



MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Wednesday, 18 February 2026
(7.00 - 8.17 pm)

Present:

Councillor Ray Morgon (Leader of the Council), Chairman

| | Cabinet Member responsibility: |
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| Councillor Gillian Ford (Vice-Chair) | Lead Member for Adults & Wellbeing |
| Councillor Oscar Ford | Lead Member for Children & Young People |
| Councillor Paul McGeary | Lead Member for Housing & Property |
| Councillor Paul Middleton | Lead Member for Digital, Transformation & Customer Services |
| Councillor Barry Mugglestone | Lead Member for Environment |
| Councillor Natasha Summers | Lead Member for Housing Need & Climate Change |
| Councillor Christopher Wilkins | Lead Member for Finance |
| Councillor Graham Williamson | Lead Member for Regeneration |

In attendance: Councillor Michael White (CON), Councillor Jane Keane (LAB) (on behalf of Councillor Keith Darvill), Councillor Martin Goode (EHRG), Councillor Keith Prince (REF)

1 ANNOUNCEMENTS

On behalf of the Chair, there was 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

All cabinet members in attendance.

3 DISCLOSURES OF INTEREST

There were no disclosures of interest.

4 **MINUTES**

The minutes of the meetings held on **28th January 2026**, were agreed as a correct record and the Chair signed them.

5 **COMMENTS OF OVERVIEW AND SCRUTINY BOARD ON THE COUNCIL'S BUDGET 2026/27**

Report title: **Comments of Overview and Scrutiny Board on the Council's Budget 2026/27**

Presented by: **Councillor Laurance Garrard, Chair of the Overview & Scrutiny Board**

At its meeting on 4th February 2026, the Overview and Scrutiny Board scrutinised the Council's proposed Budget for 2026/27.

As the Board made recommendations and comments for Cabinet to consider and respond to, under the Overview and Scrutiny Procedure Rules, a report must be submitted to Cabinet. These recommendations and comments are shown above and Cabinet is required to give a response to each of these as well as indicate whether it wishes to change or continue with the proposed Budget.

1. That Officers explore aligning the Improvement and Transformation Plan with the Budget and Medium Term Financial Strategy (MTFS)

Response: The plan was already aligned with the budget in the background. Following Overview & Scrutiny comments, the alignment has now been made explicit in the latest Cabinet report.

2. That Officers undertake alternative modelling on the impact of reducing street trading licence fees.

Response: Officers need further time for modelling.
A formal written response will be returned to Overview & Scrutiny Board once work is completed

3. That Officers review the wording within the Discretionary Fees and Charges section to ensure it reflects a compassionate approach to sensitive issues

Response: Wording has already been amended to reflect a compassionate approach, noting, the fee is not payable by bereaved residents. The council will claim costs from the Children's Fund for burials.

4. That the Board be provided with information on the cost implications of extending 30 minutes free parking across all areas of Havering

Response: A pilot in Hornchurch was implemented just before Christmas. Only two months of data currently available; more months are required. Work is ongoing with finance officers to produce reliable modelling and assumptions.

5. That Officers confirm to the Board the value of the shortfall created by the National Insurance increase

Response: Officers responded during the meeting. A written follow-up will also be provided to the Overview & Scrutiny Board

6. That Officers explore a pilot scheme delivering a single, coordinated bulky waste collection within a defined geographical area given sufficient bulky waste demand exists

Response: Officers have taken this issue away for further investigation on feasibility and implementation.

7. That Officers consider the feasibility and potential benefits of introducing individually licensed fly tipping collectors

Response: This issue is still under consideration; work is ongoing

8. That Officers explore opportunities to enhance communications with residents regarding Green Flag status and achievements within local parks.

Response: Officers noted that this recommendation doesn't have clear budget implications. Communications is already strong regarding Green Flag park status (e.g., photo shoots and publicity). Additional interpretation: The Overview & Scrutiny Board may have intended a perception survey linked to the Parks Strategy and anti-social behaviour work.

Overall Conclusion

None of the recommendations listed require budget changes.

Officers have either completed actions, are in progress, or will provide follow-up information in writing.

6 2026/27 COUNCIL BUDGET REPORT AND 2026-2030 MEDIUM TERM FINANCIAL STRATEGY

Report title: **2026/27 Council Budget Report and 2026-2030 Medium Term Financial Strategy**

Presented by: **Councillor Chris Wilkins, Cabinet Member for Finance**

Summary:

The Leader and Cabinet Members thanked the Strategic Director, Resources and her team for their work in preparing the Budget Documents.

This report presents the proposed 2026/27 budget and also an update of the Medium-Term Financial Strategy (MTFS) between 2026/27 and 2028/29 that will support the delivery of the Council's objectives and priorities. The report includes a recommendation to increase the Havering element of Council Tax by 4.99% (including the Adult Social Care precept) to meet the new budget requirement, whilst maintaining tight financial control and ensuring prudent levels of reserves and balances are maintained.

Councillors are reminded that Section 106 of the Local Government Finance Act 1992 requires any Member who is two months or more in arrears on their Council Tax to declare their position and not to vote on any issue that could affect the calculation of the budget or the Council Tax. Any Member affected by Section 106 who fails to declare could be subject to prosecution.

The 2026/27 budget process has again been a difficult one due the accumulated shortfall in funding which has led to the Council requiring Exceptional Financial Support to balance its budget for the last three years. Havering continues to experience significant increases in demand and costs particularly across Social Care and Housing. The Government has reformed the financial allocation system through the fair funding review which has resulted in much needed additional grant for the borough but nowhere near enough for the Council to balance its books without needing further Exceptional Financial Support from the Government moving forward

The main pressures the Council continues to face are in Housing Demand, Children Services and Adult Social Care

Cabinet:

1. **Noted** the requirements of Section 106 of the LGA 1992 Act as set out in Section 1 of this report
2. **Noted** the Medium-Term Financial Position and the Budget setting process of the Council as set out in Section 3 of this report
3. **Noted** the key assumptions and risks to the 2026/27 budget as set out in **Appendix A** of this report
4. **Noted** that the medium term financial strategy presented in this report still leaves a financial gap of £82.3m in 2028/29 even after the full impact of the fair funding review grant increases and a 4.99% Council tax increase for the next three years have been applied
5. **Noted** the latest revenue monitoring position as set out in section 3 of this report;

6. **Noted** the savings proposals as set out in Section 4.10 and **Appendix C** of this report, approved by Cabinet in November 2025. These savings reduces the Council's budget gap by £23m from 2026/27 to 2028/29.
7. **Agreed** the proposed Fees and Charges schedule as set out in paragraph 4.11 and **Appendix D** and for officers to proceed with implementation of the proposed fees and charges, subject to consultation where required.
8. **Agreed** the proposed 2.99% increase in core Council Tax for 2026/27 and the proposed additional 2% Council tax increase for the Adult Social Care Precept as set out in paragraph 4.12, in line with the Referendum Limit approved by Government also referred to in paragraph 4.12,;
9. **Agreed** the proposed Council Band D basic amount of Council Tax for 2026/27 of £1,914.15 being the amount calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its council tax excluding the GLA precept for the year (as set out in section 4.13 of this report
10. **Agreed** the proposed Council Tax requirement for 2026/27 to be set at £174.421m as set out **Appendix E** of the report, which is an increase from £164.361m in 2025/26.
11. **Agreed** the budgets proposed in this report and as set out in **Appendix F**
12. **Noted** the Schools budget and DSG as set out in **Appendix G** of this report
13. **Noted** the S25 Statement of Robustness as set out in **Appendix H** of this report and the Council's financial position of requiring Exceptional Financial Support in 2027/28 and 2028/29 on the current forecasts set out in the Medium-Term Financial Plan.
14. **Agreed** the Council Tax Support Scheme for 2026/27 as set out in **Appendix I** to this report (unchanged from 2025/26).
15. **Agreed** Council Tax discounts for early payment to be given at a rate of 1.5% as set out in **Appendix J** of this report.
16. **Agreed** to direct officers to disregard War Pension income in the assessment of Housing Benefit as detailed in see Section 11 and **Appendix J** and authorises the Chief Executive to approve any policy required to effect the same.

17. **Agreed** the policy change set out in Section 11 to include the disregard of Armed Forces Compensation in the calculation of contributions for Disabled Facilities Grants (DFG)
18. **Noted** the Equalities Impact Assessment in respect of the Council Tax Support Scheme as set out in **Appendix K** to this report and the overall Equalities impact assessment for the Council report set out in **Appendix L**
19. **Noted** that in the event the Capitalisation Direction is not awarded to the value requested before the Full Council meeting on the 4th March, the Strategic Director of Resources (S151 Officer) will be required to issue a S114 report.

7 TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2026/27

Report title: **Treasury Management Strategy Statement and annual investment strategy 2026/27**

Presented by: **Councillor Chris Wilkins, Cabinet Member for Finance**

Summary:

The Treasury Management Strategy Statement (“TMSS”) is part of the Authority’s reporting procedures as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management (“TM”) Code and its Prudential code (“The CIPFA Prudential Code”) for capital finance in local authorities. The TMSS also sets out recently introduced changes to the legislative framework, which are generally designed to place restrictions on authorities’ commercial activity.

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, and it covers:

- The Borrowing and Investment Strategies
- Treasury Management and Prudential Indicators

Cabinet:

1. **Agreed** to recommend to Council for consideration and approval the 2026/27 Treasury Management Strategy Statement & Annual Investment Strategy
2. **Agreed** to recommend to Council for consideration and approval the revised prudential and treasury indicators set out in Appendix 2 and 3

3. **Agreed** to recommend to Council for consideration and approval the operational and authorised borrowing limits set out in tables 5 & 6 of appendix 2 noting the rise in limits to £1,568.2m and £1,638.2m respectively in 2028/29. The increase is as a result of increased borrowing required to finance the planned capital expenditure and EFS.
4. **Noted** the impact the capitalisation direction has on the prudential and treasury indicators, increasing the Capital Financing Requirement to £1,498.2m by the 31st March 2029 (set out in table 4 of Appendix 2). This in turn leads to capital financing costs charged to revenue as a result of the EFS increasing from £0.8m per year in 2024/25 to £27.3m in 2028/29.
5. **Noted** the non-compliance to the Prudential code in relation to affordability and sustainability (section 3.3.4) as a direct result of the Exceptional Financial Support required and the compounding of the interest and repayment costs required.

8 FIVE YEAR CAPITAL PROGRAMME AND STRATEGY REPORT 2026/27 - 2030/31

Report title: **Five Year Capital Programme and Strategy Report 2026/27 - 2030/31**

Presented by: **Councillor Chris Wilkins, Cabinet Member for Finance**

Summary:

The Council is required by statute and as set out in the Prudential Code for Capital Finance in Local Authorities, 2021 Edition, to agree the capital programme and associated capital strategy. Local authorities are required to have regard to the current editions of this code by regulations 2 and 24 of the Local Authorities (Capital Finance and Accounting) Regulations 2003 [SI 3146].

This report sets out the Authority's Capital Strategy and presents the Council's proposed capital budget for 2026/27 and five year Capital Programme to 2030/31. It should be read in conjunction with the Treasury Management Strategy Statement also on the agenda.

Cabinet:

1. **Agreed** to recommend to Council for consideration and approval the 2026/27 Capital programme of £391m and £1,050m over the full five-year period from 2026/27 to 2030/31.

2. **Agreed** to recommend to Council for consideration and approval the new capital projects being added to the capital programme for 2026/27 as set out in section 2.3 of this report.
3. **Noted** any additional capital needs over and above what is specified in the capital programme for the relevant year will require separate business cases and be agreed by the Strategic Director of Resources (S151 Officer), Capital Strategy manager and Council Members as required and appropriate before being agreed by full Council.
4. **Approved** that the Strategic Director of Resources (S151 Officer) be authorised to allocate funding from the Capital Contingency included within the draft Capital Programme.
5. **Noted** that externally funded schemes can be added to the capital programme up to £500k as and when funding is confirmed.
6. **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 2026/27 to 2030/31.
7. **Approved** the Minimum Revenue Provision Policy Statement (section 9 of this report) which determines the amount of money set aside each year for the repayment of debt
8. **Agreed** that the Strategic Director of Resources be authorised to re-profile capital budgets mid-year based on the updated forecasts provided by services and reported to the Executive Leadership Team as part of the capital monitoring process. This will assist in producing more accurate information for treasury management purposes.

Chairman