above, in promoting financial inclusion, the Council also has a role to play in influencing the behaviour and practices of other both residents and other agencies. The Private Sector Landlord Licensing Scheme seeks to ensure that vulnerable groups receive improved protection when living in Houses of Multiple Occupation (HMOs) and other privately rented properties; prevent rogue landlord activities, and reduce the negative impact that poorly managed accommodation can have on both tenants and the wider community, as well as to educate tenants on their responsibilities as a tenant. Incorporating this education with the money and debt advice provision included in this strategy will ensure that residents develop the necessary financial management and other skills that will help them to remain financially included in the long term.

Our Vision

The Council's vision, Havering – Making a Greater London, is about embracing the best of what Havering has to offer, and how we as a borough can play an active role in the success of the whole of London. It sets out our commitment to actively improve our residents' use of connections to support their communities and provide opportunities. The Financial Inclusion Strategy contributes to the achievement of all four priority themes within the Corporate Plan:

Communities

We want to help our residents to make positive lifestyle choices and ensure a good start for every child to reach their full potential. We will support families and communities to look after themselves and each other through promoting financial inclusion across the borough.

Places

Implementation of the Financial Inclusion Strategy should assist the Council to prevent homelessness and sustain vulnerable residents in their homes and tenancies.

Opportunities

We will provide first-class opportunities by supporting residents to develop skills so that they have the opportunity to manage their own finances sustainably. We will particularly consider how we can better support looked after children, those who are not in education, employment of training (NEET), the long term unemployed and disabled people to access the financial services and skills they need to live successfully independently. In so doing, we will generate increased local wealth for the benefit of all the residents of Havering.

Connections

We will continue to make LB Havering a digitally-enabled borough that is connected to residents and businesses. Enhancing our connections will strengthen the borough's ability to promote digital inclusion across Havering, which will in turn assist us in promoting financial inclusion.

Our Aim

Our aim is for more people across the borough to identify themselves as being financially included and to have access to the right financial services and products to help them manage their finances effectively and so avoid financial difficulties. As part of this this, more children and young people across the borough will have an understanding of available services and products and how to use them sustainably in the future to ensure that they become financially included as adults.

Our Desired Outcomes and Priorities

By implementing the following priorities across the council, LB Havering will see previously financially excluded residents using their developed skills to manage their money and budget effectively and, where necessary, being able to make benefit claims online independently.

The following priorities will ensure that these outcomes can be achieved across the borough and will improve the financial inclusion of our residents:

Priority 1 – Digital inclusion

Digital exclusion is identified as a key cause of financial exclusion across the UK[13]. This is due to people not being able to access online services and bank accounts that could be more cost effective than the current services they are using. As more banks shut down their high street branches in and around the borough, it is becoming essential for individuals to have access to online bank accounts in order to continue to have access to financial services. As well as this, applications for bank accounts, debit and credit cards are being pushed online and therefore if a person is financially excluded they will not have easy access to these services. Not only does digital exclusion affect banking, but from June 2018 it will also affect people's access to the benefits system. With the roll out of Universal Credit commencing in the borough from June 2018, digital inclusion must become a priority for the council as the benefit must be applied for through an online system. As well as this,

[13] Report: Tackling financial exclusion: A country that works for everyone?, House of Lords committee, March 2017.

digitalisation is becoming more prominent in our day to day lives and therefore by developing these skills residents should receive an improved experience in using a variety of services.

Key Actions

The Public Advice and Service Centre (PASC) does not currently provide assistance with benefit applications but there is an expected increase in demand for assistance due to the different process that will need to be followed to apply for Universal Credit. To meet this expected increase in demand LB Havering has taken action to have resources available in the PASC to provide assistance for people to apply for the Universal Credit online. However, it is important that residents' digital inclusion skills are developed to ensure that they are able to assist themselves in the future and not rely on these additional services continuing to be provided by the PASC. To meet this need, Housing Services at LB Havering are currently creating a booklet detailing where there is digital access available across the borough which will be circulated to residents in need. From this, if residents do require assistance with accessing online services or developing their digital skills they will be able to visit one of these locations to receive assistance.

There are a variety of options for LB Havering to promote digital inclusion skills throughout the borough. One resource that can be used to develop these skills is the volunteer centre. Members of staff across a number of teams could be made available to provide training to volunteers to promote digital skills across the borough. After training, these volunteers would then be able help residents in the community who require digital inclusion and support them to become financially included. A small scale version of these has already been successfully introduced in libraries across the borough through 'Techy Teas'. These sessions run on a monthly basis and support residents with improving their technological skills. As well as this, the Welfare Reform Group has submitted a bit to the Department for Work and Pensions for funding for a mobile ICT and an Information, Advice and Guidance (IAG) unit. If the funding for this is approved the facility will be used to promote digital skills to residents near to their own homes. As well as this the council will work with banks to provide digital inclusion skills to residents within the borough who are currently financially excluded.

Priority 2 – Educating children and young people about financial services

To ensure that the Financial Inclusion Strategy has long term positive effects across the borough it is important to include children and young people in its implementation. Currently schools across England are encouraged to provide information on available financial services and good money practices as part of Personal, Social and Health Education (PSHE) lessons. This is not currently compulsory across schools in England however it is compulsory in Scotland, Wales and Northern Ireland.

Key Actions

The education department within the Council will work with schools to encourage the promotion of financial inclusion across the borough. This will be done through promoting the importance of teaching children money management skills and how to access financial services through general meetings with schools by the Public Health team. Alongside working with schools to teach children skills so that they are financially included, the council will also promote this learning through working with other children's and young people's groups across the borough, e.g. the Havering Youth Council.

Financial inclusion will also be promoted to children and young people by working with local banks that provide a wide range of information on introducing children to savings and good money practices. A key opportunity for the council to provide monetary skills training is with children in care and care leavers as these are identified as one of the social groups at the highest risk of being financially excluded as adults. Therefore the council will work with these young people through the newly launched 'Cocoon' facility to provide opportunities to develop these skills for children in care and those leaving care in the borough.

Priority 3 – Debt and money advice

There is the potential for a 'perfect debt storm' to be created across the borough if the Council and its partners do not respond appropriately. This is being driven by increasing rents, an income squeeze, pay day loans and Universal Credit giving individuals the responsibility to pay for their rent instead of housing benefit being paid directly to a landlord. Due to all these factors, and others, it is likely that household debt will rise across the borough, as well as nationally. Therefore, it is important for the borough to work with residents to provide legitimate money and debt advice to ensure the effects of these changes are limited.

Key Actions

Currently, the transactional services within oneSource are focusing on recuperating outstanding charges to the council while also supporting those most in need to get the help they require. Help is provided by the team working closely with the Citizens Advice Bureau (CAB), Havering Mind and the National Debt Line. By working with residents the service is able to prevent the person becoming distressed and unable to pay off their debts, which would eventually lead to additional costs being added to their original debt. This debt advice will be rolled out to a range of people in need across the borough, particularly with the introduction of Universal Credit in 2018. It is expected that there will be a higher demand for loans once the new system is rolled out due to the delay in the first payment being paid to the recipient. An existing opportunity to promote this debt and money advice to residents is at the St Kilda's Children's Centre job club. This will allow the advisors to access a range of residents who require assistance with money and debt advice and could therefore currently be financially excluded.

Over the next 12-18 months, the Council will be undertaking work through its data warehouse and other business intelligence tools to improve the quality and use of the data sets available to identify those owing multiple debts to the Council and to offer them assistance to manage their finances and to clear their debts more effectively. A pilot carried out in 2017 showed demonstrable savings to both the Council and its debtors, with income collected earlier and fewer payment reminders and penalties needing to be issued. This more tailored approach to debt tracing and collection will not only enable the Council to upscale those savings, but will also help us to develop a more sophisticated understanding of the extent of financial exclusion within the borough, as well as to maximise benefit and grant take up amongst vulnerable families and businesses.

As well as debt advice, the council will provide money advice and skills to residents across the borough who are financially excluded. The 'Help to Save' scheme is being launched in 2018 for all those in receipt of Working Tax Credits and those who receive Universal Credit with a household income equivalent to at least 16 hours a week at the national living wage[14]. The scheme will give these people the opportunity to save up to £50 each month and they will receive a 50% bonus on the highest balance achieved at the end of the second and fourth year of saving. If residents save the maximum amount each month for four years this will mean that they will save a total of £3,600, including the £1,200 government bonus. The council will work with residents to teach skills on how to save and to access this scheme so that they can receive the benefits available.

Priority 4 - Improved provision of information across the Council

It is crucial that service users are signposted to the right department to ensure that they are accessing the right services and a record is kept of the needs across the borough. By improving the level of information shared across the council, staff should feel more confident in signposting service users to appropriate services.

Key Actions

Financial inclusion will be promoted by a clear, council wide directory that provides staff with information about the services available across the borough for those who need specific assistance.

The Employment and Skills team at Havering is currently also developing a corporate referral management system which will be used to track the interventions that are offered to residents to help them access employment and training. As well as this the system will track the outcomes that have been achieved through these interventions, in order to establish which are the most effective and so inform future commissioning decisions. By ensuring that people in need are referred to the right area and receive the correct support to access these services, the team will be able to identify the most successful methods of intervention that bring about the most positive outcome for the residents and help ensure they develop suitable skills that ensure they become financially included for the long term.

Measures of Performance

The strategy's success will be measured predominantly through the achievement of the action plan attached at Appendix 1. This will be monitored on a quarterly basis by the Financial Inclusion Working Group. As well as this, the success of the strategy will be evaluated by refreshing the baseline data collected to inform the development of the strategy. A number of existing corporate and service-level performance indicators will also be used to judge the impact of the strategy, as set out at Appendix 2. Targets for each of these indicators will be set annually as part of the corporate and service planning process.

[14] https://www.gov.uk/government/publications/help-to-save-what-it-is-and-who-its-for/the-help-to-save-scheme

Additional performance indicators and targets relating to the provision of debt and money advice will be agreed with the CAB as part of the renegotiation of the Council's funding agreement, as referenced in the Action Plan.

Consultation

A working group has been set up to develop and implement the strategy, with members from across a range of services including Debt Management, Council Tax Collection, Housing, Customer Services, Community Development, Employment and Skills and Business Development. The working group is scheduled to meet quarterly to monitor and assess the success of the implementation of the strategy across the council.

Implementation and Monitoring

Implementation of the strategy will be monitored by the Financial Inclusion Working Group. A progress report will be submitted to the Overview and Scrutiny Board on an annual basis detailing progress made in delivering the action plan attached at Appendix 1.

Evaluation and Review

The strategy will be thoroughly reviewed after the initial three-year implementation period. However, the action plan will be reviewed and amended, if necessary, on an annual basis. Each of these reviews will be completed with the assistance of the working group that has been created to develop this strategy.

Further Information

For further information please contact the Policy and Performance Team by emailing PolicyServiceDevelopment@havering.gov.uk

Appendix 1

Making this happen: Financial Inclusion Action Plan

Task	Lead	Desired outcome	Timescales	RAG
Priority 1 - Digital Inclusion				
Create, maintain and distribute a booklet detailing where there is digital access available across the borough	Housing Services	Residents will be effectively signposted to where they can access assistance to develop their digital skills	June 2018	
Make resources available in the Public Advice and Service Centre (PASC) to help residents apply for Universal Credit online	Customer Services Operations Manager	Increased resources available to meet the anticipated increase in demand for assistance with making online-only claims as Universal Credit is rolled out across the borough.	June 2018	
Apply to the DWP for Community Budget Funding for mobile outreach provision	Employment and Skills Manager	Easily accessible, mobile and targeted provision for improving digital inclusion, developing residents' skills and providing information, advice and guidance on a range of financial inclusion issues	Review progression of bid – October 2018.	
Provision of outreach support for residents in community hubs (localities)	Income Manager/Employment and Skills Manager	Ward focused services provided to those most financially excluded across the borough. By focusing on specific needs of each ward, improvements should be made in the digital inclusion of residents to improve their financial inclusion.	Review of implementation March 2019.	

Priority 2 – Educating children and young people about financial services				
Work with schools to develop a PSHE programme to build financial management skills	Healthy Schools Officer/Health Improvement Specialist (Schools)	Children across the borough develop skills to be financially sustainable and to use services available to them now and in the future. This should mean that they become financially included adults in the future.	Review progress December 2018.	
Provision accessible at The Cocoon with an opportunity to offer more specialist support with the CAB	Face to Face Pathways team	Specialised support for Children in Care and Care Leavers. This is a group of people where a high proportion are financially excluded. By developing their skills, they should be able to access the appropriate financial services for them.	Review progress March 2019.	
Carry out direct work with children in care and care leavers to help them plan their education / employment route; to access and sustain appropriate accommodation, and to develop financial inclusion skills	Pathway Coordinators	By carrying out direct work with this cohort of young people to help them prepare their transitions into adulthood, we hope to ensure that they remain in education, employment or training; sustain suitable accommodation, and are able to manage their finances effectively such that they are able to live independently successfully.	Evaluate impact October 2019	

Priority 3 – Debt and money advice				
Renegotiate the Council's funding agreement with the local CAB in order to ensure the provision of effective debt and money advice to residents across the borough	Community Safety and Development Manager	Residents who may be at risk of, or are already experiencing financial exclusion are able to access appropriate support and advice in the community	April 2018	
Improve the quality and use of data sets available to identify and offer assistance to those owing multiple debts to the Council	Income Maximisation Project Manager	By creating a consolidated view of debtors we aim to improve the prospects of successfully collecting income owing to the Council as well as reducing proceedings against individuals, which are both stressful for them and costly to the Council. This project also seeks to contribute to a reduction in avoidable contact with the Council and an increase in online payments.	June 2018	
Priority 4 - Improved provision of information across the Council				
Produce, maintain and distribute a directory to provide signposting to existing financial inclusion services across the council and the voluntary sector	Web Content Team/Customer Services Operations Manager	To create easy access to information about available services for staff and residents in order to maximise take-up of financial inclusion services and support.	Review progress and circulation December 2018.	
Design and implement a corporate Referral Management System to track the support offered to residents to access employment and training, and the outcomes achieved through these.	Employment and Skills Manager	This system will reduce duplication of effort and resources across the Council whilst still ensuring that residents are supported to access the services they need to help them access and sustain	Review progress and implementation March 2019.	

		employment. By tracking the outcomes achieved for individuals, the system will also assist the Council in developing a more sophisticated understanding of the efficacy of various initiatives, and so inform future commissioning intentions.		

Appendix 2

Measures of Performance

Type of Indicator	Performance Indicator	What Good Looks Like	Indicative Targets			Lead Service
			2018/19	2019/20	2020/21	
Corporate Performance Indicators	% of care leavers in both education, employment or training and suitable accommodation	Bigger is better	TBC	TBC	TBC	Children's Services
	Number of families assisted in finding their own housing solution / prevented from becoming homeless	Bigger is better	TBC	TBC	TBC	Housing Services
	% of adults in contact with secondary mental health services in paid employment	Bigger is better	7.2%	7.45%	TBC	Adult Services
	Proportion of adults with learning disabilities in paid employment	Bigger is better	8.4%	8.6%	TBC	Adult Services
	% of 16-18 year olds who are known not to be in education, employment or training (NEET)	Lower is better	4.1%	3.9%	TBC	Learning & Achievement
Demand Pressure Indicators	Number of homelessness decisions	Lower is better	TBC	TBC	TBC	Housing Services
	Number of homelessness acceptances	Lower is better	TBC	TBC	TBC	Housing Services
Corporate Health Indicators	% of Council Tax collected	Bigger is better	TBC	TBC	TBC	Exchequer Services
	% of National Non-Domestic Rates (NNDR) collected	Bigger is better	TBC	TBC	TBC	Exchequer Services
Service-Level Indicators	% automated payments	Bigger is better	40%	40%	TBC	Culture and Customer Access
	% of leaseholder service charge arrears collected (excluding major works)	Bigger is better	98%	98%	TBC	Housing Services
	% of HRA rent arrears against rent debit	Lower is better	1.4%	1.4%	TBC	Housing Services

Type of Indicator	Performance Indicator	What Good Looks Like	Indicative Targets			Lead Service
			2018/19	2019/20	2020/21	
	Total households on the housing waiting list as at 1st of each month	Lower is better	TBC	TBC	TBC	Housing Services
Financial Inclusion Needs Assessment	% of dependent children aged under 20 living in relative poverty	Lower is better	TBC	TBC	TBC	Corporate
	% of children aged under 16 in low income families	Lower is better	TBC	TBC	TBC	Corporate
	Proportion of working-age people in receipt of out-of-work benefits	Lower is better	TBC	TBC	TBC	Corporate
	Proportion of working age people who are unemployed	Lower is better	TBC	TBC	TBC	Corporate

Equality Impact Assessment (EIA)

Document control

Title of activity:	*Financial Inclusion Strategy*
Type of activity:	*Strategy*
Lead officer:	*Madeleine Leathley, National Management Trainee, Policy, Performance and Community*
Approved by:	*Phillipa Brent-Isherwood, Assistant Director of Policy, Performance and Community*
Date completed:	*10/01/2018*
Scheduled date for review:	*28/02/2021*

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

1. Equality Impact Assessment Checklist

About your activity

1	**Title of activity**	*Financial Inclusion Strategy*
2	**Type of activity**	*Strategy*
3	**Scope of activity**	This strategy sets out the outcomes that will be pursued across the organisation and in partnership with other organisations and agencies to ensure the promotion of financial inclusion across the borough. The themes identified highlight the areas where skill development is necessary to ensure that residents and future generations are able to become and remain financially included and access the services and products that best meet their needs. The Financial Inclusion Strategy is one of a number of strategies the Council has in place to prevent and/or mitigate the effects of poverty, deprivation and financial exclusion. It should be read alongside, but does not replace, related documents such as the Demand Management Strategy, Housing Strategy and Customer Experience Strategy. The review of the strategy at the end of its initial term will consider how well all these strategies and policies are working together and/or identify and seek to fill any gaps.
4a	**Is the activity new or changing?**	*Yes*
4b	**Is the activity likely to have an impact on individuals or groups?**	*Yes*
5	**If you answered yes:**	*Please complete the EIA on the next page.*
6	**If you answered no:**	N/A

Completed by:	*Madeleine Leathley, National Management Trainee, Policy and Performance*

Date:	*10/01/2018*

2. Equality Impact Assessment

The EIA

Background/context:
In keeping with other key corporate strategies, the Financial Inclusion Strategy seeks to prioritise early help, intervention and prevention, as well as continuing to protect and support those who are vulnerable and need our help now. It therefore focuses on identifying, prioritising and tackling the major causes of financial exclusion, while also promoting the tools and services that facilitate financial inclusion. The strategy outlines the four key priorities that will be implemented across the council to ensure an increase in financial inclusion across the London Borough of Havering. These four priorities are to make available and promote digital inclusion; to educate children and young people about financial services; to provide debt and money advice to those who need it, and to share relevant information about the support and services available effectively both across the council and with residents. By implementing these four priorities the council will be able to provide timely assistance residents in the borough who may be experiencing difficulties now, while also developing skills that will develop and sustain financial inclusion within our communities in the long term. Financial exclusion is the process whereby people encounter difficulties accessing financial services and products in the mainstream market that are appropriate to their needs. These products and services include the ability to get a bank account, to access lower rates of interest on loans and access to internet banking. Access to and understanding of these services and products would enable residents to become financially included and develop long term skills to help them in the future with any monetary issues. Financial inclusion is the process by which the effects of financial exclusion can be overcome. This can be achieved by ensuring that everyone has access to the financial services and products that could enable them to cope with financial pressure, deal effectively with financial distress and manage their money effectively on a day to day basis.

Age: Consider the full range of age groups		
Please tick (✓) the relevant box:		**Overall impact:** *The priority areas stated in the Strategy are intended to promote positive outcomes for all age ranges. This should help residents*
Positive	✓	

Neutral		*develop skills that help them to access the range of relevant services provided by the council and others. The strategy references the links between financial exclusion ad child poverty and makes reference to working with different age groups (including children and young people) to promote financial inclusion for all residents.*
Negative		
Evidence: See sections relating to digital inclusion and educating children and young people about financial services within the draft strategy. The progress of work with different age groups and the effectiveness of this will be monitored as part of the annual review of the strategy. The measures of performance set out in the strategy include a selection relating to particular age groups and cohorts.		
Sources used: "This is Havering" https://www.londonspovertyprofile.org.uk/indicators/boroughs/havering		
Disability: Consider the full range of disabilities; including physical mental, sensory and progressive conditions		
Please tick (✓) the relevant box:		**Overall impact:** *The strategy is expected to have a positive impact on residents with disabilities by facilitating access to the information and services they need to become and remain financially included.*
Positive	✓	
Neutral		
Negative		
Evidence: Specific steps are to be taken to facilitate access to financial inclusion services and support by people with disabilities. For example, the strategy includes actions to provide enhanced mobile outreach provision for those residents who, due to disabilities or other factors, may not be able to travel far to access services. Further details have been explained in the action plan below. The strategy includes measures of performance relating specifically to the proportion of adults in contact with secondary mental health services who are in paid employment as well as the proportion of adults with learning disabilities in paid employment.		

Sources used: Financial Inclusion Strategy

Sex/gender: Consider both men and women		
Please tick (✓) the relevant box:		**Overall impact:** *The strategy is expected to have a neutral impact on men and women.*
Positive		
Neutral	✓	
Negative		
Evidence: The strategy does not directly implement any priorities that would directly cause positive or negative effects specifically for men or women. Men and women will be equally able to welcome to access the support described in the strategy.		
Sources used: Financial Inclusion Strategy		

Ethnicity/race: Consider the impact on different ethnic groups and nationalities		
Please tick (✓) the relevant box:		**Overall impact:** *The strategy is expected to have a positive impact on different ethnic groups and nationalities.*
Positive	✓	
Neutral		
Negative		

<table>
<tr><td>Evidence:

Under the auspices of the strategy, Council officers will work with individuals from different ethnic groups and nationalities to access the appropriate financial inclusion services and support to meet their need. Further details have been explained in the action plan below.</td></tr>
<tr><td>Sources used:

Financial Inclusion Strategy</td></tr>
</table>

<table>
<tr><td colspan="3">Religion/faith: Consider people from different religions or beliefs including those with no religion or belief</td></tr>
<tr><td colspan="2">Please tick (✓) the relevant box:</td><td rowspan="4">Overall impact:

The strategy is expected to have a neutral impact for people from different religions or beliefs.</td></tr>
<tr><td>Positive</td><td></td></tr>
<tr><td>Neutral</td><td>✓</td></tr>
<tr><td>Negative</td><td></td></tr>
<tr><td colspan="3">Evidence:

The strategy does not directly implement any priorities that would directly cause positive or negative effects specifically to people of any particular religion or belief. Residents of all religions and beliefs will be equally able and welcome to access the support set out in the strategy.</td></tr>
<tr><td colspan="3">Sources used:

Financial Inclusion Strategy</td></tr>
</table>

<table>
<tr><td colspan="3">Sexual orientation: Consider people who are heterosexual, lesbian, gay or bisexual</td></tr>
<tr><td colspan="2">Please tick (✓) the relevant box:</td><td rowspan="4">Overall impact:

The strategy is expected to have a neutral impact for people who are heterosexual, lesbian, gay or bisexual.</td></tr>
<tr><td>Positive</td><td></td></tr>
<tr><td>Neutral</td><td>✓</td></tr>
<tr><td>Negative</td><td></td></tr>
</table>

Evidence: The strategy does not directly implement any priorities that would directly cause positive or negative effects specifically to people who are heterosexual, lesbian, gay or bisexual. All of these groups will be equally able and welcome to access the support described in the strategy.
Sources used: Financial Inclusion Strategy

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		
Please tick (✓) the relevant box:		**Overall impact:** *The strategy is expected to have a neutral impact for 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.*
Positive		
Neutral	✓	
Negative		
Evidence: The strategy does not directly implement any priorities that would directly cause positive or negative effects specifically to 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. All residents will be equally able and welcome to access the support described in the strategy.		
Sources used: Financial Inclusion Strategy		

Marriage/civil partnership: Consider people in a marriage or civil partnership		
Please tick (✓) the relevant box:		**Overall impact:** *The strategy is expected to have a neutral impact for people who are in a marriage or civil partnership.*
Positive		
Neutral	✓	

Negative		

Evidence:

The strategy does not directly implement any priorities that would directly cause positive or negative effects specifically to people in a marriage or civil partnership. All residents will be equally able and welcome to access the support described in the strategy, regardless of whether they are married, in a civil partnership, cohabiting or single.

Sources used:

Financial Inclusion Strategy

Pregnancy, maternity and paternity: Consider those who are pregnant and those who are undertaking maternity or paternity leave		
Please tick (✓) the relevant box:		**Overall impact:** *The strategy is expected to have a neutral impact for people who are pregnant and those who are undertaking maternity or paternity leave.*
Positive		
Neutral	✓	
Negative		

Evidence:

The strategy does not directly implement any priorities that would directly cause positive or negative effects specifically for people who are pregnant and those who are undertaking maternity or paternity leave. However it does reference the links between financial exclusion and child poverty and sets out specific performance measures relating to the percentage of dependent children aged under 20 living in relative poverty and the percentage of children aged under 16 in low income families.

Sources used:

"This is Havering"
https://www.londonspovertyprofile.org.uk/indicators/boroughs/havering

Socio-economic status: Consider those who are from low income or financially excluded backgrounds		
Please tick (✓) the relevant box:		**Overall impact:** *The Financial Inclusion Strategy focuses on the promotion of skills for*
Positive	✓	

<table>
<tr><td>Neutral</td><td></td><td rowspan="2">those who are, or may be at risk of becoming, financially excluded so that they are able to overcome the difficulties which currently exist for them.</td></tr>
<tr><td>Negative</td><td></td></tr>
<tr><td colspan="3">Evidence:

The Financial Inclusion Strategy is structured around 4 key priorities to promote financial inclusion across the borough with a focus on developing skills that will assist residents in the long term.

These priorities are to assist with digital inclusion; to educate children and young people about financial services; to provide money and debt advice in the community, and to share information about available services and support more effectively both within the council and with residents.</td></tr>
<tr><td colspan="3">Sources used:

Financial Inclusion Strategy
House of Lords Committee Report
Help to Save Programme – HMRC</td></tr>
</table>

Action Plan

Protected characteristic	Identified negative impact	Action taken to mitigate impact*	Outcomes and monitoring**	Timescale	Lead officer
Disability	Expected to be more likely to be financially excluded before the implementation of the Financial Inclusion Strategy.	Services will be accessible to individuals with disabilities. The PASC has disabled access and staff are able to assist customers with literacy issues.	People with a disability will be able to access the services that are included within this Financial Inclusion Strategy. This should lead to a decrease in the amount of people with disabilities being financially excluded. Specific measures of performance include the percentage of adults in contact with secondary mental health services in paid employment and the percentage of adults with learning disabilities in paid employment.	This should be monitored as part of the annual review.	Policy and Performance team to communicate with Customer Services Operations Manager. The identified performance indicators are led by the North East London Foundation Trust (NELFT), supported by Adult Social Care and others.
Ethnic Minorities	Expected to be more likely to be financially excluded before the implementation of	Services will be accessible to individuals from ethnic minorities. The strategy	People from ethnic minorities will be able to access the services that are included within this Financial Inclusion Strategy.	This should be monitored as part of the annual review.	Policy and Performance team to communicate with relevant community groups, faith groups and

Page 338

	the Financial Inclusion Strategy.	focuses on working with different community groups to develop skills that promote financial inclusion, as well as on promoting the support available.			the Havering Volunteer Centre.

Review

The EIA and associated action plan will be reviewed by 28th February 2021 by a member of the Policy, Performance and Community team.

This page is intentionally left blank

Havering
LONDON BOROUGH

CABINET
7 FEBRUARY 2018

Subject Heading:	**Employment and Skills Plan**
Cabinet Member:	Cllr. Osman Dervish – Lead Member for Environment and Community Safety
SLT Lead:	Sarah Homer – Interim Chief Operating Officer
Report Author and contact details:	Deborah Moonasar - Business and Skills Engagement Manager Tel: 01708 432567 Email: deborah.moonasar@havering.gov.uk
Policy context:	The Connections theme of the Corporate Plan contains a priority around facilitating access to jobs and opportunities. It commits that the Council will ensure that residents are able to access employment and training opportunities locally and that we will ensure that the borough maximises employment, high quality skills and career opportunities. There is a specific action to start a new Employment and Skills Plan which will help residents into work and support businesses with a better skills and employment offer. The Opportunities theme of the Corporate Plan contains a priority relating to high quality skills and careers and commits the Council to working with businesses to secure high quality skills and careers through the investment of the new Apprenticeship Levy. There is a specific action to develop better approaches to support the development of high level skills and progression.
Financial summary:	There are minimal financial implications resulting from approving the Plan for consultation. Implementation of the Plan is expected to cost £1.1m over three years. Funding has been identified from a

	combination of Council General Fund and HRA budgets, European Social Fund (ESF) grant and Section 106 allocations.
Is this a Key Decision?	Yes
When should this matter be reviewed?	By January 2021
Reviewing OSC:	Towns and Communities

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

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

SUMMARY

This report seeks the Cabinet's approval to consult on the draft Havering Employment and Skills Plan 2018-2021 and associated implementation plan.

RECOMMENDATIONS

1) That the Cabinet **approves** the draft Employment and Skills Plan (attached at **Appendix 1**) for consultation with the local business community, Joint Venture partners and other key stakeholders.

2) That a final version of the Employment and Skills Plan be presented to the Cabinet in April 2018 for adoption.

REPORT DETAIL

1. **Background**

1.1 Whilst Havering has employment rates which are higher than in neighbouring boroughs, this masks a local job market based predominantly on low skill jobs and low wage levels, and pockets of long term unemployment and economic inactivity, leading to under-employment, poor career progression and in-work poverty. The details of this are set out in the borough's "data story" at **Appendix 2**.

1.2 At the same time, the local economy and job market is changing and it is important both that residents are equipped with the right skills to meet current demand and adapt to future employment trends, and that businesses are able to secure a labour force which meets their requirements. This requires a measured approach that will raise the ambition of residents and instil in businesses the confidence to work in partnership with the Council and providers to shape the local employment and skills landscape.

1.3 In addition, the Department for Work and Pensions' (DWP's) mainstream programmes, such as the Work Programme, have historically been commissioned nationally with limited if any input from local authorities in terms of preferred providers. The Work and Health programme is now being commissioned to replace the Work Programme and Work Choice. The Local London Work and Health Programme (LLWHP) is designed to support the long term unemployed and those with health or disability challenges to access the labour market. This work is being led by the London Borough of Redbridge on behalf of Local London and is estimated to be worth £47m over five years and target 19,000 people who are in receipt of Job Seeker's Allowance plus the Employment Support Allowance Work Related Activity Group (WRAG). Havering has fewer residents classified as WRAG than other boroughs and so, because of the lack of scale and returns from a provider perspective, there is a risk that Havering could miss out on its fair share again if it does not take a planned approach to engaging with this. It is therefore also important that the borough makes appropriate provision for this work locally as well as seeking to secure its fair share from other funding sources.

1.4 The Council already has a number of plans and strategies in place to prevent and / or mitigate the effects of poverty, deprivation and financial exclusion. This document should therefore be read alongside, but does not replace, related documents such as the Demand Management Strategy, Housing Strategy, Customer Experience Strategy, Local Plan, Private Sector Landlord Licensing Scheme and the draft Financial Inclusion Strategy considered elsewhere on this agenda.

1.5 However, the Council does not currently have a specific strategy to address the identified issues relating to unemployment, under-employment, and the current incongruence between the current and future skill needs of local employers and the skills of local residents. Therefore the Council commissioned the Rocket Science consultancy ("the consultants") to develop an Employment and Skills Plan ("the Plan") for the Council (attached at **Appendix 1**). This report summarises the key findings and recommendations.

1.6 The proposed Employment and Skills Plan considers the challenges facing the Council and the borough from two perspectives:

Demand management: Developing a responsive service based on an assessment of:

- the scale of demand from residents on Council services;
- the level and type of activity that is currently carried out across Council departments to help residents to develop skills and to access and sustain employment;
- the effectiveness of this activity; and
- how such activity is funded and for how long.

Driving prosperity: Developing strategies for supporting the needs of businesses through workforce development that will drive economic growth in the borough.

1.7 The consultants found that service delivery is currently fragmented across the Council. The Employment and Skills Team is responsible for leading employment and skills activity in the borough. It currently has an establishment of 2 FTE posts but has no core budget other than to cover the costs of these staff. Meanwhile, other services also deliver a variety of employment and skills related support. This fragmented approach does not maximise the potential leverage of resources to secure greatest benefit for the borough. In addition, the borough does not currently monitor the impact of its various employment and skills interventions in a way which can inform future policy development and investment decisions or underpin bids for new funding.

1.8 As a result, the Plan is based on three core principles which should inform future policy development:

(i) **Working towards the Havering Vision**: Recommendations and actions should have a clear relationship to, and contribute towards, the achievement of the Havering vision.

(ii) **Embedding a Havering way of working**: Recommendations and actions should rely on greater cross-service collaboration and develop a universal 'Havering way of working' that is client centred and focuses on reducing duplication and costs.

(iii) **Preparing Havering for the future**: Implementation of the Plan should build the policy and delivery infrastructure for maximising employment and skills funding and investment into the borough beyond 2020.

1.9 The Plan envisages these principles being implemented through the delivery of three priority areas:

(i) **Making the most of Havering's strengths, relationships and assets**:

• Developing the local workforce and ensuring effective recruitment of local people at key employment sites and in established sectors facing workforce challenges, and

• Making better use of the Council's resources and opportunities to get the borough's fair share from external funding and using the Council's relationships, contracting and procurement activity to secure greater social value for businesses and residents.

(ii) **Improving prospects and prosperity**: There are groups of residents with specific challenges and needs, particularly those stuck in long term unemployment or low paid / temporary / low quality work, lone parents, and young people. Tailored packages of support are needed to secure jobs for such people so that employment can be sustained and careers developed.

(iii) **Growing our own**: Building on the strengths of an entrepreneurial Havering, the growth of micro businesses in the borough, the rise of self-employment and the ambition to create opportunities for local people and care leavers.

1.10 The draft Plan has been developed following extensive consultation with various services across the Council. It assesses the labour market and current services provided by various Council departments to support residents into work. Subject to the approval of the Cabinet, it is now proposed to consult with the local business community and other key stakeholders on the content of the draft Employment and Skills Plan, before presenting a final version for the Cabinet's approval in April 2018.

REASONS AND OPTIONS

2 Reasons for the decision:

2.1 Consultation carried out as part of the development of the Plan has identified that the borough is not currently:

- Maximising the benefit from the funding it secures;
- Making the best use of its collective resources to support people into sustainable work, or
- Working most effectively to support key and growing employment sectors that are important to the borough.

2.2 The Plan considers in detail the challenges the Council faces in delivering the proposed priorities and sets out the case for a more structured approach to service delivery based on:

(i) Managing and developing employment and skills provision through a central jobs and skills brokerage service which co-ordinates services and offers residents a consistent response based on their assessed needs.

(ii) A more co-ordinated approach, utilising a single, corporate Referral Management System, which enables a coherent process of managing and tracking individual residents' access to services across the various providers both within and outside the Council. This system will also assist the Council in measuring the impact of its interventions.

(iii) The council acting as an interface between employers and training providers to develop greater employer ownership of skills development and a training offer that is responsive to local employers' needs.

(iv) The Council providing strong leadership in the development of strategic and operational partnerships and the development of funding bids in co-ordination with sub-regional and London partners including the Local London Partnership, the Greater London Authority (GLA), the Skills Funding Agency, and the Department for Work and Pensions (DWP).

2.3 The Plan concludes that, in order to respond effectively to these challenges, it is necessary to strengthen the existing Employment and Skills team to enable it to:

- Provide a central co-ordination and monitoring function;
- Develop and deliver a jobs and skills brokerage service;
- Work with training providers and employers to co-produce and develop customised training to meet business needs, and
- Develop support packages which maximise the leverage of existing funding, including by building on the extensive work already underway to create jobs and apprenticeships and raise local skill levels through the regeneration of 12 key estates in the borough, as well as through the Council's negotiation of S106 agreements and its other commissioning and procurement activity.

2.4 It is envisaged that the proposed approach will:

- Prevent residents having to move from provider to provider, often repeating the same types of training and further disengaging from the skills and/or employment process.
- Increase the ability of the borough to attract funding from a range of sources, as it will be better able to demonstrate the kind of coordinated and responsive infrastructure needed to deliver programmes and outcomes.
- Assist the Council to develop targeted interventions for specific priority/demand groups, outside of provision that is already funded (for example through the ESF). This will enable greater value to be added to current skills and employment provision and can be developed to meet the full spectrum of training needs from entry level to the higher level skills demanded by businesses.
- Encourage providers to work collaboratively with the Council and each other to secure the type and quality of provision that is needed to move clients into work and support them to progress in work and sustain well paid employment.
- Engage employers in working with training providers to develop "employer led" training which meets the needs of industry, supports

workforce development, enhances productivity and, crucially, is of a quality and scope that businesses are prepared to pay for.

2.5 The consultants' Cost Benefit Analysis estimates that the Council would receive a "return" (in either cashable savings or cost avoidance) of around £1.83 for every £1 invested in this area of work over the life of the Plan, with the benefits accruing predominantly to those departments working with Troubled Families, the long term unemployed, those with complex health conditions, looked after children (LAC) and care leavers, and those not in education, employment or training (NEET).

Other options considered:

2.6 As part of the development of the Employment and Skills Plan, the following alternative options were considered:

1) Do nothing
2) Implement the remainder of the Employment and Skills Plan, but not the Referral Management System
3) Implement the Referral Management System but not the wider Employment and Skills Plan

2.7 None of these options are recommended as it is considered that, if the Employment and Skills Plan is not delivered in its entirety (including through the implementation of a Referral Management System), the Council will not be able to exert the necessary influence over and involvement in the myriad of skills and employment activities that take place within Havering and the consequential impacts on local growth and prosperity. Interventions would not be most effectively coordinated and will opportunities would be lost to maximise benefits by avoiding duplication.

2.8 The Referral Management System and the wider Employment and Skills Plan need to be delivered alongside one another, and also the Employer Brokerage Service to be funded through the European Social Fund, in order to provide a credible and attractive offer to residents and businesses of jobs and skills brokerage supported by a tangible jobs and training infrastructure beyond that offered by sub-regional and regional skills provision.

IMPLICATIONS AND RISKS

Financial implications and risks:

3.1 There are minimal financial implications resulting from approving the Plan for consultation. Implementation of the Plan is expected to cost £0.456m in 2018/19, £0.407m in 2019/20 and £0.252m in 2020/21. Estimated costs and funding sources are summarised in Table 1 below:

Table 1 – Costs and funding to deliver the Plan

Costs / Funding	**2018/19 £**	**2019/20 £**	**2020/21 £**	**TOTAL £**
Costs				
Staffing	253,217	253,217	200,029	**706,463**
Tracking system	20,000	5,000	5,000	**30,000**
Adult education (HCFHE)	14,542	14,542	0	**29,084**
Supplies and services	32,000	32,000	28,154	**92,154**
Membership and subscriptions	3,000	3,000	3,000	**9,000**
Project delivery	132,791	98,823	15,737	**247,351**
TOTAL COSTS	**455,550**	**406,582**	**251,920**	**1,114,052**
Funding				
Core staffing budget for Employment and Skills team	150,990	150,990	150,990	**452,970**
Core non-staffing budget for Employment and Skills team	25,330	25,330	25,330	**75,990**
HRA funding for Community Engagement	75,600	75,600	75,600	**226,800**
ESF grant	57,022	57,022	0	**114,044**
Business Risk Reserve	77,500	77,500	0	**155,000**
S106 allocations for	69,108	20,140	0	**89,248**

Costs / Funding	2018/19 £	2019/20 £	2020/21 £	TOTAL £
Employment and Skills				
TOTAL FUNDING	**455,550**	**406,582**	**251,920**	**1,114,052**

3.2 Should the Employment and Skills Plan not be approved by the Cabinet, the majority of activities would likely continue, utilising the funding sources identified, but in the same uncoordinated manner in which such interventions are currently provided.

3.3 However, draw-down of some of the Section 106 funding identified is dependent on the Council being able to demonstrate that it has the necessary infrastructure in place to support delivery of certain employment and skills initiatives, so failure to agree the Plan could put at risk the Council's ability to draw down these funds. Should the identified funding not be reallocated as proposed, the Council may be required to return this Section 106 funding to the developers, which would not only mean that the benefit of these funds would be lost, but might also impact of the Council's ability to secure future Section 106 funding for this purpose.

3.4 It is essential that the conditions of the European Social Fund (ESF) grant are adhered to in order to ensure that the grant is not withdrawn.

3.5 Post 2020/21, replacement funding for the ESF funding will be sought via the UK Shared Prosperity Fund. In addition, continued efforts will be made to secure on-going benefits via Section 106 agreements and to access other external funding as it becomes available. Officers will also seek to deliver additional benefits through the Council's commissioning and procurement of services.

It should be noted that funding from the HRA is only available if it can be demonstrated that its use is beneficial to tenants. It is envisaged that delivery of the Plan will ensure such benefits are realised.

Legal implications and risks:

4.1 Delivery of the Plan involves applications for grants and the use of Section 106 and grant funding. Legal advice will be available in relation to these aspects.

Human Resources implications and risks:

5.1 Implementation of the Plan will require additional staff resources with 4.5 new posts being created (including two apprentice posts) and recruited to along with a vacant post already established. Posts that are externally funded will be fixed term, with contracts aligned with the duration of funding agreements. Job descriptions have been developed and will require evaluation by the HR service under the Council's GLPC job evaluation scheme.

5.2 ESF funding agreements require adjustments to be made to all relevant job descriptions to reflect that they are associated with delivery of ESF funded projects, and job descriptions have been accompanied by a note to this effect.

5.3 Any other HR implications and risks should be minimal and any that may arise will be managed in accordance with advice from the HR service.

ICT implications and risks:

6.1 Advice will be required from the ICT department on the specification of the Referral Management System and its compatibility with the council's other IT systems.

6.2 Advice and guidance will also be sought from the Information Governance team within the IT department with regard to data management, protection and security.

Equalities implications and risks:

7.1 The Employment and Skills Plan has been developed to support the economic well being and social inclusion of residents of the borough, with a particular focus on those who are at the margins of economic wellbeing.

7.2 The Public Sector Equality Duty ("PSED") set out within section 149 of the Equality Act 2010 requires the Council to have due regard to (i) the need to eliminate unlawful discrimination, harassment, victimisation and other conduct that is prohibited by or under the Equality Act 2010; (ii) the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it, and (iii) the need to foster good relations between people who share a protected characteristic and those who do not. The Council is committed to improving quality of life for all, and supports wider social and economic growth through social and physical regeneration which includes employment and skills activity.

7.3 A detailed Equalities Impact Assessment has been undertaken of the Employment and Skills Plan, which is attached at **Appendix 4**. The Assessment takes into account accessibility of services and support by all residents of the borough and sets out how people who share “protected characteristics” will be supported to access this and to provide feedback on their experience to better represent their needs.

BACKGROUND PAPERS

None

London Borough of Havering

Employment and Skills Plan

2018 - 2021

ROCKET SCIENCE

Contents

Caroline Masundire
Associate Director

Rocket Science UK Ltd
70 Cowcross Street, London EC1M 6EJ
www.rocketsciencelab.co.uk

1. Executive Summary

This document is the culmination of research, consultation and analysis conducted by Rocket Science to support the development of an Employment and Skills Plan for Havering for 2018 to 2021.

Although relatively understated, the employment and skills activity already taking place in the council has the potential to be transformative, particularly for residents where investment and support to date has been minimal or less effective than it might have been.

The challenge for Havering is making its case for investment for government funding. This is a borough that has relative wealth and is without the same scale of disadvantage (in terms of numbers of people affected) as other areas within its devolved sub-region. There are many unknowns about the future, but we are beginning to see the impact of the London housing market and low value employment sectors in the borough (like others) on the cost of living and homelessness.

Combined, and if left unaddressed, these factors will inevitably create greater polarisation between wealth and disadvantage, and leave those already stuck in long term unemployment or poor quality jobs further behind. Ultimately it will also lead to increased demand on council services and budgets in the short and longer term.

Our assessment of the case for action has focused on understanding the impact unemployment, poor quality jobs and low skills have on the **costs of council services.** We have also determined where the council is missing out on employment and skills investment by not having a strategic plan which is resulting in **opportunities lost** for the council, businesses and its residents.

We have identified that the council is NOT:	We have recommended:
Maximising the funding it secures and missing out on over £2 million of external funding through ESF. The potential to continue to miss out on this funding over the next two years is very high if action is not taken.	• Improved processes for engaging and supporting providers to work in the borough to help residents access training and employment. • Developing programmes that better target and support residents at risk of placing high demand on council services.
Making the best use of its resources to support people into work and ensure this is sustainable. This is likely to impact on housing costs the most.	• Establishment of a Referral Management System to help coordinate employment interventions for clients accessing key council services. • Continued support to help people manage the transition to employment and ensure they sustain employment

We have identified that the council is NOT:	We have recommended:
Working effectively to support key and growth employment sectors important to the borough	• Using secured funding to help make savings in social care through workforce development. • Developing responsive and integrated sector focused interventions.

Our findings have shown that there is real potential for the council to use this plan to act on several fronts. Recognising that this is the first Employment and Skills Plan the Council has developed, we have structured it around three principles to support interventions, with clear ambitions for change and for the future.

- **First Principle - Working towards the Havering Vision**

  Recommendations and actions have a clear relationship to, and contribute towards, the achievement of the Havering vision.

- **Second Principle - Embedding a Havering way of working**

  Recommendations and actions rely on greater cross-service collaboration and developing a universal 'Havering way of working' that is client centred and focuses on reducing duplication and costs.

- **Third Principle - Preparing Havering for the future**

  Implementation of the Plan should build the policy and delivery infrastructure for maximising employment and skills funding and investment into the borough beyond 2020.

How much will this cost?

We have estimated that the council spends approximately £400,000 per year to support employment and skills activity. Yet in 2016/17 it has generated over £1.5 million alone through the current Employment and Skills team and Adult College. It also has many opportunities to support the agenda through funding vehicles at its disposal such as the Apprenticeship Levy and social value provisions within procurement and commissioning. **Employment and skills activity generates income for the council.**

Based on the cost benefit analysis conducted, the proposed Referral Management System could also generate a return for the Council of £2.71 for every pound spent by year 3. Potentially this could lead to £4.9 million in savings and cost avoidance over 10 years, although we expect returns to be greater.

But this is not just about a cost or return for the Council. Proposed interventions will provide a return for local businesses and for the Havering residents that need it and will benefit the most.

We are confident that the Employment and Skills Plan 2018 -2021 provides a blueprint for the Council to:

- take concerted action, with clear returns in savings and cost avoidance to support demand management, and
- a practical way forward to build capacity within the organisation to prepare the ground for, and be more resilient to, changes in policy and funding for employment and skills beyond 2020.

2. Introduction to the Plan

2.1 Background

In September 2016, the Economic Development service commissioned Rocket Science to undertake research and consultation into the development of an Employment and Skills Plan and a business case for establishing an employer brokerage service. This work has built on an assessment of employment and skills in the borough conducted in July 2014. Our research and consultation has been focused on understanding the need and potential opportunities for Council-led intervention.

It is important to acknowledge that this is the first time a strategic plan specifically targeted at employment and skills interventions has been developed for Havering. It is also important to note the forthcoming changes to funding, particularly the European Social Fund (ESF), and overall uncertainty regarding replacement funding. There is also uncertainty about the impact of devolution of the Adult Education Budget taking place in 2019/2020.

Employment and Skills has, until April 2017, been positioned within the Economic Development service. It has been a relatively modest function to date with other departments such as Housing having some employment and skills functions as their remits have grown. This has led to a lack of coordination across the Council although the majority of funding for employment and skills activity is managed through Economic Development. This funding has been opportunity-led (i.e. responding to available funding and initiatives) and linked to securing external funding and Section 106 agreements. However, during the course of this research, there have been internal changes and departmental restructures and the Employment and Skills team has moved into the Policy, Performance and Community service. The move represents a real opportunity to embed employment and skills considerations across Council policy making and commissioning, specifically in helping to achieve the Havering Vision.

This Employment and Skills Plan sets out recommendations and a business case for developing a Referral Management Service. This is in addition to the ESF funded employer brokerage service which is due to be delivered by the Employment and Skills team.

2.2 Principles and priorities for the plan

Reflecting on the opportunities for the borough, tight financial constraints and the need to focus efforts where the Council has the greatest control, we have established guiding principles to support both the buy in and implementation of the Plan.

First Principle	**Working towards the Havering Vision**. Recommendations and actions have a clear relationship to, and contribute towards, the achievement of the Havering vision.

Second Principle	**Embedding a Havering way of working**. Recommendations and actions rely on greater cross-service collaboration and developing a universal 'Havering way of working' that is client centred and focuses on reducing duplication and costs.
Third Principle	**Preparing Havering for the future.** Implementation of the Plan should build the policy and delivery infrastructure for maximising employment and skills funding and investment into the borough beyond 2020.

Supporting these principles are three priorities for taking forward employment and skills work in the Council for the benefit of the borough. These were identified early in our consultation and have resonated well with stakeholders.

Priority one	**Making the most of Havering's strengths, relationships and assets**. This has two strands. The first is centred around building Havering's economy by developing the local workforce and ensuring effective recruitment of local people at key employment sites (e.g. Rainham) and in established sectors facing workforce challenges (Construction, Health and Social Care and Retail). The second is about making better use of the council's resources and opportunities to get the borough's fair share from external funding (e.g. from EU and any replacement programmes, City Hall, the Apprenticeship Levy, Section 106 agreements and government investment) and using the Council's relationships and contracting activity to secure greater social value for businesses and residents.
Priority two	**Improving prospects and prosperity.** Whilst Havering has a relatively high employment rate, there are groups of residents with specific challenges and needs, particularly those stuck in long term unemployment or low paid/temporary /low quality work, lone parents and young people. Tailored packages of support are needed to secure jobs for these people so that employment can be sustained and careers developed.
Priority three	**Growing our own**. This plays very well to the strengths of an entrepreneurial Havering, given the growth of micro businesses in the borough, self-employment and the ambition to create opportunities for local people and care leavers.

2.3 Approach to the development of the plan

Applying these principles and focusing our approach on the identified priorities, this plan sets out our understanding of the challenges and barriers facing Havering as well as the opportunities that the borough is facing, so that recommendations for the plan are both realistic and achievable. This has involved:

- Consultation with the Leader, council Members and the Senior Leadership Team as well as Heads of Services and officer leads to determine the ambitions, expectations and potential of employment and skills interventions. This is summarised in **Chapter 3**.

- A review of employment and skills data to help identify potential targets for support and to determine priorities for action. This has been summarised into a short Data Story in **Appendix 1** and illustrated in **Chapter 3**.

- An assessment of the governance, commissioning and contracting arrangements that Havering Council sits within, to determine the role for the Council and the potential scale of external employment and skills investment into the borough. This is set out in **Chapter 3.**

- Development of an overarching ambition for the plan including governance and management arrangements, set out in **Chapter 4**

- Research into, and an assessment of, options for different delivery models to ensure that people are supported into and sustained in quality employment in the borough. The options assessment that informed a subsequent consultation workshop has been set out in **Appendix 3.**

- A consultation workshop with service leads and members of the Senior Leadership Team to explore options and recommend a preferred option. This has led to the design of the preferred option, a Referral Management System, which can integrate with the forthcoming ESF programme, as set out in **Chapter 5.**

- An assessment of the cost benefits of the Referral Management System using the Rocket Science Cost Benefits Analysis (CBA) Tool. The tool and methodology guidance notes are set out in **Appendix 4** and a summary of the anticipated benefits and returns highlighted in **Chapter 5.** The Rocket Science CBA tool has been designed to assess the potential savings / cost avoidance the Council could achieve based on returns derived from reducing poverty through employment.

We would like to extend our thanks to staff from the Employment and Skills team for their support of this work and help accessing insight and information from the Council. We would also like to thank all those who have supported the research for their help and insight.

3. Making the case for action

3.1 Summary of the challenges

On first impressions Havering, compared to other outer London boroughs, fares relatively well in terms of employment. It has enjoyed a higher than average employment rate, is relatively well connected and is considered a desirable place to live.

However, like many other boroughs, this picture masks some more challenging issues such as low attainment rates for young people, low numbers of residents with higher level qualifications, long term unemployment, the emerging impact of welfare reform on families and the effect of the London housing market, all of which have the potential to impact on current and future Council spending. Havering, like other councils, is focused on making efficiency savings and determining the greatest returns it can bring by better managing demand on its services.

Our assessment of the case for strategic action has focused on understanding the impact unemployment, poor quality jobs and low skills have on the **costs of council services.** We have also determined where the council is missing out on employment and skills investment by not having a strategic plan which is currently resulting in **opportunities lost** for the council and its residents.

Developing a case for action around employment and skills is complicated. A plan purely focused on reducing costs and managing service demand through employment and skills interventions is very different to a plan that is focused on driving economic growth through workforce development. Our findings have concluded that the Plan will need to consider interventions to:

- prevent current and future costs of people either in or at risk of long term employment and impacted by welfare reforms by reducing barriers to employment and thereby helping to prevent homelessness and other negative consequences, and
- reduce the costs of services needed to meet statutory requirements through workforce development, particularly in health and social care.

Whilst these interventions will contribute to the demand management agenda, it is important also to acknowledge the need to consider what might be needed to support local economic resilience and growth and prevent service demand into the future.

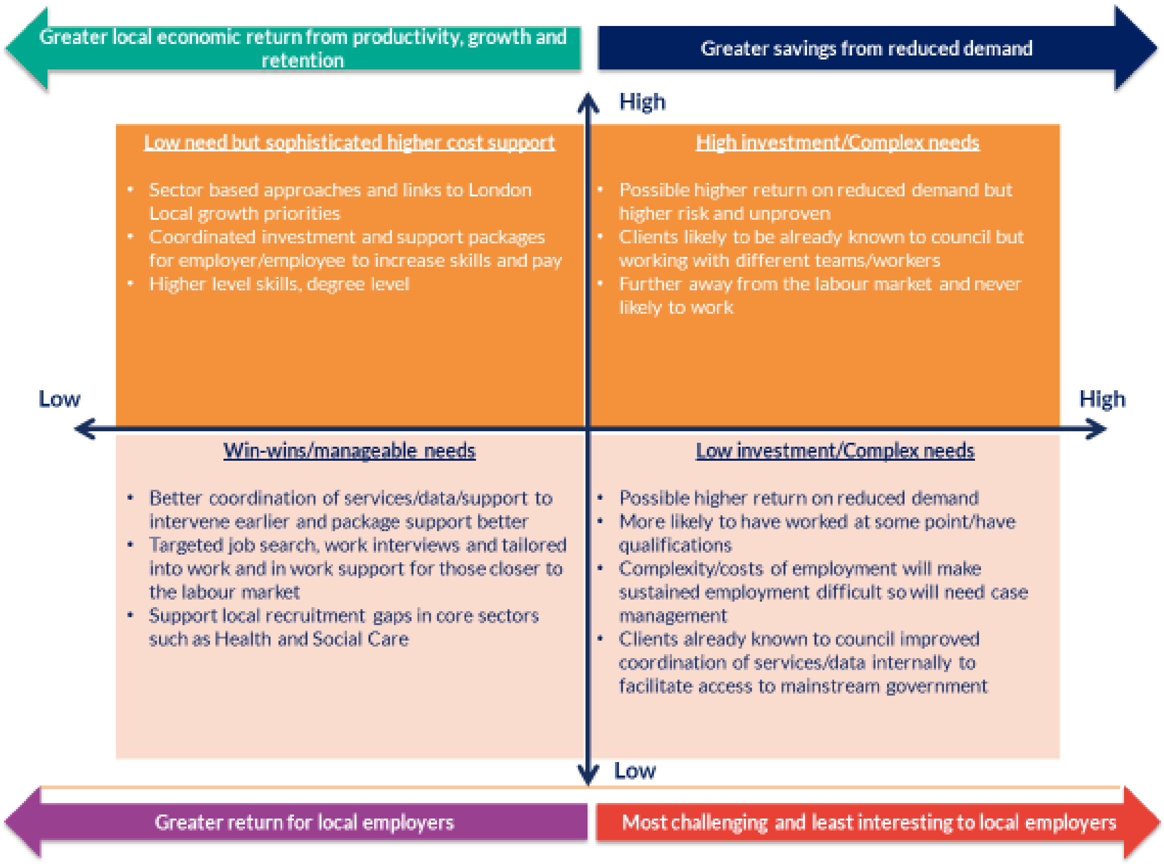


Figure 1 Understanding how employment and skills supports demand management and economic growth

This diagram attempts to summarise the differences between demand management and what employers want and a local economy needs. As it shows, the higher the cost and complexity of issues, the less attractive a person will be to an employer. It also shows that there needs to be different approaches to address different needs. In this respect, developing a case for action has several dimensions.

Our recommendation is that the Council needs to tailor its efforts for different groups but also needs to focus efforts on where it can get the greatest return. There is also a case for providing support where it can result in other benefits such as improved independence for residents with complex needs who present high costs but are unlikely to secure employment.

To set the context for this recommendation, the following section unpacks the challenges around:

- Costs - both in terms of prevention and reduction and current Council investment
- Council influence – in terms of Local London, ESF and government commissioning
- Targets – who the Council should be supporting as part of the plan. The Data Story in **Appendix 1** sets out in more detail the key issues, numbers affected and the potential impact.

3.2 Understanding the demand management challenge

Impact of welfare reform and Universal Credit on council costs

Although the borough has relatively high employment (currently at 77%), it does have pockets of need for specific groups of residents that are long term unemployed, not working or caught in low paid/unsustainable employment.

Many of these residents are likely to be presenting to council services and bringing associated costs with them, some of which could be mitigated by helping them secure sustainable employment. This is particularly the case for those impacted by the benefit cap which is affecting 469 households. Most of these households (some 69%) need to find up to £100 per week (and others need to find more) to address an income shortfall which equates to working around 16 hours a week each year on the National Minimum Wage[1].

Welfare reforms introduced in April 2017 are also impacting on households with more than two children. Coupled with the benefit cap, these households are at risk of increased indebtedness and potential homelessness through not being able to afford rent or mortgage payments. Findings from our consultation with Housing showed that many families in emergency accommodation had been made homeless from the private rented sector because of welfare reform. Our analysis of the data has also shown that welfare reform is primarily affecting lone parents that have more than two children.

Reducing costs and supporting the care sector

Health and social care

Demand on health and social care services is increasing and costs are rising, yet the workforce is aging. Market conditions in the sector make it more attractive for individuals to work in the private sector, at rates well above those the Council can afford. This is creating a shortage of care workers in the borough, whilst the availability of jobs in the sector is increasing. The Council is exploring new ways of funding support which relies less on expensive agency staff and is focused on developing the Personal Assistant market. This is where individuals are self-employed and provide care to people that is brokered directly by social services at a significantly reduced cost.

Although such workers are self-employed, the Living Wage Foundation has established that these workers should be considered eligible for the London Living Wage of £9.75[2]

[1] For data references please refer to the Data Story in Appendix 1

[2] http://www.livingwage.org.uk/what-is-the-living-wage

per hour. Comparing this to the Homecare rate of £14.94 per hour[3], the Council could save over £5.00 per hour which equates to a reduction of about a third of the current hourly rate.

However, there are structural challenges facing the adult care sector around the quality of jobs and level of pay. Based on current information, the borough needs to recruit at least **400** Personal Assistants to meet projected demand and whilst self- employment can be an attractive option it is not without risk as work and hours are not guaranteed. In one of our interviews it was felt that costs to the Council could be prevented by having a programme targeted at people affected by the benefit cap.

On one hand, it makes sense to invest efforts to supporting people into the sector, particularly where this offers flexibility around personal care arrangements. On the other however, this may not generate the job security or financial return to meet the income shortfalls faced by households affected by Universal Credit. Latest workforce information provided by Skills for Care in October 2016 shows that, compared to London as a whole, Havering has:

- the highest turnover of direct carers at over 37% - 14% higher than London average
- the lowest pay across all levels – from professionals through to care workers
- higher numbers of workers on zero hours contracts (5% higher than the London average)
- lower numbers of the workforce with a relevant qualification (at 37%, 17% less than the London average).

This example illustrates the complexities of attempting to marry up demand management with workforce development. Therefore, this Plan needs to consider what needs to be done to address these workforce challenges in addition to reducing service costs.

Childcare

Another example that illustrates the interdependencies and complexities of demand management and workforce development is within Early Years. There are 1,860 one parent families in the borough and one parent families make up 80% of households that are affected by Universal Credit[4]. They will need to work to ensure they do not fall into arrears, face eviction and end up as homeless and presenting themselves back to the Council for support. Without appropriate and accessible childcare, employment will be

[3] https://www3.havering.gov.uk/Documents/Adults-and-older-people/Adult-care-costs/Non-residential-Care-Charging-Policy.pdf

[4] For data references please refer to the Data Story in Appendix 1

impossible to secure for households that do not have access to other informal care arrangements such as lone parents and those without extended families.

In some parts of the borough, particularly where there are higher numbers of unemployed lone parents (e.g. Harold Hill), there is a projected deficit of Early Education Entitlement places to 2020. Although the borough has sufficient childcare overall, this is in places that – for some families - would be too difficult to get to and manage with other caring and employment responsibilities, and without a car. For example, Hacton Ward has an over-supply of places nearly equivalent to the under-supply projected[5] in Harold Hill. However it is important to note that many parents do not take up childcare near where they live, so planning for places is complicated when factoring in personal choice.

Our consultation discussions also considered opportunities for working with lone parents and adults in households in areas where there is a place deficit to train them into childminding. This type of employment could better fit their lifestyle and family caring needs. This would have a double positive impact for the Council, firstly by increasing the number of early years places and secondly by reducing demand arising from welfare reform. On the face of it, this would seem a sensible solution. However, childminding is self-employment and financial sustainability is reliant on the following factors:

- The age and numbers of children a childminder is registered to look after, considering the numbers and ages of their own children and the suitability of their premises to provide a service in the first place. If households have high numbers of children, registration and numbers of places the childminder can offer will be limited, impacting on the income they could achieve.

- The ability to optimise income from full time places. This relies on attracting parents that have reliable and sustainable employment. Providing childcare for people on short term/zero hour contracts is unsustainable for the childminder, which is why part-time or more flexible childcare can be difficult to offer. This also impacts on the parent using the service who would be required to pay for a place regardless of whether they work or not.

The council is keen to increase the number of childminders and improve the quality of provision, so this is clearly a workforce development issue. But unless childcare is affordable and accessible for families impacted by welfare reform, reducing demand and the costs of services will be far more difficult.

Our recommendation is that, to be effective, the Plan needs to deliver employment and skills interventions from both the demand management and workforce development perspective. **This works towards achieving Priorities 1, 2 and 3.**

[5] LB Havering Childcare Sufficiency Assessment 2016/17

3.3 Understanding current Council investment

Investment into demand management and workforce development

Staff and resources

We estimate that the council currently invests around £400,000 per annum in employment and related skills activity in some form or another. Some of this is linked directly to the Employment and Skills team's salaries and some is based on other activities to help move people into work. Most of the Council's current investment in activity is linked to Information, Advice and Guidance (IAG) and in some cases management support, delivered internally and provided by different service areas in order to help:

- reduce barriers to employment - such as childcare information provided by the Family Information Services;
- move people into employment focusing on early intervention – e.g. within the Leaving Care service, or
- prevent homelessness and rent / mortgage arrears.

Our findings show that, in most cases, IAG relies on referring clients into other services and provision either to access training, support and/or a job. These services are often delivered outside of the Council and providers are chosen based on the personal knowledge of advisors or from advisors sourcing contacts independently. There is no single source of information that captures provider information (i.e. what is provided, where and by / to who, and what outcomes have been achieved), so tracking the impact and measuring the quality of support in achieving sustained employment is very difficult and, in many cases, non-existent.

Services are duplicating their efforts, particularly around employer engagement, and are operating different case management and action planning approaches which results in the potential for residents to disengage from support, especially when they transition between services. The Troubled Families, Leaving Care, Housing and Housing Benefit teams are applying different approaches to their client assessment and case work. In some cases, teams are also likely to be working with the same clients.

Our assessment of this investment is that it is not joined up or coordinated and outcomes are not tracked to ensure that the investment (internal and external) the Council currently makes is leading to potential savings.

Our recommendation is that savings could be made, costs avoided, additional investment secured, and better outcomes achieved by improving the coordination of existing activity within the Council. This has two elements; improving the tracking of outcomes achieved by individuals, particularly to ensure they are securing and sustaining work, and improving the coordination of engagement with employers and other external provision to ensure individuals are accessing opportunities. **This works towards Embedding a Havering Way of Working.**

As part of the development of the Employment and Skills Plan, we have produced a cost / benefit analysis for a Referral Management System (**see Chapter 5)**. When assessing the costs and benefits of employment interventions, we need to look at returns that are based on sustained employment. Although the Government generally measures sustainment in employment as 26 weeks in employment, we suggest that sustainment measures need to be longer – at least 12 months. This is to be reasonably confident that potential savings or cost avoidance for the Council are both realistic and achievable. However, unless sustainment is tracked effectively, it is hard to determine whether any savings or returns could be or are being achieved.

Our recommendation is that the Council will need to invest in a process/system for tracking sustained employment outcomes for the residents it wants to support, in order to be assured that the returns and savings it is expecting are being realised. **This works towards achieving Priority 1 and Embedding a Havering Way of Working.**

Apprenticeship Levy

It is important to note the potential of the Apprenticeship Levy. Although only just implemented, Havering Council must have 2.3% of its workforce working towards an apprenticeship, the funding for which comes from its Levy contribution of 0.5% of the PAYE bill.

The Havering Levy is being led by the OneSource HR service and plans are at an early stage. Councils are using the funding in different ways to address both workforce development needs (to support pay and career progression) and to support local employment, particularly for young people.

Our discussions with Members highlighted the ambition to create an employment and skills pathway for looked after children using the returns from the Levy to develop a specific programme of support, work experience and learning. We have since learnt that OneSource has developed a project with the Leaving Care team which is in its early stages. As part of its corporate parenting responsibility and in respect of Ofsted’s recommendations around bolstering support for transition into adulthood, we see this as being a real opportunity to provide much needed support for care leavers. Our assessment of the data showed that a high proportion of care leavers are Not in Education, Employment or Training (NEET).

Our recommendation is that the Council builds on this newly developed project supporting care leavers by providing work experience, training and support within the Council and funded in part through the Levy. **This works towards Achieving the Havering Vision and Priorities 1, 2 and 3.**

What does the Council secure through external funding?

The Employment and Skills team recently delivered a contract from the Flexible Support Fund to deliver advice and support to households impacted by welfare reform up to December 2017. The team has also been given an indication from London Councils that it can access £114,000 of ESF funding to March 2020. The team has also generated income (of £244,248 to be spent over the next two years) through Section 106 to work with Segro and match funding from Harold Hill Ambitions and Gooshays developments.

Havering Adult College (which is part of Havering Council, and all its staff are LBH employees) is wholly funded through the Skills Funding Agency. The Adult College secured £1,555,940 funding in 2016/17. The college provides a range of vocational and employment related training as well as offering employability courses to support local residents through its partnership with Job Centre Plus.

The Public Health Grant provides £700,000 funding to deliver the Council's statutory duty to support careers information, advice and guidance and the tracking of young people in the borough into education, employment and training which is currently contracted to Prospects. In addition, the Troubled Families team can claim funding through two employment and skills related outcomes and has two advisors provided by DWP to provide employment advice to families.

Overall this paints a relatively healthy picture of the investment into employment and skills related activity, although this is not as coordinated as it could be, nor is it guaranteed beyond the lifetime of the funding period.

Devolution of the Adult Education Budget to the Mayor of London could be quite risky to the borough and the Adult College when this comes into effect by 2020. Although uncertain, decisions on that investment would be made at the London level and could impact on Havering's share depending on the mayoral priorities at the time and the extent to which this is further devolved to Local London. In addition, there are other funded programmes through various sources that the Council could access directly or by working with others to secure opportunities for its residents. We explore this issue in more detail in 2.4, but we estimate that the borough could be missing out on over £2 million from its fair share of skills and employment funding to 2019.

Our recommendation is that Havering focuses its efforts on ensuring effective delivery of the current external investment by clearly linking this to the three priorities. We also recommend that the Council uses this Plan to put in place the systems and processes to help prepare for the future commissioning landscape. **This works towards Achieving the Havering Vision (Principle 1) and Preparing Havering for the future (Principle 2).**

3.4 Devolution and the employment and skills landscape

Strategic relationships

Havering sits within a relatively complicated employment and skills landscape. It has functional relationships as part of the Local London sub-region, but also shares business rate responsibility with Barking & Dagenham, Thurrock and Basildon. It has relationships with both the London LEP and South East LEP and sits within a larger East and South East area for skills development. The council also shares HR functions with Newham and Bexley. We suspect that whilst there is a lot of activity at a strategic level, Havering is losing out in terms of its employment and skills voice in such a crowded space. This is unlikely to change.

Although the borough has clear need for employment and skills investment, this is not at the same level and intensity as other boroughs. These other boroughs are likely to have a greater say or at least a louder voice in relation to decisions affecting employment and skills at the sub-regional level. These decisions will impact on investment, contracting and the employment and skills infrastructure within the borough, which we explore further on.

The following diagram illustrates this complexity and highlights a few of the strategic and commissioning relationships Havering operates within. Whilst it is important that the Council maintains a watching brief over these relationships, influence can be best achieved through the Local London CEO and Leaders Forum. This is in recognition that the various arrangements are being led and directed by different agencies, policy agendas and government departments and the extent to which the Council can influence and control this bigger picture is very limited.

Our recommendation is that the Council needs to prioritise its time by maximising the benefits and investment these relationships can bring into the borough rather than expending effort trying to influence what is essentially out of its direct control. **This works towards achieving Priority 1 and helps towards Achieving the Havering Vision.**

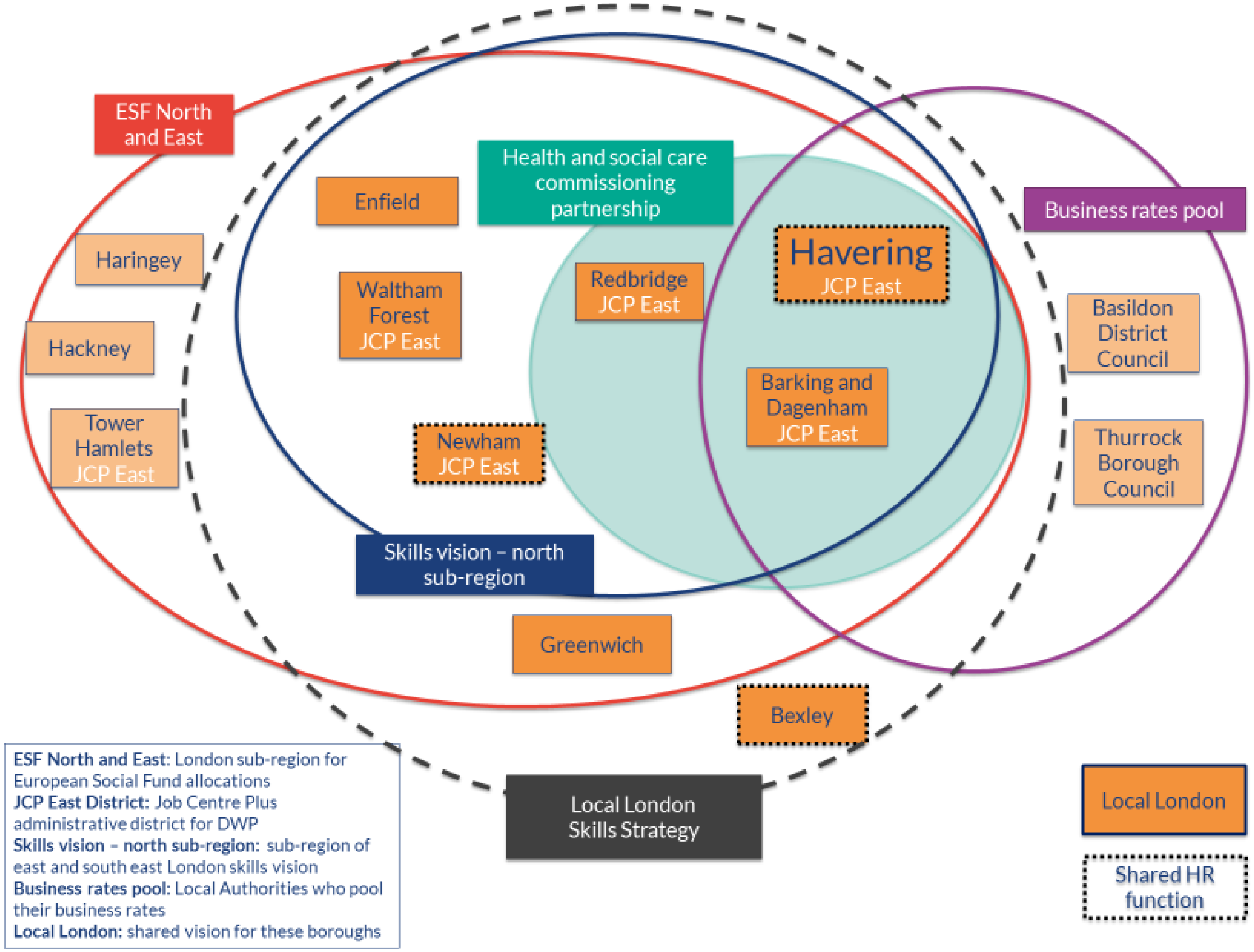


Figure 2 Strategic relationships that Havering sits within

Contracting and investment relationships

There is a complicated map of employment and skills investment operating in the Local London area and there are several ways in which Havering is disadvantaged.

DWP investment

Traditionally, the DWP's mainstream programmes, such as the Work Programme, have been commissioned nationally with limited if any input from local authorities in terms of preferred providers. The Work and Health Programme is being commissioned to replace the Work Programme and Work Choice and this is led by the London Borough of Redbridge on behalf of Local London. This is estimated to be worth £47 million over five years and targeting 19,000 people that are on Job Seekers Allowance plus the Employment Support Allowance Work Related Activity Group (WRAG). Havering has 750[6] residents classified as WRAG, which is less than other boroughs and therefore, because of lack of scale and returns from a provider perspective, there is a risk that Havering could miss out on its fair share again.

European Social Funding (ESF) and other investment

In addition, there is a range of co-financing arrangements for the distribution of ESF money to London through the DWP, SFA, London Councils, GLA and (more recently) the Big Lottery Fund through Building Better Opportunities. Some of this funding is linked to specific needs; some of it is linked to specific borough needs, and some of it is distributed according to a mix of need and targeting specific geography.

All of this is commissioned independently by the co-financing body through their own arrangements and there is little if any influence by London boroughs as to which provider/solution they want in place. This has resulted in a complicated patchwork of provision, delivered by many different providers, with different models, payment mechanisms and outcomes and different contract management, monitoring and impact measurement arrangements. There is no central directory of provision covering opportunities for all residents or a cross-Council brokerage function to help connect residents effectively to these programmes. The following chart illustrates where existing contracts and ESF/SFA funding are being invested and the potential investment that Havering could be accessing for its residents. We have sourced this information from the websites of various commissioners (and, in some cases, is not clear or available to view). Therefore, this illustrates the potential value rather than being a 100% accurate analysis.

[6] Please refer to the Data Story in Appendix 1 for data references

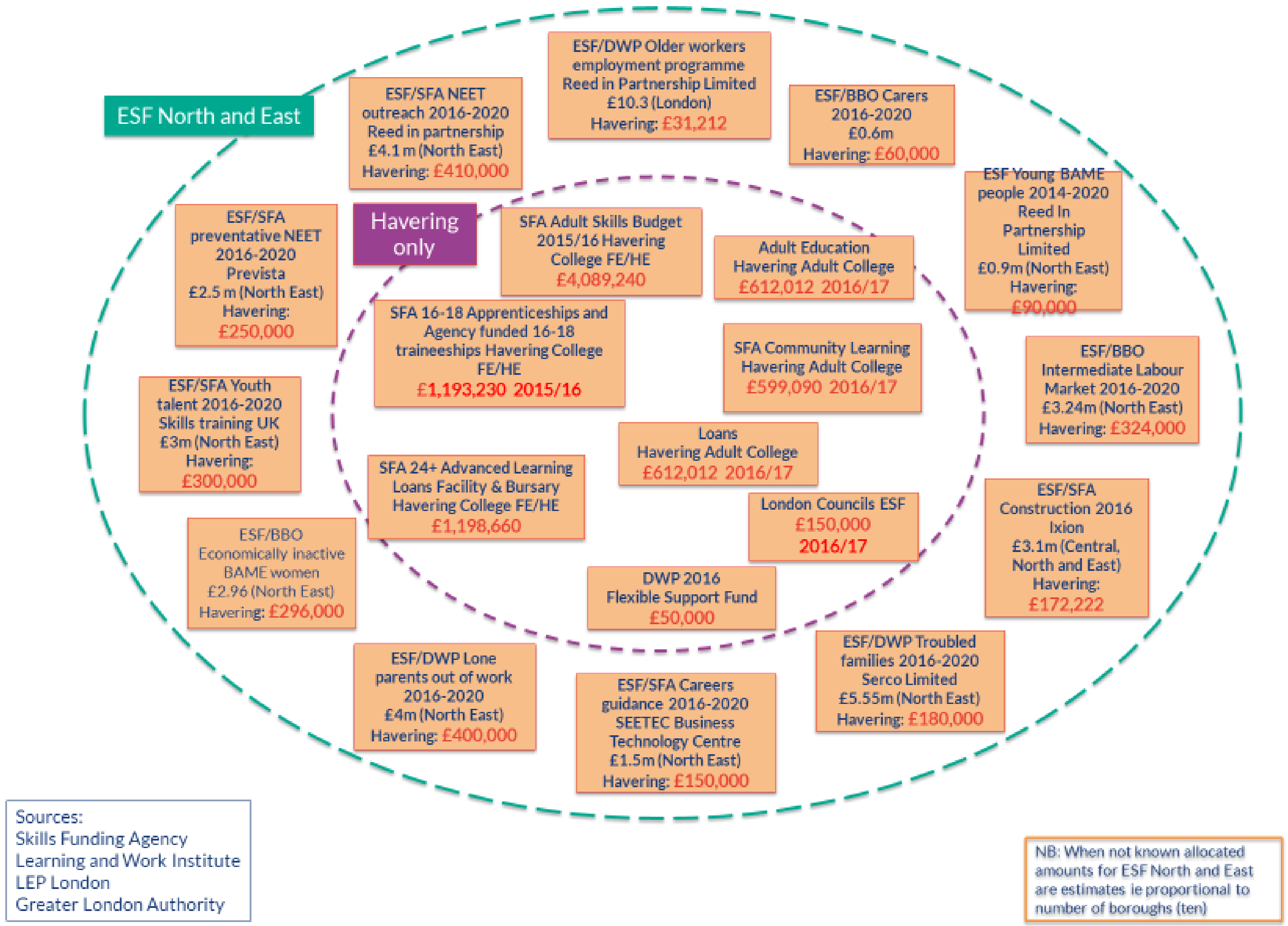


Figure 3 Contracting and investment relationships

Based on our consultation and review of the data, our assessment is that referrals for clients supported by the Council and possibly other residents are not being made effectively into this provision. This is resulting in Havering not getting its potential share of the £2.6 million investment we have estimated based on available data.

We recommend that the Council further investigates the potential contracting landscape as funding announcements are made and contracts awarded. Any funding the Council secures should target and support residents or vocational areas which are not being met by the existing infrastructure to avoid duplication and displacement. **This works towards achieving Priorities 1, 2 and 3.**

As there is no control and limited influence by boroughs and, at best, indicative allocations for how contract investment needs to be spread across local authority areas. Providers will invest in areas where they will get greater returns from their contract. Participation in these programmes is, in most cases, voluntary (other than for those mandated by Government and enforced through benefit sanctions), therefore decisions regarding where providers focus their investment will be based on two things:

- Concentrating delivery in areas where there is a greater level of need and the provider can meet most of their contract volumes. This results in clients from areas with lower needs having to travel to provision, which:
    - incurs costs for the client and could discourage them from participating, and
    - acts as a barrier for participation for clients that have mobility or health issues, or those that are least motivated to take up the opportunity.
- Where they have an existing footprint and therefore can build on existing infrastructure without needing to invest in new premises and staff.

The issue for Havering is that it is likely clients will face barriers to participation in these programmes because of location and travel. Havering has always had lower levels of need which has resulted in a weak provider footprint. This leads to a natural disinvestment in the local provider infrastructure and results in less choice and limited local provision for residents. Unless the Council commissions or provides services directly, it will have little control or influence over what is provided and how. Therefore, to ensure Havering get its share of this investment, it needs to incentivise and support those providers commissioned by others to deliver services where they are needed most in the borough.

We recommend that this can be done in two ways. The first is by facilitating access to common client groups (Troubled Families, people with disabilities etc.) by actively managing their referral and supporting interventions so that services are working effectively around the person and minimising disengagement. The second is by offering free space for providers to deliver services locally and helping them make effective connections to local employment opportunities through Council contracts and relationships so that local people can benefit most. **This works to support all three principles and priorities for the plan.**

3.5 Council-led interventions

Supporting demand management – Principles 1 and 2,and Priorities 1, 2, 3

In order to maximise the returns that could be achieved from Council-led interventions, there is a need to create ways to improve the targeting and support of higher cost residents, intervening earlier and preventing disengagement from support. In the short term, this will be almost entirely concentrated on mitigating the impact of welfare reforms and preventing costs to the Council linked to housing and homelessness. In the longer term, it needs to focus on preventing long term unemployment for young people, including looked after children and care leavers.

The Council should also consider what it could achieve by working with partners to support the 360 people (JSA claimants aged 25-64 and ESA WRAG)[7] who have been unemployed for longer than six months but less than one year to prevent them from moving in to long term unemployment and to mandated programmes. Preventing long term unemployment and reducing the amount of time people spend claiming unemployment benefits has several positive impacts. Our work in Dundee highlighted the increased probability of becoming long term unemployed between six and 12 months of claiming JSA. These six months represent a window of opportunity to make concerted efforts to support people into employment and avoid long-term unemployment. We know gaps in employment make people less attractive to employers, and also that long term unemployment can lead to other health and wellbeing challenges and present costs to council services in the future.

In terms of making the most of the Work and Health Programme investment into the borough, the Council could also consider how to support those residents it is funding through adult social care budgets who are also within the WRAG group (750). This will require additional mapping to identify those receiving support that are in the WRAG group. It will also be helpful to identify those that might be impacted by the benefit cap in the future that are living in the private rented sector.

The following table shows our recommendations for the groups of residents the Council needs to target in the short to medium term (within the next 12 to 18 months), the

[7] Refer to the Data Story in Appendix 1

numbers affected and the types of interventions needed to help individuals access and remain in sustained employment:

<table>
<tr><th>Target group</th><th>Numbers affected –
Data sourced from Data Story – Appendix 1</th><th>Costs to the council</th><th>Interventions needed</th></tr>
<tr><td>Lone parents</td><td>375 lone parent families affected by Universal Credit</td><td rowspan="2">Housing arrears
Eviction costs
Emergency and Temporary Accommodation
Advice and Guidance
Council Tax
Costs for additional social work support
Cost of failure to sustain outcomes achieved because of subsequent homelessness</td><td rowspan="3">Early help and advice to move lone parents/at least one adult in a two-parent workless family household into employment as early as possible –and as soon as the youngest child is entitled to 15 (30) hours of free childcare
Removing barriers to employment – by developing options for and improving access to childcare and high level employability skills
Sourcing of flexible employment that supports caring responsibilities or family friendly employers
Supporting families to sustain employment through mentoring and ongoing support
Budgeting and money management advice
Interim financial help to cover shortfall in rent to prevent arrears and evictions</td></tr>
<tr><td>Troubled families</td><td>1450 families within the programme</td></tr>
<tr><td>Families already living in hostel, bed and breakfast and private sector leasing accommodation</td><td>c.200 families are living in expensive hostel accommodation and in bed and breakfast accommodation. As they are not affected by Universal Credit, this is creating high and long term housing costs to the Council</td><td>Cost of hostel accommodation
Cost of private sector rented accommodation (average per family)
Cost of Bed and Breakfast accommodation per family</td></tr>
<tr><td>Looked after children/Early Help</td><td>34 Care Leavers are currently under the care of the Council and 23 are in the NEET cohort</td><td>Casework and support to help looked after children into work/employment
Costs for social work support
Costs to meet legal responsibilities as a corporate parent</td><td rowspan="2">Targeted support and mentoring to help the young person through transitions into work/independence
Access to training and vocational opportunities such as apprenticeships
Establishment of sustainable and flexible pre-apprenticeship and pre-employment/ traineeship opportunities</td></tr>
<tr><td>NEET transitions (18-24 and over)</td><td>375 claimants in the 18-24 cohort</td><td>Possible homelessness/housing costs</td></tr>
</table>

Making best use of ESF funding – Principles 1 and 2and Priorities 1, 2 and 3

The Council is awaiting confirmation of funding over the next two years to invest in employment activity for local people through ESF. Meanwhile, we have conducted research into best practice in the design of effective employment interventions in order to recommend approaches to the Council and this is explained in more detail in **Appendix 3.**

The Employment and Skills team will need to recruit additional team members to take this work forward, using the external funding. To ensure that this programme does not displace other provision, we suggest that this is an opportunity to help local people access entry level jobs within the Council, its suppliers and key account employers. Specifically, we recommend that the team develops the following elements with the funded project:

- **Personal Assistant and Childminding Pathway -** Including promotion of and access to a self - employment programme. This would require working with the adult social care and early years sectors to integrate their existing training and support into an enhanced model. Some of the ESF funding could be used to pay for specific training, DBS checks and possibly initial insurance/set up costs, with an agreed qualification and registration requirement so that council teams can be confident in referring clients.

- **Preventing long term unemployment** - Targeting of young people aged over 18 who are at risk of becoming long-term unemployed as well as supporting people who have been on Job Seekers Allowance for more than three months but less than 12 into jobs with the council, its suppliers and development opportunities. These groups are likely to be much closer to the labour market and require minimal support and intervention to help them access work. We suggest that this is kept very flexible but would focus on providing:
    - enhanced advice and guidance to support job readiness,
    - work tasters (where these can be arranged internally),
    - removal of barriers to work such as providing travel cards, uniforms, specific training/certification, or childcare support and
    - case management support to help manage transitions into employment once a job is secured.

- **Pathways to employment from the Flexible Support Fund and the next wave of households at risk.** We recommend that this funding is also used to target those that have been supported through the recent FSF programme which was targeted at Universal Credit Claimants to work with those households now to prevent risk in the future. This will mean close working with the Housing team on a referral pathway to this programme and additional support to help move these people into sustainable work. It may be possible to use some of the funding to support those individuals that are in part-time work but are not earning sufficient money or working enough hours to cover their costs. This will require quite sophisticated case management and job matching.

Supporting workforce development - Principles 1 and 3 and Priorities 1, 2 and 3

There is a case for the Council to focus greater efforts on supporting broader workforce development, particularly to help achieve the Havering Vision. However, this requires a strategic approach to address longer-term workforce development, which is greatly influenced by economic, funding and structural issues outside the control of the Council.

Clearly there is a strong argument for developing strategies that support the key sectors for Havering - Health and Social Care, Construction and Retail and others relating to the physical development taking place in the borough. We have set out in this chapter where we recommend the Council focuses its efforts to support these sectors.

There is a further challenge in how the employment and skills agenda fits within the broader economic and physical regeneration of the borough. Moving the Employment and Skills team from Economic Development into the Chief Operating Officer's Directorate is beneficial and makes the most sense from a coordination and internal influencing perspective. However, this runs the risk of losing some of the potential connections and links with the Economic Development service that are easier to make and develop when you are in the same team. Plans will need to be put in place to ensure that workforce development is an integral part of the inward investment and business growth offer which could be coordinated by the Employment and Skills team. In addition, given that the success of both Economic Development and Employment and Skills initiatives rely on businesses (many of them the same businesses) participating and cooperating, the coordination and management of these business relationships is key.

We recommend that the Employment and Skills team works closely with Economic Development to ensure businesses have a responsive and effective council offer. The proposed governance arrangements and employment and skills impact assessment process set out in 4.3 will facilitate this work and develop further over the lifetime of the plan.

3.6 Summary

This chapter has provided an in-depth assessment of the case for action in developing the Employment and Skills Plan 2018 -2021.

What has become very clear is the level of complexity and complication involved in developing interventions to support the employment and skills agenda in the borough.

Based on our assessments drawn from consultation, research and analysis, the Council needs to focus its efforts where it will have the greatest impact on services, prosperity and the local economy.

The following chapter sets out how the council can achieve this.

4. The Employment and Skills Plan

4.1 Context and recommendations

So far, this document has set out a case for action to help frame the design of an Employment and Skills Plan. In this section, we present

- a summary of the issues, challenges and opportunities using a SWOT analysis to help set the baseline and ambition for action
- an overall plan linked to the recommendations and clear ambition about where the Council needs to be in 2021
- the governance and management structures that will need to be put in place to ensure the effective implementation of the plan.

We have already set out some guiding principles that clearly link all the recommendations and actions to the achievement of the Havering Vision. These should also encourage collaboration across teams and services to work together to reduce costs of services and prepare Havering for changes in 2020.

The challenge facing any organisation embarking on a new way of working is significant, particularly in an environment that is constantly subject to review and change as national policy and investment shifts. We do not underestimate this challenge. We have focused our thinking on actions that have a clear rationale for implementation, that have been suggested as part of our consultation with staff and Members and can be measured.

The following SWOT analysis summarises the borough's strengths, weaknesses, opportunities and threats from both the council and local economic and policy perspectives.

Summary of Strengths and Weaknesses

Strengths		Weaknesses	
Internal	**External**	**Internal**	**External**
• Commitment across the organisation to use employment as a means to supporting 'at risk' residents and existing examples of practice and caseworking • High level of knowledge about the borough, its history, opportunities and challenges amongst the workforce • A small but experienced employment and skills team with insight and knowledge of workforce and structural challenges in the borough – examples of existing initiatives such as business support for social care providers • Relative success in securing external funding for economic development activity through Section 106, European Social Fund and Greater London Authority • Highly regarded Adult Skills provision through the Adult College • **Havering Vision** as road map to harness opportunities for the borough and residents	• Traditionally high levels of employment within the borough and higher levels of performance in government funded programmes • Highly regarded FE college, the borough is net importer of learners and has key assets eg Rainham Construction Centre • Lower levels of young people Not in Education, Employment and Training compared to neighbours and higher take up of Apprenticeships • High levels of entrepreneurship and business start up with emerging high value sector in Science and Technology, growth in Construction • Regeneration and 'London effect' driving new opportunities for the borough such as Crossrail and Housing Zones, Rainham • Relationships with developers such as Segro at London Riverside and ambition to improve transport and connectivity within, across and to the borough	• Council has not had an employment and skills strategy in place due in part to labour market performance and perceived lack of need/reluctance to intervene • Lack of knowledge of who is working with at risk residents and what interventions are in place to help residents access sustainable employment across services • Lack of cross service working and tracking is resulting in duplication of assessment and referral processes and potentially impacting on quality of provision and disengagement • Combined with lack of data and insight on costs of supporting residents and potential savings means impact cannot be assessed effectively • Organisational change impacting on staff churn and focus on immediate savings/demand management impacts on longer term planning	• Despite employment rate, entrenched issues for vulnerable residents, challenges for Looked After Children, Lone Parents and residents at risk of homelessness including those in work– this results in greater polarisation and inequality • Low base of medium/large employers • Issue around job quality and focus on low pay sectors will impact on residents' ability to afford to live in the borough and potentially create high costs for the council as a result of homelessness and welfare reform • Employment and skills commissioning is outside of council's control and influence- limited engagement and relationships with existing provision • Havering is a 'poor relation' in devolution partnership as needs are not as high as other boroughs • Perceived low need has driven disinvestment in provision infrastructure resulting in reduced access to opportunities • No oversight on quality and performance of provision for the borough • Sporadic employer engagement and uncoordinated

Summary of Opportunities and Threats

Opportunities		Threats	
Internal	**External**	**Internal**	**External**
• Transfer of employment and skills function to directorate with wide corporate remit is an opportunity to embed employment and skills oversight across the organisation to identify opportunities and enable greater collaboration • Leading to opportunities to maximise resources and council investment into service commissioning, procurement through social value building on Section 106 • Improved insight and intelligence on how services are supporting high cost residents result in improved collaboration between services, supporting early action and reducing duplication of effort both in terms of assessment and support • Opportunity to use internal assets such as the Adult College to deliver targeted training and support. • Use community spaces to provide space and resources to deliver targeted support	• Opportunity to maximise existing external funding secured by the council £150,000 to support residents and council services through improved collaboration and joint planning • Investment in Referral Management System to maximise access to external provision and secure over £2.6 million worth of provision to residents and deliver savings to the council • New programmes such as Work and Health Programme providing c£2million of support to long term unemployed and people with disabilities in the borough • Opportunities for local residents to secure employment through regeneration and developments at London Riverside • Apprenticeship Levy for the council can support some Looked After Children and extend to other groups • Improve coordination of business and employer offer for Havering businesses	• Moving employment and skills function away from Economic Development could impact on connections to business support, employer engagement and regeneration activity – need to ensure connections and collaboration are maintained and developed • Not addressing workforce challenges around adult social care and childcare in meeting statutory support could result in greater costs for the council longer term • Lack of plan and strategy for engaging with business, providers and stakeholders will impact on external investment being used to benefit the borough • Pace of organisational change and future cuts in funding and services could impact on the delivery of employment and skills plan in the future through staff changes, cost savings • Focus on immediate demand management may result in lack of planning for longer term impacts where council has little control or influence ie young people's attainment rates	• External funding through ESF will be impacted by Brexit and no idea of scale or type of investment beyond 2018/19 - planning beyond this is impossible at moment – lack of plan or strategy to support council/borough to be ready for the challenge could result in lack of investment post 2020 • Impact of Crossrail not known, risk of skills flight and housing plans forcing business flight - tipping the balance on affordability and access to business/office space • Extent of devolution powers not known or role of the London Mayor on decisions eg around Adult Education Budget which may impact on Havering's already limited voice and influence on employment and skills decisions in the London Local/ London area • New cuts and policies introduced by Government which will impact on services, residents, infrastructure and economy

Recommendations

The SWOT analysis shows a mixed picture of challenges and opportunities, but a context in which much can be achieved through improved coordination and targeted support. The following 10 recommendations have been developed to respond to these challenges and opportunities.

Priority 1 - Making the most of our assets, strengths and relationships to secure the borough's 'fair share' of employment and skills investment

Recommendations

1.1 Bring employment and skills investment into, and maximise what is already commissioned for the borough through other agencies, by incentivising and supporting providers to deliver services within the borough and helping residents to access and benefit from these opportunities.

1.2 Enable savings and cost avoidance to be achieved through sustainable and quality job outcomes for higher cost residents, by improving the coordination of existing employment and skills activity within the Council and optimising returns for the borough from external investment through the establishment of a Referral Management System.

1.3 Ensure that additional investment secured by the Council through ESF/DWP and other sources such as Section 106 is focused on plugging the gaps in mainstream and other provision and focused on supporting key sectors for borough (i.e. Health and Social Care) or removing barriers to work (e.g. supporting childcare provision).

1.4 Ensure that, where appropriate, the Council's key strategies, procurement and commissioning and development plans realise opportunities for employment and skills investment into the borough.

Priority 2 - Improving prospects and prosperity for residents in or at risk of poverty and unemployment

2.1 Work with key services to provide a continuous assessment of 'at risk' residents and, through the proposed Referral Management System, support them to access and sustain employment to reduce their risk of presenting to Council services (particularly Housing).

2.2 Develop agreements and new ways of working with businesses and local providers to help residents access sustainable quality jobs through effective employer targeting, work interviews and phased employment to support transitions into work, as well as through in-work support to help residents sustain their employment and reduce their risk of cycling in and out of work.

2.3 Work with key services within and outside the Council to help remove the structural barriers to employment faced by some residents, such as access to affordable childcare and transport, and access to quality, relevant training.

Priority 3 - Growing our own – Supporting local people and businesses to thrive

3.3 Support key sectors critical to the Havering economy (e.g. Construction) and delivery of Council services (e.g. Health and Social Care) through coordinated workforce development interventions.

3.4 Support other and emerging sectors important to the growth and future prosperity of the borough and higher value sectors (i.e. Logistics, Manufacturing, Engineering and Technology) through better targeting of workforce development support including apprenticeships.

3.3 Work with providers, schools and colleges to enable better connections and communication between local employers and providers, so that young people/residents access and benefit from career opportunities both locally, regionally and nationally.

The following sets out the Plan in more detail; the recommendations, the activities and the ambition including outcomes and outputs to be achieved by 2021 and how these contribute to achieving the Havering Vision.

Page 384

High level plan 2018-2021

1 - Making the most of your assets, strengths and relationships and secure the borough's 'fair share' of employment and skills investment

1.1 Bring employment and skills investment into, and maximising what is already commissioned for the borough through other agencies, by incentivising and supporting providers to deliver services within the borough and helping residents to access and benefit from these opportunities.

What do we need to do?	Where do we want to be in 2021?	How does this help us meet our vision?
• Develop relationships with external providers and assess their ability/needs to deliver into the borough and work with the council to deliver **1.2** – providing additional space and resources as needed • Negotiate referrals into their provision through **1.2** in return for management information on referral progress and success • Provide ongoing support and connections into existing and other initiatives/funding including the Apprenticeship Levy • Encourage providers to locate services in the borough and become part of a local provider network to work together for the benefit of local people and businesses	• ESF investment from London Local and Pan London commissioning into Havering has been optimised with over £2 million of this funding supporting Havering residents • Havering Council has used its Apprenticeship Levy to offer apprenticeships to local people and has embedded a learning programme for Looked After Children (LAC) to gain skills and work experience • Havering has developed a stronger and effective provider infrastructure that is working together to secure and maximise replacement EU funding and other investment to support employment and skills post 2020	**Communities Making Havering** – Supporting vulnerable residents in our communities helping them secure sustainable employment and reduce risk of homelessness. - Ensure our care leavers are given a good start to their working life **Opportunities Making Havering** – Supporting a thriving local economy where local people benefit from all of the employment and skills opportunities that are available to them.

1.2 Enable cost savings to be achieved through sustainable and quality job outcomes for higher cost residents, by improving the coordination of existing employment and skills activity within the council and optimise returns for the borough from external investment through the establishment of a Referral Management System.

What do we need to do?	Where do we want to be in 2021?	How does this help us meet our vision?
• Establish the service function by April 2018 – including recruitment of staff and put in place management information system. • Agree internal case work model and referral process to ensure consistency across key services, • Work together with services to agree data sharing protocols, internally and externally	• A return of 2.73 pounds for every pound spent on the service has been saved by helping residents access sustainable employment and demand on services has reduced • 400 households have avoided homelessness by securing sustainable employment	**Communities Making Havering** – Supporting vulnerable residents in our communities helping them secure sustainable employment and reducing their risk of homelessness -Ensure our Care Leavers are given a good start to their working life **Opportunities Making Havering** –Supporting businesses to offer training and development opportunities to local residents and help them sustain their employment

1 - Making the most of your assets, strengths and relationships and secure the borough's 'fair share' of employment and skills investment

1.3 Ensure that additional investment secured by the council through ESF/DWP and other sources such as Section 106, is focused on plugging the gaps in mainstream and other provision and focused on supporting key sectors for borough (i.e. health and social care) or removing barriers to jobs (i.e. supporting childcare provision).

What do we need to do?	Where do we want to be in 2021?	How does this help us meet our vision?
• Develop delivery model to support current ESF/DWP investment to 2019 combined value of £300,000. • Focus investment on areas which reduce dependency on benefits/support service delivery including – access to childcare and Personal Assistant self-employment – NEET/6 months plus unemployed given turnaround support to help access employment – LTU and ESA target clients to get ready for the Work and Health Programme • Through greater intelligence on the local offer work with providers to identify gaps in training and vocational provision and develop new projects/pathways for future delivery supporting **1.1, 1.2, 2.2 and 3.1**	• 50 residents are now operating as childminders to address sufficiency shortfall providing 100 places • 100 residents are operating as Personal Assistants and have contributed to a reduction in agency costs for social care to the council • 300 NEETS over age 19 have avoided going into long term unemployment and are now working • 500 residents have secured sustained employment including ESA/LTU through programmes like the Work and Health Programme • Greater insight on gaps in provision and provider collaboration has improved the local skills offer making it relevant and supporting key employment sectors in the borough	**Communities Making Havering** - We have supported vulnerable residents with effective and efficient social care services by having more Personal Assistants - Increased early years provision in areas where there is a deficit, contributing to a good start for children to reach their full potential **Opportunities Making Havering** - Supporting a thriving local economy where local people benefit from all of the employment and skills opportunities that are available to them - Helping key sectors critical for making Havering work for residents and businesses access to a local skilled and experienced workforce

1.4 Ensure that, where appropriate, the council's key strategies, procurement and commissioning and development plans are assessed to identify the potential and then supported to realise opportunities for employment and skills investment into the borough.

What do we need to do?	Where do we want to be in 2021?	How does this help us meet our vision?
• Establish cross council agreement on the development and embedding of an Employment and Skills Impact Assessment process across the council • Establish cross council governance on employment and skills • Agree Terms of Reference, reporting on performance and success (see Slide 10 on governance arrangements).	• Opportunities for work, careers and experience for our residents are systematically secured through our suppliers and their supply chain • Employment and skills impacts are routinely considered and evaluated in policy and strategy development and new service delivery • Additional investment and support is being leveraged through social value for employment and skills activity in the borough	**Opportunities Making Havering** -Working more efficiently internally and with partners to support sustainable economic growth that generates wealth and opportunities for local people **Connections Making Havering** - Through improved business development practice internally we are increasing access to employment, high quality skills and careers for our residents

2 - Improving prospects and prosperity for residents in or at risk of poverty and unemployment

2.1 Work with key services to provide a continuous assessment of 'at risk' residents, and through Havering Works (1.2), support them to access and sustain employment to reduce risk of presenting to council services – particularly housing.

What do we need to do?	Where do we want to be in 2021?	How does this help us meet our vision?
• Agree a common assessment process across key council services to identify at-risk residents and through common action plan and referral process recruit them into the service at earliest opportunity • Agree process for sharing data and insight on client progress and assessment on potential savings from early intervention	• A Havering Council common assessment and referral process for supporting residents into work is embedded across key council services • Services are identifying 'at risk' residents earlier and referring them into Havering Works or alternative provision • Clearer insight on savings generated for the council through residents accessing employment has validated business case	**Communities Making Havering** – Supporting vulnerable residents in our communities earlier and helping them secure sustainable employment to reduce their risk of homelessness and falling into poverty.

2.2 Develop agreements and new ways of working with businesses and local providers to help residents access sustainable quality jobs through effective employer targeting, work interviews and phased employment to support transition into work and in-work support to help residents sustain their employment and reduce their risk of cycling in and out of work.

What do we need to do?	Where do we want to be in 2021?	How does this help us meet our vision?
• Work with internal services, economic development and external providers to agree and incentivise common approach and messaging to local employers to support recruitment of residents • Use ESF and other funding to trial new ways of supporting people into work into the borough for target groups • Commission and deliver job outcomes that are measured on quality and sustainability potential ie status and pay level.	• Local employers are confident and willing to recruit local residents and are working with providers and services to help them sustain their employment • Employment pathways have been adapted and higher numbers of at risk residents are accessing employment and being supported in employment • Payment on job outcomes that are at London Living Wage and secure is common across local provision	**Opportunities Making Havering** – Supporting a thriving local economy where local people are benefiting from accessing and remaining in sustainable quality employment.

2.3 Work with key services within and outside the council to help remove the structural barriers to employment faced by residents, such as access to affordable childcare, transport, access to quality, relevant training.

What do we need to do?	Where do we want to be in 2021?	How does this help us meet our vision?
• Use our resources and influence (**1.1, 1.2, 1.3, 1.4. 2.2**) to work towards reducing barriers for our residents to access and sustain employment that we have influence over.	• Collective and coordinated action within the council and with our partners has helped reduce barriers around access to childcare, improved our local skills offer and plans in place to improve transport connections	**Connections Making Havering** - Through improved collaboration within and outside the council we are increasing access to employment, high quality skills and careers for our residents.

3 - Growing your own – supporting local people and businesses to thrive

3.1 Support key sectors critical to the Havering economy (construction) and delivery of council services (health and social care) through coordinated workforce development interventions.		
What do we need to do?	**Where do we want to be in 2021?**	**How does this help us meet our vision?**
• Identify support and funding to help our key sectors, working with businesses and providers to better fit local provision to workforce needs • Use ESF and other resources to support sectors and use local assets better (ie Construction Centre, BID for Retail and Leisure)	• Our key sectors are reporting improvement in productivity and recruitment through workforce development support ie reduction in skills gaps, increased local recruitment • Increased insight and intelligence on local workforce development needs has better shaped local provision – employers and residents are choosing to work with local providers for their training and recruitment needs	**Opportunities Making Havering** - Havering's employers in our key sectors have access to resources and funding to support their training and development needs
3.2 Support other and emerging sectors important to the growth and future prosperity of the borough i.e. logistics, manufacturing, engineering and technology through better targeting of workforce development support including apprenticeships.		
What do we need to do?	**Where do we want to be in 2021?**	**How does this help us meet our vision?**
• Agree our workforce development strategy for sectors and through our brokerage expertise, package offers for sectors working with economic development teams and our provider network	• Businesses already in the borough are reporting that their workforce development needs are being met locally • New businesses are attracted to the borough (in part) as a result of the local workforce offer	**Opportunities Making Havering** – We will use workforce development support to augment our inward investment offer and work with Segro to ensure local people can access jobs at London Riverside
3.3 Work with providers, schools and colleges to enable better connections and communication between local employers and providers, so that young people/residents access and benefit from local career opportunities.		
What do we need to do?	**Where do we want to be in 2021?**	**How does this help us meet our vision?**
• Develop an effective local partnership between providers and schools through a Provider Forum to improve our collective messaging to young people and learners on local career opportunities. • Streamline our collective engagement with local employers agree common messages and engagement protocols to underpin a universal employer offer.	• Local people are benefiting from improved employer engagement through increased opportunities for work experience, apprenticeships, traineeships, graduates • Local employers are reporting improved relevance of skills and aptitude of local people to support their recruitment and productivity	**Opportunities Making Havering** – Working with employers, partners and investors we will ensure that opportunities are generated for local people to benefit from, supporting them to be part of our growth and improve local wealth

4.3 Governance and management

Governing and managing the Plan

This Plan relies on improved collaboration and cross-departmental support to make the most of the funding and investment opportunities. Critical to its success will be effective and clear governance. There have been various groups established to respond to specific policy challenges such as the Welfare Reform Group. In our consultation, Members expressed an interest in the idea of a Star Chamber on employment and skills.

Given the cross cutting nature of the interventions of the Plan and the need to bring greater coherence to policy, services and investment, we are recommending the establishment of a cross-departmental Employment and Skills Group reporting to the Senior Leadership Team. The purpose of this group will be to oversee the delivery of the Plan. It will also have a role to play in maintaining a watching brief of the employment and skills agenda including new policy (e.g. around welfare reform and funding opportunities) in order to develop a corporate response. The group will be administered and serviced by the Employment and Skills team.

We recommend that the group is chaired by a Member and is drawn from a mix of service heads and operational staff. This will include representatives from key services such Housing, Care Resources, Troubled Families, and Havering Adult College as well as Economic Development, other Children's Services, Adult Social Care, Procurement and HR.

The establishment of this group will help embed a process of review and action around the employment and skills agenda supported by an implementation plan to measure progress and performance.

The Employment and Skills team will need to be remodelled to have two clear functions; a delivery focus which manages the proposed Referral Management System (see Chapter 5); and a strategic focus with clearer responsibilities for the strategic development of employment and skills for Havering. The latter will include a quality management and oversight function of the Plan's performance, a role in developing external relationships with providers and businesses and responsibility for new developments and funding.

The following diagram illustrates what we envision the governance and management structure should be:

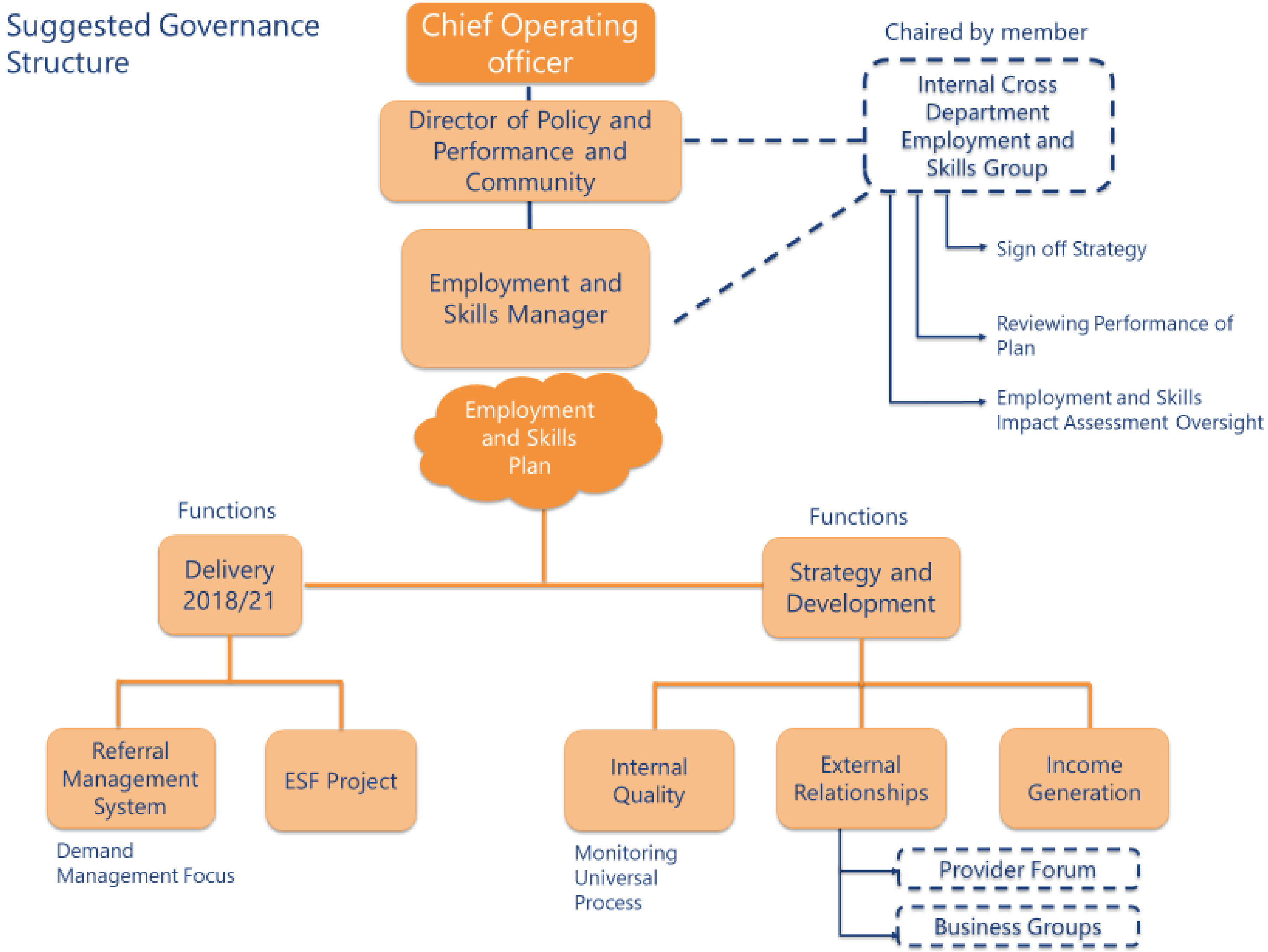


Figure 4 -Governance and management chart

Staffing and resourcing

The current Employment and Skills team comprises 2.5 FTE led by the Employment and Skills Manager. This will need to be increased (using external funding) to accommodate delivery of the ESF programme. If the proposed Referral Management System (**Chapter 5**) is also approved by Council, this will increase the team by 4.0 FTE posts, two of which will be apprentices. Responsibility for the delivery of the Plan will fall under the team and be led the Employment and Skills Manager.

Stakeholder engagement

To enable effective communication of the Plan's objectives, implementation of the Plan and reviews of performance, the following sets out key stakeholders both internal and external, their relationship to the Plan and the proposed engagement method.

To support this, the Employment and Skills team will become the single point of contact for stakeholder engagement on employment and skills issues and for developing and applying the corporate stance on policy and implementation. The Employment and Skills team will have overall responsibility for ensuring that stakeholders are engaged, the Plan is communicated, and any issues acted upon.

Internal

Stakeholder	Relationship to the delivery of the Plan	Engagement method
Leader and Chief Executive	- Council and political oversight -Representation of the Plan at Local London at Leader and Chief Executive level	-Agreement of the Plan's recommendations at Cabinet -Performance and achievement reports
Lead Members	-Chair of the Employment and Skills Group -Support for implementation at Cabinet	- Employment and Skills Group meetings and progress reports -Ad hoc support as required
Senior Leadership Team	- Support for implementation at Council and directorate level	-Performance and achievement reports
Assistant Director of Policy, Performance and Community	-Line management of the Employment and Skills Manager -Member of Employment and Skills Group	-Supervision and appraisals -Monthly reporting -Sign off of performance and achievement reports
Assistant Directors and Heads of Services – Housing, Adult Social Care, Children's Services, Economic Development, Procurement, HR, Learning and	-Members of the Employment and Skills Group -Responsible for supporting delivery of the Plan by helping service areas deliver effectively and remove any	-Terms of reference -The overall plan and supporting action plan -Employment and Skills Group meetings and progress reports

Stakeholder	Relationship to the delivery of the Plan	Engagement method
Achievement, Joint Commissioning Unit, and Public Health	blockages to delivery -Oversight of the Employment and Skills Impact Assessment function	
Service delivery – Emergency Housing, Money Advice, Community Development, Early Help, Troubled Families, and the Adult College	As above plus: -Effective delivery of services to support interventions -Support for and implementation of the Referral Management System -Agreement of and implementation of a universal case management approach to employment and skills	As above plus: -Reporting of service and referral information for performance management -Close working with the Employment and Skills team -Ad hoc meetings or workshops to support the review, design and adaptation of interventions

External

Stakeholder	Relationship to the Plan	Engagement method
London Councils	- Funding of the ESF "Routes to Employment" programme -Advising and supporting employment and skills policy at London level within local government	- Programme reporting on Routes to Employment -Attendance at networking and officer level policy groups
Local London	-Important to keep up to date with progress and issues arising within the borough and from devolution -Link to the delivery of the Work and Health Programme in Havering and other Local London commissioned/led activity for employment and skills.	- Leader-level as appropriate - Chief Executive level as appropriate -Employment and Skills Manager – office network meetings
JCP	-Supporting referrals into Council-delivered ESF provision -Funder of the Community Budgets programme (previously Flexible Support Fund)	-Regular meetings with the Employment and Skills team -Attendance at associated forums

Stakeholder	Relationship to the Plan	Engagement method
ESF and Work and Health Programme providers (e.g. Reed, Serco, Prospects, Seetec, Maximus)	- Support and links to the Referral Management System process including data sharing and referral handovers	- Active management with the Employment and Skills Manager -Attendance at associated forums
Other employment and skills providers (including the college) and education providers	- Insight and information on provision to improve the quality of the local offer -Support for and possible involvement in future bids for funding -Agreement of ways in which to better support employers, young people and other target audiences	- Attendance at associated forums -Employment and Skills Manager as designated single point of contact for the Council
Havering Business Forum - To have a regular ongoing dialogue with employers and target sectors	-Access to local employers and business that can provide work placements and jobs -Insight into the needs of local businesses to inform workforce development activities	- Attendance at meetings and reporting of progress around the plan -Advising on a local employer engagement strategy
Section 106/other developers	- As above	- Planning department to notify all developments to the Employment and Skills Team, so that contact and dialogue can be established -Monitoring and review meetings to take place monthly between the Planning department and Employment and Skills team to ensure that commitments are progressing well and adhered to.
Employers including sector specific groups and BIDs	-Providing job opportunities, work placements and apprenticeships -Insight into workforce development needs -Through sector approaches and targeted initiatives	-Employer engagement strategy for the Council and borough -Sector-based approaches to support key and emerging sectors -Key accounts respond to employer requests for assistance with vacancies and training needs

4.4 Summary

This chapter has set out the context, recommendations, governance and engagement requirements for the Plan, as well as an overarching document that establishes the need and ambitions for 2021. We believe this is achievable as the Plan provides a framework for improved coordination and collaboration across the Council. The business case for action is clear and most of the funding to achieve the Plan is in place – at least until 2019/20.

In the next and last chapter, we provide detail on the proposed Referral Management System and what the returns might be from Council investment, including getting the borough's fair share of the employment and skills funding for residents.

5. The Referral Management System

5.1 The case for intervention

Chapter 3 sets outs a detailed assessment of the employment and skills issues and challenges facing the Council and proposed recommendations for intervention. In this chapter, we provide further detail and an assessment of the costs and benefits of the proposed Referral Management System. There are two main factors driving the business case for developing a Referral Management System:

Factor 1 – No current assurance that demand is being effectively managed

The first is ensuring that the investment and services the Council provides through a range of services including Housing, Troubled Families and Early Help is helping clients to secure sustainable employment and thereby reduce demand and costs.

Our assessment is that services currently have different models and approaches, most of which are focussed on information, advice and guidance and referring on to other agencies. There is no formal tracking of what happens to clients from that point on; quality assurance of the provision they are referred into, or confidence that people are accessing jobs and sustaining them. The Council can only be sure it is saving money and / or avoiding costs if it has evidence that the clients it supports access and sustain work.

Even if clients access a job, there is no guarantee of its quality (i.e. pay, hours and conditions). Coupling poor quality jobs with the lack of in-work support will result in clients going back to unemployment as their work cannot be sustained longer term.

Our recent evaluation of a £2 million employment programme in another borough found that over 40% of the people supported through it had returned to being unemployed within approximately six months. This was because of the temporary nature of jobs people accessed, low pay and inability of people to manage their employment because of other pressures, e.g. childcare, travel and shift work.

Factor 2 – No current way of securing the borough's fair share of funding

The second is ensuring that the estimated £2.6 million of European Social Funding and other investment in employment and skills that is commissioned outside of the borough (i.e. through the Work and Health Programme) is secured for Havering's benefit.

Our assessment is that this is certainly not the case for most of the provision that we have currently identified. The reasons for this are many:

- There is no current formal mechanism for engaging with external providers, nor a single point of access for them to make effective connections to Council services. This results in ad hoc engagement, if any. The exception to this is the ESF Troubled Families programme which has a requirement to access referrals from Havering. There is likely to be other provision available to these families that they are not accessing.

- There is currently no single formal mechanism of keeping track of what is being or has been commissioned by others into the borough. This results in the borough being on the 'back foot' when it comes to negotiating with the successful contractor on an offer for the borough.

- Although providers may have indicative allocations for working in Havering, it can be easier for them deliver their contract outputs and outcomes in other areas where they have better connections, footprint and higher numbers of clients.

If the borough is to secure its fair share of this funding, then it needs to improve its offer to providers and incentivise them to work with the Council's different clients.

What does an effective and sustainable employment pathway look like?

A final consideration of the case for intervention is understanding what constitutes a quality employment service. A great deal of research has been undertaken, nationally and internationally, on what an effective employment service needs to look like. There are seven elements:

1. Effective outreach to attract clients into the programme
2. Good quality assessment and eligibility checks
3. Induction and action planning that fits the needs of the client
4. One to one casework and support including tracking
5. Group activities where clients can work with and be supported by their peers
6. A suite of specialist activity to support the client, including training and support to remove barriers to work such as childcare
7. In-work support to help the client maintain their employment.

The following diagram illustrates this pathway, and how support should not end once employment has been secured.

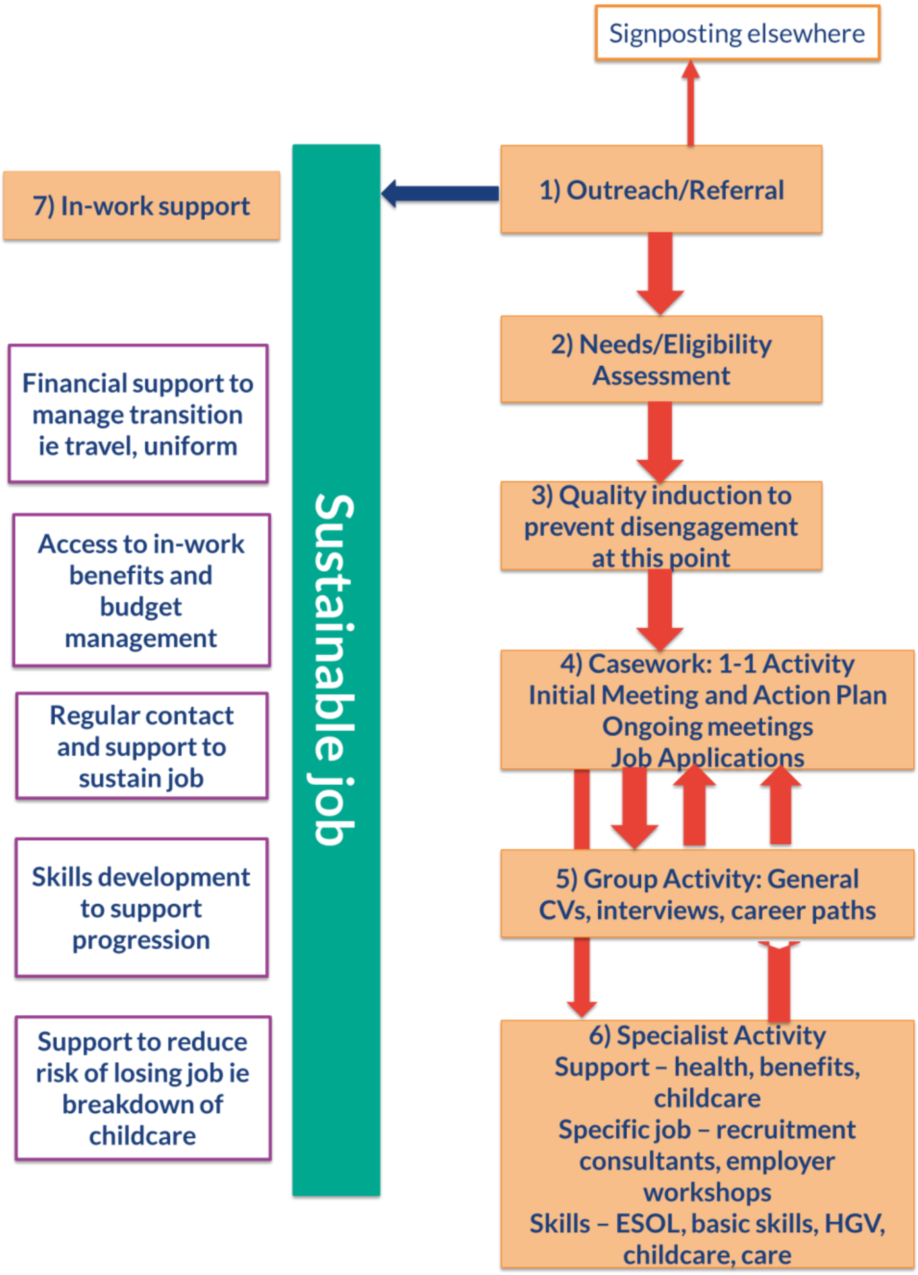


Figure 5 - Effective pathway to employment and sustainment

Our assessment of current employment support in the Council is that this is at best uncoordinated across services; casework is not universal and, in effect, services are offering only a few of these elements (and in some cases only parts of them). There appears to be no in-work support on offer other than that provided to care leavers who have been helped into work through the Early Help team. It is therefore critical that clients are supported into quality provision to increase their likelihood of getting and sustaining employment.

5.2 Consultation on the Referral Management System

On 12th January 2017, an options workshop was held with service representatives from across the Council to explore three options presented for a referral management system. Using personas of typical client groups supported by teams in Housing, Troubled Families and Children's Services, attendees mapped current Council approaches to support them into employment. With this information and using their respective expertise, groups assessed which of the following three options would provide the best outcomes for both the Council and the client:

- Option 1 – Signposting - Creating a referral process for clients across services into existing external provision using a common database and with additional support to secure opportunities from providers and track client outcomes.

- Option 2 – Signposting Plus – Similar to option 1, but offering an enhanced service which includes internal matching to opportunities, additional case work support and supporting retention of job outcomes through tracking and regular in-work contact and support.

- Option 3 – Creating a managing agent model – This required establishing a new service whereby the Council could design and deliver a bespoke, borough-wide service and bid alongside commercial providers to win programmes and funding.

Groups were asked to reflect on the extent to which each option would enable people to get a job quicker, sustain that employment longer and increase their income. In part this was to help determine which option could deliver better outcomes, but also to develop assumptions to support the Cost / Benefit Analysis in **Appendix 4**.

Although it was agreed that Option 3 would give the Council greater control and influence over quality, delivery and performance, this would be at a considerably greater cost to the Council with no guarantee of return in the short term. It would also require establishing a centralised service which could compromise existing service arrangements, particularly for Looked After Children and Troubled Families and require a long lead in time.

Option 2 was considered the most appropriate option as it provided greater surety that client progress and outcomes could be monitored than Option 1, as well as ensuring that additional support was in place to help clients sustain those outcomes. It was also in recognition that opportunities available to residents were time limited, as they are funded through ESF, so every effort needed to be made to maximise the potential investment for Havering before 2020. However, service leads were very clear that Option 2 should not create a separate team of caseworkers. It should use existing resources and systems better and provide added value and support to case workers within each of the services working with the target client groups.

A detailed assessment of the options for intervention and the requirements of an employment service which informed the consultation into a preferred option is set out in **Appendix 3**.

The following outlines the model, structure and potential costs between 2018 to 2021.

5.3 How will it work?

Core elements

The service, which is an enhanced referral and case work model, requires two main elements to make it work:

- The first element needs to engage, support and enable external providers that have an obligation to deliver services to Havering residents to operate effectively in the borough. Providers need to be incentivised to focus efforts in the borough and to have effective relationships with the Council. This includes:

    - Access to targeted Council clients that are eligible for the provision on offer. Providers need to meet their targets and know that clients are eligible for provision.

    - Support to ensure that referrals made to providers are "warmed" and ready and therefore less likely to disengage from provision.

    - Access to additional support and services that can add value to the provider offer and help them achieve their contract outcomes. These are likely to be one, all or a combination of advice services, premises (provided free or at low cost to support delivery), access to vacancies in the council, through its supply chain or other employer relationships and any other training and support on offer.

  In return, providers need to be willing to share information on progress and outcomes of referrals so that these can be tracked and monitored internally. This will enable the service to generate management information to track client progress and identify where savings have been made and/or costs prevented. It will also provide information back to services on their clients.

- The second is a universal process of assessing the 'readiness' of clients to be referred into provision; their ability to secure a job and then access support to help sustain that employment or move to alternative employment if needed.

    - Providers are paid on achieving a job outcome and sustainment which is often at 13 and 26 weeks of employment. To reduce the likelihood of clients becoming unemployed during and post 26 weeks, additional help needs to be in place. This is likely to be one, all or a combination of;

ongoing mentoring/support to deal with any issues or challenges faced by the client provided by the service

- early identification for those at risk of becoming unemployed again (i.e. due to shorter term contracts or temporary positions) and support put in place to help them find alternative work

- access to other support such as debt advice.

- This needs a common assessment process used by the different services in the Council to assess readiness. Currently there are several different processes of varying intensity and quality for assessing need and delivering case work. For the model to work effectively this needs to be done consistently and requires a universal 'Havering' assessment process.

Monitoring

A tracking and monitoring system needs to be put in place to underpin these elements and to gather the management information to illustrate the progress and outcomes clients are achieving and the savings that are being made and / or costs avoided through them securing employment. The system needs to be focused on tracking and reporting interventions and outcomes but also able to interface with other systems being used across the Council. This is to facilitate the exchange of data and information about clients with their key or case workers as well as ensure that client contact is being managed and recorded effectively.

This will require access by team members, case/key workers, the Employment and Skills team and providers to share information on clients relevant to their employment and progress. There will be a requirement to ensure that clients are willing to share data but this can be built into consent forms and action plans.

The following charts illustrate the potential client journey and delivery structure:

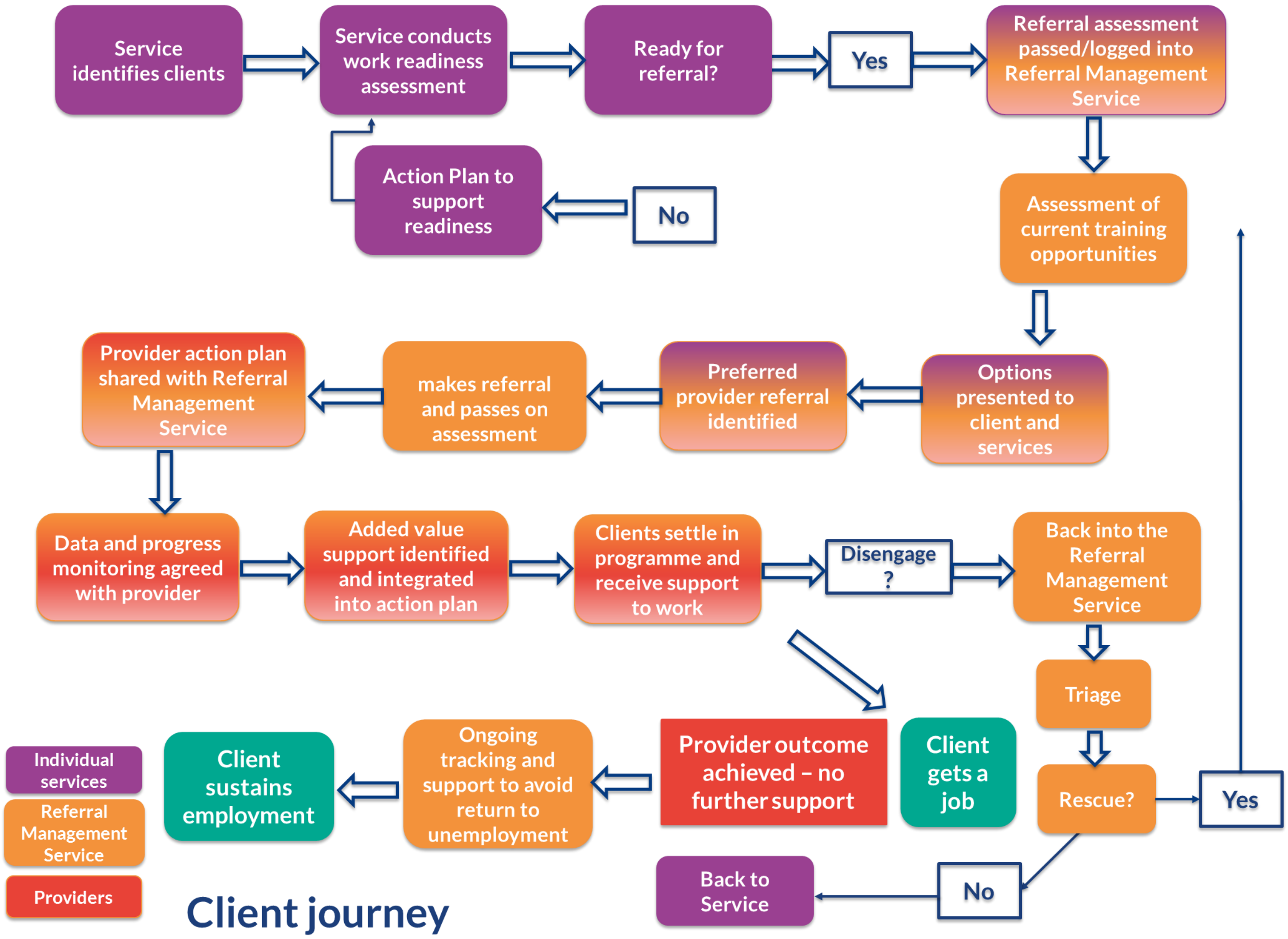


Figure 6 Proposed client journey for the Referral Management System

Proposed structure

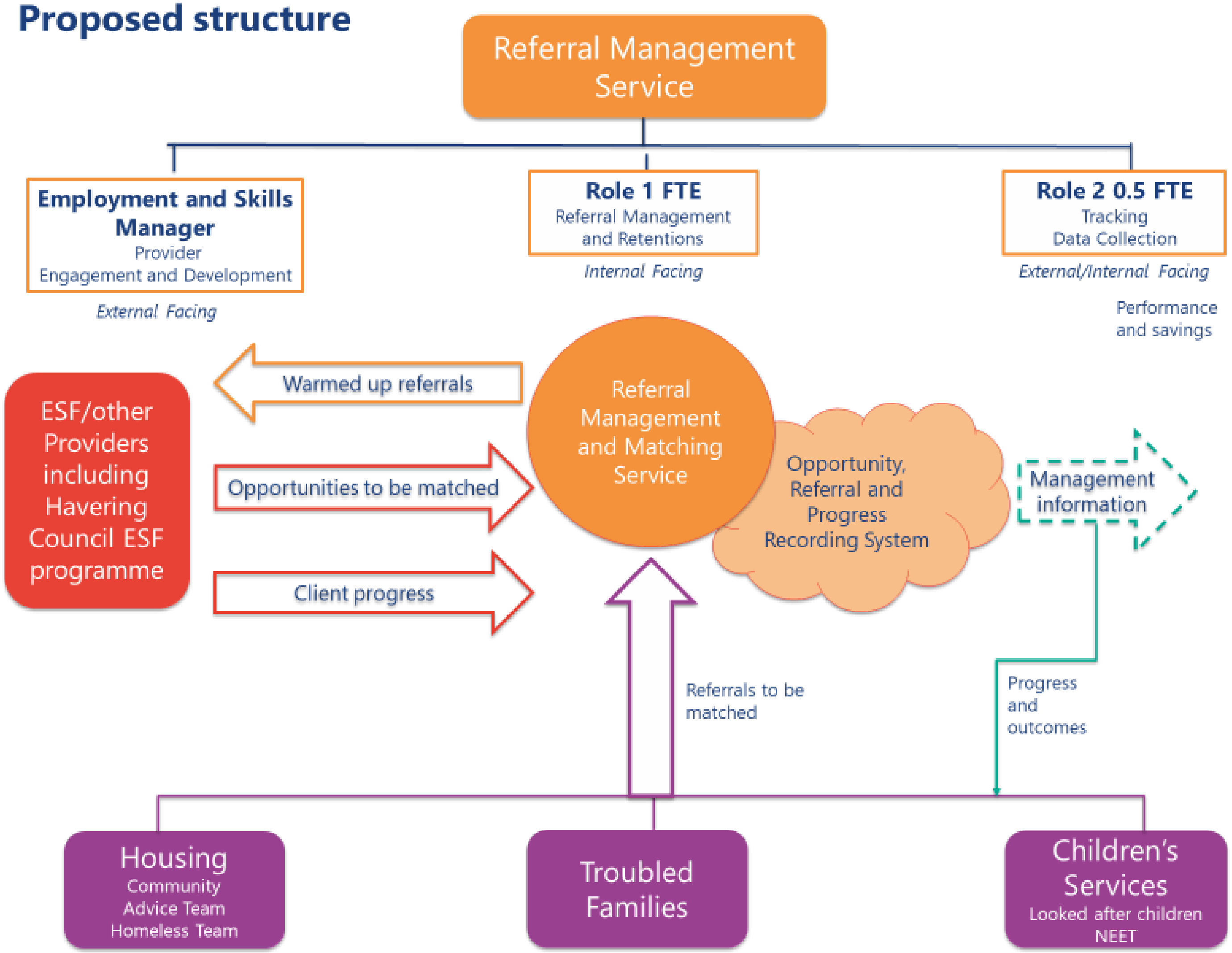


Figure 7 - Proposed management and delivery structure

Staffing and resources

We have suggested that this function could be serviced by two additional people. We recommend the following:

- Provider development role - focused on developing opportunities with providers and supporting retention of referrals. This should be managed by the Employment and Skills Manager.

- Referral matching and management role - focused on developing referrals and working with services to sustain employment outcomes. This role needs to be recruited to.

- Data, information and analyst role (part time) - to support collection and analysis of client and outcome data. This role also needs to be recruited to.

In addition, this model would require a client management and tracking system to be in place. Our estimate based on the market is that this would require set up costs in year one and license arrangements over the three years. We have estimated the set-up costs to be up to £20,000 in our modelling but this could be achieved for less.

5.4 Assessing the costs and benefits of the service

Explanation of the CBA model

We have developed a Cost Benefit Analysis (CBA) Toolkit to identify the savings to / costs avoided by the Council over three years as a result of the intervention. These savings / cost avoidance opportunities arise from reducing poverty-related demand for council services by reducing unemployment in the borough. This model has been developed by Rocket Science as an alternative way of modelling returns when cost information has been difficult to access.

The basis of this model is drawn from the 2016 Joseph Rowntree Foundation report "Counting the Cost of UK Poverty", a UK-wide study looking at what proportion of local authority spending was a result of poverty.[8] For example, it found that 44% of spending on housing and 26% of spending on Adult Social Services by local authorities was a result of poverty.

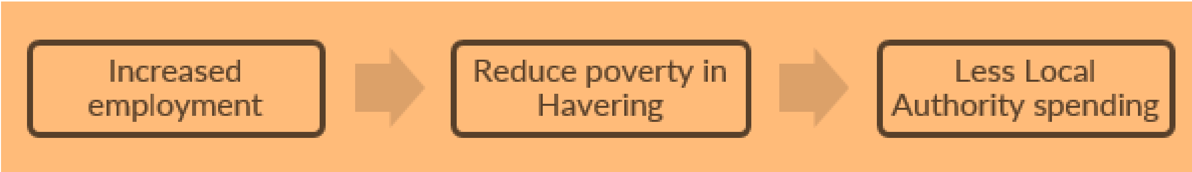
We have combined this with data indicating that around 20% of the borough's households are in poverty[9] and an ONS study showing that "over the period 2007 to 2012, of people aged 18 to 59

---

[8] https://www.jrf.org.uk/report/counting-cost-uk-poverty

[9] http://www.londonspovertyprofile.org.uk/indicators/topics/low-pay/low-pay-by-place-of-residence-and-work/ and https://www.jrf.org.uk/report/monitoring-poverty-and-social-exclusion-2016 and http://www.learningandwork.org.uk.gridhosted.co.uk/wp-content/uploads/2017/01/Work_in_progress_full.pdf

who were not working and living in a household in poverty, 70% of those who entered employment left poverty.”[10] The causal links in the model are therefore:



The model calculates the costs and benefits of the intervention – and the return on investment which is the ratio of the two – for the first three years of the programme. This is because estimates become less accurate the further into the future the model looks. However, we would expect benefits from reduced poverty to last longer, and we have also included an indicative value of the benefits from lifting one person fully out of poverty for 10 years.

Overall, we consider this model to be a conservative estimate of the savings that could be made and costs avoided within three years. Reductions have been made in the calculations for deadweight – what would have happened with no intervention – and to account for “optimism bias”, as recommended by the Manchester New Economy CBA guidance. We have also conducted a sensitivity analysis to identify which variables the model is most sensitive to, and ensured these are particularly robust.

Costs and returns expected

Under current parameters we estimate that the return on investment from the intervention will be £0.69 per £1 in the first year, £2.14 in the second year, £2.71 in the third year, and £1.83 overall[11].

As we would expect, the return on investment increases over time, as more people are lifted out of poverty and demand for council services readjusts. These figures have been based on working with an average of 570 clients per year.

The benefits accrued for the Council over ten years of lifting one person fully out of poverty are in the region of £22,818 in today’s price terms. Based on the projected numbers achieving the outcome, in our analysis this would equate to over £4.9 million.

[10] http://webarchive.nationalarchives.gov.uk/20160105160709/http:/www.ons.gov.uk/ons/dcp171776_395768.pdf

[11] This is currently based on figures which are subject to quality review by the council’s accounts team but unlikely to change significantly.

	Year 1			Year 2			Year 3			Total		
Programme Costs	£99,239			£95,244			£97,034			£291,517		
Programme Benefits	£68,154			£203,509			£263,241			£534,903		
Return on investment	£0.69			£2.14			£2.71			£1.83		
Cost benefit ratio	1	:	0.69	1	:	2.14	1	:	2.71	1	:	1.83

Figure 8 Headline figures from investment based on the CBA analysis in Appendix 4

The full cost benefit analysis spreadsheet and accompanying technical note can be found in Appendix 4.

5.5 Summary

This chapter has set out the case for developing a Referral Management System, a proposed delivery structure, client journey and an assessment of the possible returns to the Council.

There are clearly a number of benefits from this service which align with the three principles we established for the Plan; Achieving the Havering Vision, Embedding a Havering Way of Working and Preparing Havering for 2020.

But this is not just about a return for the Council. This service provides a return for residents and local businesses by maximising external investment in employment and skills through improved provider engagement and management. Whilst it is difficult to estimate what this will mean financially in practice, it is likely that a good proportion of the estimated £2.6 million will be secured for the Havering residents that need it and will benefit the most.

Finally, it is important to reflect on the potential client management data tool and process to support cross departmental and service collaboration. Our findings have shown what the potential could be around client centred support in mobilising services to work together, sharing information and supporting efficient working across the council.

In this respect, there is scope to consider the adoption of the Referral Management System as an opportunity to pilot and learn lessons for future client management structures and systems in the council.

6. Conclusion

This report has set out for Havering Council a clear case for action, a roadmap and action plan for delivery and an options appraisal for developing its employment and skills capacity.

Although relatively understated, the employment and skills activity in the council has the potential to be transformative, particularly for residents where investment to date has been minimal or ineffective.

The challenge for Havering is making its case for investment for government funding, in a borough that has relative wealth and is without the same scale of disadvantage (in terms of numbers of people affected) as others within its devolved sub-region.

There are many unknowns about the future, but we are beginning to see the impact of the London housing market and low value employment sectors in the borough on the cost of living, which will inevitably lead to greater polarisation between wealth and disadvantage.

We believe the findings and recommendations provide a blueprint for the Council to:

- take concerted action, with clear returns on savings and / or cost avoidance to support demand management and
- a practical way forward to build capacity within the organisation to prepare the ground for, and be more resilient to, changes in policy and funding for employment and skills beyond 2021.

This page is intentionally left blank

Appendix 1 – Data Story

ROCKET SCIENCE

Developed November 2016

Key issue	Numbers affected	Impact and opportunities
1) There are **10,950** residents claiming employment related benefits, most of which are likely already to be supported by a council service or have reduced council tax liabilities.	• 1,775 residents are claiming Job Seekers Allowance. **475** (27%) have been unemployed for over a year • 6,210 residents are claiming Employment Support Allowance. 30% of ESA clients are aged 55+. At least 830 will be out of working age in the lifetime of the plan • **730** residents are in in the Work Related Activity Group – WRAG. 78% have been unemployed for longer than 2 years • **1,155** residents are long term unemployed	• Numbers will be targeted through the Work and Health Programme but the Council has no influence on the chosen provider for Havering • 80% reduction from Work Programme spend but WRAG not mandated • Long term unemployed likely to be presenting to Council services now and at the end of working age (due to limited pensions and personal savings)
2) Limits came into force on 7th November capping benefits at £23,000 and further impacts expected as Universal Credit is rolled out.	• **469** households are affected by the benefit cap • **315** (67%) are facing a shortfall of up to £100 per week - **£5,200** extra needed over a year - Based on the over 25 rate for the National Minimum Wage (£7.20phr), they would need to work at least **16 hours per week** over 52 weeks to make up the difference • **81%** of households affected have more than **4** children	• Potential increase in rent arrears and impact on those in the Private Rented Sector • Affecting those on JSA/ESA, lone parents and larger families. • Larger families will face greatest challenges • Advice and guidance has been put in place and £50k secured from DWP to support 50 families for one year to December 2017. • Employment is the only real option to raise income but the employment status of affected individuals is not known
3) Welfare reform coupled with a buoyant property market will be affecting homeless rates as private landlords end tenancies and tenants fall into arrears due to Universal Credit	• **100 families** are living in Hostel accommodation • **C.100 families** are living in Bed and Breakfast accommodation	• Families being evicted are predominantly from the private rented sector and are on benefits • Cost to the council for emergency housing
4) The borough has a higher proportion of lone parents compared to other boroughs living in the more deprived areas. These areas are reported to have insufficient childcare to meet the Early Education Entitlement	• There are **1,830** lone parents in the borough • Harold Wood is projected to have a deficit of **631** Early Education Entitlement places from 2016/17 to 2020/21. There are also insufficient places in some other wards • **80%** of UC claimants are lone parents	• Lone parents will be most affected by Universal Credit • Childcare costs are disregarded within Universal Credit but capped so create an issue for families with several children.

Key issue	Numbers affected	Impact and opportunities
5) The Troubled Families programme has been operating in the borough and new funding of nearly £5.6m has been made available through the ESF for 10 boroughs in the North and East London area to 2019. Contract has been awarded and starting imminently.	• 1,450 families to be worked with by 2020 • 98 have achieved continuous employment (13 to 26 weeks sustainment). 28 individuals have achieved continuous employment to date in phase 2.	• Programme targeting 2,941 families (min) over 10 boroughs. Funding equates to approx £1,900 per family. Havering's allocation is c.£180,000 but the Council has little influence over delivery. • Likely to be families impacted by Universal Credit and/or on benefits • ESF Programme delivered by a company with a contract worth £35 million
6) Young People Not in Education, Employment or Training (NEETS) in the borough	• **C.280** NEETs (around **4%)** which is inline with London average. • 1% whose destinations are unknown (less than the London average), with greater concentrations in Havering Park, Gooshays, Harold Wood and Romford • **83** young people available for EET are aged 17/18 • **96** are not available for EET for various reasons. • **23** are care leavers/in care, **17** are known to the YOT and **23 have** Learning Difficulties or Disabilities Disabilities	• Raising of the Participation Age (RPA) likely to have made an impact on NEETs • However positive participation rates have reduced for 17 year olds, suggesting this cohort is likely to be experiencing greater challenges. • Pockets of issues for smaller groups, needing greater tailoring of support and targeting
7) Young people, attainment rates and apprenticeships– Havering ranks as the second lowest borough for attainment rates at Levels 2 and 3	• Attainment gaps for disadvantaged young people at KS4 and KS5 **(31% and 30%)** are double the London average • Higher rate of participation (5%) in apprenticeships apprenticeships for 16-18 year olds than London • The Council has **30 looked after children** in semi independent care • Care leavers service has helped 34 young people to to access employment and apprenticeships	• Havering is an importer of learners from other boroughs • Apprenticeships and vocational routes require functional level skills at Level 2 – so provision needs to support young people who struggle with Maths and English
8) The Apprenticeship Levy was introduced in 2017. Local authorities have a statutory duty to provide 2.3% of the workforce with apprenticeships and 0.5% of payroll levied, which can be recouped to pay for training and accreditation.	• 165 employees estimated to be affected at Havering • 33 apprentices are currently employed in the council	• Funding could be available to support apprenticeships in the council during the lifetime of the plan • Support workforce development for existing staff • Opportunities to support a 'grow your own' programme for local young people/adults into entry level jobs, with a possible focus on LAC • Use existing resource in the Adult College to provide

Key issue	Numbers affected	Challenge and impact
9) Vacancies are not being filled - UKCES data published in 2016 highlighted that there are considerable vacancies and hard-to-fill vacancies in Havering.	• There were **5,557** vacancies in Havering in 2015. **266** of these were in skilled trade occupations; **199** were in professional occupations, and **194** were for caring, leisure and other services staff • There were **448** hard-to-fill vacancies	• Employers report a lack of applicants with the required skills or the required attitude, motivation and personality to fill vacancies • This impacts on staff workload and loss of business has a knock on effect on productivity.
10) Businesses are reporting that skills gaps are causing greater challenges than vacancies, but only 27% have training budgets in place.	• **677** employers report that they have skills gaps within their organisation • **193** of these are among elementary staff, **172** are among managers and **126** are among sales and customer services staff	• Employers report that **1,782** staff are not fully proficient. **482** of these are sales and customer services staff, **369** are elementary staff and **301** are managers. • There is a range of skills gaps at both the higher and lower end of job grades, so a tailored offer is needed • Opportunity to use the BID as a means to raise skills levels within the retail/service sector
11) Employee pay - Organisations pay their full-time employees less than the London average and women are particularly disadvantaged.	• Gross weekly pay for full-time staff in Havering is **£622.90** compared to the London average of **£632.40**. • Women in Havering are paid **£536.20** compared to the London average of **£585** and c**£140** less than men	• There are signs of a low-wage economy in the borough based on workplace analysis.
12) Significant growth in micro-businesses. These account for 92% of the business base (**8,460).** Between 2012 and 2016 the number of businesses in Havering increased by **2,285**. **2,185** (96%) of these were new micro businesses.	• The sectors with the greatest increase were construction (**450** new businesses); professional, scientific and technical (**450**); business, administration and support services (**285**) and information & communication (**265**). • There were only **40** new retail micro businesses and the total number of small retail businesses decreased by **5**.	• Investment and support for businesses needs to be targeted to help those sectors that are growing • Opportunities to align business planning and support with workforce development and connecting businesses to readymade talent to enable them to grow
13) There is increasing demand for office space in the borough. The projected growth in office space is mainly attributed to ongoing demand for space within Romford Town Centre.	• There is additional demand of up to **17,132 m^2** of office space in the period up until 2031. • Net demand of industrial space is predicted to be **–24 hectares**. • The vacancy rate for commercial office floor	• Conversion of office space as designated housing may impact on the ability to grow the business base and result in business flight • The new developments at Rainham supported by Section 106 arrangements and opportunities to cluster developing sectors building on the

YEAR ONE EMPLOYMENT AND SKILLS IMPLEMENTATION PLAN

Appendix 3

	Objective	Actions	TIMESCALE 2018 Jan-March	2018 April-June	2018 July- Sept	2018 Sept-Dec	2019 Jan-March
1.1	**Bring employment and skills investment into, and maximising what is already commissioned for, the borough through other agencies, by incentivising and supporting providers to deliver services within the borough and helping residents to access and benefit from these opportunities.**	Develop relationships with external providers and assess their ability/needs to deliver in the borough and work with the council to deliver **1.2** – providing additional space and resources as needed					
		Negotiate referrals into their provision through **1.2** in return for management information on referral progress and success					
		Provide ongoing support and connections into existing and other initiatives/funding including the Apprenticeship Levy					
		Encourage providers to locate services in the borough and to work together for the benefit of local people and businesses					
1.2	**Enable cost savings to be achieved through sustainable and quality job outcomes for higher cost residents, by improving the coordination of existing employment and skills activity within the Council. Optimise returns for the borough from external investment through the establishment of a Referral Management System.**	Establish the service function by April 2018 – including through recruitment of staff and putting in place the referral management system.					
		Agree internal case work model and referral process to ensure consistency across key services					
		Work together with services and partners to agree data sharing protocols, internally and externally					
1.3	**Ensure that additional investment secured by the Council through ESF/DWP and other sources, such as Section 106, is focused on plugging the gaps in mainstream and other provision and focused on supporting key sectors for borough (e.g. construction and health and social care) and / or removing barriers to jobs (e.g. supporting childcare provision).**	Develop delivery model to support current ESF/DWP investment to 2020.					
		Focus investment on areas which reduce dependency on benefits (i.e. by targeting those who are NEET, especially if for more than 6 months) / support service delivery (including access to childcare and self-employment of Personal Assistants). Support LTU and ESA target clients to get ready for the Work and Health Programme					
		Through greater intelligence on the local offer, work with providers to identify gaps in training and vocational provision and develop new projects/pathways for future delivery					
1.4	**Ensure that, where appropriate, the Council's key strategies, procurement and commissioning activity and development plans realise opportunities for**	Establish cross-Council agreement on the development and embedding of an Employment and Skills Impact Assessment process across the council					
		Establish cross council governance on employment and skills					

	employment and skills investment into the borough.	Agree Terms of Reference for the governance body/ies, including arrangements for reporting on performance and successes
2.1	**Work with key services to provide a continuous assessment of ‘at risk’ residents, and support them to access and sustain employment to reduce their risk of presenting to Council services, particularly housing.**	Agree a common assessment process across key council services to identify at-risk residents and, through a common action plan and referral process, recruit them into the appropriate service at earliest opportunity
		Agree processes for sharing data and insight on client progress andsavings achieved / costs avoided from early intervention
2.2	**Develop agreements and new ways of working with businesses and local providers to help residents access sustainable, quality jobs through effective employer targeting, work interviews and phased employment, supporting transitions into work and providing in-work support to help residents sustain their employment and reduce their risk of cycling in and out of work.**	Work with internal services and external providers to agree and incentivise a common approach and messaging to local employers to support recruitment of residents
		Use ESF and other funding to trial and evaluate new ways of supporting people (especially from target groups) into work in the borough
		Commission and deliver job outcomes that are measured on quality and sustainability potential, ie status and pay level.
2.3	**Work with key services within and outside the Council to help remove the structural barriers to employment faced by residents, such as access to affordable childcare and transport, as well as access to quality, relevant training.**	Use our resources and influence to work towards reducing barriers for our residents to access and sustain employment
3.1	**Support key sectors critical to the Havering economy (construction) and delivery of council services (health and social care) through coordinated workforce development interventions.**	Identify support and funding to help key sectors, working with businesses and providers to better fit local provision to workforce needs
		Use ESF and other resources to support sectors and use local assets better (e.g. through the development of a Construction Centre, and / or a bid for retail and leisure)
3.2	**Support other and emerging sectors important to the growth and future prosperity of the borough (i.e. logistics, manufacturing, engineering and technology) through better targeting of workforce development support including apprenticeships.**	Agree a workforce development strategy for sectors and, through the employer brokerage service and in partnership with the Economic Development service and providers, package offers for sectors

3.3	**Work with providers, schools and colleges to enable better connections and communication between local employers and providers, so that young people/residents access and benefit from local career opportunities.**	Develop an effective local partnership between providers and schools to improve the collective messaging to young people and learners on local career opportunities.					
		Streamline our collective engagement with local employers by agreeing common messages and engagement protocols to underpin a universal employer offer					

This page is intentionally left blank

Equality Impact Assessment (EIA)

Document control

Title of activity:	**Havering Employment and Skills Plan 2018 - 2021**
Type of activity:	**This is :** 1. **a strategy** which outlines the London Borough of Havering's approach to supporting the Employment and Skills agenda and 2. **A service** to coordinate employment and skills provision across the borough (internally and externally) to ensure that Havering is able to realise the full benefits of national, regional and sub-regional provision The service will deliver employment and skills brokerage to local residents who are unemployed, under employed or at risk of experiencing "in work poverty" through the provision of comprehensive wrap-around support consisting of : • Information, advice and guidance • Needs assessment • Personalised action planning • Training and employment support and in-work support. All Havering residents accessing this support will be issued with a Havering Skills Passport which will ensure that residents experience a consistent service that seeks to improve their employment and skills situation. Residents will be encouraged to engage in shaping and planning their

	career path in terms of progression, diversification and skills development. Participants will be referred to provision funded from various sources including Section 106 agreements and the European Social Fund (ESF). The service will move residents as appropriate between the varied provision to support residents into employment and training. **A Referral Management System** will also be established to match residents' needs with appropriate provision, monitor their progress and measure the impact of the interventions. There will be opportunities for participants to provide feedback on their experiences and help to contribute to the future design of services to make sure that they meet residents' needs. The service will work with employers and learning / training providers to develop customised training to support local residents into employment. It will develop strategic and operational partnerships to progress the needs of local residents and businesses in terms of employment and skills from entry level to higher level skills.
Lead officer:	Deborah Moonasar Skills and Business Engagement Manager Policy, Performance and Community
Approved by:	Pippa Brent-Isherwood Assistant Director of Policy, Performance and Community
Date completed:	09/01/18
Scheduled date for review:	31/03/19

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

1. Equality Impact Assessment Checklist

About your activity

1	**Title of activity**	**Havering Employment and Skills Plan 2018 - 2021**
2	**Type of activity**	This is : 1. **a strategy** which outlines London Borough of Havering's approach to supporting the Employment and Skills Agenda and 2. **A service** to coordinate employment and skills provision across the borough (internally and externally) to ensure that Havering is able to realise the benefits of national regional and sub regional provision Please see further details provided above.
3	**Scope of activity**	The Havering Employment and Skills Plan is specifically designed to support residents who are at risk of experiencing disadvantage due to lack of skills, unemployment or under-employment. The work being proposed will include : • **Development of targeted interventions for specific priority/demand groups**. This will enable value to be added to current skills and employment provision and can be developed to meet the full spectrum of training needs from entry level to the higher level skills demanded by businesses. • **A central management and coordination role** will facilitate a common referral process across a range of provision including direct delivery from within the Employment and Skills team and other Council services. • Encouraging providers to **work collaboratively** with the Council and other providers to secure the type and quality of provision that is needed to move residents into work and support them to progress within work and sustain well paid employment,

		• **Utilising Section 106** funding and maximising opportunities from the Council's **procurement and commissioning activities** to service local labour market requirements. • **Employer Led Training Provision** - The Council has a role to play in engaging employers in working with training providers to develop "employer led" training, which meets the changing needs of industry and also, crucially, is of a quality and scope that businesses are prepared to pay for. • **The development of a comprehensive local partnership of providers, businesses and the local authority** to attract funding from a range of sources. The ability to demonstrate a coordinated and responsive infrastructure will be key to attracting funding going forward. **This approach**: • Offers a multi layered and comprehensive approach by utilising existing funding and support that is being provided on a regional and sub-regional basis. This can provide additional value when used alongside Planning Gain and other funding opportunities to enhance and augment provision. • Utilises local partnership activity and funding to address some of Havering's specific needs (for example, addressing job sustainability and progression through improved skills levels linked to jobs available). • Enables engagement in sector based approaches to respond to employers' specific needs, support workforce development and enhance productivity. The Plan will to respond particularly to the higher levels of deprivation and unemployment within known hotspots in Havering, particularly Gooshays, Heaton, Romford Town and Havering Park. These wards have the highest numbers of unemployment related benefits claimants, and the highest number of claimants of Employment Support Allowance (which supports people who cannot find a job through long term illness or disability).They are the most income and employment deprived wards in Havering and also have the highest numbers of children living in poverty (according to the Indices of Multiple Deprivation 2015).

4a	**Is the activity new or changing?**	New
4b	**Is the activity likely to have an impact on individuals or groups?**	Yes
5	**If you answered yes:**	Please see the EIA on the next page.
6	**If you answered no:**	N/A

Completed by:	Deborah Moonasar Skills and Business Engagement Manager Policy, Performance and Community
Date:	12/01/18

2. Equality Impact Assessment

Background/context
The Employment and Skills Plan is specifically intended to support people who are disadvantaged or at risk of becoming disadvantaged through lack of skills, unemployment, under-employment and / or in-work poverty. The Plan sets out a range of activities that will be carried out to support unemployed residents to access and sustain work, and also to help those who are in work to increase their prospects of progression and increased prosperity. As part of the proposed Referral Management System we intend to manage and monitor the effectiveness of this activity in supporting residents, including those who have "protected characteristics". The system will also facilitate the movement of residents between programmes to maximise their outcomes. This activity will help us to : • Ensure that Havering residents have access to all of the opportunities available to them. • Efficiently and reliably move residents through programmes so that they are supported to meet their employment and skills needs currently and in the future. • Review, analyse and act on feedback from residents on the extent to which provision meets their needs; the quality of their experience, and how we could better shape activities in the future to meet residents' needs. The Employment and Skills Plan 2018-21 is intended to respond particularly to the higher levels of deprivation and unemployment within known hotspots in Havering, particularly Gooshays, Heaton, Romford Town and Havering Park. These wards have the highest number of unemployment related benefits claimants, and the highest number of claimants of Employment Support Allowance (which supports people who cannot find a job through long term illness or disability). Gooshays, Heaton and Havering Park are the most income and employment deprived wards in Havering and also have the highest numbers of children living in poverty (according to the Indices

of Multiple Deprivation 2015).

Whilst the borough appears to enjoy a relatively good economic outlook and experiences some of the lowest levels of unemployment when compared to other London boroughs, there are areas where support is needed to lift the economic prospects and wellbeing of residents, especially amongst groups with “protected characteristics”.

The EIA

Age: Consider the full range of age groups		
Please tick (✓) the relevant box:		**Overall impact: Positive** Despite a 76.5% rate of employment (higher than the London average), Havering residents experience comparatively poor rates of pay, levels of education and skill levels. This situation will impact on the future prosperity and wellbeing of residents. The Employment and Skills Plan aims to address this by supporting residents to improve their employment prospects. The implementation of a Referral Management System will ensure that the council is able to monitor and improve as necessary the support provided to those with “protected characteristics”
Positive	**V**	
Neutral		
Negative		

Evidence:

Havering has 252,800 residents (Nomis 2016). The borough current experiences some of the lowest wage rates and levels of educational attainment in London. Households earnings average £44,430 per annum compared to £48,530 in other outer London boroughs and a Greater London average of £51,770.

Low qualification levels are a prominent issue for Havering, as almost three quarters of the adult population have either no qualifications or are qualified only to level 1 or 2, with less than a quarter having attained degrees. The proportion of Havering residents with NVQ1 qualifications and above is 85.8%; slightly above both the UK and London averages. However, the proportion of 16-64 years olds with NVQ2 qualifications and above is below the UK average. 70.2% in Havering have this qualification compared with 76.4% across London and 73.3% across the UK. These figures suggest that the Further Education is one of the key areas that require improvement in the borough.

The figures are heavily skewed by the 50-64 population, but there are relatively low levels of level 4 and above qualified residents across all age brackets, whilst the future projections for the London job market are heavily skewed towards higher level qualifications, particularly level 4, being necessary. Havering has a low proportion of people with skill levels of NVQ4 and above with 25.7% of 16-64 year olds holding a qualification at this level and above, compared with 49.1% across London and 36.0% across the UK. The percentage of 16-64 year olds with NVQ3 level qualifications is also below the UK and London average, with Havering at 47.8% compared with 64.7% for London and 56.7% from the UK as a whole.

The borough also ranks low in the London tables for A Level and Equivalent Outcomes. For example, the borough ranks 28th out of the 33 London boroughs in terms of Key Stage 5 points per entry. This puts the number of points per entry at 4% below the London average.

There is a historically significant issue of early school leaving with over 50% of the adult population having left full-time education aged 16 or under. This means that Havering has the highest proportion of the adult population that left education aged 16 or under compared with neighbouring boroughs, which is significantly above the London average (24%).

Sources used:

http://www.nomisweb.co.uk/reports/lmp/la/1946157270/subreports/einact_time_series/report.aspx?

Havering Employment and Skills Plan 2018-21

Renaisi Havering Skills and Employment Study 2014

The Havering Data Story – Rocket Science November 2016

Disability: Consider the full range of disabilities; including physical mental, sensory and progressive conditions		
Please tick (✓) the relevant box:		**Overall impact: Positive** The Employment and Skills Plan will impact positively on this group of residents as currently the support provided to this group of residents is un-coordinated and often of an inconsistent quality. Through the delivery of the Employment and Skills Plan, the Council will work to ensure that outcomes for this group of residents are monitored and that people with disabilities are able to influence the design and development of future support.
Positive	**V**	
Neutral		
Negative		

Evidence:

There are 7,788 residents aged between 16-64 living with moderate physical disabilities, and 809 people aged 16-64 with moderate or severe Learning Disabilities living in the borough. Gooshays, Heaton, Romford Town and Havering Park have the highest numbers of claimants of Employment Support Allowance (ESA), which support people who cannot find a job due to long term illness or disability.

There is currently no specific provision within the borough for this group of residents and access to mainstream provision is un-coordinated. There is strong evidence that health and wellbeing can be enhanced through employment activity, and the Council is keen to utilise this route to enhance the life chances and wellbeing of people with disabilities.

Through the delivery of the Employment and Skills Plan, the Council will facilitate support and referral networks and will be able to monitor the impact of programmes. Access to activities and referral networks will be maximised by coordinating with departments and services such as Improving Access to Psychological Therapies (IAPT), Adult Social Care, Public Health, and relevant voluntary and community sector organisations to make sure that these opportunities are well publicised to those requiring them.

Sources used:

This is Havering

<table>
<tr><th colspan="3">Sex/gender: Consider both men and women</th></tr>
<tr><td colspan="2">Please tick (✓) the relevant box:</td><td rowspan="4">Overall impact: Positive

Delivery of the Employment and Skills Plan will support all residents of Havering and will be mindful of the responsibilities of those residents with caring responsibilities for children and / or other family members.

There is some evidence of vender inequality in pay between males and females within the borough, so we will work to raise attainment and achievement levels to bring about a greater balance.

The implementation of a Referral Management System will ensure that the council is able to monitor and improve the support provided to both men and women.</td></tr>
<tr><td>Positive</td><td>V</td></tr>
<tr><td>Neutral</td><td></td></tr>
<tr><td>Negative</td><td></td></tr>
<tr><td colspan="3">Evidence:

Males in Havering typically command higher salaries than their female counterparts (at £36,530 compared with £28,243). The Council will work to achieve greater wage equality for females where possible but, as a whole, we will work with both groups to raise skill levels and progression prospects since Havering experiences some of the lowest wage rates in London. This is particularly relevant when set against rising housing and living costs and the impact of thresholds of Housing Benefit Support.</td></tr>
<tr><td colspan="3">Sources used:

GLA intelligence – Borough profiles
Nomis
The Havering Data Story – Rocket Science November 2016</td></tr>
</table>

<table>
<tr><th colspan="3">Ethnicity/race: Consider the impact on different ethnic groups and nationalities</th></tr>
<tr><td colspan="2">Please tick (✓) the relevant box:</td><td rowspan="4">Overall impact: Positive

Havering is one of the most ethnically homogenous places in London, with 83% of its residents recorded as White British; higher than both London and England as a whole. About 90% of the borough's population was born in the United Kingdom. This is a changing picture, however, and continued growth in the BAME population is expected. Delivery of the Employment and Skills Plan will work to support BAME groups to actively participate in and benefit from employment and skills interventions. BAME communities are a target group for ESF funding so will particularly benefit from the employer brokerage service to be delivered through this route. The associated targets will be integrated into the work programme of the Employment and Skills team. The implementation of a Referral Management System will further ensure that the Council is able to monitor and improve the support provided to BAME groups.</td></tr>
<tr><td>Positive</td><td>v</td></tr>
<tr><td>Neutral</td><td></td></tr>
<tr><td>Negative</td><td></td></tr>
</table>

Evidence: While Havering is one of London's least diverse boroughs, 10% of the population was born outside of the UK according to the 2011 census. The majority of residents born outside of the UK were from Ireland, Nigeria and India as well as Eastern Europe. It is projected that the Black African population will increase from 3.8% in 2015 to 5.2% of the Havering population in 2030.
Sources used: This is Havering 2016

Religion/faith: Consider people from different religions or beliefs including those with no religion or belief		
Please tick (✓) the relevant box:		**Overall impact:** There is no information held at either local or national levels that can be used to carry out a viable EIA against this factor
Positive		
Neutral	**V**	
Negative		
Evidence: Please see above		
Sources used: N/A		

Sexual orientation: Consider people who are heterosexual, lesbian, gay or bisexual		
Please tick (✓) the relevant box:		**Overall impact:** There is no information held at either local or national levels that can be used carry out a viable EIA against this factor
Positive		
Neutral	**V**	
Negative		
Evidence: Please see above		
Sources used: N/A		

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		
Please tick (✓) the relevant box:		**Overall impact:** There is no information held at either local or national levels that can be used carry out a viable EIA against this factor
Positive		
Neutral	V	
Negative		
Evidence: Please see above		
Sources used: N/A		

Marriage/civil partnership: Consider people in a marriage or civil partnership		
Please tick (✓) the relevant box:		**Overall impact:** There is no information held at either local or national levels that can be used carry out a viable EIA against this factor
Positive		
Neutral	V	
Negative		
Evidence: Please see above		
Sources used: N/A		

Pregnancy, maternity and paternity: Consider those who are pregnant and those who are undertaking maternity or paternity leave		
Please tick (✓) the relevant box:		**Overall impact:** There is no information held at either local or national levels that can be used carry out a viable EIA against this factor. However it is known that there around 16,000 children in the borough aged 0-4 and, as part of the delivery of the Employment and Skills Plan, we will be supporting parents (particularly lone parents) to find flexible employment and training support to suit their circumstances.
Positive	V	
Neutral		
Negative		

Evidence: There are approximately 16,000 children aged 0-4 resident in the borough and 1,860 one parent families in the borough. One parent families make up 80% of households that are affected by Universal Credit. These parents will need to work to ensure they do not fall into arrears, face eviction and possible homelessness, and so present themselves to the Council for support. Without appropriate and accessible childcare, employment will be impossible to secure for households that do not have access to other informal care arrangements (such as lone parents and those without extended families). Some parts of the borough (e.g. Harold Wood) have particularly high numbers of unemployed lone parents compared with the rest of the borough.
Sources used: https://www.nomisweb.co.uk/reports/lmp/la/1946157270/report.aspx The Havering Data Story – Rocket Science November 2016

Socio-economic status: Consider those who are from low income or financially excluded backgrounds		
Please tick (✓) the relevant box:		**Overall impact:** The Employment and Skills Plan will specifically work with residents who are from low income or financially excluded backgrounds, who will be able to access support across a range of provision as outlined in the background to this EIA. The support will be consistent, comprehensive and support residents for as long as they wish to be supported to a) seek employment; b) gain further skills and progression whilst in work, and c) transition to further opportunities.
Positive	**V**	
Neutral		
Negative		
Evidence: The average gross annual pay for residents is £ 32,274. There are 11,953 unemployed claimants in receipt of Housing Benefit. There are also 3,955 employed claimants in receipt of Housing Benefit, which means these households or individuals are experiencing “in work poverty”.		
Sources used: London Borough of Havering Housing Benefits team GLA Intelligence – borough profiles		

Action Plan

Protected characteristic	Identified negative impact	Action taken to mitigate impact*	Outcomes and monitoring**	Timescale	Lead officer
People with disabilities or long term health conditions	No	Referral Management System will monitor the take up, quality and type of provision and success in meeting the needs of this group of residents	• Numbers of residents accessing services • Numbers supported into employment • Numbers gaining accredited skills • Numbers supported into non-accredited training • Numbers supported into work experience • Numbers supported onto Apprenticeships • Numbers supported into volunteering opportunities	April 2018- March 2021	Deborah Moonasar (Skills and Business Engagement Manager)
All age groups	No	Referral Management System will monitor the take up, quality and type of provision and success in meeting the needs of this group of residents	• Numbers of residents accessing services • Numbers supported into employment • Numbers gaining accredited skills • Numbers supported into non-accredited training • Numbers supported into work experience • Numbers supported onto Apprenticeships	April 2018- March 2021	Deborah Moonasar (Skills and Business Engagement Manager)

Protected characteristic	Identified negative impact	Action taken to mitigate impact*	Outcomes and monitoring**	Timescale	Lead officer
			• Numbers supported into volunteering opportunities		
People experiencing the full range of disabilities; including physical mental, sensory and progressive conditions	No	Referral Management System will monitor the take up, quality and type of provision and success in meeting the needs of this group of residents	• Numbers of residents accessing services • Numbers supported into employment • Numbers gaining accredited skills • Numbers supported into non-accredited training • Numbers supported into work experience • Numbers supported onto Apprenticeships • Numbers supported into volunteering opportunities	April 2018- March 2021	Deborah Moonasar (Skills and Business Engagement Manager)
Men and Women	No	Referral Management System will monitor the take up, quality and type of provision and success in meeting the needs of this group of residents	• Numbers of residents accessing services • Numbers supported into employment • Numbers gaining accredited skills • Numbers supported into non-accredited training • Numbers supported into work experience • Numbers supported onto	April 2018- March 2021	Deborah Moonasar (Skills and Business Engagement Manager)

Page 428

Protected characteristic	Identified negative impact	Action taken to mitigate impact*	Outcomes and monitoring**	Timescale	Lead officer
			Apprenticeships • Numbers supported into volunteering opportunities		
Minority ethnic groups and nationalities	No	Referral Management System will monitor the take up, quality and type of provision and success in meeting the needs of this group of residents	• Numbers of residents accessing services • Numbers supported into employment • Numbers gaining accredited skills • Numbers supported into non-accredited training • Numbers supported into work experience • Numbers supported onto Apprenticeships • Numbers supported into volunteering opportunities	April 2018- March 2021	Deborah Moonasar (Skills and Business Engagement Manager)
Those who are pregnant and those who are undertaking maternity or paternity leave	No	Referral Management System will monitor the take up, quality and type of provision and success in meeting the needs of this group of	• Numbers of residents accessing services • Numbers supported into employment • Numbers gaining accredited skills • Numbers supported into non-accredited training • Numbers supported into work experience	April 2018- March 2021	Deborah Moonasar (Skills and Business Engagement Manager)

Protected characteristic	Identified negative impact	Action taken to mitigate impact*	Outcomes and monitoring**	Timescale	Lead officer
		residents	• Numbers supported onto Apprenticeships • Numbers supported into volunteering opportunities		
Those who are from low income or financially excluded backgrounds	No	Referral Management System will monitor the take up, quality and type of provision and success in meeting the needs of this group of residents	• Numbers of residents accessing services • Numbers supported into employment • Numbers gaining accredited skills • Numbers supported into non-accredited training • Numbers supported into work experience • Numbers supported onto Apprenticeships • Numbers supported into volunteering opportunities	April 2018- March 2021	Deborah Moonasar (Skills and Business Engagement Manager)

Review

- This Equalities Impact Assessment will be reviewed annually. The next review will be carried out by 30th April 2019.
- The review will reflect quantitative data accessed from the Referral Management System in relation to the outcomes achieved by the groups identified within this Equalities Impact Assessment. The Referral Management System will collect and collate data on residents generically and will be able to provide comparative reports on the benefits delivered to residents with “Protected Characteristics”. Data will be anonymised and handled in accordance with the General Data Protection Regulations (GPDR) to be implemented from May 2018.

- The review will also capture feedback from residents who have accessed employment and skills provision. This data will be compiled throughout the year and capture information on the quality, suitability and appropriateness of provision to meet their needs.