



**MINUTES OF A MEETING OF THE COUNCIL OF THE
LONDON BOROUGH OF HAVERING
Havering Town Hall, Romford
28 January 2015 (7.30pm – 10.45pm)**

Present: The Mayor (Councillor Linda Trew) in the Chair.

Councillors June Alexander, Clarence Barrett, Robert Benham, Ray Best, Wendy Brice-Thompson, Michael Deon Burton, Joshua Chapman, John Crowder, Philippa Crowder, Meg Davis, Osman Dervish, Ian De Wulverton, Nic Dodin, Alex Donald, David Durant, Brian Eagling, Gillian Ford, Jason Frost, Jody Ganly, John Glanville, Linda Hawthorn, Philip Hyde, David Johnson, Steven Kelly, Phil Martin, Barbara Matthews, Robby Misir, Ray Morgon, Barry Mugglestone, John Mylod, Stephanie Nunn, Ron Ower, Garry Pain, Dilip Patel, Roger Ramsey, Keith Roberts, Patricia Rumble, Carol Smith, Frederick Thompson, Jeffrey Tucker, Linda Van den Hende, Melvin Wallace, Lawrence Webb, Roger Westwood, Damian White, Michael White, Reg Whitney, Julie Wilkes*, Graham Williamson, Darren Wise and John Wood.

*- part of meeting

Approximately ten Members' guests and members of the public were present. One representative of the press was also present.

Apologies were received for the absence of Councillors Keith Darvill and Viddy Persaud.

The Mayor advised Members and the public of action to be taken in the event of emergency evacuation of the Town Hall becoming necessary.

The Mayor's Chaplain, the Reverend David Hague, Area Dean of Havering and Vicar, The Church of the Good Shepherd, Collier Row opened the meeting with prayers.

The meeting closed with the singing of the national anthem.

67 **MINUTES (agenda item 3)**

The minutes of the meeting of the Council held on 26 November 2014 were before the Council for approval.

It was **AGREED**, without division, that the minutes be signed as a correct record.

RESOLVED:

That the minutes of the meeting of the Council held on 26 November 2014, be signed as a correct record.

68 **DISCLOSURE OF PECUNIARY INTERESTS (agenda item 4)**

There were no disclosures of interest.

69 **ANNOUNCEMENTS BY THE MAYOR, LEADER OF THE COUNCIL OR BY THE CHIEF EXECUTIVE (agenda item 5)**

Council stood for a minute's silence in memory of former Councillor Geoff Lewis who had recently passed away. The Leader of the Council and seven other Members spoke in Councillor Lewis' memory.

The Mayor thanked students and staff of Havering College who had constructed the Havering float that took part in the New Year's Day parade. The borough's entry had been very successful and the float had come third in the overall competition. The Mayor also thanked Lycamobile and Time FM for sponsoring the float.

The Leader of the Council thanked the several thousand residents who had responded to the recent consultation on the Council's budget. Despite the difficult overall financial climate, several amendments had been proposed to the budget in light of responses to the consultation. These included increasing the planned opening hours of Upminster Library to 50 hours per week, staggering the saving in funding for the Queen's Theatre over three years rather than two, exploring new models of working in the Youth Service and setting charges for parking in parks at 20p for three hours and 50p for five hours with no charge at weekends or bank holidays. These changes would be discussed at forthcoming meetings of Cabinet and of the Overview & Scrutiny Board.

The Leader congratulated the Mayor on her role in arranging the float at the New Year's Day Parade, at no cost to the Council. Thanks were also recorded to staff and students at Havering College for their roles in the construction of the float.

Final enabling works for the new Romford leisure Centre would commence in February and building of the new facility was expected to begin in the summer.

Informal discussions had taken place recently on joint working with other boroughs. The Leader emphasised that these did not cover shared services but instead focussed on how the boroughs could work together to take advantage of any devolution proposals that may be brought forward, particularly in terms of jobs, transport and the local economy. Further details would be supplied to Members as the proposals were developed.

70 **COUNCIL TAX SUPPORT SCHEME (agenda item 6)**

A report of the Cabinet invited Council to approve the proposed Council Tax Support Scheme 2015 which had been agreed by Cabinet on 21 January 2015.

The new Council Tax Support Scheme had been developed in view of a reduced funding settlement from Central Government and the consequent need for the Council to consider a range of spending reductions or realignment of budgets. Proposals regarding the level of Council Tax levied on homes left empty for more than two years were also included.

The recommendation of the Cabinet was **APPROVED** without division and it was **RESOLVED** that:

The proposed revised local Council Tax Support Scheme, as summarised in Appendix 1 to these minutes, be adopted with effect from April 2015.

71 **CHANGES TO DELEGATED POWERS – REGULATORY SERVICES (agenda item 7)**

A report of the Governance Committee asked Council to extend the delegated authority of the Head of Regulatory Services to dispense with the creation of the 7 day list and its weekly publication within Calendar Brief as this was no longer widely used by Members. The planning call-in process itself would be retained. Authority was also sought to allow the Head of Regulatory Services to serve all forms of planning related Enforcement Notices including Stop Notices. This would speed up enforcement timeframes and create other process efficiencies.

The recommendations of the Governance Committee were **APPROVED** without division and it was **RESOLVED** that:

The following changes be incorporated into Section 3.6.6 of the Constitution relating to the Head of Regulatory Services.

1) Section 3.6.6(e) be deleted and Section 3.6.6 (d) be altered to:

"Members may request that an application be referred to the Regulatory Services Committee for determination. Such request must be made in writing (including e-mail) to either the Head of Regulatory Services or the Planning Manager personally. If no such request is received by the deadline of that period the Head of Regulatory Services may approve the application."

2) Section 3.6.6(p) be altered to:

"To issue Enforcement Notices, Stop Notices and Listed Building Enforcement Notices".

72 POLLING DISTRICT REVIEW (agenda item 8)

A report of the Governance Committee asked Council to agree that, following a review which established that there were not any viable alternative venues, Upminster Methodist Church Hall, Hall Lane, Upminster should be retained as a venue for a double polling station in the CM5 polling district. This followed a report to Council on 26 November 2014 at which a list of polling stations for Havering had been agreed.

The recommendation of the Governance Committee was **APPROVED** without division and it was **RESOLVED** that:

The polling station identified in the original report (Upminster Church Hall, Hall Lane) be retained.

73 AMENDMENTS TO THE CONSTITUTION – FINANCIAL REGULATIONS, FINANCE POLICY AND BUDGET AND POLICY FRAMEWORK (agenda item 9)

A report of the Governance Committee asked Council to approve some changes to Financial Regulations, Finance Policy and Budget and Policy Framework in light of the establishment of the shared service between Havering and Newham Councils. These changes aimed to rationalise and standardise these procedures between the two Councils as far as possible. A further report on delegations to the Joint Committee to oversee the operations of a shared service would be brought forward in due course.

The recommendation of the Governance Committee was **APPROVED** without division and it was **RESOLVED** that:

The revised Financial Regulations, Finance Policy and Budget and Policy Framework, as shown in Appendices 2 – 4 of these minutes, be adopted.

74 SEX ESTABLISHMENT LICENSING (agenda item 10)

A report of the Chief Executive asked Council to confirm the decision by Cabinet on 12 February 2014 to approve the adoption of the Council's Sex Establishment Policy and the adoption of Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982.

This would allow the confirmation of a specific date for the policy to commence as well as better safeguard the Council's legal position.

The recommendations of the Chief Executive were **AGREED** without division and it was **RESOLVED** that:

Council approves:

1)the adoption of the Sex Establishment Policy as shown in the agenda papers for the meeting.

2)the adoption of schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982, as amended by section 27 of the Policing and Crime Act 2009 to commence on the 1st March 2015.

75 APPOINTMENT OF A MONITORING OFFICER (agenda item 11)

A report of the Chief Executive asked Council to approve the appointment as Monitoring Officer of Graham White, Interim Director Legal & Governance (oneSource), with immediate effect. This would be on an interim basis pending a permanent arrangement being made.

The recommendation of the Chief Executive was **APPROVED** without division and it was **RESOLVED** that:

The following individual be authorised to exercise the responsibilities of the statutory officer indicated:

Monitoring Officer – Graham White, Interim Director Legal & Governance (oneSource), with immediate effect.

76 **MEMBERS' QUESTIONS (agenda item 12)**

Fourteen questions were asked and replies given.

The text of the questions, and their answers, are set out in **Appendix 5** to these minutes.

77 **SPITTING IN PUBLIC (agenda item 13A)**

Motion on behalf of the Conservative Group

In light of the recent decision by London Councils' Transport and Environment Committee (TEC) to set the fixed penalty levels for anti-social spitting in public and the recent media coverage on the subject, this Council asks Cabinet to consider a report as to the implementation of enforcement measures in Havering.

Following debate, the Conservative Group motion **CARRIED** without division.

RESOLVED:

In light of the recent decision by London Councils' Transport and Environment Committee (TEC) to set the fixed penalty levels for anti-social spitting in public and the recent media coverage on the subject, this Council asks Cabinet to consider a report as to the implementation of enforcement measures in Havering.

78 **COMBINED AUTHORITY (agenda item 13B)**

Motion on behalf of the Independent Residents' Group

Just before the May elections the Council [with a few exceptions] voted to merge all Havering's back office administrative services with Newham, but with a promise not to merge frontline services!

On 31st January, **Havering**, Newham, Tower Hamlets, Hackney, Barking

and Dagenham, Waltham Forest, Redbridge, Enfield and Greenwich councils have been invited to attend a conference to discuss the devolution of powers to the combined area following the recent deal for a Greater Manchester Combined Authority.

This sounds suspiciously like a rehash of New Labour/Ken Livingstone plans to create 5 (EU) European Union size super-boroughs within the (GLA) Greater London Authority [and EU Region] area!

Indeed if the idea is premised on the recent deal for a Greater Manchester Combined Authority then it would involve creating a super-borough with an Elected Mayor that would further undermine rather than enhance local control!

A more natural reorganisation of the GLA would be to re-create a smaller inner-London County Council and allow outer-boroughs to make other arrangements, including with Essex councils, if they so wish.

But a democratic reform of the GLA [that avoids super-boroughs or boundary changes] would be to retain separate London Councils [or smaller groupings], but abolish the post of GLA Elected Mayor and restore power to the Elected Assembly on the back of voting reform to ensure effective representation for outer-London boroughs!

Thus this Council rejects any proposals for an East/North East London Combined Authority if it involves the creation of a super-borough [with or without an Elected Mayor] in favour of fair funding and devolved powers to local councils and a democratic reform of the GLA.

Amendment by the Conservative Group

Amend motion to read:

This Council rejects any proposals for an East/North East London Combined Authority.

Following debate, the amendment by the Conservative Group was **CARRIED** by 50 votes to 0 (see division 1).

RESOLVED:

This Council rejects any proposals for an East/North East London Combined Authority.

79 VOTING RECORD

The record of voting divisions is attached as **Appendix 6**.

Mayor
28 February 2015

London Borough of Havering

Summary of the proposed Council Tax Support Scheme for CTS 2015

Introduction

Council Tax Benefit was abolished from 1 April 2013. In its place each local authority was required by Section 9 of the Local Government Finance Act 2012 to produce its own scheme to reduce the liability of working age applicants it considers to be in financial need.

This document summarises the proposed Council Tax Support Scheme from April 2015 which the Council has produced in accordance with of Schedule 4 of the Act.

The Council adopted its own local scheme from April 2013 which has due regard to the Department for Communities and Local Government's policy intentions and unequivocally protects pensioners.

Havering's Local Council Tax Support scheme has been interpreted and applied in accordance with the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 which set out what must be included in the scheme.

Summary of Council Tax Support Scheme changes from 2015

The 2015 scheme will adopt the existing scheme as summarised in this document and subject to the following amendments:

1. Reduce Council Tax Support for working age claimants by 15%. This means that every working age household would have to pay a minimum charge of 15% of their Council Tax Bill.
2. Reduce the amount of savings and investments people are allowed to have and still be entitled to claim from £16,000 to £6,000.
3. Abolish Second Adult Rebate. Second Adult Rebate supports working age tax payers whose income is too high in their own right for Council Tax Support but who have other adults living in the household whose income is low.

The above amendments will take effect from April 2015.

In this document 'the current scheme' means Havering's existing Local Council Tax Support scheme which was adopted in January 2013 and amended with effect from April 2014.

Unless expressly stated otherwise the provisions outlined below relate solely to working age applicants under the Council Tax Support scheme.

Havering's Local Council Tax Support Scheme

This document summarises the Council's proposed Scheme for eligible working age Council Tax payers to receive council tax support.

The scheme applicable to pensioners is defined in The Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012, Part 3, Schedules 1 to 6, which is adopted within this scheme.

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

The principles of the Local Council Tax Support Scheme are:

- Local authorities will be expected to manage significant reductions in subsidised expenditure.
- Regulations have been set to protect claimants of state pension credit age.
- Local authorities will consult on their schemes with precepting authorities and the public.
- The Council will adopt the final scheme before 31 January 2013 or the default scheme will apply.
- Local authorities should aim to protect vulnerable groups.
- In developing schemes, local authorities should consider incentivising claimants into work.

The Local Council Tax Support Scheme includes the following:

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

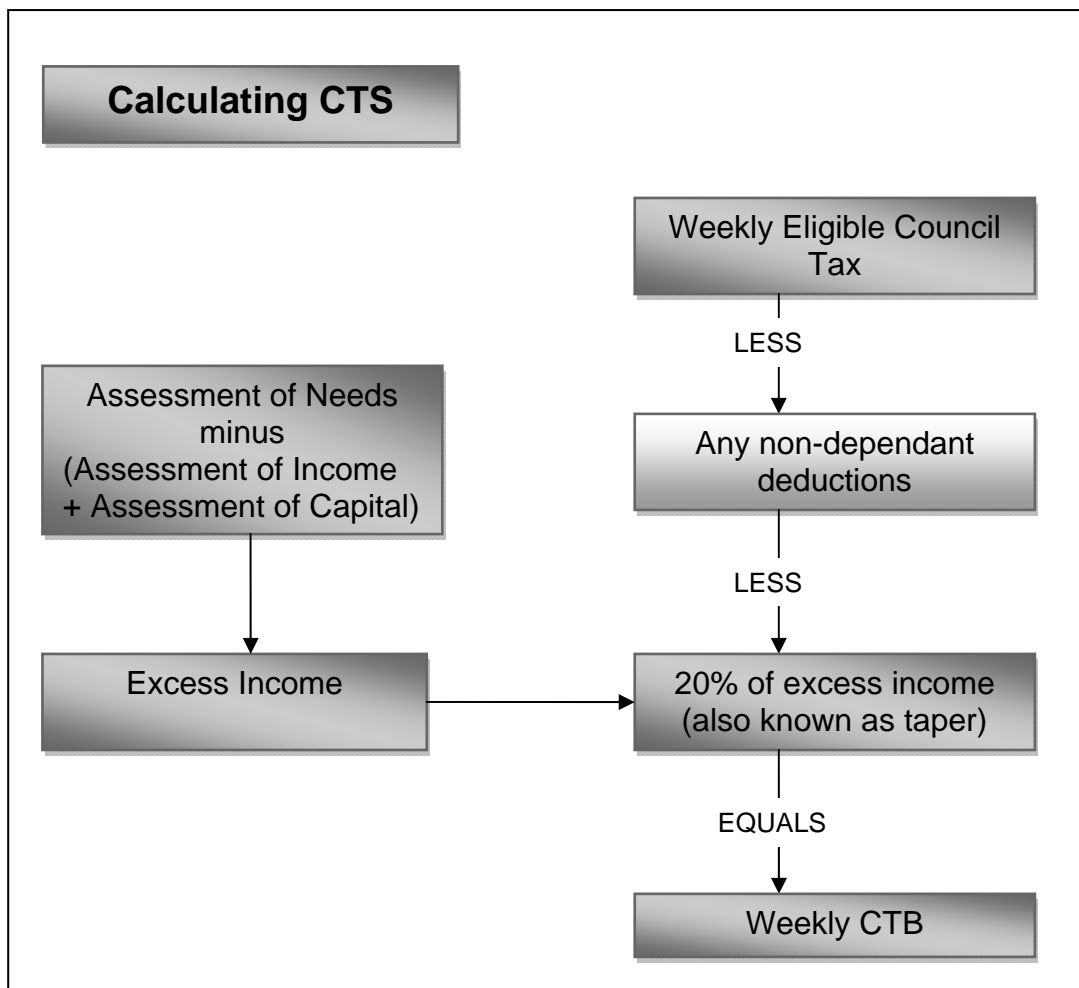
The Council Tax Support Calculation

The starting point for all calculations of Council Tax Support is the claimant's 'maximum benefit'. This is the claimant's weekly eligible Council Tax less any non-dependant deductions that apply.

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

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

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



Non-dependant deductions from April 2013

Paragraph 58 in Part 6 of the Council Tax Benefit Regulations 2006 shall be taken to read as follows:

“58.

- (1) Subject to the following provisions of this regulation, the non-dependant deductions in respect of a day referred to in regulation 57 (maximum council tax benefit) shall be—

- (a) in respect of a non-dependant aged 18 or over in remunerative work, £20.00 x 1/7;
 - (b) in respect of a non-dependant aged 18 or over to whom sub-paragraph (a) does not apply, £6.00 x 1/7.
- (2) In the case of a non-dependant aged 18 or over to whom paragraph (1)(a) applies, where it is shown to the appropriate authority that his normal gross weekly income is—
- (a) less than £183.00, the deduction to be made under this regulation shall be that specified in paragraph (1)(b);
 - (b) not less than £183.00 but less than £316.00, the deduction to be made under this regulation shall be £9.00;
 - (c) not less than £316.00 but less than £394.00, the deduction to be made under this regulation shall be £15.00.

From April 2014 onwards, restrict the maximum council tax support award to the top of Council Tax band D

That Paragraph 57 in Part 6 of the Council Tax Benefit Regulations 2006 shall be taken to read as follows:

“57.

- (1) Subject to paragraphs (2) to (5), the amount of a person’s maximum council tax benefit in respect of a day for which he is liable to pay council tax, shall be 100 per cent of the amount A/B where—
 - (a) A is the amount set by the appropriate authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; and
 - (b) B is the number of days in that financial year, less any deductions in respect of non-dependants which fall to be made under regulation 58 (non-dependant deductions).
- (2) In calculating a person’s maximum council tax benefit any reduction in the amount that person is liable to pay in respect of council tax, which is made in consequence of any enactment in, or made under, the 1992 Act, shall be taken into account.
- (3) The level of any Council Tax Support awarded shall be restricted to the level of band D
- (4) Subject to paragraph (5), where a claimant is jointly and severally liable for council tax in respect of a dwelling in which he is resident with one or more other persons but excepting any person so residing with the claimant who is a student to whom regulation 45(2) (students who are excluded from entitlement to council tax benefit) applies, in determining the maximum council tax benefit in his case in accordance with paragraph (1), the amount A shall be divided by the number of persons who are jointly and severally liable for that tax.
- (5) Where a claimant is jointly and severally liable for council tax in respect of a dwelling with only his partner, paragraph (4) shall not apply in his case.

Applications for Council Tax Support

This part applies to both pensioners and working-age applicants

The following procedure is in accordance with the Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012, referred to as 'the Regulations' below and shall be implemented in accordance with those Regulations.

Entitlement to CTS is dependent on an application being made in the following way:

An application may be made:

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

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

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

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

The Council will provide applicants making their applications with an opportunity to correct any defects in their application.

Applications may be made by those persons set out in paragraph 6 of Schedule 8 of the Regulations.

The Government has indicated that they intend to introduce legislation to the effect that people entitled to Council Tax Benefit on 31 March 2013 will be deemed to have made an application under the new scheme.

Evidence and information

Any person who makes an application or any person to whom a reduction under the Council's scheme has been awarded shall furnish such certificates, documents, information and evidence in connection with the application or award, or question arising out of it as may reasonably be required by the Council in order to determine the person's entitlement. Where the Council requests information it shall inform the applicant or person of their duty to notify the Council of any change of circumstances and shall indicate the kind of changes of circumstances which are to be notified.

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

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

Amendment and withdrawal of applications

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

Decisions by the Council

The Council will make a decision in respect of any application for a reduction under this scheme in accordance with the criteria set out within the Council Tax Benefit Regulations 2006 (subject to the amendments made to paragraphs 57 and 58 and Schedule 2 referred to above), and in accordance with Schedules 7 and 8 of the Regulations.

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

The Council will notify the applicant or any person affected by its decision under the scheme in writing forthwith, or as soon as reasonably practicable.

Any person affected to whom the Council sends or delivers a notification of a decision to may, within one month of the notification of the decision, request in writing from the Council a statement setting out the reasons for its decision on any matter set out in the notice.

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

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

Change of circumstances

For persons who are not pensioners the date on which changes of circumstances are to take effect will be determined in accordance with paragraph 4 of Part 2 of Schedule 8 of the Regulations.

Procedure for making an appeal

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

Following receipt of an appeal in writing the Council will:

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

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

Applications for further discretionary reductions

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

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

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

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

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

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

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

If practicable, another more senior officer, will reconsider the decision in light of all available evidence and, if appropriate amend it. Any change may lead to either a reduction or an increase in any award.

A further right of review will be available against the decision as reviewed which will be considered by a manager but only against the legality of the decision and not the actual outcome.

Financial Regulations

April 2015



Who is governed by these regulations?

The regulations apply to all staff including and not limited to temporary staff, those with temporary contracts, sessional staff and contractors, however it is the responsibility of Senior Managers to make sure the regulations are implemented in their service area as appropriate. A failure to comply with the regulations could result in the Council incurring a financial loss and could impact upon the financial standing of the Council. This could be damaging to the reputation of the Council and the individual. It could also result in disciplinary action under the officers Code of Conduct.

Executive Summary

The financial regulations are for managing the Council's financial affairs and to safeguard its financial position. They are designed to protect the Council's assets.

The regulations are part of the Council's Constitution and are approved by Full Council. The regulations provide clarity for every Member and officer of the Authority. Senior Managers and Budget Managers are responsible for ensuring the regulations operate in their service area and that all staff in their area are aware of their own responsibility to implement the regulations.

Contents

Introduction: Reasons for Financial Regulations	4
Status of Financial Regulations	4
Financial Regulations	5
A: Financial Management	121
B: Financial Planning	8
C: Risk Management and Control of Resources.....	9
D: Systems and Procedures	11
E: Joint Arrangements	13

Introduction: Reasons for Financial Regulations

- 1.1 To conduct its business efficiently, a local authority needs to ensure that it has sound financial management policies in place and that they are strictly adhered to. Part of this process is the establishment of financial regulations that set out the financial policies of the Authority.
- 1.2 The financial regulations provide clarity about the financial accountabilities of individuals – cabinet members, the Chief Executive, the Monitoring Officer, the Chief Finance Officer, and Senior Managers. Each of the financial regulations sets out the overarching financial responsibilities. Senior Managers refer to Level 1 and 2 officers (Directors and heads of service) in London Borough of Newham (LBN) and Corporate Management Team (CMT) members (Group Directors) and heads of service in London Borough of Havering (LBH). A ‘Senior Manager’ for the purposes of these Regulations means the Head of Paid Service, Corporate Directors, Service Heads and Budget Managers unless otherwise specified in these regulations.
- 1.3 The Financial Regulations also link to other internal regulatory documents forming part of the Council’s Constitution. For example, Contract Standing Orders, Schemes of Delegation, the role of Overview and Scrutiny Committees and codes of conduct. There are also links to more detailed financial procedures, guidance and instructions.

Status of Financial Regulations

- 2.1. The Financial Regulations provide the framework for managing the Authority’s financial affairs and are part of the Council’s Constitution. They apply to every member and officer of the Authority and anyone acting on its behalf.
- 2.2. The Regulations identify the financial responsibilities of the Full Council, Executive and the Overview and Scrutiny Committee, the Chief Executive, the Monitoring Officer, the Chief Finance Officer and Senior Managers. Executive members and Senior Managers should maintain a written record where decision making has been delegated to members of their staff, including seconded staff. Where decisions have been delegated or devolved to other responsible officers, such as school governors, references to Senior Managers in the regulations should be read as referring to them.
- 2.3. All members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised and achieves value for money.
- 2.4. The Chief Finance Officer is responsible for maintaining a continuous review of the Financial Regulations and submitting any additions or changes necessary to the Full Council for approval. The Chief Finance Officer is also responsible for reporting breaches of the Financial Regulations to the Council and/or to the Executive.
- 2.5. The Council’s **Financial Procedures**, (how the regulations will be implemented) are contained on the Council’s intranet pages and appended to these Financial Regulations.
- 2.6. Senior Managers are responsible for ensuring that all staff in their service area are aware of the existence and content of the Council’s Financial Regulations and other internal regulatory documents and that they comply with them.
- 2.7. The Chief Finance Officer is responsible for issuing advice and guidance to underpin the Financial Regulations that members, officers and others acting on behalf of the Council are required to follow.

Financial Regulations

A: Financial Management

Introduction

- A.1. Financial management covers all financial accountabilities in relation to the running of the Authority, including the policy and budget framework.

The Full Council

- A.2. The Full Council is responsible for adopting the Authority's Constitution and Members' Code of Conduct and for approving the budget and the policy framework within which the Executive operates. It is also responsible for approving and monitoring compliance with the Council's overall framework of accountability and control. The Full Council is also responsible for monitoring compliance with the agreed policy and related executive decisions.
- A.3. The Full Council is responsible for approving procedures for recording and reporting decisions taken by the Council and its committees. These delegations and details of who has responsibility for which decisions are set out in the Constitution.

The Executive

- A.4. Details of the roles and responsibilities of the executive are located within the constitution

Overview and Scrutiny Committee

- A.5. The Overview and Scrutiny Committee is responsible for scrutinising executive decisions before or after they have been taken and for holding the Executive to account. Overview and Scrutiny Committee is also able to analyse and comment on future policy options, general policy and the discharge of executive and non-executive functions of the Council.

Audit Board / Committee

- A.6. The Audit Board/Committee is the body charged with scrutinising the financial governance and system of internal controls of the authority. It has right of access to all the information it considers necessary and can consult directly with internal and external Auditors. The Audit Board/Committee is responsible for reviewing the external auditor's reports and the annual audit letter and internal audit's annual report. In LBH, it is responsible for approving the final Statement of Accounts of the authority for submission to the external auditor and scrutinising the treasury management report ; in LBN, approval to the accounts rests with the Investment and Accounts Committee.

The Statutory Officers

Chief Executive

- A.7. The Chief Executive is responsible for the corporate and overall strategic management of the Authority as a whole. He/she must report to and provide information for the Executive, the Full Council, the Overview and Scrutiny Committee and other committees. He/she is responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation. The Chief Executive is also responsible for the system of record keeping in relation to all of the Full Council's decisions and is the Head of Paid Service with overall responsibility for ensuring the necessary staffing resources, to carry out the Council's functions, are kept under review.

Monitoring Officer

- A.8 The Monitoring Officer is responsible for promoting and maintaining high standards of conduct. The Monitoring Officer is also responsible for reporting any actual or potential breaches of the law or maladministration to the Full Council and for ensuring that the Constitution is kept up to date and adhered to.
- A.9. The Monitoring Officer must ensure that executive decisions and the reasons for them are made public. He/she must also ensure that Council members are aware of decisions made by the Executive and of those made by officers who have delegated executive responsibility.
- A.10. The Monitoring Officer is responsible for advising all councillors about the legal implications of any decision and who has authority to take a particular decision.
- A.11. The Monitoring Officer (together with the Chief Finance Officer) is responsible for advising the Executive or Full Council about whether a decision is likely to be considered contrary or not wholly in accordance with the Budget and Policy Framework. Actions that may be 'contrary to the Budget' include:
- Initiating a new policy
 - Committing expenditure in future years above the approved budget
 - Incurring inter-service virements above authorised limits as per the scheme of virement
 - Causing the total expenditure financed from Council Tax, grants and corporately held reserves to increase, or to increase by more than a specified amount.

Chief Finance Officer

- A.12. The Chief Finance Officer has statutory duties in relation to the financial administration and stewardship of the Authority. This statutory responsibility cannot be overridden. The statutory duties arise from:
- Section 151 of the Local Government Act 1972
 - The Local Government Finance Act 1988
 - The Local Government and Housing Act 1989
 - The Accounts and Audit Regulations 1996
 - The Accounts and Audit Regulations 2003
 - The Local Government Act 2003
 - The Accounts and Audit Regulations 2011
- A.13. The Chief Finance Officer is responsible for:
- The proper administration of the Council's financial affairs, including keeping proper accounting records.
 - Setting and monitoring compliance with financial management standards.
 - Advising on the corporate financial position and on the key financial controls necessary to secure sound financial management.
 - Providing financial information in conjunction with Senior Managers.
 - Ensuring that the annual statement of accounts is prepared in accordance with International Financial Reporting Standards, the Code of Practice on Local Authority Accounting and the Service Reporting Code of Practice within the statutory deadlines.
 - Preparing the revenue budget and capital programme relating to the General Fund and the Housing Revenue Account.
 - Ensuring that reports requesting decisions of Members include appropriate statements as to the financial and use of resources and risks implications of the matter under consideration.
 - Treasury Management.

- Reporting to full Council. Executive and external auditor (under S114 of the Local Government Finance Act 1988) if the authority or one of its officers has made/about to make a decision which involves incurring unlawful expenditure, has taken or about to take an unlawful action which has resulted or would result in a loss or deficiency to the Council or about to make an unlawful entry in the authority's accounts.
- S114 of the 1988 Act requires the Chief Finance Officer to nominate a properly qualified member of staff to deputise should he/she be unable to perform the duties under S114 personally.
- Selecting accounting policies and ensuring that they are applied consistently.
- Determining the accounting procedures and records for the authority.
- Issuing advice and guidance to underpin the Financial Regulations.
- Maintaining a continuous review of the Financial Regulations and submitting any additions or changes necessary to the full Council for approval.
- In conjunction with Senior Managers, reporting breaches of the Financial Regulations to the Audit Committee.
- Preparing reports to Corporate Management Team/Corporate Leadership Team and the Executive to set the Cabinet Thresholds for reporting specific financial issues to the Executive.

A.14. Section 114 of the Local Government Finance Act 1988 requires the Chief Finance Officer to report to the Full Council, the Executive and the External Auditor if the Authority or one of its officers:

- Has made, or is about to make, a decision which involves incurring unlawful expenditure.
- Has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the Authority.
- Is about to make an unlawful entry in the Authority's accounts.

A.15. The Chief Finance Officer will nominate properly qualified members of staff to deputise for him/her in their absence on all other issues.

Senior Managers

A.16. The financial responsibilities of Senior Managers are:

- Ensuring that the Executive are advised of the financial implications of all proposals and that the financial implications have been agreed by the Chief Finance Officer.
- Exercise of budgetary control.
- Consulting with the Chief Finance Officer and seeking approval on any matter liable to affect the Council's finances materially, before any commitments are incurred.
- Ensuring that matters requiring a decision by Members are drawn to the attention of the Chief Finance Officer before any such decision is taken.

Other financial accountabilities

Virements

A.17. Budget virement is a process of transferring a revenue/capital budget from one budget heading to another. The authorisation limits of budget virements (provided within the budget framework) for both Councils vary and are specified in the financial procedures. If outside the budget framework, approval would be sought from Full Council for both councils.

A.18. Senior Managers are responsible for agreeing in-year virements within delegated limits, in accordance with the Budget and Policy Framework and any guidance issued by the Chief Finance Officer.

Treatment of Year-end Balances

- A.19. The Chief Finance Officer is responsible for agreeing procedures for carrying forward under and overspendings on budget headings.

Accounting Policies

- A.20. The Chief Finance Officer is responsible for selecting accounting policies and ensuring that it is applied consistently.

Accounting Records and Returns

- A.21. The Chief Finance Officer is responsible for determining the accounting procedures and records for the Authority.

The Annual Statement of Accounts

- A.22. The Chief Finance Officer is responsible for ensuring that the Annual Statement of Accounts is prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom: a Statement of Recommended Practice* (CIPFA/LASAAC) and International Financial Reporting Standards (IFRS) where relevant. .

B: Financial Planning

Introduction

- B.1. The Full Council is responsible for agreeing the Council's budget and policy framework, which will be proposed by the Executive. In terms of financial planning, the key elements are:
- The Corporate Plan or its equivalent.
 - The Medium Term Budget Strategy.
 - The Treasury Management Strategy.
 - The Investment Strategy.

Policy Framework

- B.2. The Full Council is responsible for approving the Budget and Policy Framework. The Policy Framework is made up of specific plans and strategies, these along with the rules governing the Budget and Policy Framework are set out in the constitution
- B.3. The Full Council is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the Policy Framework and for determining the circumstances in which a decision will be deemed to be contrary to the Budget or Policy Framework. Decisions should be referred to the Full Council by the Monitoring Officer and the Chief Finance Officer.
- B.4. The Full Council is responsible for setting the level at which the Executive may reallocate budget funds from one service to another in the Virement Scheme. The Executive is responsible for taking key in-year decisions on resources and priorities in order to deliver the Budget and Policy Framework within the financial limits set by the Council.

Budgets

- B.5. The process for compilation of the budget will be approved by the Executive on the advice of the Chief Finance Officer.

- B.6. The draft revenue and capital budget should include projected net expenditure on services and projects, proposed taxation and rent levels as well as any contingency funds.
- B.7. The Chief Finance Officer is responsible for ensuring that a annual revenue budget, an annual capital programme, and a Medium Term Budget Strategy are prepared on a robust basis for consideration by the Executive, before submission to the full Council. The Full Council may amend the Budget or ask the Executive to reconsider it before approving it.
- B.8. Senior Managers will ensure the proper administration of the Revenue Budgets and the Capital Programme allocated to them. They will also ensure compliance with guidance and instructions issued by the Chief Finance Officer.

Budget Monitoring and Control

- B.9. The Chief Finance Officer is responsible for providing appropriate financial information to enable budgets to be monitored effectively. He/she must monitor and control expenditure against budget allocations and report to the Executive on the overall position on a regular basis.
- B.10. It is the responsibility of Senior Managers to control income and expenditure within their area and to monitor performance, taking account of financial information provided by the Chief Finance Officer; spending must be contained within approved budgets; He/she should report on variances within their own areas. He/she should also take any action necessary to avoid exceeding their budget allocation and alert the Chief Finance Officer to any problems.

Guidelines

- B.11 Guidelines on budget preparation are issued to Senior Managers by the Chief Finance Officer.
- B.12. It is the responsibility of the Chief Finance Officer to advise the Executive and/or the Full Council on prudent levels of reserves for the Authority.

C: Risk Management and Control of Resources

Introduction

- C.1. It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant operational risks to the Authority. This should include the proactive participation of all those associated with planning and delivering services.

Risk Management

- C.2. The Chief Finance Officer is responsible for the Risk Management Strategy and responsible for ensuring the effectiveness of risk management. The Strategy is reviewed and updated annually by the Audit Board/Committee. The Audit Board/Committee receives regular reports on current and planned risk management activity to enable it to execute its assurance role.
- C.3. The Chief Finance Officer is responsible for preparing the Council's Risk Management Strategy and in conjunction with the Member Risk Management Champion/Lead Member is responsible for promoting it throughout the Authority.

Internal Control

- C.4. Internal control refers to the systems of control devised by management to help ensure that the Council's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Authority's assets and interests are safeguarded.
- C.5. The Chief Finance Officer is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. He/she should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.
- C.6. It is the responsibility of Senior Managers to establish sound arrangements for internal control.

Audit Requirements

- C.7. The Accounts and Audit Regulations 2011 require every local authority to maintain an adequate and effective internal audit function.
- C.8. The basic duties of the external auditor are to ensure:
- the accounts comply with the requirements of the enactments that apply to them
 - that proper practices have been observed in the preparation of the Statement of Accounts, and that the statement presents a true and fair view and
 - that the authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- C.8. The Authority may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue & Customs who have statutory rights of access.

Preventing Fraud and Corruption

- C.9. The Chief Finance Officer is responsible for the development and maintenance of an anti-fraud and anti-corruption policy. Senior Managers are responsible for reporting all cases of fraud or suspicions (including money laundering) of fraud, to the Chief Finance Officer or the representative appointed by the Chief Finance Officer. Money laundering is reported directly to the Chief Finance Officer and suspicions of fraud are reported to the Head of Internal Audit.

Assets

- C.10. Senior Managers should ensure that records and assets are properly maintained and securely held. They should also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

Treasury Management

- C.11. The Council has adopted CIPFA's *Treasury Management in the Public Services – Code of Practice for Chief Financial Officers*.
- C.12. The Full Council is responsible for approving the Treasury Management Policy Statement setting out the matters detailed in section 6 para 15 of the *Code of Practice*. The Policy Statement is proposed to the Full Council by the Executive. The Chief Finance Officer is responsible for implementing and monitoring the statement.
- C.13. All money in the hands of the Authority is controlled by the Officer designated for the purposes of section 151 of the Local Government Act 1972, i.e. the Chief Finance Officer.
- C.14. The Chief Finance Officer is responsible for reporting to the Executive a proposed Treasury Management Strategy in advance of the year a mid-year review and annual report by 30th September after its close. The Executive will then propose these to the full Council.

- C.15. All Executive decisions on borrowing, investment or financing shall be delegated to the Chief Finance Officer, who is required to act in accordance with CIPFA's *Code of Practice for Treasury Management in Local Authorities*.

D: Systems and Procedures

Introduction

- D.1. Sound systems and procedures are essential to an effective framework of accountability and control.

General

- D.2. The Chief Finance Officer is responsible for the operation of the Council's accounting systems, the form of accounts and the supporting financial records. Any changes made by Senior Managers to the existing financial systems or the establishment of new systems must be approved by the Chief Finance Officer to ensure that any data that impacts upon accounting systems is accurate. Senior Managers are responsible for the proper operation of financial processes in their own services including reconciliation to the council's general ledger.
- D.3. Any changes to agreed procedures by Senior Managers to meet their own specific service needs should be agreed with the Chief Finance Officer.
- D.4. Senior Managers should ensure that their staff are suitably competent to undertake their roles within the context of any guidance issued by the Chief Finance Officer on finance competencies. They should ensure that staff undergo relevant financial training that has been approved by the Chief Finance Officer.
- D.5. Senior Managers must ensure that, where appropriate, computer and other systems are registered in accordance with data protection legislation. Senior Managers must ensure that staff are aware of their responsibilities under freedom of information legislation.

Income and Expenditure

- D.6. It is the responsibility of Senior Managers to ensure that a proper scheme of delegation has been established within their area and is operating effectively. This scheme should identify staff authorised to act on the Senior Managers' behalf, or on behalf of the Executive, in respect of payments, income collection and placing orders, together with the limits of their authority. The Executive is responsible for approving procedures for writing off debts as part of the overall control framework of accountability and control.

Payments to Employees and Members

- D.7. The Chief Finance Officer is responsible for all payments to staff and for payment of allowances to members.

Taxation (Including Value Added Tax)

- D.8. The Chief Finance Officer is responsible for advising Senior Managers, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Authority.
- D.9. The Chief Finance Officer is responsible for maintaining the Authority's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate to HM Revenue and Customs.

Alternative Ways of Service Provision

- D.10. It is the responsibility of the Chief Finance Officer to advise on the financial issues in respect of the establishment and operation of alternative ways of service provision, such as trusts, mutuals and joint ventures.

Loans to External Organisations

- D.11. While the Council does have powers to give loans to external third parties under the general power of competence pursuant to Section 1 of the Localism Act 2011, before considering loans to such bodies the statutory powers intended to be used to make such loans should be established to the satisfaction of the Director of Finance and Director of Legal and Governance.

E: Joint Arrangements

Introduction

- E.1. The Council provides a distinctive leadership role for the Community and brings together the contributions of its various stakeholders. It also seeks to achieve its Vision, via the promotion or improvement of the economic, social and environmental well-being of its area.

Partnerships

- E.2. The Executive is responsible for approving delegations, including frameworks for partnerships. The Executive is the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs.
- E.3. The Executive can delegate functions, including those relating to partnerships, to officers.
- E.4. The Chief Executive represents the Authority on partnership and external bodies, in accordance with the Scheme of Delegation.
- E.5. The Monitoring Officer is responsible for promoting and maintaining the same high standards of conduct and governance arrangements with regard to financial administration in partnerships that apply throughout the Authority.
- E.6. The Chief Finance Officer must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory. He/she must also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. He/she must ensure that the risks have been fully appraised before agreements are entered into with external bodies. He/she must also consider how these arrangements can demonstrate Value for Money and continuous improvement.
- E.7. Senior Managers are responsible for monitoring the partnership arrangements on an on-going basis. Senior Managers are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

External Funding

- E.8. The Chief Finance Officer is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Authority's accounts.

Work for Third Parties

- E.9. The Executive is responsible for approving the contractual arrangements for any work for third parties or external bodies.

oneSource (Appendix 3)

Statement of Finance Policy Principles

Purpose

1.1 This policy (*the Finance Policy*) builds on the requirements of the Financial Regulations of the London Boroughs of Havering and Newham to ensure sound financial management practices are followed.

Objectives

1.2 The objectives of this policy are to:

- (a) ensure that the Councils' financial management is adequate and effective and that there is a sound system of internal control which facilitates the effective exercise of its functions; and
- (b) ensure that public money is safeguarded, properly accounted for, and used effectively.

Key principles

1.3 oneSource will:

- (a) ensure sound financial practices are in place which follow the fundamental principles of probity, accountability and value for money and ensure investment plans are affordable, prudent and sustainable;
- (b) ensure financial information is accurate, up-to-date and auditable; and
- (c) monitor and regularly review its financial practices, to ensure they are up-to-date and reflect current legislation, guidance and best practice.

Duties

1.4 Responsibilities for the Finance Policy are as follows:

- (a) Board/Cabinet, Chief Executive and Corporate Management Team: endorsing this policy;
- (b) S151 Officer and Director of Finance oneSource: ensuring the finance policy is fit for purpose and complies with relevant statutory obligations and other responsibilities for the proper administration of the Agency's financial affairs;
- (c) Director of Finance oneSource: ensuring this policy is regularly reviewed and updated, and advising staff where necessary, monitoring non-compliance with this policy, ensuring appropriate action is taken on any non-compliance, and reporting this internally and to the S151 officers as appropriate;
- (d) Executive/Group Directors and other Budget Holders: accountability for all financial matters in their business area including ensuring operational compliance with this policy, the Constitutions (including the Financial Regulations and Procurement Code/Procedure Rules), relevant legislation, guidance, best practice, and other standards, reporting any non-compliance to the Director of Finance oneSource and providing advice and guidance to their teams.
- (e) All staff: understanding and complying with the requirements of this policy, the Constitution (including the Financial Regulations and Procurement Code/Procedure Rules, relevant legislation, guidance and best practice.

Budget and Policy Framework Procedure Rules

Contents

Rule	Subject
1	The Framework for Executive Decisions
2	Process for Developing the Framework
3	Decisions Outside the Budget or Policy Framework
4	Urgent Decisions Outside the Budget or Policy Framework
5	Virement
6	In-Year Changes to Policy Framework
7	Call-In of Decisions Outside the Budget or Policy Framework

1. THE FRAMEWORK FOR EXECUTIVE DECISIONS

- 1.1 The Council will be responsible for the adoption of its budget and policy framework. Once a budget or a policy framework is in place, it will be the responsibility of the Executive and officers to implement it.
- 1.2 The Budget and Policy Framework provides the financial basis for the implementation of the Council's policy framework and for the development of the Council's budget.
- 1.3 The Budget and Policy Framework covers:
 - (a) Medium Term Financial Strategy
 - (b) Capital Strategy
 - (c) Treasury Management Strategy
- 1.4 The Chief Finance Officer will be primarily responsible for providing advice and guidance on the Budget and Policy Framework and its application, but will consult with the Monitoring Officer where appropriate.

2. PROCESS FOR DEVELOPING THE FRAMEWORK

- 2.1 The Executive will provide an initial report on its Medium Term Financial Strategy and Capital Strategy along with initial proposals for the budget and policy framework for consideration by Council. This report will be published by October.
- 2.2 The report will be available to the Overview and Scrutiny Committees and other local stakeholders who wish to express a view.
- 2.3 The Executive in conjunction with the Chief Finance Officer will decided the detailed local processes, procedures and timescales to consult on the budget proposals.

- 2.4 The Executive in conjunction with the Chief finance officer will decide the detailed local processes, procedures and timescales to consult on the budget proposals. The Executive will issue detailed proposals for consultation having given due consideration to:
- (i) comments from Overview and Scrutiny Committees and other local stakeholders
 - (ii) feedback from the consultation process
 - (iii) the Government's financial announcements
 - (iv) information from precepting and levying bodies
 - (v) the advice of senior officers.
- 2.5 Having considered responses to the consultation on its initial detailed budget proposals, and any further information on Government funding and precepts/levies, the Executive may amend its proposals before submitting them to Council.
- 2.6 The Executive will also publish a Treasury Management Strategy which will be submitted to Council alongside its final budget proposals.
- 2.7 At any time when a report is submitted to Council on the budget the Council will consider the proposals of the Executive and may adopt them, refer them back to the Executive or substitute its own proposals in their place.
- 2.8 All Councillors and parties are actively encouraged to contribute issues and ideas into the budget process via the Overview and Scrutiny Committees.
- 2.9 Where an Executive Mayor is in place he can object to any Council decision to amend the budget. To do this he must inform the Proper Officer in writing within 5 days of the decision stating his objection and giving reasons why. In that case the Proper Officer will call a Council meeting within a further 10 days to consider the Mayor's objection and to re-consider its decision. The Council may approve the Mayor's recommendation on a simple majority or approve a different decision by a two thirds majority. The Council decision will then be made public and will take effect immediately. The timescales may be varied if this is necessary to meet statutory deadlines.

3. DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK

- 3.1 The Executive, individual members of the Executive, committees of the Executive, and any officers or joint arrangements may only make decisions which are in line with the approved Budget and Policy Framework. A decision that is not relevant to or covered by the budget framework but which is in line with a plan or strategy approved by the Executive is not contrary to the Budget and Policy Framework.
- 3.2 Subject to section 4 below, if the Executive wish to make a decision which is contrary to the Budget or Policy Framework, then that decision can only be made by the council.
- 3.3 If the Executive, individual members of the Executive, committees of the Executive, and any officers or joint arrangements want to make a decision which potentially is contrary to or not wholly in accordance with the Budget and Policy Framework, they must take advice from the Chief Finance Officer

or Monitoring Officer, as appropriate. If the advice is that the decision is contrary to or not wholly in accordance with the Budget and Policy Framework then the decision must be referred to Council for decision, unless the decision is a matter of urgency, in which case paragraph 4 shall apply (urgent decisions outside the Budget and Policy Framework).

4. URGENT DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK

4.1 Having consulted with the Chief Finance Officer or Monitoring Officer, as appropriate, the Executive, individual members of the Executive, committees of the Executive, and any officers or joint arrangements may take a decision which is contrary to or not wholly in accordance with the Budget and Policy Framework, or where the expenditure falls outside the approved budget, if the decision is a matter of urgency.

4.2 However, the decision may only be taken if:

- (a) it is not practical to convene a quorate meeting of the Council, and
- (b) the Chair (in the absence of the Chair, the Deputy Chair) of a relevant Overview and Scrutiny Committee accepts that the decision is a matter of urgency.

4.3 The reasons why it is not practical to convene a quorate meeting of the Council and the consent of the relevant Chair of Overview and Scrutiny Committee must be noted on the record of the decision and reported to the next available Council meeting along with a full report explaining:

- (a) the decision
- (b) the reasons for the decision
- (c) why the decision was treated as a matter of urgency.

5. VIREMENT

5.1 Steps taken by the Executive, individual members of the Executive, a committee of the Executive, or officers, or joint arrangements to implement Council policy shall not exceed those budgets allocated to each relevant budget head. However, such bodies or individuals shall be entitled to vire across budget heads within such limits as shall be laid down in the Financial Procedure Rules. Beyond those limits, approval to any virement across budget heads shall require the approval of the Full Council.

6. IN-YEAR CHANGES TO BUDGET AND POLICY FRAMEWORK.

6.1 Decisions by the Executive, individual members of the Executive, **committees of the Executive, and any officers or joint arrangements** can discharge only those Executive functions that are within the approved budget. No changes to the approved budget, except within the budget or virements rules set out in the Financial Procedures, can be made unless agreed by the Chief Finance Officer.

7. CALL-IN OF DECISIONS OUTSIDE THE BUDGET AND POLICY FRAMEWORK

- 7.1 Where an Overview and Scrutiny Committee is of the opinion that an Executive decision is, or if made would be, contrary to or not wholly in accordance with the Council's Budget and Policy Framework, then it shall seek advice from the Chief Finance Officer or the Monitoring Officer, as appropriate and the Head of Paid Service.
- 7.2 Where that opinion relates to a decision that has already been taken and implemented, and the Chief Finance Officer considers that the decision is contrary to or not wholly in accordance with the Budget and Policy Framework, the Chief Finance Officer, or the Monitoring Officer as appropriate shall report on the matter to the Cabinet, sending a copy to every member of the Council. Regardless of whether the decision is delegated or not, the Cabinet must meet to decide what action to take in respect of the report and report on the matter to the Council.
- 7.3 Where that opinion relates to a decision yet to be made, or that has been made but not yet implemented, and the advice from the Chief Finance Officer or Monitoring Officer, as appropriate, is that the decision is contrary to or not wholly in accordance with the Budget and Policy Framework, the Overview and Scrutiny Committee may refer the matter to Council. In such cases, no further action will be taken in respect of the decision or its implementation until the Council has met and considered the matter.
- 7.4 At the meeting, the Council will receive a report about the decision or proposals and the advice of the Chief Finance Officer. The Council may:
- (a) endorse a decision or proposal of the Executive as falling within the existing Budget and Policy Framework; or
 - (b) amend the Budget and Policy Framework to encompass the decision or proposal and agree to the decision or proposal with immediate effect; or
 - (c) if it accepts that the decision or proposal is contrary to or not wholly in accordance with the Budget and Policy Framework and does not amend the existing Budget and Policy Framework to accommodate it, require the Executive to reconsider the matter in accordance with the advice of the Chief Finance Officer or Monitoring Officer, as appropriate.
- 7.5 The decision of Council shall be recorded in its minutes.

8. FEES AND CHARGES

All fees & charges must be set in accordance with the corporate charging policy.

**FULL COUNCIL,
MEMBERS' QUESTIONS**

1 Decent Homes Monies

To the Cabinet Member for Housing, Councillor D White

By Councillor June Alexander

Would the Cabinet member provide a comprehensive breakdown of what Decent Homes monies have been provided to this council, how this money has been spent and what monies are still available to be spent by the end of this current financial year?

Answer:

The Capital Programme has been supported and supplemented by the Decent Homes funding since the 2011/12. The national Decent Homes Programme was extra funds provided for by the GLA and targeted to areas with the largest number of non-decent homes. The extra funds followed a re-bidding process in 2010.

The Capital Programme from the Housing Revenue grant and funds from Decent Homes money are spent focusing on the following key areas:

Decent homes: This work is targeted at non-decent homes to bring them up to the Government set standard. Work includes replacement of windows, kitchens, bathrooms and central heating units etc.

Upkeep works: This includes major repairs, structural works to properties, asbestos removal and management.

Improvements and remodelling: This work includes aids and adaptations to properties depending on tenant need (for example if someone has a physical disability we would installed level access showers.

The programme has been spent as follows:

2011/12

Funding for decent Homes – £11.8m. £8 million from decent homes fund.

Upkeep works – £2.8m

Improvements & Remodelling - £453k

2012/13

Decent Homes – £22.6m. £15m from decent homes fund.

Upkeep works – £5.8m
Improvements & Remodelling - £505k

2013/14

Decent Homes – £22.6m. £15m from decent homes fund.

Upkeep works – £5.9m

Improvements & Remodelling - £692k

2014/15

Decent Homes – £29.1m £23m from decent homes fund.

Upkeep works – £6.1m

Improvements & Remodelling - £600k

The 14/15 programme is fully allocated and committed.

In response to a supplementary question, the Cabinet Member indicated that approximately 3% of Council properties would not have reached Decent Homes standard by the time the funding had ended. He would supply further details on this to the Councillor concerned.

2 Consultation

To the Cabinet Member for Financial Management, Councillor Barrett

By Councillor Hyde

When there are government consultations on particular issues would the council agree that it is good practise to make all members aware of them

Answer:

Policy briefings are regularly circulated to Heads of Services and other key staff which include details of current key consultations. The expectation is that these staff would highlight these to their Lead Member and agree a response with them where relevant.

Where a consultation is issued that would have significant implications across the Council, arrangements would be made for appropriate consultation to take place with Members prior to any response being issued on behalf of the Council.

Going forward, arrangements could be made for the details of the more significant Government and other consultations to be included in the regular Calendar Brief. We could also look at using the Members area on the Intranet to feature consultations, if that would be helpful.

In response to a supplementary question, the Cabinet Member agreed that it was important that communications of this type to Members did in fact take place.

3 Chafford Swimming Pool

To the Cabinet Member for Culture and Community Engagement, Councillor Wallace

By Councillor J Tucker

Following discussions between the Chafford School Headteacher and Council Officers, Chafford have submitted a planning application to expand their educational facilities and provide a new swimming pool.

What strategy has been agreed between School and Council to ensure the new pool will be built?

Answer:

We're working in partnership with The Chafford School to secure the necessary funding for a new swimming pool on the school site. The planning application submitted by the school shows where the new pool will be built, should the funding be secured.

The Council has, with the school's agreement, included the management of the school sports facilities (including the pool) in the sports and leisure management specification, which is currently being tendered by the Council. Those companies tendering will be invited to submit investment proposals for the school sports facilities as part of their bid. Assuming such bids are received and both the Council and the school are supportive of them, this could be the mechanism for securing the funding that will allow a new pool to be built on the school site.

First stage tenders for the sports and leisure management contract will be received in the summer, so we'll know then if any viable proposals have been submitted.

In the meantime, we'll continue to explore other funding opportunities that might be available through Sport England, the Department for Education and any regeneration programmes in the Rainham area.

In response to a supplementary question, the Cabinet Member confirmed that the cost of the new leisure centre in Romford was approximately £22 million.

4 Performance Packs

To the Cabinet Member for Financial Management, Councillor Barrett

By Councillor Ray Morgon

Would the Cabinet Member confirm his plans to ensure that Members Performance Packs have comprehensive information on each service, including appropriate data, targets, financial performance, and where appropriate, on an annual basis benchmarking against other London Boroughs?

Answer:

As part of the corporate planning framework, the Corporate Plan will be refreshed for 2015/16 and all indicators and proposed targets will be reviewed by the Overview & Scrutiny Board prior to Cabinet on the 4th March.

Under the refreshed regime, the performance reports will include appropriate data, targets, financial information and progress towards longer terms objectives. Some benchmarking data is already included in the current quarterly reports – the next of which is due in March – and benchmarking will certainly continue in the future, where it provides helpful and meaningful comparison to other Boroughs.

In response to a supplementary question, the Cabinet Member confirmed he would liaise with officers and overview and scrutiny chairmen in order to make certain that the agreed timetable for the revision of the performance packs was followed.

5 Briar Road Housing

To the Cabinet Member for Housing, Councillor D White
By Councillor Hyde

How many of the new homes in the Briar Road development have so far been let to local (Briar Road) residents?

Answer:

To date, a total of 53 newly built Notting Hill Housing Trust properties on the Briar Road Estate have been let. In all cases, the Briar Road Local Lettings Policy has been applied. This Policy gives top priority to households currently living on the Estate, so long as they are eligible for the type and size of property they have bid for through choice-based lettings, followed by other Harold Hill residents, then others from Havering.

Of the 53 properties, nine have been let to an existing Briar Road Estate resident. Another 41 properties have been let to an existing resident from elsewhere in Harold Hill, with three homes let to residents from another part of the borough. It can be seen that the new homes are providing much needed housing opportunities for people already living on the Estate and in the wider Harold Hill area.

The Local Lettings Policy has been widely publicised - including sending details to every single household on the Estate. Whenever the top bidder is from the Briar Road Estate, is eligible for the type and size of home, and does not owe the Council significant arrears, the property has been offered to them.

The Local Lettings Policy also gives Briar Road Estate residents the added benefit of having top priority for existing council properties on the estate as they become vacant.

In response to a supplementary question, the Cabinet Member confirmed that the majority of properties on the estate had gone to Harold Hill residents. Rents would be reviewed yearly and he wished to ensure these were at an affordable level for the local area.

6 **St George's Day Events**

To the Leader of the Council, Councillor R Ramsey

By Councillor G Williamson

Havering Council's annual promotion of St. George Day in Romford is to be applauded, but can the promotion be extended to Hornchurch with themed events being held and bunting displayed in the Queens Theatre, Fairkytes, Library and High Street?

Answer:

St George's Day celebrations in Romford are centred around the market – and are always very popular with local people. .

Hornchurch Library does mark the occasion each year with decoration, and I know Fairkytes will do the same this year too.

As you will be aware, the budget proposals include quite a significant cut in funding for events. We've prioritised those that we want to protect, including the St George's Day celebrations in Romford Market, but we're not in a position to allocate additional funding. However, we would support businesses wishing to celebrate St George's Day by putting up their own bunting, or residents who may wish to hold street parties.

In response to a supplementary question, the Leader of the Council felt that such events would need to be considered in light of the other financial priorities of the Council. It was not necessary to have a working party on the issue but Members were welcome to raise the matter at overview & scrutiny if they wished.

7 **Quality of Housing Stock**

To the Cabinet Member for Housing, Councillor D White

By Councillor J Alexander

Would the Cabinet Member confirm what steps are in place to monitor the quality and effectiveness of reactive repairs and capital projects to the council's housing stock?

Answer:

The monitoring arrangements for the repairs service are embedded in the Councils performance monitoring frame work. Members and the Corporate Management Team receive monthly reports on key indicators associated with repairs being completed on time and the levels of complaints received relating to the service. In addition, operational review meeting are structured on a bi-weekly and monthly basis with the senior management teams of both the contractor and the Council meeting on a quarterly basis.

The Breyer contract started in April 2014 and they initially had 20 members of staff from the TUPE transfer, with the rest being sub-contractors. They did this to monitor the amount of repair jobs that were called in and the complexity of work so that they could gauge their staffing levels effectively.

This process of monitoring the amount of repair jobs reported in allowed Breyer to increase their staffing levels to fit the needs of the contract. However, during this recruitment period this did impact on their performance. This was raised by us and Breyer took appropriate corrective action.

More staff were then employed during this time and to date 29 additional members of staff have joined the team, with 19 of them being from the Borough.

In addition, we have put in place more effective monitoring of repairs that are called through so that they are allocated correctly.

We do expect that this will show through in the Spring report.

In response to a supplementary question, the Cabinet Member indicated he was happy to meet with the Councillor concerned to discuss specific cases where kitchens or bathrooms may not be of a satisfactory standard.

8 Breach of Planning Regulations

To the Cabinet Member for Regulatory Services, Councillor Dervish

By Councillor L Webb

When the council is notified by a resident of a breach of planning regulations what is the time scale for instigating enforcement action?

Answer:

We do not have a set timescale for instigating action as the nature of breaches reported is varied.

We assess the harm caused by the breach and try to negotiate a resolution, either by asking for a planning application to be submitted or removing/stopping the breach.

In cases where planning permission would clearly not be granted, formal action would be taken as appropriate. In most cases, it's not always clear whether planning permission would be granted so it's better to ask for a planning application.

A retrospective planning application enables the Council to fully identify details of the breach and allows neighbouring occupiers to be notified and submit comments. Also, if the development is acceptable in principle, planning conditions can be imposed to alleviate any harmful impacts.

Where formal action is justified, an enforcement notice would be served. This would be because of the type and degree of harm identified, because a retrospective planning application had been refused or because those responsible for harmful development failed to submit an application.

9 Council Tax

To the Cabinet Member for Financial Management, Councillor C Barrett

By Councillor David Durant

The Local Government Minister has announced that a local council tax referendum must be held if councils propose to increase council tax by 2% or more! This will require some soul searching from the Conservative/EHRG Coalition Administration [and from all councillors] because the public budget consultation proposes extensive cuts and a 2% increase in council tax.

This means the Administration will need to hold a legally required referendum costing about £250,000 or reduce the increase to below 2%! But this would mean more cuts because the Council Leader Cllr Ramsey has said the reserves can be used to pay for a referendum [a one off item] but not to off-set the [ongoing] cuts.

In view of this will the Administration 'bite the bullet' and seek cross-party support to hold a council tax referendum for a figure of 2% or more to ameliorate the cuts and help keep our borough green, pleasant and secure?

Answer:

There will be no need to hold a referendum. The Cabinet report outlines that the proposal is to raise council tax up to 2 per cent; thereby avoiding the need to pay out for a costly referendum.

An increase of 1.99% would not trigger a referendum and would be consistent with the assumptions included in the Financial Strategy approved by Cabinet in September.

Responses from our residents in the latest consultation, showed that they did not want to increase council tax above this threshold. Therefore our proposals reflect our residents' priorities, without the need to have an expensive referendum.

10 **Section 16 Local London Authorities Act**

To the Cabinet Member for Environment, Councillor R Benham

By Councillor Wood

Would the Cabinet Member confirm why this council is reluctant to use powers under Section 16 of the London Local Authorities and Transport For London Act 2003 to ensure that drivers do not cross the footway without a properly constructed crossover?

Answer:

Working according to Section 16 would take officers away from their primary objective of taking action to reduce waste tonnages, and thereby limit increases in waste disposal costs, which currently cost the Council around £12m each year.

There are certain difficulties in applying the Section 16 legislation, so we try and tackle the problem of people driving onto a kerb or along a grass verge in a way that's not as resource intensive.

Under section 16 enforcement action becomes possible 'where the occupier *habitually takes a vehicle across a kerbed footway or verge or knowingly permits a vehicle to cross a kerbed footway or verge*'.

So we'd need to establish that it's a regular occurrence, which means we'd have to go and observe the vehicle several times before we could class it as an offence and enforce against it.

Only then can a notice be given, which can then be appealed at court. If the resident's appeal isn't supported by the court, we can install a dropped kerb at the Council's expense, and then seek to recover the costs through a civil debt.

This is very resource heavy and long-winded, I think you'll agree, and we simply don't have a big enough team to look for and enforce against the offence in this way.

So what we currently do is, we write to the occupiers and invite them to apply for a crossover (dropped kerb). This usually resolves the issue and is much less time-consuming. If this continues, we would then take enforcement action.

In response to a supplementary question, the Cabinet Member confirmed that problems at a specific site he had visited with the Councillor concerned had been due to issues relating to the ownership of a private forecourt. It was also not possible to install bollards at the location due to the need to ensure disabled access.

11 Legal Status

To the Leader of the Council, Councillor R Ramsey

By Councillor L Webb

Does this council agree that we are all equal under the law?

Answer:

Yes.

In response to a supplementary question, the Leader of the Council confirmed he was happy to discuss in more detail the Member's concerns that parking enforcement action was not being taken against foreign registered vehicles.

12 Road Accidents

To the Cabinet Member for Environment, Councillor R Benham

By Councillor J Ganly

Given the increasing number of incidents where children have been injured, some seriously, near to schools and colleges, would the Cabinet Member confirm what action the council intends to take to improve safety around schools?

Answer:

Firstly, I'd very much like to know where you heard that the number of accidents where children have been injured are increasing, as we believe the numbers are actually very small.

However, in response to head teachers telling us the problems they face with inconsiderate drivers outside their schools, we've stepped up our road safety and enforcement activity significantly. In April last year, we implemented a completely new regime that focused on schools. We highlighted the most important areas and make sure we visit every three weeks as a minimum.

In addition, we have committed to maintain school crossing patrols, while many other councils have either cut them, or are considering stopping them.

Each and every school has a travel plan and we also proactively visit schools specifically to talk to children and parents about key road safety messages.

TfL Local Implementation Plan funding of £390,000 has also been allocated to accident reduction, which includes road safety awareness measures targeted at school pupils, and measures to reduce casualties on roads.

We run regular Smarter Travel events, in schools and every year at the Havering Show, to encourage children and parents to stop using cars and instead walk or cycle to school.

We're doing absolutely everything we can with the resources we have. Our enforcement officers cover an extremely large area, but residents should be assured that tackling parking and driving issues at schools is one of our main priorities.

In response to a supplementary question, the Cabinet Member confirmed that guidance from central Government on the use of CCTV cars at schools was currently awaited and there would therefore be no current change to the use of the cars in Havering.

13 **Money owed to the Council**

To the Cabinet Member for Financial Management, Councillor C Barrett

By Councillor Wilkes

Would the Cabinet Member explain why at a time when members are being asked to agree considerable budget cuts, has this council millions of pounds owing to it in many cases going back several years. (Cllr Julie Wilkes)

Answer:

We want to get the best value for money for every Havering taxpayer, and it is unfair on law-abiding residents that some people try to avoid paying council tax and business rates.

In the last financial year from March 2013 to March 2014, we reduced the total outstanding council tax arrears by almost £460,000. This year, our collection rate is 97.14 per cent, up from 96.98 per cent last year, and putting us the eighth best of all 32 boroughs in London.

Of course we'd like this to be 100 per cent, and to help achieve this we are going to focus on persistent non-payers, who run up the biggest debts.

Taking the business rate collection back in-house, and introducing targets, has seen a reduction in arrears.

We monitor debt across the council through a Debt Management Board and have introduced a small, dedicated team to tackle the council tax accounts and work alongside external recovery and bailiff companies, to help recoup what is owed.

We can also make even more improvements through our partnership with Newham, oneSource, and are working towards a joint policy framework for debt management, where we can share best practice. As part of a OneSource review we established a joint business rate service, which will help further increase performance.

There is a lot of good work going on to recoup money owed, and we're not complacent, we'll continue to pursue anyone who owes the council money.

In response to a supplementary question, the Cabinet Member confirmed that a report on the activities of the Council's bailiffs could be supplied. The debt management board was also looking at the issue of arrears.

14 **Albyans Court, Hornchurch**

To the Cabinet Member for Housing, Councillor D White, By Councillor Nunn

Would the Cabinet Member explain why the former sheltered accommodation site in Albyans Court, South Hornchurch has been left boarded up for a number of years with the loss of rent estimated to run into hundreds of thousands of pounds, together with additional costs to maintain and secure the site?

Answer:

Albyans Close was a former sheltered housing scheme, containing 35 units of accommodation, which was becoming increasingly unpopular and hard to let in 2011. When the Government introduced Self Financing for the Housing Revenue Account (HRA) in 2012, the Council had to make a decision whether to keep the property, and try to let it, or demolish and dispose of it. If it was included within the properties owned by the Council at that date, the Government would assume that the income from the scheme would be available to the Council, and would expect the Council to take a share of the debt attributable to these properties.

The Council took the view at that time, that it was unlikely that this type of property would become popular, and therefore undertook to the DCLG to either dispose or demolish the properties, and this reduced the level of liability for the Government's national housing debt, on Havering.

When the Council was approved as a developer, by the Greater London Authority, we were able to bid for, and were successful in obtaining grant to demolish the properties, and build, in its place. We obtained £435,000 in grant from the GLA and we are putting £220,000 of our own Right to Buy receipts towards the scheme. We obtained planning permission on 23rd October 2014 to build 19 units – 10 x 2 bedroomed Leasehold for the Elderly properties, and 9 affordable rented properties for the elderly. We are currently tendering the building work, and expect to start on site as soon as we have received tenders and been able to award a contract for the building work.

Obviously we regret the fact that the properties have been empty for a long time, but they had become unpopular and unlettable, and we have the good prospect now of replacing them with more up to date, and suitable units of accommodation.

In response to a supplementary question, the Cabinet Member confirmed that he would supply a written response to the Member concerned regarding the issue of the amounts of rent, Council Tax and maintenance charges lost to the Council due to properties being boarded up for six months or more.

<i>DIVISION NUMBER:</i>	1
The Mayor [Cllr. Linda Trew]	O
The Deputy Mayor [Cllr. Barbara Matthews]	✓
<u>CONSERVATIVE GROUP</u>	
Cllr Roger Ramsey	✓
Cllr Robert Benham	✓
Cllr Ray Best	✓
Cllr Wendy Brice-Thompson	✓
Cllr Joshua Chapman	✓
Cllr John Crowder	✓
Cllr Phillipa Crowder	✓
Cllr Meg Davis	✓
Cllr Osman Dervish	✓
Cllr Jason Frost	✓
Cllr Steven Kelly	✓
Cllr Robby Misir	✓
Cllr Garry Pain	✓
Cllr Dilip Patel	✓
Cllr Viddy Persaud	A
Cllr Carol Smith	✓
Cllr Frederick Thompson	✓
Cllr Melvin Wallace	✓
Cllr Roger Westwood	✓
Cllr Damian White	✓
Cllr Michael White	✓
<u>RESIDENTS' GROUP</u>	
Cllr Ray Morgon	✓
Cllr June Alexander	✓
Cllr Nic Dodin	✓
Cllr Jody Ganly	✓
Cllr Barry Mugglestone	✓
Cllr John Mylod	✓
Cllr Stephanie Nunn	✓
Cllr Reg Whitney	✓
Cllr Julie Wilkes	A
Cllr John Wood	✓
<u>EAST HAVERING RESIDENTS' GROUP</u>	
Cllr Clarence Barrett	✓
Cllr Alex Donald	✓
Cllr Brian Eagling	✓
Cllr Gillian Ford	✓
Cllr Linda Hawthorn	✓
Cllr Ron Ower	✓
Cllr Linda Van den Hende	✓
Cllr Darren Wise	✓
<u>UK Independence Party</u>	
Cllr Lawrence Webb	✓
Cllr Ian De Wulverton	✓
Cllr John Glanville	✓
Cllr Phillip Hyde	✓
Cllr David Johnson	✓
Cllr Phil Martin	✓
Cllr Patricia Rumble	✓
<u>INDEPENDENT LOCAL RESIDENTS' GROUP</u>	
Cllr Jeffrey Tucker	✓
Cllr Michael Deon Burton	✓
Cllr David Durant	✓
Cllr Keith Roberts	✓
Cllr Graham Williamson	✓
<u>Labour</u>	
Cllr Keith Darvill	A
TOTALS	
✓ = YES	50
✗ = NO	0
O = ABSTAIN/NO VOTE	1
ID = INTEREST DISCLOSED/NO VOTE	0
A = ABSENT FROM MEETING	3
	54