



MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Wednesday, 8 February 2023
(7.30 - 8.44 pm)

Present:

Councillor Ray Morgon (Leader of the Council), Chairman

Councillor Keith Darvill

Councillor Gillian Ford

Councillor Oscar Ford

Councillor Paul McGeary

Councillor Paul Middleton

Councillor Barry Mugglestone

Councillor Christopher Wilkins

Councillor Graham Williamson

Cabinet Member responsibility:

Lead Member for Climate Change

Lead Member for Adults and Health

Lead Member for Children and
Young People

Lead Member for Housing

Lead Member for Corporate, Culture
and Leisure Services

Lead Member for Environment

Lead Member for Finance and
Transformation

Lead Member for Development and
Regeneration

Apologies were received for the absence of Councillors .

48 ANNOUNCEMENTS

Members were advised of the Fire Safety procedure in the Chamber.

49 APOLOGIES FOR ABSENCE

There were no apologies for absence.

50 DISCLOSURES OF INTEREST

There were no disclosures of interest.

51 **MINUTES**

The minutes of the meeting held on 14th December were agreed as a correct record and the Chair signed them.

52 **EXCLUSION OF THE PUBLIC**

The Chair announced that the public should be excluded during the discussions of **agenda items 6, 12 and 13** on the grounds that it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public were present during those items there would be disclosures to them of exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972.

53 **PROVISIONAL ITEM: REQUISITION OF A KEY EXECUTIVE DECISION FOR AUTHORISATION TO AWARD A CONTRACT FOR THE EXTENSION AND MODIFICATION OF CENTRAL DEPOT.**

Provisional item: Requisition of a Key Executive Decision for Authorisation to Award a Contract for the Extension and Modification of Central Depot.

Further to the meeting of the O & S Board on 7th February, as the issue was not upheld the Chair announced that a discussion was not required.

54 **PROPERTY DISPOSALS**

Cabinet was presented with the **Asset Disposal Programme 2022-2028**

Report introduced by Councillor Graham Williamson.

This report considers the adoption of a medium-term asset disposal programme, as an integral part of the Council's wider Capital Strategy.

The proposed programme will span 2023/28 albeit the focus of this paper is upon the initial phase of disposals intended for completion by March 2024. Proposals for asset disposals within the subsequent 4 years will be the subject of further reports as part of the broader Capital Strategy updates to Cabinet.

It was confirmed that the Council would be able to demonstrate that open market value (OMV) has been achieved for each sale. Reserve prices would be set by officers in advance of any auctions.

The Cabinet agreed the following:

1. Declared the following assets as surplus to the Council's operational requirements:

- Former Century Youth House, Albert Road, Romford, RM1 2PS
 - Scotts Primary School House, 2 Bonington Road, Hornchurch, RM12 6TH
 - Newtons School House, Lowen Road, Rainham, RM13 8GL
 - Heather Avenue Workshop, 45 Heather Avenue, Romford RM1 4SU
 - Former Petersfield Avenue Depot, Harold Hill RM3 9PR
2. Agreed to the disposal of the assets identified within Appendix A, noting that the decision to dispose of car park assets is provisional at this stage and is subject to public consultation relating to the required modification of Traffic Management Orders relating to those sites, the outcome of which will be reported back to Cabinet upon completion.
 3. Agreed that the larger sites will be sold to Mercury Land Holdings Limited, where identified within Appendix A.
 4. Agreed to the disposal of the remaining assets within Appendix A by way of auction.
 5. Agreed the award of contract for pre-disposal services at the cost of up to £800,000 to Mercury Land Holdings, associated with the assets listed in Appendix A.
 6. Delegated authority to the Director of Asset Management in consultation with the Deputy Director of Legal and Democratic Services to conduct all appropriate steps to progress and conclude the 2022/23 asset disposals in a manner that satisfies all legal/regulatory requirements. This delegation to include the terms for any interim lease-back of operational assets and/or subsequent buy-back of assets not subsequently progressed by Mercury Land Holdings.
 7. Delegated authority to the Director of Asset Management in consultation with the Lead Member for Development & Regeneration to agree appropriate reserve values for those assets proceeding to auction.
 8. Authorised the Assistant Director of Public Realm to proceed with the process for the modification of Traffic Management Orders in respect of those car parks listed in Appendix A.
 9. Noted the further reports will follow, linked to Council's Capital Strategy, to seek formal Cabinet approval for the disposal of specific assets within the subsequent 4 years of the asset disposal programme. Declare the following assets as surplus to the Council's operational requirements:
 - Former Century Youth House, Albert Road, Romford, RM1 2PS
 - Scotts Primary School House, 2 Bonington Road, Hornchurch, RM12 6TH
 - Newtons School House, Lowen Road, Rainham, RM13 8GL
 - Heather Avenue Workshop, 45 Heather Avenue, Romford RM1 4SU

- Former Petersfield Avenue Depot, Harold Hill RM3 9PR
10. Agreed to the disposal of the assets identified within Appendix A, noting that the decision to dispose of car park assets is provisional at this stage and is subject to public consultation relating to the required modification of Traffic Management Orders relating to those sites, the outcome of which will be reported back to Cabinet upon completion.
 11. Agreed that the larger sites will be sold to Mercury Land Holdings Limited, where identified within Appendix A.
 12. Agreed to the disposal of the remaining assets within Appendix A by way of auction.
 13. Agreed the award of contract for pre-disposal services at the cost of up to £800,000 to Mercury Land Holdings, associated with the assets listed in Appendix A.
 14. Delegated authority to the Director of Asset Management in consultation with the Deputy Director of Legal and Democratic Services to conduct all appropriate steps to progress and conclude the 2022/23 asset disposals in a manner that satisfies all legal/regulatory requirements. This delegation to include the terms for any interim lease-back of operational assets and/or subsequent buy-back of assets not subsequently progressed by Mercury Land Holdings.
 15. Delegated authority to the Director of Asset Management in consultation with the Lead Member for Development & Regeneration to agree appropriate reserve values for those assets proceeding to auction.
 16. Authorised the Assistant Director of Public Realm to proceed with the process for the modification of Traffic Management Orders in respect of those car parks listed in Appendix A.
 17. Noted the further reports will follow, linked to Council's Capital Strategy, to seek formal Cabinet approval for the disposal of specific assets within the subsequent 4 years of the asset disposal programme.

55 **APPROVAL OF THE HRA BUSINESS PLAN UPDATE, BUDGET 2023/24 & CAPITAL PROGRAMME 2023/24-2027/28**

Cabinet was presented with the **HRA Business Plan update, Budget 2023/24 & Capital Programme 2023/24–2027/28**

Report introduced by Councillor Paul McGeary

This report sets a budget for the Council's Housing Revenue Account (HRA) and HRA Major Works and Capital Programme. Cabinet approved the Housing Asset Management Plan 2021-2051 in October 2021 and the budgets and projections of expenditure required to maintain the stock to a

good standard have been used in the preparation of the capital programme in this report. A summary is provided of the HRA Business Plan 2023-2053.

The Cabinet agreed the following:

1. Approved the Housing Revenue Account Budget as detailed in paragraph 3.5.
2. Agreed that the rents chargeable for tenants in general needs Council properties owned by the London Borough of Havering be increased by 7.0% from the week commencing 3rd April 2023.
3. Agreed that the rents chargeable for tenants in supported housing Council properties, such as sheltered housing and hostels, owned by the London Borough of Havering, are increased by 7.0% from the week commencing 3rd April 2023.
4. Agreed the four rent-free weeks for 2023/24 are: the week commencing of 28th August 2023, 18th & 25th December 2023 and the 25th March 2024.
5. Agreed that service charges and heating and hot water charges for 2023/24 are as detailed in paragraph 3.14 of this report.
6. Agreed that charges for garages should be increased by 7.0% in 2023/24 as detailed in paragraph 2.10 of this report.
7. Agreed that the service charge for the provision of intensive housing management support in sheltered housing for 2023/24 shall be as detailed in paragraph 3.17 of this report.
8. Agreed the Supported Housing Charge for HRA Hostels as detailed in paragraph 3.23 of this report.
9. Agreed that the rent charge to shared ownership leaseholders is increased by 7% as detailed in paragraph 2.9 of this report.
10. Agreed that the Careline and Telecare support charge should be increased by 7.0% for 2023/24 as detailed in paragraph 3.21 of this report.
11. Approved the HRA Major Works Capital Programme, detailed in Appendix 1a of this report and refer it to full Council for final ratification.
12. Approved the HRA Capital expenditure and financing for the 12 Estates Joint Venture and other acquisition and regeneration opportunities detailed in section and Appendix 1b of this report and refer it to full Council for final ratification.

Overview & Scrutiny Meeting 7th February 2023

At its meeting on 7 February 2023, the Overview and Scrutiny Board agreed the following comments and recommendations for consideration and response by the Cabinet:

- That the importance of securing a good performance by the housing contractor be recognised, given the impact of this on the budget through for example the imposition of penalty clauses.
- The Board agrees that the formula for Social Care Grant allocations is not fair to Havering. It is therefore important that any monies for Social Care are spent appropriately. Evidence on how such services are delivered in other boroughs should be considered.
- Clarity is needed over which proposals respondents to the consultation feel will have the most negative effect on them, as shown in section 6.8 of the Budget and Medium Term Financial Strategy report.
- That Cabinet undertakes a review of the use of earmarked reserves.
- Officer training should be reviewed to maximise the cost savings from the investment in IT.
- That details be provided on the impact assessments undertaken on the proposed reduction in the level of adult social care equipment provided and the review of subsidies for assistive technology provided to residents.
- The impact of the closure of the Corbets Tey toilets should be fully considered.
- That an explanation be provided of why the fee charged to utility companies for road closures is to be reduced.
- That clarification be given of why fines for flytipping and fixed penalty notices are not being reduced. Whilst accepting these levels are controlled by London Councils, the Board would like to establish what lobbying of London Councils has been undertaken on these issues.
- That an explanation be provided of why charges for solo motorcycle parking are being introduced when there was no such charge previously.

The Cabinet reviewed the above comments and a response will be provided to the Overview & Scrutiny Board.

56 THE 23/24 COUNCIL BUDGET SETTING REPORT AND 2023-2027 MEDIUM TERM FINANCIAL STRATEGY

Cabinet was presented with the **2023/24 Budget and 2023-2027 Medium Term Financial Strategy**.

Report introduced by Councillor Christopher Wilkins

The report sets out the Council's current financial situation and its approach to achieving financial balance over the period 2023/24 to 2026/27.

The Cabinet agreed the following:

- Agreed the Council Tax requirement for 2023/24 to be set at £149.070m as set out in section 6 and **Appendix G** of the report *(to follow in final version for Full Council)*;
- Agreed the Delegated Schools' draft budget set out in section 5.2 of this report;
- Agreed a 2.99% increase in core Council Tax for 2023/24 as set out in paragraph 6.9;
- Agreed an additional 2% Council tax increase for the Adult Social Care Precept;
- Noted the Medium Term Financial Strategy position as set out in Section 8
- Agreed the fees and charges schedule as set out in Section 9 and Appendix C
- Noted the risks to the 2023/24 budget as set out in Section 12
- Noted the requirements of S106 of the LGA 1992 Act as set out in Section 1
- Agreed that to facilitate the usage of un-ringfenced 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 Leader and the Cabinet Member for Finance and Transformation.
- Delegated 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 and to administer funding, where delays may otherwise adversely impact on service delivery and/or budgetary control, subject to consultation with Cabinet Members as appropriate.
- Delegated authority to the Cabinet Member for Adult Social Services and Health and the Leader to approve an annual spend plan for the Public Health grant.
- Delegated to the Directors of Children's and Adults authority to agree inflation rates with social care providers for 2023/24.

- Noted the Equalities Impact Assessment in respect of the CTS Scheme as set out in Appendix E to this report.
- Noted the summary version of the Council Tax Support Scheme for 2023/24 as set out in Appendix F to this report (unchanged from 2022/23).
- Agreed the Council Tax requirement for 2023/24 to be set at £149.070m as set out in section 6 and Appendix G of the report;
- The Delegated Schools' draft budget set out in section 5.9 of this report;
- A 2.99% increase in core Council Tax for 2022/23 as set out in paragraph 6.8;
- An additional 2% Adult Social Care Precept;
- That it pass a resolution as set out in section 14 of this report to enable Council Tax discounts for early payment to be given at the 2022/23 level of 1.5%.
- Recommend to Full Council that the Council Tax Support Scheme for 2023/24 is adopted as set out in Section 15 of this report (unchanged from 2022/23).
- To note and approve an estimated £0.292m of the £0.364m Council Tax Support fund 2023 provisional allocation to be used to credit £25 to an expected 11,690 Council Tax payers in receipt of Council Tax Support during 2023/24.
- To allocate the remaining Council Tax Support funding estimated at £0.072m to the Council Tax Discretionary Reduction policy.
- Delegate to the Chief Financial Officer the power to accept on behalf of the Council all grant funding allocated to the Council by external bodies, including central government (but provided that any new application for grant funding shall be in accordance with the Council's scheme of delegations).

57 5 YEAR CAPITAL PROGRAMME & STRATEGY - 2023/24 TO 2027/28

Cabinet was presented with the **5 Year Capital Programme and Strategy – 2023/24 to 2027/28**

Report introduced by Councillor Christopher Wilkins

This report sets out the Authority's Capital Strategy and presents the Council's proposed capital budget for 2023/24 and five year Capital Programme to 2027/28.

The Cabinet agreed the following:

1. Agreed to recommend to Council for consideration and approval the 2023/24 and 5-year Capital Programme noting the regulations for accessing new borrowing set out in section 1.3
2. Agreed that the Chief Financial Officer be authorised to allocate funding from the Capital Contingency included within the draft Capital Programme.
3. Agreed that externally funded schemes can be added to the capital programme up to £500k as and when funding is confirmed. Any external funding over £500k will be subject to approval by the Chief Financial Officer.
4. Approved the capital strategy contained within this report noting its impact on both the capital programme and the financial implications for setting the revenue budget for 2023/24 and beyond
5. Noted the capital prudential indicators included within the capital strategy when approving the capital programme to ensure affordability.
6. Approved the Minimum Revenue Provision Policy Statement which determines the amount of money set aside each year for the repayment of debt
7. Agreed that the Chief Financial Officer be authorised to re-profile capital budgets mid-year based on the updated forecasts provided by services and reported to the Senior Leadership Team as part of the capital monitoring process. This will assist in producing more accurate information for treasury management purposes.

58 **TREASURY MANAGEMENT STRATEGY STATEMENT**

Cabinet was presented with the **Treasury Management Strategy Statement 2023/24 and Annual Investment Strategy 2023/24 (“TMSS”), Treasury Indicators.**

Report introduced by Councillor Christopher Wilkins

This report fulfils the authority’s legal obligation under the Local Government Act 2003 to have regard to both the CIPFA TM Code/Prudential Code and Government Guidance.

The Cabinet agreed the following:

1. Agreed the Draft 2023/24 TMSS & AIS which will form part of the Budget Report to Cabinet on 8 February and Full Council on 1 March 2023.
2. Agreed the revised prudential and treasury indicators set out in Appendix 2 and 3.

59 **BRIDGE CLOSE REGENERATION LLP - BUSINESS PLAN 2023-24**

Cabinet was presented with **the Bridge Close Regeneration LLP Business Plan Refresh 2023-24**

Report introduced by Councillor Graham Williamson.

This report provides an update of the Bridge Close Regeneration LLP Business Plan 2022-2023 in light of the Council having acquired full interest in BCR LLP on 29th October 2020 and the approval by Cabinet authorising the update of the Bridge Close Regeneration LLP Business Plan to reflect the approved changes to the funding and delivery arrangements set out in the 16th December 2020 Cabinet report.

The Cabinet agreed the following:

1. Agreed the draft Bridge Close Regeneration LLP Business Plan 2023/2024 (the Business Plan) as attached at Appendix B.
2. Agreed the provision of a budget to enable the funding and delivery of the regeneration of Bridge Close as required and detailed within the exempt Financial Implications and Risks section; this budget to be included within the proposed HRA Capital Programme that will be considered by Cabinet in the Housing Revenue Account Business Plan update.
3. Agreed that the Leader of the Council, after consultation with the Director of Regeneration, the S151 Officer the and the Monitoring Officer, approve detailed business cases, funding arrangements and legal agreements as may be required to deliver the regeneration of Bridge Close as per the Business Plan 2023-2024.
4. Agreed to authorise the Director of Regeneration, acting in consultation with the Monitoring Officer and the Section 151 Officer, to negotiate, finalise and enter into all necessary legal agreements, as may be required, to bring into effect the proposed arrangements set out in Recommendations 1-3 inclusive.
5. Requested that the Director of Regeneration, in consultation with the S151 Officer and the Monitoring Officer, bring forward a report for the making of the Compulsory Purchase Order (CPO) for the Bridge Close Regeneration scheme at the appropriate time in the financial year 2023-2024.

60 **HAVERING AND WATES REGENERATION LLP - 2023/24 BUSINESS PLAN**

Cabinet was presented with the **Havering and Wates Regeneration LLP Business Plan and Budget 2023/2024**

Report introduced by Councillor Graham Williamson.

This Cabinet Report provides an annual update of the Havering and Wates Joint Venture Business Plan as required by Cabinet. When Cabinet agreed to establish the Havering and Wates Joint Venture (JV), this was on the basis that there would be regular (annual) reviews and Cabinet would be asked to agree on material changes to the business plan on an annual basis, in line with the annual budget setting process. This is the fifth review following the establishment of the JV in April 2018.

The Cabinet agreed the following:

1. Agreed and recommend the inclusion of a budget of £77.722m equity for the 12 Sites including Farnham and Hilldene together with a budget of £70.148m for potential land acquisition/CPO costs within the proposed HRA capital programme that will be considered by Cabinet in January 2023 in the annual rent setting and capital programme report and that this is recommended to Council for final approval in February 2023.
2. Agreed to further forward funding for the remainder of phase 1 of the 12 Sites Programme, up to £66.647 million; for the development of the Waterloo and Queen Street Estate (an Increase of £33.687 million), and provide for an additional £1.700 million of forward funding on New Green (formerly known as Napier New Plymouth) and Park Rise (formerly known as Solar Serena Sunrise), subject to the approval of the required budget and funding referred to at Recommendation 1, and delegate authority to the Director of Regeneration to enter into the necessary forward funding agreements.
3. Approved the Havering and Wates Regeneration Joint Venture Business Plan dated January 2023, as attached as Appendix 2, subject to the approval of the budgets set out at Recommendations 1 and 2.
4. Delegated authority for the Director of Regeneration, in consultation with the Lead Member for Development and Regeneration, to agree on grant funding bids to support the 12 Sites regeneration programme in line with the assumed grant funding levels set out in Table 1 at Exempt Agenda.
5. Noted that the Leader of the Council, after consultation with the S151 Officer, the Director of Regeneration and the Director of Legal and Governance, shall be asked to approve detailed business cases and related viability assessments as may be presented under the Business Plan approved here dated January 2023.
6. Delegated authority to the Director of Regeneration to make variations to any of the existing joint venture agreements, as necessary, to implement any of the recommendations contained in this report.

7. Delegated authority to the Director of Regeneration, in consultation with the Leader of the Council, the Monitoring Officer and the Section 151 Officer, to accept grant funding up to the values set out in recommendation 4 (Table 1 Exempt Agenda) and enter into any required grant agreements or variations to existing agreements.
8. Noted the Leader of the Council, after consultation with the s151 Officer, the Director of Regeneration and the Director of Legal and Governance, has the authority to approve the business cases, related viability assessments and incorporation of the red line site known as Farnham & Hilldene scheme to be acquired entirely by the Council as may be presented during the Business Plan 2023-24 period.
9. Agreed to progress the development of Chippenham Road as a 100 per cent affordable scheme to be acquired by the Council, at a total development cost of approximately £57.992 million, with a final decision on the tenure of the 155 units to be agreed by the Director of Regeneration in consultation with the Director of Housing.
10. Noted that the Leader of the Council, after consultation with the s151 Officer, the Director of Regeneration and the Director of Legal and Governance, may be asked to approve the business cases, related viability assessments and incorporation of the red line site known as Royal Jubilee Court as may be presented during the Business Plan 2023-24 period.
11. Agreed that recommendation 11 is contained in the Exempt Agenda Report.
12. Authorised the Director of Regeneration to consider the appropriation of land at the appropriate time for Chippenham Road, Farnham and Hilldene district town centre and Royal Jubilee Court from the Housing Revenue Account (HRA) to the General Fund, for planning purposes and to consider the appropriation of land at the appropriate time back to the HRA.
13. Authorised the Director of Regeneration to review and approve the revised phasing plan for Waterloo and Queen Street as may be necessary and appropriate, in consultation with the Lead Member for Regeneration, the Director of Housing and the Section 151 Officer. The impact of any change will be included in the next Business Plan review report to Cabinet.

The Chairman