

APPENDICES

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SUMMARY OF INCOME GENERATION AND SAVINGS PROPOSALS

					£m	£m
REF	Lead Officer	Directorate / Service	Service Area	Description of Savings Items	2017/18	2018/19
Street Mgmt/1	Director of Neighbourhoods	Neighbourhoods / Environment	Street Management - Parking	Moving Traffic Contravention	0.250	
Street Mgmt/2	Director of Neighbourhoods	Neighbourhoods / Environment	Street Management - Parking	Business Vehicles Charging		0.500
Street Mgmt/3	Director of Neighbourhoods	Neighbourhoods / Environment	Street Management - Parking	Resident Parking Permits	0.055	
Street Mgmt/4	Director of Neighbourhoods	Neighbourhoods / Environment	Street Management - Parking	On / Off Street Parking	0.150	
Culture /1	Chief Operating Officer	Chief Operating Officer / Culture & Customer Access	Indoor & Sports Recreation	Leisure Contract additional income	0.150	0.250
Asset Mgmt /1	Director of oneSource (Non Shared)	oneSource (Non Shared) / Asset Mgmt	Corporate Landlord	Commercial Income	0.108	0.104
Total					0.713	0.854

NEW OR REPLACEMENT SAVINGS TEMPLATE

Service & Service Head	Description of Service Area
Neighbourhoods / Environment – S Moore	Street Management - Parking

Is this a New or REPLACEMENT Savings Item?	Please indicate by ticking Box below
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NEW SAVING

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REPLACEMENT SAVING

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IF REPLACEMENT Saving show the Original Savings Item that is being replaced.	CPZ 2017/18 to be replaced by Moving Traffic Contravention Income (MTC)
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Current Budget Information
<p>The parking Facilities Activity A2325E</p> <p>The MTC Income Cost Centre is A24670 517480 000000 602172</p> <p>The 2016/17 income budget for MTC's is £750k with an additional in year pressure of £300k presented in December 2016</p>

What is protected within the Service?	
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Main Savings Items Description
To increase the income generated by the enforcement of Moving Traffic Contraventions by £250k

Savings proposals				
Savings Details		Value of Saving and Year(s)		
To increase the number of OCN's issued for the enforcement of Moving Traffic Contraventions		TOTAL:		
		17/18	18/19	19/20
		£250k		
TOTAL SAVINGS BY YEAR		TOTAL:		
		17/18	18/19	19/20
		£250k		

Reasons for recommending proposals	<p>Havering introduced the enforcement of Moving Traffic Contraventions late in 2015. The enforcement of identified sites within the borough was carried out by 2x CCTV mobile enforcement vehicles and provided the evidence that motorists within the borough were flouting traffic regulations and creating safety and traffic flow problems. In December 2016, a number of fixed cameras were installed at identified priority sites and will extend to a total number of 20 fixed camera locations. These cameras are unattended and will capture the non-compliance of vehicles driving in bus lanes or completing banned turns.</p>
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Identified Risks and Dependencies
<p>An assumption is made that the expected non-compliance of established Bus Lanes and banned turns being evidenced within the borough remains. Following initial enforcement activity triggers, an additional 5,500 PCN's will need to be issued and paid at the average PCN settlement rate of £45 to generate the additional £250k.</p> <p>Those in receipt of an MTC PCN may feel disgruntled at the enforcement activity but such enforcement should generate a change in driving behaviour, which in turn increases the level of compliance.</p> <p>Enforcement activity and compliance will need to be closely monitored and where necessary for the fixed cameras to be redeployed to further identified locations.</p>

Number of FTE in area :	
Anticipated reduction in FTE as a result of proposals	N/A

Submitted by			
	Signature	Print Name	Date
Steve Moore		Steve Moore	
Reviewed by			
	Signature	Print Name	Date
Finance Business Partner			

NEW OR REPLACEMENT SAVINGS TEMPLATE

Service & Service Head	Description of Service Area
Neighbourhoods / Environment – S Moore	Street Management - Parking

Is this a New or REPLACEMENT Savings Item?	Please indicate by ticking Box below
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NEW SAVING

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REPLACEMENT SAVING

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IF REPLACEMENT Saving show the Original Savings Item that is being replaced.	
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Current Budget Information

As this item is a new initiative a new cost centre will have to be established. There is no budget for commercial vehicle parking permits currently in existence. The parking facilities activity is A2325E.

What is protected within the Service?	N/A
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Main Savings Items Description

The borough has a high percentage of commercial vehicles that are brought home by Havering residents. Current figures suggest nearly 12,000 commercial vehicles are regularly parked either on the streets or drives of Havering. This level of non-resident parking is compounding the problem that already exists with parking capacity in many parts of the borough and has increased since the main utility companies reduced their depot capacity where historically such vehicles returned at the end of each working day. To address the problem and encourage businesses to park their vehicles on their own premises, it is proposed to introduce a £500 annual permit charge for commercial vehicles that park on the highway outside of work time. It is estimated that 1000 vehicles will need to register for the permit hence the 1000 x £500 = £0.5m income prediction. It should be noted that although many other local authorities are considering introducing a similar scheme, no such scheme currently exists and therefore there are risks associated with deliverability.

Savings proposals				
Savings Details			Value of Saving and Year(s)	
To increase the resident permit charges by £10 on each permit issued per household			TOTAL:	
			17/18	18/19
				500K
			TOTAL:	
			17/18	18/19
TOTAL SAVINGS BY YEAR			TOTAL:	
			17/18	18/19
				500K

Reasons for recommending proposals	Problems with a lack of parking capacity are increasing in many parts of the borough. The 12000 commercial vehicles that park on the borough roads each day compound the problem. Introducing a permit to discourage such activity and encourage companies to park their vehicles on their own premises will help to alleviate the problem..
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Identified Risks and Dependencies
Havering will be one of the first in the country to introduce such a scheme and therefore there are risks associated with the deliverability. Robust project management will be used to mitigate risks.

Number of FTE in area :	N/A
Anticipated reduction in FTE as a result of proposals	N/A

Submitted by			
	Signature	Print Name	Date
Steve Moore		Steve Moore	21/12/16
Reviewed by			
	Signature	Print Name	Date
Finance Business Partner			

NEW OR REPLACEMENT SAVINGS TEMPLATE

Service & Service Head	Description of Service Area
Neighbourhoods / Environment – S Moore	Street Management - Parking

Is this a New or REPLACEMENT Savings Item?	Please indicate by ticking Box below
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NEW SAVING

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REPLACEMENT SAVING

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IF REPLACEMENT Saving show the Original Savings Item that is being replaced.	
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Current Budget Information
<p>The parking Facilities Activity A2325E</p> <p>The Resident Permit Cost Centres is A24670 517460 5034</p> <p>The 2016/17 Income budget for Resident permits is £253k</p>

What is protected within the Service?	
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Main Savings Items Description
<p>To increase the cost of a resident permit by £10 for first/second/third permits to £35, £60, £85</p> <p>These increases have been reflected in the Fees & Charges for 2017/18</p>

Savings proposals				
Savings Details		Value of Saving and Year(s)		
To increase the resident permit charges by £10 on each permit issued per household		TOTAL:		
		17/18	18/19	19/20
		55k		
		TOTAL:		
		17/18	18/19	19/20
TOTAL SAVINGS BY YEAR		TOTAL:		
		17/18	18/19	19/20
		55k		

Reasons for recommending proposals	<p>Havering's resident permit charges are low in comparison to that of neighbouring London Boroughs and our Essex counterparts. Many London Boroughs now apply differential permit prices based upon vehicle emissions.</p> <p>Currently Havering do not apply differential charging and have a simple 3 tier pricing structure which applies to the 1st, 2nd, 3rd and subsequent permits only.</p> <p>Cost comparison to neighbouring Barking & Dagenham has an average of £36, £72 and £92.50 for the first permit with vehicle based emissions of 161-180 CO2 (g/km).</p> <p>Even with the proposed increase, Havering will continue to offer attractive residential permit charges with a cost of just £0.95p per day. Costs of residential permits should cover the cost of implementation and maintenance and protect resident spaces in addition to controlling commuter parking issues.</p>
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Identified Risks and Dependencies
<p>An assumption is made that the current customer base will remain with the increase of charges. The current number of residential permits purchased in 2015/16 was circa 5000.</p> <p>There is a risk that customers will try to utilise off street parking provisions or find unrestricted areas to park so as to avoid paying the increased fees. A dependency is noted on having productive and continuous enforcement of the Resident permit zones so as to ensure contravening vehicles are issued with PCN's so as to ensure compliance is evidenced and resident permit spaces are protected.</p> <p>There is a dependency on Members accepting the proposal to increase the residential parking permit prices in order to meet the assumed saving.</p>

Number of FTE in area :	
Anticipated reduction in FTE as a result of proposals	N/A

Submitted by			
	Signature	Print Name	Date
Steve Moore		Steve Moore	
Reviewed by			
	Signature	Print Name	Date
Finance Business Partner			

NEW OR REPLACEMENT SAVINGS TEMPLATE

Service & Service Head	Description of Service Area
Neighbourhoods / Environment – S Moore	Street Management - Parking

Is this a New or REPLACEMENT Savings Item?	Please indicate by ticking Box below
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NEW SAVING

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REPLACEMENT SAVING

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IF REPLACEMENT Saving show the Original Savings Item that is being replaced.	
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Current Budget Information
<p>The parking Facilities Activity A2325E</p> <p>The On-street Parking Income Cost Centres is A24670 516200 0000</p> <p>The 2016/17 Income budget for On-Street Parking is £460,840</p> <p>The off-street Parking income Cost Centre is A24600 516180 0000</p> <p>The 2016/17 income budget for Off-Street Parking is £342,210</p>

What is protected within the Service?	
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Main Savings Items Description
<p>To increase the on/off street parking charge for parking “up to 2 hours” (excluding Romford) from £1 to £1.50.</p> <p>It is important to note that Romford Town Centre tariffs are prevented from being increased without amendments to the Section 106 being made and with acceptance from Town Centre partners.</p> <p>These increases have been reflected in the Fees & Charges for 2017/18</p>

Savings proposals				
Savings Details		Value of Saving and Year(s)		
To increase the on/off street parking charge for the “up to 2 hours” band to £1.50 (excluding Romford Town Centre)		TOTAL:		
		17/18	18/19	19/20
		£150k		
TOTAL SAVINGS BY YEAR		TOTAL:		
		17/18	18/19	19/20
		£150k		

Reasons for recommending proposals	<p>Havering has low parking charges in comparison to that of neighbouring London Boroughs and our Essex counterparts. Even with the proposed increase, Havering will continue to offer very attractive parking charges. To amend the parking tariff from £1 to £1.50 for a parking stay of up to 2 hours still provides an attractive rate. In comparison the same parking charge applied in Barking & Dagenham is on average £2.70.</p> <p>The introduction of the Cashless parking option “Phone & Pay” will assist customers with the change in tariff price. £1.50 in change may not be readily available however the option to pay using the “Phone & Pay” service will assist and may increase the customer base of the cashless parking facility. An increase in the customer base of “Phone & Pay” may also assist in a reduction of the number of cash collections required from the P&D machines.</p> <p>The continuation of the free 30 minute parking period (excluding Romford) still provides a very attractive offer to customers using our parking facilities and therefore allowing for the quick shop visit or school drop off/pick up.</p>
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Identified Risks and Dependencies
<p>The savings have been identified and calculated on the current number of transactions reported for the current £1 tariff (excluding Romford). The current number of transactions for this particular tariff band is circa 335,000. The assumption is made that the additional saving may be generated if the current customer base remains at 335,000 or higher. If the customer base reduces then it will not deliver the additional saving.</p> <p>There is a risk that customers will try to utilise and exhaust the free parking period (30mins) rather than pay the increased fee and therefore this will need to be closely monitored.</p> <p>There is a risk that members will not be in favour of the tariff increase and therefore the savings will not be realised.</p>

Number of FTE in area :	
Anticipated reduction in FTE as a result of proposals	N/A

Submitted by			
	Signature	Print Name	Date
Steve Moore		Steve Moore	
Reviewed by			
	Signature	Print Name	Date
Finance Business Partner			

NEW OR REPLACEMENT SAVINGS TEMPLATE

Service & Service Head	Description of Service Area
Culture & Customer Access – S Homer M Royer	Culture and Customer Access – Indoor Sports & Recreation

Is this a New or REPLACEMENT Savings Item?	Please indicate by ticking Box below
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NEW SAVING

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REPLACEMENT SAVING

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IF REPLACEMENT Saving show the Original Savings Item that is being replaced.	
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Current Budget Information
LBH currently pay SLM on this contract until 20/21 (A20460)

What is protected within the Service?	N/A Leisure services are delivered by SLM
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Main Savings Items Description
SLM contract additional saving.

Savings proposals				
Savings Details		Value of Saving and Year(s)		
Additional saving arising from new SLM contract above original £700k in MTFS. So, £400k recurring from 2018/19.		TOTAL:		
		17/18	18/19	19/20
		£150k	£250k	
TOTAL SAVINGS BY YEAR		TOTAL:		
		17/18	18/19	19/20
		£150k	£250k	

Reasons for recommending proposals	Outcome of commercial negotiations for the new Leisure Contract, including 25m swimming pool and 4 court sports hall at Hornchurch.
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Identified Risks and Dependencies	
Ongoing discussion with Cabinet regarding a 50m pool and 8 court sports hall option at Hornchurch.	

Number of FTE in area :	N/A as staff are SLM
Anticipated reduction in FTE as a result of proposals	N/A as above

Submitted by			
	Signature	Print Name	Date
			14/12/16
Reviewed by			
	Signature	Print Name	Date
Finance Business Partner			

BUDGET SAVINGS INITIATIVE TEMPLATE

Service & Service Head	Description of Service Area
Property Services – Garry Green	Property Services – Asset Management

Current Budget Information
Transfer of MTFS saving elsewhere in the Council and now being transferred to A46570 Commercial Property Shops

What is protected within the Service?	
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Main Savings Items Description
£108K Commercial Income

Is this a NEW or SUBSTITUTE saving	NEW/ SUBSTITUTE
For Substitute Savings please show the Original Savings Item that is being replaced.	Transfer MTFS saving now being allocated to the commercial income budget – asset management

Savings proposals				
Savings Details		Value of Saving and Year(s)		
Additional commercial rents income subjective 520080		TOTAL: £412K		
		17/18	18/19	19/20
		£108K	£104K	£100K
		TOTAL:		
		17/18	18/19	19/20
TOTAL SAVINGS BY YEAR		TOTAL:		
		17/18	18/19	19/20
		£108K	£104K	£100K

Reasons for recommending proposals	Corporate reallocation decision
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Identified Risks and Dependencies	
Whilst there is scope in the early years to cover this from existing over achievement in income, additional income beyond this period is subject to growth in the rental value of the commercial portfolio and may need to be enhanced with further assets to achieve assumed rental saving levels.	
Number of FTE in area :	N/A

Anticipated reduction in FTE as a result of proposals	

Submitted by			
SLT Member	Signature	Print Name	Date
Reviewed by			
	Signature	Print Name	Date
Finance Business Partner			

MITIGATING ACTIONS PLANS

Variance 2016/17 £m	Action Plans	Officer Responsible	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
0.840	Neighbourhoods	Steve Moore	0.400	0.505	0.000	0.905
1.590	Adults	Barbara Nicholls	0.671	0.918	0.000	1.589
1.040	Housing	Neil Stubbings	0.400	0.600	0.000	1.000
3.580	Childrens	Tim Aldridge	0.000	1.700	0.700	2.400
7.050	Total		1.471	3.723	0.700	5.894

MITIGATING ACTION PLAN TEMPLATE

Director	Directorate
Steve Moore	Neighbourhoods

Mitigating Actions				
Brief Narrative on Activity	Value of Mitigating Action & Year(s)			
<p>(1) Accelerated roll out of Moving Traffic Contravention (MTC) enforcement across the borough- The council has embarked on improving road safety through the enforcement of MTC's. Although the primary aim is to improve safety and discourage any MTC's, evidence to date suggests it takes time for driver behaviour to change and penalties are issued as a deterrent. Using trend data the amount of non-compliance expected during this change period in 16/17 will amount to £300k. It should be noted that if the actual level of non-compliance varies from the forecast then the estimated amount of income could either increase or decrease.</p> <p>(2) Increased parking enforcement activity- There is an increasing demand from the public for the council to increase its level of parking enforcement capacity. Havering has one of the lowest levels of enforcement in London and therefore needs to increase enforcement of parking especially in the evenings. Assessing the known levels of non-compliance the predicted level of additional income of £100k for 16/17 should be achievable. It should be noted that if the actual level of non-compliance varies from the forecast then the estimated amount of income could either increase or decrease.</p>	Service o/s	16/17	17/18	Total
		0		0
	(1)	(300)	0	
	(2)	(100)	0	
<p>(3) Increase garden waste collection costs by £10 from £35 to £45 based on the current customer base of 28,000. Any reduction in usage will have a positive effect as the service is currently subsidised therefore then financial risk is mitigated. The actual cost of the service is £70 per year and the increase does not result in full cost recovery.</p> <p>(4) Increase bulk waste collection costs by £10 from £30 to £40 based on the current usage of 3,300 request per year and applying a reduce demand for the service to 2,000 per year.</p> <p>(5) Increase parking permits by £10 for all three costs of 1st permit from £25 to £35, 2nd permit from £50 to £60 and 3rd permit from £75 to £85 based on a total customer base of 5000.</p> <p>(6) Increase £1 parking charge to £1.50- Current annual usage is 335,000 and at 50p increase equates to more than the £150k saving forecast. However allowance has been made for a minimal reduction in usage and increased activity of the 30 minute free period.</p>	Service o/s	16/17	17/18	Total
		0		0
	(3)	0	(280)	
	(4)	0	(20)	
	(5)		(55)	
	(6)		(150)	
TOTAL OF MITIGATING ACTIONS BY YEAR		Directorate o/s		0
		Total	(400)	(505)

Submitted by			
LT Member	Signature	Print Name	Date
Steve Moore		Steve Moore	02.12.2016
Reviewed by			
	Signature	Print Name	Date
Strategic Business Partner			

MITIGATING ACTION PLAN TEMPLATE

Director	Directorate
Barbara Nicholls	Adult Services

Mitigating Actions					
Brief Narrative on Activity		Value of Mitigating Action & Year(s)			
(1) Adults with Learning Disabilities – use of one off monies to cover project costs.			16/17	17/18	Total
(2) Preventative Team - Income for Yewtree for accommodation of NELFT OPMH services from 14/11/2016 - Part year effect: £26k. (Full Year - £78.3k.)	Directorate o/s	1,591			2
	(1)	(390)	390		
	(2)	(26)	(52)		
	(3)		(39)		
(3) Adult Community and Adults with Learning Disabilities – Proposal to reduce the number of days paid to care home providers following death of resident.	(4)	(230)			
	(5)	(25)	(100)		
	(6)		(500)		
(4) Adult Community and Adults with Learning Disabilities – Continued negotiation with the NHS on cost sharing for complex cases either under Continuing Health Care or S117.	(7)		(202)		
	(8)		(290)		
	(9)		(25)		
(5) Adult Community and Adults with Learning Disabilities – Demand Management through by targeted review and reduce process	(10)		(50)		
	(11)		(50)		
(6) Adult Community and Adults with Learning Disabilities – Proposal to establish an indicative maximum level of funding for community care packages, above which residents will be offered care in a nursing or residential placement					
(7) Adult Community and Adults with Learning Disabilities – Proposal to implement a maximum of two weeks respite for service users and carers from April 2017					
(8) Adult Community and Adults with Learning Disabilities – Proposal to cease adult social care funding of assistive technology to people not in receipt of other adult social care community services. FYE £389k. Implement from 1 st July 2017. PYE 2017/18 £290k. Internal consultation required with Housing.					
(9) Adult Commissioning – Proposal to review unit cost for services provided by voluntary sector partners					
(10) Adult Community and Adults with Learning Disabilities – Proposal to cease funding of equipment and minor adaptations under £50k					
(11) Adult Community and Adults with Learning Disabilities – Proposal to review day centre charging and transport provision. Internal consultation required with Asset Management.					
TOTAL OF MITIGATING ACTIONS BY YEAR			16/17	17/18	Total
	Directorate o/s	1,591			2
		(671)	(918)		
Submitted by					
SLT Member	Signature	Print Name	Date		
Director of Adult Services		Barbara Nicholls	8 th December 2016		
Reviewed by					
	Signature	Print Name	Date		
Strategic Business Partner		Falil Onikoyi	8 th December 2016		

MITIGATING ACTION PLAN TEMPLATE

Director	Directorate
Neil Stubbings	Neighbourhoods – Housing.

Mitigating Actions					
Brief Narrative on Activity	Value of Mitigating Action & Year(s)				
<p>(7) Maximise HB income on B&B usage to £22 per night to Dec 2015 (<i>see below</i>)</p> <p>(8) Demand management (<i>see below</i>)</p> <p>(a) Reduce homeless placement to less than 20 per month and therefore usage of B&B accommodation during the remainder of 2016/17 from 86 to zero by 31st March 2017.</p> <p>(b) Increase procurement of out of borough and Havering PSLs by increasing rates by (a) £100 per month for 2 beds (b) £50 per month for 3 beds – PSL numbers projected at 63 units.</p> <p>(c) Maximise use of council and RTB buy-back voids from estate regeneration programme.</p> <p>(d) Increase number of residents moved into social housing from PSL – 10 a month.</p>	Service o/s	16/17	17/18	Total	
		1,000		0	
	(1)	(400)	(600)		
	(2)				
	(3)				
	(4)				
TOTAL OF MITIGATING ACTIONS BY YEAR		Directorate o/s	16/17	17/18	Total
			1,000		0
			(400)	(600)	
Submitted by					
SLT Member	Signature	Print Name	Date		
Neil Stubbings		Neil Stubbings	12 th December 2016.		
Reviewed by					
	Signature	Print Name	Date		
Strategic Business Partner					

Additional Information:

1 - Housing Benefit Payments

Housing Benefit have assessed the amount due as £22 per night and have agreed the level of evidence required. The IT systems and evidential trails are now in place and the first payment is due in January 2017. The figure of £400k is the amount of benefit expected for all the Bed and Break (B&B) placements during 2016/17.

2 - Demand:

Current average number of cases accepted for housing is 20 per month, therefore Jan-Mar 2017 requirement is: 60 units

As of 21st December 2016, number of B&B units: 76

Total units required to have nil B&B as at 1st April 2017: **136 units**

Supply:

Last six months average council relets have been 38 per month.

From January 2017 allow 60% for homelessness, This provides 23 per month. Jan – March 2017 is 69

Out of Borough procurement currently agreed is 63

RTB buy backs from Regeneration Jan – Mar 2017 10

Total number: **142 units**

In addition, decants from the Regeneration programme will provide additional shortlife units for use by existing hostel residents, freeing up hostel units for use rather than B&B.

Decanting arrangements start from the 17th January 2017 once the transition period for the Allocation Policy changes finishes. These numbers are not included in the above numbers.

The figure of £200k from reduced B&B spend relates to the reduction in B&B from December 2016 to March 2017 as the numbers reduce. The current projections are based on 86 units per night for the rest of the financial year.

By the end of the 16/17 financial year, the actions above will see all families moved out of B&B.

Therefore the additional cost paid in 16/17 relating to the payments for B&B placements will no longer be needed.

The £750k demographic pressure growth for 17/18 will be utilised to keep the number of homelessness acceptances to 20 a month. One of the actions to achieve this is by the use of Finders Fee placements where potentially homeless persons use a finders fee to secure private sector alternatives.

MITIGATING ACTION PLAN TEMPLATE

Director	Directorate
Tim Aldridge	Children's Services

Mitigating Actions				
Brief Narrative on Activity		Value of Mitigating Action & Year(s)		
<p>(1) Managing demand – Reduce the number of children who are in the children's social care system and reducing caseloads. Particular focus on Looked After Children (LAC) and Children with Disabilities (CAD), with a forensic analysis of the care planning and decision making, recommending options to strengthen support, move child back home or achieve permanency. Work is in progress and greater savings are being explored.</p> <p>(2) Placements supply and quality - Reduce the unit cost for the supply of placements by renegotiating contracts, collaborating with other Local Authorities to manage the placements market and improve quality. This reduces the possibility of enforced moves.</p> <p>(3) Placements costs – Reduce the costs attributed against children, by moving them into lower cost in-house foster care, where appropriate.</p> <p style="padding-left: 20px;">a. Foster Carers – Build a greater supply of foster carers, so that there is capacity to enable to move children into in-house provision.</p> <p>(4) Workforce – Increase the number of permanent social workers, reducing the need for high cost agency workers. One aspect to achieve this is by developing an approach for a Social Work Academy, which will invest in newly qualified social workers and developing them, leading to greater retention.</p> <p>(5) Legal – With greater challenge, application of thresholds and oversight of cases, there will be a reduction in the costs for legal support.</p> <p>There are also items, which will help reflect a reduction in costs but are yet to developed. These are;</p> <p style="padding-left: 20px;">a) Cost avoided by working with families at the edge of care. Intervening and providing support earlier, reduces the risk of children and families entering the statutory social care system.</p> <p style="padding-left: 20px;">b) Better support for Care Leavers, so they are significantly less likely to be referred back into social care.</p> <p style="padding-left: 20px;">c) Predictive modelling – By using Business Intelligence we can use a range of relevant variables to determine the risk factor of a child entering care. The provides additional support for making decisions.</p> <p>We will also need to cater for an expected increase in demand for services but this is being mitigated against by a stronger application of thresholds and management oversight. Additionally, growth of £2.23m</p>			16/17	17/18
		Directorate o/s as at period 7	3,582	
		Bfwd Balance		3,582
		Additional underlying pressure		898
		Undelivered Savings		100
			3,582	4,580
		(1)		(400)
		(2)		(415)
		(3)		(475)
		(4)		(360)
		(5)		(50)
			0	(1,700)
		Allocated Growth		(2,233)
		Cfwd Balance	3,582	647
				(53)

<p>(£2m for Demographic and £233k for likely inflationary pressures on third party contracts) will be allocated, once materialised, to the service in 17/18 and this will further contribute to realigning budgets to expenditure requirements by 2018/19.</p> <p>This action plan is based on the forecasted outturn and projected variance as of period seven. Further to the outturn in period 8, we anticipate the projected overspend at the end of 2016/17 is likely to be higher due to additional underlying demographic pressures. The mitigating action takes into account the additional budget pressure across 2017/18 and 2019/20 to deliver a total mitigation of £2.4m. The demographic growth of £2m will contribute to a total of £4.4m reduction in forecasted overspend.</p>					
TOTAL OF MITIGATING ACTIONS BY YEAR (PLUS ADDITIONAL FUNDING)			16/17	17/18	18/19
		Directorate o/s (incl bfw)	3,582	4,580	647
		Growth		(2,233)	
		Total Actions	0	(1,700)	(700)
Submitted by					
SLT Member	Signature	Print Name		Date	
Director of Children's Services		Tim Aldridge		25/1/2017	
Reviewed by					
	Signature	Print Name		Date	
Strategic Business Partner		Falil Onikoyi		25/01/2017	

REVENUE BUDGET STRATEGY

The Council will ensure that there is an effective Medium Term Financial Strategy in place to drive forward the financial planning process and resource allocation. The Council's new Corporate Vision – 'Havering - Making a Greater London', is presented for approval within this report. Subject to its approval, the MTFS will be reviewed and developed to integrate and support the delivery of its four cross cutting priorities - Communities, Places, Opportunities and Connections.

The Council recognises the pressures on its financial resources, and while seeking to protect and enhance front-line services as far as possible, will aim to contain these pressures within existing resources. Cabinet Members will examine all budget pressures and seek reductions where possible.

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

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

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

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

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

While addressing its priorities and setting a balanced and prudent budget, the Council will seek to keep any increase in the Council Tax to the lowest possible level and in line with its stated aspirations whilst maintaining reserves at the minimum level of £11.75m.

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

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

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

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

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

APPENDIX B (CONTINUED)

CAPITAL INVESTMENT STRATEGY

The Council will ensure that there is an effective Capital Investment Strategy in place to drive forward the financial planning process and make best use of capital resources.

The Council's new Corporate Vision – 'Havering - Making a Greater London', is presented for approval within this report. Subject to its approval, the Capital Investment Strategy will be reviewed and developed to integrate and support the delivery of its four cross cutting priorities - Communities, Places, Opportunities and Connections.

The strategy will drive the development of the future Capital Programme over the medium term and will be further developed during 2017 to ensure that it integrates with and supports the delivery of the Council's Corporate Vision. There are three core elements to the Council's future Capital Investment Plans that will inform the development of the future capital programme:

Efficiency Programme

The 2017/18 Programme will, subject to approval of the recommendations within this report, include a budget of £5m which will be made available to fund an 'Efficiency Programme' to enable capital investment projects that will deliver:

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

The Efficiency Programme is being developed through 2017 to align with the development of the new Corporate Plan. It will be subject to an evaluation process that will consider submissions from services that are supported by robust business cases. Implementation of projects will be subject to benefits realisation management to ensure that investment delivers the stated benefits including financial benefits in terms of savings and/or income generation.

It is recommended that individual schemes be considered by the officer Capital Asset Management Group (CAMG) with the final scheme approval being delegated to the Chief Financial Officer in consultation with the Leader of the Council and Lead Member for Financial Management. All schemes would require a robust business case demonstrating the link between investment and delivery of revenue savings

Regeneration and Development

In 2016, £100m was included in the capital programme for Regeneration and Development schemes to be funded by prudential borrowing subject to approval of robust business cases. It is proposed that the investment strategy be developed during 2017/18 to ensure that the investment of capital resources is prioritised and planned effectively in line with the Council's vision, priorities and corporate plan, to ensure effective outcomes for the Council over the medium to long term supporting the development of the borough.

Asset Management

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

the medium to long term. Capital investment in assets is informed by effective asset management and planning.

The Council's approach to capital asset management includes the review of existing assets in terms of suitability for purpose, alternative and future use, and maintenance requirements. The aim for the Council to rationalise its asset portfolio and only retain assets that support the delivery of its goals, offer value for money or in some other way are important for community, heritage or other significant social purpose.

The capital budget strategy is intrinsically linked to the revenue budget strategy. The revenue implications of capital expenditure and funding decisions are explored and accounted for on an on-going basis. These are reflected as appropriate and include the consideration of the challenging financial climate which the Council faces.

Overall Approach

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

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

Financing

The Council will finance capital expenditure through a combination of:

- Capital Receipts
- External Funding
- S106 Contributions
- Revenue Contributions to Capital
- Capital Grants
- Prudential Borrowing

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

The current and future economic climate has a significant influence on capital funding decisions. As a result planned disposals are kept under regular review to ensure the timing maximises the potential receipt where market conditions are not favourable.

Capital expenditure will only be permitted where funding streams have been identified and confirmed.

Prudential borrowing will be used to fund regeneration and development initiatives, where a robust business case can be made to finance the investment from an income or savings stream.

Every effort is made to maximise grant funding, leverage opportunities and other external funding opportunities, where they are consistent with the Council's Corporate Vision. Use of grant funding will however only be made where the cost to the Council is minimised or where this – both capital and revenue – can be contained within existing resources.

Where expenditure is to be financed through capital, this will only occur where funds have been realised. Neither capital receipts generated through disposals nor S106 contributions will be committed to fund projects until they are actually received. This is due to the complex conditions and timing issues that can be associated with them.

The Council is also continuing to attract private investment into Council facilities through exploration of potential partnership and outsourcing arrangements.

This funding approach has been made with reference to the Council's current and longer term financial position, the prudential code, the current and projected economic climate, and the Council's asset management strategy as set out in the Corporate Asset Management Plan.

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

CONSULTATION RESPONSE

Debbie Middleton

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Date: 13/01/2017

Mr Charles Coleman
Local Government Finance
Department for Communities and Local Government
2nd floor, Fry Building
2 Marsham Street
London
SW1P 4DF

Local Government Financial Settlement

Dear Mr Coleman

Thank you for giving the London Borough of Havering the opportunity to respond to the provisional 2017-18 Local Government Financial Settlement.

Havering supports the consultation response submitted by London Councils on behalf of all London local authorities. However, there are specific issues which Havering wishes to bring to your attention through this consultation response. These relate to:

- The impact of freezing the funding formula in 2013, which has embedded too great an emphasis on deprivation indicators and insufficient weighting on actual population in calculating the levels of funding thereby failing to recognise associated need
- The impact of the scaling methodology applied since the 2016/17 settlement which has driven funding reductions in a perverse manner given that it takes no account of the starting level of council tax position
- The lack of any new funding to address the crisis that exists in adult social care and the associated health system impacts is also extremely disappointing. The increasing demand pressures clearly impact more acutely on those authorities, like Havering, which have a high proportion of older residents within their population. These pressures are further exacerbated by the allocation formula that fails to recognise the associated needs.

Havering has an average population for London. However, historically it has been one of the lowest funded London local authorities despite having the highest proportion of older people (18.4% over 65s) in London. The older population continues to increase as the life expectancy of the population rises. Over the recent years, Havering has also experienced the fastest growth in respect of children population across all London boroughs. It has also experienced increases in demand for children's social care. Given that the formula has been frozen since 2013, there has been limited account taken of the increasing

demand for services and funding need that this population growth creates. These pressures are compounded by other policy changes which have created significant additional burdens for authorities like Havering, while other authorities appear to receive far more generous settlements in relation to their needs.

As a result of receiving below average grant allocations, there has ultimately been an adverse impact upon both the level of services delivered to Havering residents and the levels of council tax paid by Havering households. The table below compares the population and funding per head of Havering to its East London neighbours. Most other authorities receive more than double the amount of funding per head of population than Havering, as can be seen in the table below.

Local Authority	Population 000s mid-year ONS 2016 estimates	2017 SFA £m	SFA Per Head £
Havering	254.50	44.56	175.07
Redbridge	308.60	73.13	236.97
Waltham Forest	278.80	98.98	355.02
Barking and Dagenham	211.00	82.64	391.67
Newham	347.10	160.47	462.33
East London	1,400.00	459.78	328.41
Outer London	5,713.20	1,516.72	265.48

Council Tax Level

Over the last 15-20 years Havering residents have had to deal with below average grant allocations which have ultimately impacted on services and the level of Council Tax residents have had to pay. To make matters worse, last year an authority's ability to raise Council Tax was taken into account in the settlement which disadvantaged Havering even more. This approach took no account of the ability of residents to pay, merely the levels of Council Tax previously levied by those local authorities with historically low levels of Council Tax. This effectively further penalised Havering residents due to the fact that because they paid a higher Council Tax historically, Central Government funding was cut harder and faster than previously envisaged.

The table below demonstrates the reduction in grant for East London councils. As can be seen, by 2019/20 Havering loses 96% of its core funding compared to other neighbouring authorities, which is the 4th highest percentage reduction in London.

Local Authority	Provisional RSG 2019/20 £m	% Reduction in RSG by 2019/20
Newham	36.20	59
Barking and Dagenham	17.73	62
Waltham Forest	18.5	68
Redbridge	10.23	77
Havering	1.38	96

It is neither equitable nor acceptable that Havering residents are penalised for historically contributing more to the cost of local service provision than other London Boroughs. There are councils who, in recent years have been able to afford not to increase their Council Tax, having received substantially more government funding than Havering.

Arguably, the Settlement should redirect the funding from those authorities with comparatively low Council Tax levels that have not needed to increase their Council Tax and redistribute it to those who have needed to increase it.

The table below shows the highest and lowest Council Tax Band D level for London and their respective Settlement Funding Allocation (SFA) which again clearly identifies the perverse financial implications of the flawed funding methodology upon inner and outer London authorities.

Local Authority	Inner/Outer London	Council Tax (Band D) £	SFA 2017/18 £m
Highest Council Tax			
Kingston Upon Thames	Outer	1,407.24	26.13
Richmond Upon Thames	Outer	1,306.39	24.53
Harrow	Outer	1,283.61	50.07
Havering	Outer	1,267.64	44.56
Lowest Council Tax			
Kensington & Chelsea	Inner	782.58	71.55
Hammersmith and Fulham	Inner	727.81	87.26
Wandsworth	Inner	403.91	106.04
Westminster	Inner	392.81	130.57

As can be seen, there are significant variances between London authorities, but in particular between inner and outer London councils. There is clearly a direct correlation between the SFA and Council Tax, the higher the Council Tax - the lower the SFA.

New Better Care Funding

By way of example, the table below provides some core data about Havering and Westminster. Despite overall populations and total household numbers being reasonably similar, there is a significant difference in the age profile of the population and the number of care homes in each borough.

Theme	Source	Description	Havering	Westminster
Population	Mid-year population estimates 2015 (published June 2016 ONS)	All Ages	249,085	242,299
		65 and Over	45,859	28,385
		65 and over as % of pop	18.4%	11.7%
		85 and Over	7,004	3,662
		85 and over as % of pop	2.8%	1.5%
Housing	Annual Population Survey 2015	No. of Homes	99,300	105,000
		Owned out Right	29%	15%
		Owned with Mortgage	44%	13%
		Social Rented	14%	33%
		Privately rented	12%	39%
		Cost of 3 bed home	£315,000	£3,500,000
Care Homes	Care Homes	No of Care Homes	65	15

The other significant imbalance within the settlement is the allocation of the Improved Better Care Funding, which in London again seems to benefit inner London authorities potentially at the expense of outer London, with little evidence of targeting adult social care pressures. In fact, despite the comparative population data between Westminster and Havering above, Westminster is due to receive significantly more of the Improved Better Care Fund than Havering, as shown in the table below:

Funding Source	Westminster £m	Havering £m	Havering as a % of Westminster
Original Better Care Fund	19.999	17.778	89%
Improved Better Care Fund Year 1	2.100	0.000	
Improved Better Care Fund to 2019/20	13.900	4.200	30%

Westminster is due to receive £2.1m of the additional funding, while Havering has been allocated nothing. Over the period to 2019/20 Westminster will benefit by £13.9m compared to Havering's £4.2m which is 30% of the amount awarded to Westminster despite having approximately twice the level of elderly population. Under the Original Better Care Fund allocations Havering considers it was underfunded. The method adopted for 2017/18 perversely puts Havering in a worse comparative position to Westminster, during a period when it is forecasting significant further pressures associated with its ageing population.

It appears that Havering residents are being asked to pay more for their services, whilst Central Government pays for inner London directly, taking no account of existing Council Tax Levels, the relative wealth and ability to pay of those residents, nor the need of individual local authorities to raise their council tax in order to maintain statutory service provision.

Attached is the Havering response to the questions set out in the consultation.

Yours sincerely



Debbie Middleton

LB Havering Response to Consultation Questions

Question 1: Do you agree with the methodology of Revenue Support Grant in 2017-18?

As the London Councils' response sets out there seems to be an anomaly in the methodology and we have demonstrated the impact of this for Havering in the covering letter.

Question 2: Do you think the Government should consider transitional measures to limit the impact of reforms to the New Homes Bonus?

We do not agree with the revised new homes bonus scheme. It reduces incentive to local government and is being top sliced again to fund Adult Social care. Adult Social care is a growing burden that needs new funding not recycled funding from areas already under financial pressure. The impact of the changes to Havering is outlined in the table below.

	2017/18 £m	2018/19 £m	2019/20 £m	Total over 3 years
Old scheme	7.379	9.030	9.524	25.933
Revised Scheme	(6.939)	(5.178)	(4.566)	(16.683)
One-Off Adult social Care Grant	(1.010)			(1.010)
Improved Better Care Fund	-	(1.978)	(4.202)	(6.180)
Loss in funding	(0.570)	1.874	0.756	2.060

We agree with the London Councils' view that if government continue with these proposals that there need to be transitional arrangements in place to manage the adverse financial effect in boroughs like Havering.

Question 3: Do you agree with the Government's proposal to fund the New Homes Bonus in 2017-18 with £1.16 billion of funding held back from the settlement, on the basis of the methodology described in paragraph 2.5.8?

In line with the London Councils' response, we do not agree with the hold back of New Homes Bonus. The initial design of the scheme transferred £210m of funding directly from central government with the remainder coming from a top-slice in Revenue Support Grant. Now of the £1.16bn, under £100m is being funded directly from central government with the rest from being funded through additional cuts to local government funding.

However, with regard to the return of any funding as part of the "top-slice" or the "holdback", this funding should be returned to local authorities' pro-rata to the New Homes Bonus Allocation or as a minimum the core spending powers.

Question 4: Do you agree with the proposal to provide £240 million in 2017-18 from additional savings resulting from New Homes Bonus reforms to authorities with adult social care responsibilities allocated using the Relative Needs Formula?

We support the London Councils' view as expressed in their response.

Question 5: Do you agree with the Government's proposal to hold back £25 million to fund the business rates safety net in 2017-18, on the basis of the methodology described in paragraph 2.8.2?

We support the London Councils' view as expressed in their response.

Question 6: Do you agree with the methodology for allocating Transition Grant payments in 2017-18?

There is still insufficient information available at this time to be able to comment.

Question 7: Do you agree with the Government's proposed approach in paragraph 2.10.1 of paying £65 million in 2017-18 to the upper quartile of local authorities based on the super-sparsity indicator?

We support the London Councils' view as expressed in their response.

Question 8: Do you have any comments on the impact of the 2017-18 local government finance settlement on those who share a protected characteristic, and on the draft equality statement published alongside this consultation document? Please provide supporting evidence.

We support the London Councils' view as expressed in their response.

LEVIES

The levies are as follows:

	2016/17 £m	2017/18 £m	% Increase (Decrease)	Estimated/ Provisional/ Final
East London Waste Authority	13.670	15.101	10.47%	Provisional
Environmental Agency (Thames)	0.180	0.184	1.99%	Provisional
Environment Agency (Anglian)	0.020	0.020	5.00%	Estimated
Lee Valley Regional Park	0.244	0.239	(2.00%)	Provisional
London Pension Fund Authority	0.313	0.313	0.00%	Provisional
	14.428	15.858	9.92%	
<p>Note 1 : the ELWA levy is subject to approval by board at its meeting on 6 February 2017. Any amendment to the levy will be advised to Cabinet and reflected in the subsequent report to Council.</p> <p>Note 2 : all other levy figures are either provisional sums or estimates calculated using the same percentage figure pending confirmation from the levying body.</p> <p>Note 3 : all levies will be affected by the change in calculation of the Council Tax base.</p>				

APPENDIX F

PROVISIONAL SCHOOLS BUDGETS 2017/18

(Net of estimated academy recoupment)

		2017/18			
2016/17		Early Years Block	Schools Block	High Needs Block	Total
£m		£m	£m	£m	£m
10.352	Early Years	13.943	0.000	0.000	13.943
75.633	Primary Schools	0.000	72.794	3.396	76.190
14.433	Secondary Schools	0.000	13.805	0.725	14.531
4.321	Special Schools	0.000	0.000	2.775	2.775
2.620	Pupil Referral Service	0.000	0.000	0.000	0.000
2.126	Academy SEN funded by LA	0.000	0.000	3.984	3.984
109.484	Estimated Total DSG to Education Providers	13.943	86.599	6.897	111.422
11.935	Centrally Retained	0.730	4.784	7.828	13.342
11.935	Estimated Total DSG to be Retained Centrally	0.730	4.784	7.828	13.342
121.420	Total DSG Allocation	14.673	91.383	18.708	124.764

Note 1: The Dedicated Schools Grant is allocated in sub blocks.

Note 2: The above figures are net of £78,531,000 which is recouped by the DFE for academies and Free Schools. This is based on the number of academies as at 31st December 2016.

Note 3: Allocations to special schools and the pupil referral service are estimated.

Note 4: Final figures will be published in the section 251 statement by 31st March 2017

Note 5: Schools Block Centrally Retained includes the Transfer from ESG to DSG of Statutory Retained Duties

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

Virements

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

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

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

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

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

- (a) Virements in excess of £1 million will require Cabinet approval.
- (b) Virements between £250,000 and up to £999,999 will require approval by the relevant Cabinet Members.
- (c) All other virements will need to comply with procedures specified by the Chief Financial Officer.

The cumulative value of virements for the year should be considered when deciding whether the various thresholds have been reached. The Chief Financial Officer will take the final decision as to whether a number of smaller virements need to be grouped together for threshold calculation purposes.

Use of Contingency Funds

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

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

- (a) the amounts fall within the normal delegation arrangements, and
- (b) the item is deemed by them as unforeseen and a relevant use of the contingency, or
- (c) if the item is urgent (e.g. an emergency or threat to life) and there is insufficient time to consult with the relevant Cabinet Member.

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

- (a) the item is deemed by the Chief Financial Officer as unforeseen and a relevant use of the contingency, or

- (b) the item is urgent (e.g. an emergency or threat to life) after consultation with the Chief Financial Officer.

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

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

LOCAL GOVERNMENT ACT 2003
ROBUSTNESS OF ESTIMATES, ADEQUACY OF RESERVES AND THE
MANAGEMENT OF RISK

1. BACKGROUND

- 1.1 Section 25 of the Local Government Act 2003 requires Chief Financial Officers to report to their authorities about the robustness of estimates and the adequacy of reserves when determining their budget and level of council tax. Authorities are required to consider their Chief Financial Officer's report when setting the level of council tax.
- 1.2 Section 26 of the Local Government Act 2003 gives the Secretary of State power to set a minimum level of reserves for which an authority must provide in setting its budget. The minimum would apply to "controlled reserves", as defined in regulations. The intention in defining controlled reserves would be to exclude reserves that are not under the authority's control when setting its call on council tax, for example the balance on the Housing Revenue Account and schools balances. There may also be a case for excluding other types of reserve. Regulations to define controlled reserves would only be made in conjunction with regulations setting a minimum.
- 1.3 It was made clear throughout the Parliamentary consideration of these provisions that section 26 would only be used where there were grounds for serious concern about an authority. The Minister said in the Commons standing committee debate on 30 January 2003: "The provisions are a fall back against the circumstances in which an authority does not act prudently, disregards the advice of its Chief Finance Officer and is heading for serious financial difficulty. Only in such circumstances do we envisage any need for intervention." There is no intention to make permanent or blanket provision for minimum reserves under these provisions.
- 1.4 If the need to apply a minimum to an authority were identified, the minimum would be set after considering the advice of the CFO to the authority and any views expressed by the external auditor. The authority would be consulted on the level to be set.
- 1.5 Any minimum set under section 26 applies to the allowance to be made for reserves in the budget. There is nothing to prevent the reserves being used during the year even if as a result they fell below the minimum. However, if in preparing the following year's budget it was forecast that the current year's reserves would fall below the minimum the CFO would need to report to the authority under section 27.

:

2. REPORT OF THE CHIEF FINANCIAL OFFICER

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

The London Borough of Havering prides itself on its record of creating balanced budgets, delivering challenging savings programmes and carefully managing its finances within each financial year. It is this track record which has helped to build the foundations for the 2017/18 budget and will need to continue via the MTFS through to 2019/20.

The confirmation of the four year financial settlement, whilst anticipated, is disappointing. It will result in substantial reductions to Havering's allocation of Government funding. The failure of the funding formula to acknowledge the significant financial pressures associated with rapid population growth particularly in relation to its impact on social care services for children and adults results in significant financial pressures for the Council to manage the delivery of services in the forthcoming years. This is exacerbated by the effects of the 2016/17 settlement introduction of the 'core spending power' calculation, which removes government funding from those authorities which are considered able to raise proportionately more council tax, without regard for the need to spend to meet escalating demand for services. As a consequence, Havering continues to receive lower than the average level of funding for London despite having the highest proportion of older people within its population, which is a key driver of adult social care expenditure.

In light of the substantial savings made in recent years (£38.2m over the period 2014/15 to 2016/17), the challenge in preparing the budget for 2017/18 and the MTFS has been to identify proposals which minimise the impact of budget reductions upon delivering the Council's priority services

However, the future financial position for Havering is very challenging. Whilst the proposal contained within this report will achieve a balanced budget in 2017/18, a gap of £2.895m is forecast in 2018/19 and a further £6.325m in 2019/20. This estimate currently makes no assumption at this stage for Council Tax increases beyond 2017/18, and provides the opportunity for the Council to identify and develop further savings and income generation plans during 2017/18. These will be considered as part of the 2018/19 financial strategy together with the Council's council tax plans within the context of further pressures and funding opportunities that may arise during 2017/18.

Consequently, while I have assessed the proposals contained in this report for 2017/18 as robust, with a sufficient safety net for any savings that are ultimately non-deliverable, it is clear that further proposals for the MTFS will need to be developed to enable the s151 officer to sign off the budget as robust in future years.

All of the above comments are made in the context of a planning assumption that the Council will agree to a Council Tax increase of 3.95% including an Adult Social Care precept of 2% in 2017/18.

The budget reinforces the need for on-going robust financial management, strict budgetary control and the on-going monitoring of savings delivery plans with effective processes in place to promote these.

In assessing the robustness of estimates, I have drawn on the advice of service chief officers that the proposals presented for 2017/18 can be delivered within the available resources envelope.

In January, Cabinet approved my recommendation to establish a Business Risk Reserve with effect from 1 April 2017, into which the estimated underspend of £5.4m on the corporate risk budgets will be transferred as part of accounts closure. The Business Risk Reserve will provide a safety net against the risk of non-delivery of savings and/or over optimism with funding assumptions within 2017/18.

The projected levels of earmarked reserves as referred to in section 3 below have been established to meet planned projects or budgetary pressures and are considered adequate at this time. The sums earmarked for these purposes were agreed as part of the annual approval of accounts process and the use and application of those reserves are reviewed quarterly as part of the budget monitoring process. The General Fund Balance stood at £11.75m at 31 March 2016 and it is recommended that it be retained at this level.

In addition, the inclusion of a Corporate Risk Budget of £8.9m within the base budget for 2017/18 will further support the management of budgetary pressures through 2017/18. It should be noted that prior commitments of £5m have been made against this budget thereby protecting services from further budgetary reductions. The Corporate Risk Budget is forecast to reduce to approximately £3m by 2018/19 and therefore it will become more difficult for the Council to respond in a similar manner to future adverse financial pressures.

The Corporate Contingency budget remains at £2m which is adequate for the risks that it is expected to cover. Whilst it is currently planned to reduce to £1m in 2018/19, this will be kept under review during 2017/18 and in preparing the 2018/19 Strategy.

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

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

Debbie Middleton BA(Hons), CPFA
Section 151 Officer

3 ROBUSTNESS OF ESTIMATES, RESERVES AND BALANCES

3.1 The budget has been prepared using the three year Financial Strategy agreed by Cabinet in September 2016 as its starting point. This Strategy has been developed through:

- The revenue and capital budget strategy statements, which are included as part of this report;
- The forecast position as set out in the Cabinet report of January 2017 and February 2017 and the proposals set out in those reports;
- The outcome and forecast impact on the Council of the Local Government Financial settlement as reported to Cabinet in January 2017;
- A variety of announcements concerning the new funding system;
- The Autumn Budget Statement 2016.

3.2 As the development of the budget for 2017/18 has progressed, the position has been the subject to review and challenge with Heads of Service, SLT, the Leader of the Council, Cabinet Members and the Lead Member for Financial Management. Due consideration has been given to the over-arching strategy above along with the delivery of corporate priorities in undertaking these reviews and this is reflected in the detailed budget proposals.

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

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

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

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

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

3.5 A review of the 2016/17 significant budget variances has taken place to assess any impact on the 2017/18 budget outside of the proposals in order to:

- (a) Ensure action plans are in place where a possible adverse variance could occur;
 - (b) Ensure use of any possible additional favourable variance is considered in the context of the overall strategy;
 - (c) Inform the risk assessment of contingency and reserves.
- 3.6 The proposed budget provides a foundation from which to develop the financial strategy over the period to 2019/20 and work will continue during 2017.

4. THE ADEQUACY OF ESTIMATES, RESERVES AND BALANCES

- 4.1 As set out in section 1, local authorities are required to maintain adequate balances to deal with unforeseen demands upon financial resources. It is the responsibility of each authority to set its level of reserves based on local conditions, but taking into account national factors. Although a view can be sought from the external auditors it is not their responsibility to prescribe or recommend the appropriate level. In setting the level, the Authority should take into consideration the advice of their Chief Finance Officer (CFO), taking into account all local relevant circumstances.
- 4.2 The Strategy agreed by Council in July 2009 set out that the minimum level for of the General Fund Balance will be £10m. This Strategy has been maintained since that time. The General Fund Balance stood at £11.750m at 31 March 2016. An annual review of the balance has taken place as part of the budget setting process. The risk assessment is attached at Annex 1 and the CFO's advice is that the minimum level of reserves. Given the increasingly uncertain financial climate and financial pressures, it is recommended that the minimum General Fund Balance requirement should remain at its current level of £11.75m which represents 7.2% of the Council's net 2017/18 budget including levies.
- 4.3 After taking account of the most recent projection in the current year and more significantly the outcome of the Local Government Financial Settlement, it is anticipated that the Council's general reserves will remain at £11.75m as at 31 March 2017.
- 4.4 Members will be aware that the working balances provide protection against unforeseen events that could impact on the authority. Reserves must be used carefully and can be used only once. As reflected in the revenue budget strategy, the Council will not utilise General Fund Balances to subsidise its budget or suppress council tax increases. Further it will not use any specified or earmarked reserves to subsidise its budget or to suppress council tax increases on an on-going basis as this is neither financially sustainable nor prudent. It may, in exceptional circumstances, utilise appropriate specified or earmarked reserves to bridge short term forecast budget shortfalls to facilitate delivery and implementation of projects and service initiatives that will generate additional income or reduce on-going expenditure to achieve a balanced budget. Approval of decisions to utilise reserves in this manner will require the approval of a robust business case including implementation plan.
- 4.5 The Council maintains a number of earmarked funds for specific purposes and their use is planned and approved for these purposes. Often they are used to

comply with accounting policies, manage arrangements across financial years, or to fund known future commitments. The most significant are for the following:

- (a) Insurance Reserve (6.9m), which is part of the Insurance Self-Funding Arrangement to meet future liabilities incurred but not yet claimed.
- (b) Strategic Reserve to support corporate transformation (£27.6m) – these funds are earmarked for the various transformation programmes across the Council – as well as priority projects and bridge funding for schemes such as the Property Strategy and the Leisure contract cash flow.

The sums established within earmarked reserves were agreed by SLT as at 1st April 2016 and were fully allocated to projects or liabilities. The balances will be reviewed again as at 31 March 2017.

- 4.6 Other reserves continue to be expended/planned in accordance with their specific approved purpose. A review has taken place of these as part of the budget finalisation.
- 4.7 The working balances of the HRA are also subject to a risk assessment; this will be included in the report to Cabinet on the HRA budget for 2017/18.

5. OPPORTUNITY COST OF RESERVES

- 5.1 Holding general reserves to meet unexpected events or emergencies is a necessary requirement. However, there are opportunity costs and benefits of holding cash balances, which can be measured in different ways, depending on what these resources were alternatively to be used for. For example, holding cash gives a financial benefit in contrast to using the cash to fund capital expenditure. The financial benefit would be the difference between the investment return and the total borrowing cost. At the current time due to low interest rates, these are in fact broadly neutral. However, a cost of around 4% will be incurred in respect of a requirement make revenue provision to repay debt.
- 5.2 On this basis, for every £1m of cash held, the purely financial benefit could be deemed to be £0.040m per annum or approximately £0.400m per year for balances of £10 million. This is dependent on prevailing money market conditions, which in the current economic climate can fluctuate significantly. Using the balances to repay debt earlier would not achieve a matching saving given the costs around early redemption and the similarity in short-term lending rates and long-term borrowing rates. For information, £1m equates very approximately to 1% on the level of Band D Council Tax.
- 5.3 If, however, this is considered in the context of using these balances to fund one off expenditure, then the opportunity cost is the improvements that would accrue from that expenditure. This might for example be improvements in services, increased performance or some other measure and would be assessed via a business case. Such items have been considered by officers during the course of developing the MTFs, but these have not generally been included within the final proposals or the detailed budget given the broad financial constraints within which Havering is operating.

- 5.4 Should these items be included within the budget, they would obviously provide a basis for additional and/or improve services; with the need to appreciate that reserves exist for various reasons, and once expended, either have to be replenished, or the funding terminated. This is the opportunity that is being potentially foregone by holding general reserves. However this is only relevant to the extent that such proposals align to Council's priorities and Medium Term Financial Strategy.
- 5.5 It is important that in considering the level of working balances that the issue of the opportunity costs and benefits of such an approach is also considered and that Members weigh up the potential benefits against the risks. The other important factor in making this judgement is to consider is that balances can as indicated only be spent once, and can realistically only be used to support one off expenditure, or to allow time for management action to be implemented to address ongoing expenditure requirements.
- 5.6 As stated above, the use of significant levels of balances to fund ongoing spending or reductions in Council Tax can pose material financial risks, especially given that the Council's ability to generate funds to replenish reserves through Council Tax is severely restricted by the Council Tax capping regime. Hence the level of reserves held overall requires a balance to be struck between the opportunity cost of holding balances against the unknown risks facing the Council and the need to safeguard the provision of local services if such risk were to crystallise.

6. REVIEW OF RESERVES AND CONTINGENCY

- 6.1 The assessment of the sums required for reserves and contingency purposes is reviewed regularly, taking into account the various risks facing the Council, the level of risk, the actions taken to mitigate risk, and the financial assessment of the risk. The review include consideration of the Corporate Risk Register, with the objective of ensuring that all such risks having a potential financial impact are covered in the reserves and contingency assessment.
- 6.2 The outcome of this review is set out in Annex 1 to this Appendix. This shows each risk and the detail associated with it, and includes a cross-reference to the Corporate Risk Register. Each risk is evaluated in term and a financial assessment is made of the potential costs arising and the degree of likelihood, which in turn drives the sum for which provision is being made.
- 6.3 The Corporate Risk Register is kept under review by the Senior Leadership Team, so any changes are then reflected when the reserves and contingency assessment is updated.

RISK ASSESSMENT FOR GENERAL BALANCE / CONTINGENCY 2017/18
REVIEWED AT 20 JANUARY 2017

Risk (incl Corporate Risk Register item)	Risk Owner	Risk Description	Assessment of Risk (counter measures in place)	Contingency		General Balance	
				Value of Assessment £000	Value Having Regard to Risk £000	Value of Assessment £000	Value Having Regard to Risk £000
1. Failure to Balance the MTFS over the period to 2019/20 CR4Failure to deliver a balanced budget	S151 SLT	4 year financial settlement includes a significant reduction in grant funding over the four year cycle to 2019/20. The impact has not yet addressed as part of MTFS development. A gap of £9.2m exists in the MTFS over 2018/19 and 2019/20 and represents a financial risk to the Council.	Medium to High			9,200	9,200
2. Failure to achieve in year budget balance in year overspending CR4Failure to deliver a balanced budget	S151 SLT	Mitigating action plans have been presented which to cover £7m overspend in 2016/17 (as reported to January Cabinet). If these are not brought into line it will place further risk on budget strategy. The Business Risk Reserve will provide a buffer of £5.5m approx. Latest forecast projections suggest that pressures may be closer to £7.5 m leaving a risk exposure of £2m	Medium	7,500	2,000		
3. Impact of changes in homelessness legislation CR4Failure to deliver a balanced budget	Director of Housing	The amount of Housing Benefit we claim for a unit of temporary accommodation has a £40 per week element called a management fee. This pays for managing the property, and the cost of managing the individual. That is ceasing from April 2017. In its place there will be a transitional lump sum payment and we are due to be notified in a letter by DCLG in January £0.5m provided for within Corporate Risk Budget although overall costs could be £1m to £2m	High			1,500	1,500
4. Reduction in ESG CR4Failure to deliver a balanced budget	Director of Children's Services	Reduction in ESG funding will require savings in 2016/17 and beyond. There is a gap of £0.7m to be found. There is a long term pressure of £0.2m which could potentially increase if short term measures are not converted into longer term savings.				700	700

Risk (incl Corporate Risk Register item)	Risk Owner	Risk Description	Assess- ment of Risk (counter measures in place)	Contingency		General Balance	
				Value of Assess- ment £000	Value Having Regard to Risk £000	Value of Assess- ment £000	Value Having Regard to Risk £000
5. Apprenticeship levy implementation CR4Failure to deliver a balanced budget	SLT	Cost of apprenticeship levy is factored into the MTFS although current estimates suggest that there is an under- provision of £0.250m.					250
ASSESSMENT HAVING REGARD TO RISK LIKELIHOOD – MINIMUM LEVEL REQUIRED			Overall Medium Risk	7,500	2,000	11,650	11,650

2017/18 Core Capital Programme

Description	Original Allocation		Final Allocation
	2016/17	Adjustments	2016/17
	£'000		
Internally Funded Capital Programme (funded from receipts)			
Cemeteries	160		160
Parks	560		560
Libraries	145	-45	100
Leisure	135	45	180
Street Environment	2,000		2,000
Education	0		0
Protection of Assets and Health and Safety	500		500
IT Infrastructure	1,000		1,000
Regeneration	100		100
Disabled Facilities Grant (Council element only) (subject to confirmation of final grant figure and requirement for match funding)	300		300
Total Internally Funded Capital Programme	4,900	0	4,900
Capital Contingency (assessed by Chief Finance Officer)	2,000		2,000
Efficiency Programme (Bids assessed by CAMG)	5,000		5,000
Total Internally Funded Capital Programme	11,900	0	11,900

Summary	Amount	Profiled Spend				Funding Sources		
	£m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 and beyond £m	Capital Receipts £m	Grants & S106 £m	Other External £m
Additional Capital Programme for 2017/18								
Cemeteries	0.160	0.000	0.120	0.040	0.000	0.160	0.000	0.000
Parks	0.560	0.000	0.560	0.000	0.000	0.560	0.000	0.000
Libraries	0.100	0.000	0.100	0.000	0.000	0.100	0.000	0.000
Leisure	0.180	0.000	0.180	0.000	0.000	0.180	0.000	0.000
Street Environment	2.000	0.000	2.000	0.000	0.000	2.000	0.000	0.000
Asset Management	0.500	0.000	0.500	0.000	0.000	0.500	0.000	0.000
IT Infrastructure	1.000	0.000	1.000	0.000	0.000	1.000	0.000	0.000
Regeneration	0.100	0.000	0.100	0.000	0.000	0.100	0.000	0.000
Housing General Fund	1.726	0.000	1.726	0.000	0.000	0.300	1.426	0.000
Core Capital Programme	6.326	0.000	6.286	0.040	0.000	4.900	1.426	0.000
Efficiency Programme & Contingency	7.000	0.000	7.000	0.000	0.000	7.000	0.000	0.000
Schools Maintenance	4.062	0.000	4.062	0.000	0.000	0.000	4.062	0.000
TFL 2017/18 LIP Programme	3.381	0.000	3.381	0.000	0.000	0.000	3.381	0.000
School's Expansions and Bulge Classes - Phases 3 & 4	68.685	6.227	21.327	23.833	17.299	4.400	62.153	2.132
Total Capital Programme	89.454	6.227	42.056	23.873	17.299	16.300	71.022	2.132

*Other external funding includes S106 interest and external contributions via revenue

Capital Scheme Name	Scheme Description	Project Manager	Dashboard User	Amount	Profiled Spend			Funding Sources		
				£	2017/18	2018/19	2019/20 and beyond	Capital Receipts £	Grants & S106 £	Other External £
Cemeteries - Capital Allocation £160k										
Enhancement of Plumbing in Cemeteries and Crematorium Sites	Replacement of taps and standpipes in all four cemeteries and the crematorium site	Louise Edmonds	Lee Macey	20,000	20,000			20,000		
New Tarmac - Hornchurch Cemetery War Memorial	Replacement of tarmac by War Memorial in Hornchurch cemetery.	Louise Edmonds	Lee Macey	10,000	10,000			10,000		
New Boundary Fence in Rainham Cemetery	Replacement of boundary fence in Rainham cemetery	Louise Edmonds	Lee Macey	10,000	10,000			10,000		
Cremator Brickwork Enhancements	Cremator brickwork repair - full hot face relines of two cremators over two years.	Louise Edmonds	Lee Macey	80,000	40,000	40,000		80,000		
Refurbishment and Improvements to Crematory	Crematory reinstatement - Refurbishment of crematory after fan upgrade and cremator removal.	Louise Edmonds	Lee Macey	30,000	30,000			30,000		
History Hall and Book of Remembrance Upgrade	Newly installed Romford book of remembrance and history hall upgrade.	Louise Edmonds	Lee Macey	10,000	10,000			10,000		
				160,000	120,000	40,000	0	160,000	0	0

Capital Scheme Name	Scheme Description	Project Manager	Dashboard User	Amount	Profiled Spend			Funding Sources		
				£	2017/18	2018/19	2019/20 and beyond	Capital Receipts £	Grants & S106 £	Other External £
Parks - Capital Allocation £560k										
Raphael Park fountain replacement	Raphael Park fountain replacement	James Rose	James Rose	10,000	10,000			10,000		
Central Park drainage improvements	Central Park drainage improvements	Tom Fradd	James Rose	25,000	25,000			25,000		
Hylands Park drainage improvements	Hylands Park drainage improvements	Richard Cottam	James Rose	8,000	8,000			8,000		
Thomas England Walk (Various Parks)	Thomas England Walk (Various Parks)	Tom Fradd	James Rose	16,000	16,000			16,000		
Jutsums landscape and play area improvements	Jutsums landscape and play area improvements	Tom Fradd	James Rose	50,000	50,000			50,000		
War Memorial improvements	War Memorial improvements	Nigel Oxley	James Rose	25,000	25,000			25,000		
Upminster Hall Playing Field teen area improvement	Upminster Hall Playing Field teen area improvement	Richard Cottam	James Rose	4,000	4,000			4,000		
Harold Wood Park footpath improvements	Harold Wood Park footpath improvements	Tom Fradd	James Rose	18,000	18,000			18,000		
Rainham Churchyard wall improvements	Rainham Churchyard wall improvements	Nigel Oxley	James Rose	20,000	20,000			20,000		
Coronation Gardens improvements	Coronation Gardens improvements	Nigel Oxley	James Rose	100,000	100,000			100,000		
Upminster Tithe Barn roof improvements	Upminster Tithe Barn roof improvements	Nigel Oxley	James Rose	15,000	15,000			15,000		
Play and recreation facilities improvements	Play and recreation facilities improvements	James Rose	James Rose	95,000	95,000			95,000		
Green Flag Improvements	Green Flag Improvements	James Rose	James Rose	50,000	50,000			50,000		
Historic Building Improvements	Historic Building Improvements	Nigel Oxley	James Rose	50,000	50,000			50,000		
Tree Management System	Tree Management System	Tim Goldrick	James Rose	20,000	20,000			20,000		
Parks Infrastructure Improvements	Parks Infrastructure Improvements	James Rose	James Rose	30,000	30,000			30,000		
Allotment Improvements	Allotment Improvements	James Rose	James Rose	20,000	20,000			20,000		
Public Rights of Way Improvements	Public Rights of Way Improvements	James Rose	James Rose	4,000	4,000			4,000		
				560,000	560,000	0	0	560,000	0	0

Capital Scheme Name	Scheme Description	Project Manager	Dashboard User	Amount	Profiled Spend			Funding Sources		
				£	2017/18	2018/19	2019/20 and beyond	Capital Receipts £	Grants & S106 £	Other External £
Libraries - Capital Allocation £145k (reduced to £100k with balance transferred to Leisure)										
Library Application	Development of Library App for use on library iPads. This will allow additional access for residents to make online payments via the LBH website. It will also give volunteers access to the library catalogue and virtual library to support & promote to customers which they don't have at present.	Nicky Dunne		6,000	6,000			6,000		
Library Wi-Fi	WiFi print facility to enable customer to print directly from their own devices and library iPads	Nicky Dunne		16,000	16,000			16,000		
Library Building Works	Decoration of libraries. Most branches are in need of at least paintwork being refreshed; Upminster refurb 2005 / Gidea Park refurb 2006 / Collier Row 2006 / Hornchurch refurb 2007 / Harold Wood refurb 2007 / South Hornchurch refurb 2008 / Elm Park new build 2009 / Central refurb 2010	Nicky Dunne		23,000	23,000			23,000		
Libraries banner	Rainham library banners to be mounted on wall	Nicky Dunne		10,000	10,000			10,000		
Libraries Book Fund	Purchase of new books and audio books	Nicky Dunne		45,000	45,000			45,000		
				100,000	100,000	0	0	100,000	0	0

Capital Scheme Name	Scheme Description	Project Manager	Dashboard User	Amount	Profiled Spend			Funding Sources		
				£	2017/18	2018/19	2019/20 and beyond	Capital Receipts £	Grants & S106 £	Other External £
Leisure - Capital Allocation £135k (increased to £180k from Libraries)										
Queens Theatre Building Works	Essential Works following condition survey to ensure	Guy Selfe	Guy Selfe	100,000	100,000			100,000		
Fairkytes Arts Centre Building Works	Essential maintenance works to ensure building remains operational and fit for purpose	Guy Selfe	Guy Selfe	50,000	50,000			50,000		
Hornchurch Stadium Building Works	Essential maintenance works to ensure building remains operational and fit for purpose	Guy Selfe	Guy Selfe	30,000	30,000			30,000		
				180,000	180,000	0	0	180,000	0	0

Capital Scheme Name	Scheme Description	Project Manager	Dashboard User	Amount	Profiled Spend			Funding Sources		
				£	2017/18	2018/19	2019/20 and beyond	Capital Receipts £	Grants & S106 £	Other External £
Street Environment - Capital Allocation £2,000k										
Street Furniture - Purchase of Big Belly Bins South Street	Big Belly Bins South Street	Maria Smart	Paul Ellis/Maria Smart/Mark Jones	50,000	50,000			50,000		
Environmental Improvements - Creation of Shrub Beds	Shrub Beds - New plantings	Mark Jones	Paul Ellis/Maria Smart/Mark Jones	50,000	50,000			50,000		
Tree reinstatements/ removal of dangerous trees	Tree reinstatements/ removal of dangerous trees	Mark Jones	Paul Ellis/Maria Smart/Mark Jones	50,000	50,000			50,000		
Improvements to waste storage facility in flats	Improvements to waste storage areas	Lisa Foster	Lisa Foster/Paul Ellis	25,000	25,000			25,000		
Highways Capital Programme - Street Lighting Improvements	Street lighting improvements	Ollie Miller	Ollie Miller / Dipti Patel	1,400,000	1,400,000			1,400,000		
Highways Capital Programme - Highways Resurfacing Works	Highway resurfacing works	Ollie Miller	Ollie Miller / Dipti Patel	425,000	425,000			425,000		
				2,000,000	2,000,000	0	0	2,000,000	0	0

Capital Scheme Name	Scheme Description	Project Manager	Dashboard User	Amount	Profiled Spend			Funding Sources		
				£	2017/18	2018/19	2019/20 and beyond	Capital Receipts £	Grants & S106 £	Other External £
Asset Management - Capital Allocation £500k										
Corporate Buildings - Removal of safety film to glass	Works to renew existing safety film applied to glass in corporate buildings to address results of recent survey following accident to a minor	Terry Yallop	Andy Skeggs	50,000	50,000			50,000		
Corporate Buildings - Water Hygiene Works 2017/18	Ongoing programme of works to water installations to address legionella risk	David Stimson	Andy Skeggs	75,000	75,000			75,000		
Gaysfield Site Works	Demolition and securing of Gaysfield site	Andy Skeggs	Andy Skeggs	25,000	25,000			25,000		
Corporate buildings - Building Works	Capital works to identify priority items identified from building condition surveys	Andy Skeggs	Andy Skeggs	200,000	200,000			200,000		
Health & Safety Capital Works 2017/18	Central bidding pot for all services to submit funding requests for exceptional items, usually equipment for which there is no funding within their service.	Sue Wilks		100,000	100,000			100,000		
Fire Risk Works 2017/18	Addressing in-year works identified from ongoing Fire Risk Assessments	Sue Wilks		50,000	50,000			50,000		
				500,000	500,000	0	0	500,000	0	0

Capital Scheme Name	Scheme Description	Project Manager	Dashboard User	Amount	Profiled Spend			Funding Sources		
				£	2017/18	2018/19	2019/20 and beyond	Capital Receipts £	Grants & S106 £	Other External £
IT Infrastructure - Capital Allocation £1,000										
Upgrade of Core IT Infrastructure	Upgrading of core IT Infrastructure components	Julia Blow	John Friend, Priya Javeri, Danile Pluck, karen Harris	1,000,000	1,000,000			1,000,000		
				1,000,000	1,000,000	0	0	1,000,000	0	0

Capital Scheme Name	Scheme Description	Project Manager	Dashboard User	Amount	Profiled Spend			Funding Sources		
				£	2017/18	2018/19	2019/20 and beyond	Capital Receipts £	Grants & S106 £	Other External £
Regeneration - Capital Allocation £100k										
Romford and London Riverside Project 2017/18	Various regeneration projects and programmes	Tom Dobrashian	Bob Flindall	100,000	100,000			100,000		
				100,000	100,000	0	0	100,000	0	0

Capital Scheme Name	Scheme Description	Project Manager	Dashboard User	Amount	Profiled Spend			Funding Sources		
				£	2017/18	2018/19	2019/20 and beyond	Capital Receipts £	Grants & S106 £	Other External £
Disabled Facilities Grant (indicative figure)										
Disbaled facilities Grant 2017/18	various expenditure relating to grants paid to home owners that meet the grant conditions			1,726,010	1,726,010			300,000	1,426,010	
				1,726,010	1,726,010	0	0	300,000	1,426,010	0

Capital Scheme Name	Scheme Description	Project Manager	Dashboard User	Amount	Profiled Spend			Funding Sources		
				£	2017/18	2018/19	2019/20 and beyond	Capital Receipts £	Grants & S106 £	Other External £
Finance										
Contingency	Various Schemes	Mark White		2,000,000	2,000,000			2,000,000		
Efficiency Programme	Various Schemes	Mark White		5,000,000	5,000,000			5,000,000		
				7,000,000	7,000,000	0	0	7,000,000	0	0

Capital Scheme Name	Scheme Description	Project Manager	Dashboard User	Amount	Profiled Spend			Funding Sources		
				£	2017/18	2018/19	2019/20 and beyond	Capital Receipts £	Grants & S106 £	Other External £
Schools Maintenance Grant										
Priority 1										
Emergency Works to PRU's 2017/18	Emergency works to PRU's	Gary Moreland		200,000	200,000				200,000	
Hygiene Water Works Programme 2017/18	Hygiene water works	Gary Moreland		175,000	175,000				175,000	
Asbestos Removal 2017/18	Asbestos removal to various schools	Gary Moreland		400,000	400,000				400,000	
DDA Works 2017/18	DDA works to various schools	Gary Moreland		75,000	75,000				75,000	
Kitchen Improvement Works	Kitchen improvement works to various schools	Gary Moreland		200,000	200,000				200,000	
Ardleigh Green Infants - Replace Gas Boiler	Replacement of Gas Boiler	Gary Moreland		130,000	130,000				130,000	
Ardleigh Green Juniors - Replace Gas Boiler	Replacement of Gas Boiler	Gary Moreland		150,000	150,000				150,000	
Dame Tipping - Replacement Demountables	Purchase of demountable buildings	Gary Moreland		100,000	100,000				100,000	
Towers - Kitchen Servery	Installation to Kitchjen ervery	Gary Moreland		20,000	20,000				20,000	
Towers - Upgrade of Electrics	Installation of Electric Main	Gary Moreland		35,000	35,000				35,000	
Marshall's Lake - De Silting and Improvements	De silting of Marshall's Lake and improvemnts	Gary Moreland		50,000	50,000				50,000	
Sanders - Boiler Upgrade	replace and upgarde boiler	Gary Moreland		300,000	300,000				300,000	
Parklands Junior School - Drianage	Upgrade drainage system	Gary Moreland		100,000	100,000				100,000	
Parklands Infants School - Drianage	Upgrade drainage system	Gary Moreland		100,000	100,000				100,000	
Branfil - Electrical Distribution	Upgrade to Electrical distribution	Gary Moreland		100,000	100,000				100,000	
Branfil - Fire Alarm upgrade	Upgrade to Fire Alarm	Gary Moreland		50,000	50,000				50,000	
Wykeham - Re-build of Infants Toilets	rebuild and enhancement to toilet block	Gary Moreland		250,000	250,000				250,000	
Rainham Village - Enhancements to Utilities and Drainage	Enhancement to Utilities and Drainage	Gary Moreland		100,000	100,000				100,000	
Crownfield Junior - Upgrades to Distribution Boards	Fit RCBO Devices to distribution boards	Gary Moreland		20,000	20,000				20,000	
Scotts - Upgrade to Electrics	upgrade to electrical distribution	Gary Moreland		50,000	50,000				50,000	
Wykeham - Modernise Main Distribution Boards	Modernisation of electrical distribution boards	Gary Moreland		100,000	100,000				100,000	
Parklands Junior - Upgrade to Electrical Distribution	Upgrade of electrical distribution boards	Gary Moreland		50,000	50,000				50,000	
Parklands Infants - Upgrade to Electrical Distribution	Upgrade of electrical distribution boards	Gary Moreland		50,000	50,000				50,000	
Brady - Upgrade to Roofing	Replace and upgrade roofing	Gary Moreland		100,000	100,000				100,000	
Rainham Village - Modernisation of pumping station	Pumping Station modernisation	Gary Moreland		100,000	100,000				100,000	
Priority 2										
Crowlands - Upgrade to Electricals	Upgrade to Electrical distribution	Gary Moreland		50,000	50,000				50,000	
Crownfield Infants - Upgrade to Electricals	Upgrade to Electrical distribution	Gary Moreland		50,000	50,000				50,000	
Wykeham - Upgrade to Flat Roof	Replace and upgrade roofing	Gary Moreland		50,000	50,000				50,000	
Crowlands - Upgarde to electricals	Upgrade to Electrical distribution	Gary Moreland		50,000	50,000				50,000	
Squirrels Heath Infants - Upgarde to electricals	Upgrade to Electrical distribution	Gary Moreland		50,000	50,000				50,000	
Squirrels Heath Junior - Upgarde to electricals	Upgrade to Electrical distribution	Gary Moreland		50,000	50,000				50,000	
Towers Junior School - Upgarde to Pipework and Emitters	Replacement and upgrade of pipework and emitters	Gary Moreland		150,000	150,000				150,000	
Wykeham - Upgarde to Pipework and Emitters	Replacement and upgrade of pipework and emitters	Gary Moreland		200,000	200,000				200,000	
Squirrels Heath Junior School - Subsidence	Cracked Wall subsidence urgent works	Gary Moreland		10,000	10,000				10,000	
Parklands Junior School - Upgrade to hot and cold water	Upgarde to plumbing	Gary Moreland		15,000	15,000				15,000	
Crownfield Infants School - Upgrade to hot and cold water	Upgarde to plumbing	Gary Moreland		12,000	12,000				12,000	
Parsonage Farm School - Upgrade to Hot and Cold Water	Upgarde to plumbing	Gary Moreland		20,000	20,000				20,000	
RJ Mitchell - Upgrade Small Power	Electrical upgrade	Gary Moreland		25,000	25,000				25,000	
RJ Mitchell - Upgrade to Electricals	Electrical Distribution	Gary Moreland		50,000	50,000				50,000	
Mead Primary - Upgrade Lighting	Upgrade Lighting	Gary Moreland		50,000	50,000				50,000	
Mead Primary - Upgrade Small Power	Electrical upgrade	Gary Moreland		50,000	50,000				50,000	
James Oglethorpe - Upgrade Lighting	Upgrade Lighting	Gary Moreland		50,000	50,000				50,000	
James Oglethorpe - Upgrade Small Power	Electrical upgrade	Gary Moreland		50,000	50,000				50,000	
Brady - Upgrade to Electrics	Electrics	Gary Moreland		75,000	75,000				75,000	
				4,062,000	4,062,000	0	0	0	4,062,000	0

Capital Scheme Name	Scheme Description	Project Manager	Dashboard User	Amount	Profiled Spend			Funding Sources		
				£	2017/18	2018/19	2019/20 and beyond	Capital Receipts £	Grants & S106 £	Other External £
TFL Grants										
Corridors and Neighbourhoods 2017/18 LIF	Various Schemes	Daniel Douglas		2,247,000	2,247,000				2,247,000	
Local Transport Fund 2017/18 LIF	Various Schemes	Daniel Douglas		100,000	100,000				100,000	
Principal Road Maintenance	Various Schemes	Daniel Douglas		435,000	435,000				435,000	
Beam Parkway 2017/18 LIP	funding for this major scheme is indicative pending confirmation from TFL's surface transport Board	Daniel Douglas		599,000	599,000				599,000	
				3,381,000	3,381,000	0	0	0	3,381,000	0

Capital Scheme Name	Scheme Description	Project Manager	Dashboard User	Amount	Profiled Spend				Funding Sources		
				£	2016/17	2017/18	2018/19	2019/20 and beyond	Capital Receipts £	Grants & S106 £	Other External £
Revised Phase 3 & 4 School Programme											
Phase 3											
Crownfield Jr Expansion 3FE to 4FE - Phase 3	School Expansions (A2330)	Gary Moreland		1,350,000	70,000	280,000	1,000,000			1,350,000	
Broadford Expansion 2FE to 3FE - Phase 3	7 classrooms, small hall and nursery (A2331)	Gary Moreland		3,250,000	50,000	3,000,000	200,000			3,250,000	
Crownfield Inf Expansion 3FE to 4FE - Phase 3	4 classrooms and small hall in new building (A2332)	Gary Moreland		1,650,000	20,000	1,500,000	130,000			1,650,000	
James Oglethorpe Bulge 1.5FE to 2FE - Phase 3	Extension and internal refurbishment (A2333)	Gary Moreland		500,000	250,000	250,000				500,000	
St Peters - 1 to 2 FE - Phase 3		Gary Moreland		1,500,000	1,312,500	187,500				1,500,000	
Gidea Park Bulge - Phase 3	Double demountable classroom, kitchen and parking-providing 2 bulge classes (A2337)	Gary Moreland		550,000	525,000	25,000				550,000	
Hylands Bulge - Single demountable - Phase 3	Demountable (A2338)	Gary Moreland		125,000	125,000					125,000	
Whybridge Infants Bulge - Demountable - Phase 3	Demountable (A2339)	Gary Moreland		200,000	190,000	10,000				200,000	
Pyrgo Expansion 2 to 3 FE Phase 3	Includes bulge of 6 classroom block installed 2016 (A2357)	Gary Moreland		1,000,000	550,000	450,000				1,000,000	
Whybridge Junior Expansion	Kitchen plus other minor refurbishments	Gary Moreland		500,000	30,000	400,000	70,000			500,000	
Whybridge Infant Expansion	Expansions	Gary Moreland		600,000	30,000	500,000	70,000			600,000	
Clockhouse ARPS - Phase 3	ARPS (A2373)	Gary Moreland		300,000	270,000	30,000				300,000	
Hylands Prim Expansion 2 to 3 FE Phase 3	Includes new attached 6 classroom block in addition to first floor classroom (A2393)	Gary Moreland		2,500,000	30,000	2,200,000	270,000			2,500,000	
Rainham Village Expansion 2 to 3 FE Phase 3	7 additional classrooms and ancillary facilities and nursery expansion £250k from early years budget	Gary Moreland		3,000,000	30,000	1,000,000	1,970,000			3,000,000	
Hall Mead ARPS Phase 3	ARPS (A2395)	Gary Moreland		180,000	130,000	50,000				180,000	
Frances Bardsley - Rationalising PAN Phase 3	(A2399)	Gary Moreland		250,000	20,000	220,000	10,000			250,000	
Brady Primary Expansion - 1 to 2 FE Phase 3	Expansions (A2401)	Gary Moreland		3,000,000	30,000	1,000,000	1,970,000			3,000,000	
Emerson Park - Rationalising PAN Phase 3	(A2402)	Gary Moreland		250,000	250,000					250,000	
Mead ARP	ARP	Gary Moreland		375,000		25,000	350,000			375,000	
Elm Park ARP	ARP	Gary Moreland		375,000	25,000	300,000	50,000			375,000	
2 Secondary ARP	ARP	Gary Moreland		800,000	200,000	600,000				800,000	
Redden Court ARP	ARP	Gary Moreland		415,000	415,000					415,000	
Bulge Classrooms	(can we get a breakdown of schools) ????	Gary Moreland		500,000		500,000				500,000	
Marshalls Park - Rationalising PAN		Gary Moreland		250,000		250,000				250,000	
Phase 4											
Parsonage Farm - 3 to 4 FE phase 4	Expansions	Gary Moreland		2,500,000		312,500	2,187,500			650,000	1,850,000
Mead 1FE expansion phase 4	Expansions	Gary Moreland		3,000,000		1,000,000	2,000,000			3,000,000	
Sanders Drapers - 7 to 8 FE phase 4	Expansions	Gary Moreland		4,000,000		500,000	3,000,000	500,000		4,000,000	
Redden Court - 5 to 7 FE Phase 4	Expansions	Gary Moreland		4,000,000		500,000	3,000,000	500,000		4,000,000	
Royal Liberty - 4 to 5 FE Phase 4	Expansions	Gary Moreland		4,000,000		500,000	3,000,000	500,000		4,000,000	
Bower Park - 6 to 7 FE Phase 4	Expansions	Gary Moreland		4,000,000			500,000	3,500,000		4,000,000	
Emerson Park 7 to 8 FE Phase 4	Expansions	Gary Moreland		3,750,000			500,000	3,250,000		3,750,000	
Hall Mead PAN 192 to 210 Phase 4	Expansions	Gary Moreland		600,000			50,000	550,000		600,000	
Marshalls Park 6 to 8 Phase 4	Expansions	Gary Moreland		5,500,000			1,000,000	4,500,000		5,500,000	
Gidea Park - 2 to 3 Phase 4	Expansions	Gary Moreland		2,500,000			400,000	2,100,000		2,500,000	
Newtons - 2 to 3 Phase 4	Expansions	Gary Moreland		2,200,000			400,000	1,800,000		2,200,000	
Early Years											
Towers Infants Nursery Phase 3	A2396	Gary Moreland		640,000	54,000	500,000	86,000			640,000	
Crownfield Infants Nursery Phase 3	A2397	Gary Moreland		420,000	40,000	340,000	40,000			420,000	
James Oglethorpe Nursery expansion	Expansions	Gary Moreland		560,000	30,000	517,000	13,000			560,000	
Old School House Nursery Expansion	Expansions	Gary Moreland		296,000	20,000	260,000	16,000			296,000	
Rainham Village Primary Nursery	Included in A2394	Gary Moreland		250,000		250,000				250,000	
Mead Nursery		Gary Moreland		250,000	10,000	20,000	220,000			250,000	
Mawney Early Years		Gary Moreland		450,000	450,000					450,000	
Parklands Early Years		Gary Moreland		150,000	150,000					150,000	
Wykeham Early Years		Gary Moreland		300,000	300,000					300,000	
Other											
Avelon (Corbets Tey) Post 16 SEN provision Phase 3	(A2336)	Gary Moreland		1,400,000	450,000	850,000	100,000			1,118,000	282,000
Havering Pupil Referral Services Initiative	(A2382)	Gary Moreland		4,400,000	170,000	3,000,000	1,230,000		4,400,000		
Unallocated Phase 4 Monies		Gary Moreland		98,861				98,861		98,861	
				68,684,861	6,226,500	21,327,000	23,832,500	17,298,861	4,400,000	62,152,861	2,132,000

Funding

Old Basic Needs	6,700,000	
Unallocated Phase 1 funding	294,000	
unallocated Phase 2 funding	1,750,000	
2016/17 Basic Needs Grant	15,355,000	
2017/18 Basic Needs Grant	16,756,000	
Secondary S106 Funds earmarked for Post 16 SEN	1,000,000	
Interest on S106 funds not yet earmarked		282,000
Early Years Funding - Capital Grant	422,000	
Early Years Funding - Topslice of DSG		1,850,000
2018/19 Basic Needs Grant	10,941,000	
Additional Early Years Grant (subject to bid)	1,434,861	
2019/20 Basic Needs Grant (estimated)	5,000,000	
Education S106 contributions	2,500,000	
Contribution from Education Maintenance Programme		
Contingency and Receipts for PRU	1,160,000	3,240,000
Total Funding	1,160,000	62,152,861
Shortfall in funding	3,240,000	0
		-3,240,000

THE LEGAL FRAMEWORK GOVERNING BUDGET DECISIONS

1. The Council is required to set a Council Tax for 2017/18 before 6 March 2017. It may not be set before all precepts have been issued and the decision cannot be delegated to a committee or to Officers. Before setting the level of the tax the Council must have agreed a balanced budget, differentiated by services, which is sufficient to meet estimated revenue expenditure, levies, contingencies, any deficit estimate to be brought forward from previous years, and any amounts required to be transferred between funds. The tax itself must be sufficient to cover the difference between the agreed budget less government grants retained Business Rates and other grants credited to the consolidated revenue account, and any other expenditure which must be met from the Collection Fund, less any surplus (or plus any deficit) brought forward from previous years.
2. In reaching decisions on these matters, Members are bound by the general principles of administrative law and must not fetter their discretion. All relevant considerations must be taken into account and irrelevant ones disregarded. Any decision made must be one that only a reasonable authority, properly directing itself, could have reached. Members must also balance the interests of service users against those who contribute to the Council's finances. The full resources available to the Council must be deployed to their best advantage and Members must act prudently.
3. Among the relevant considerations, which Members must take into account in reaching their decisions, are the views of business ratepayers and the advice of officers. The duty to consult representatives of non-domestic ratepayers on the Council's expenditure plans which existed under previous legislation is repeated in Section 65 of the Local Government Finance Act 1992.
4. In considering the advice of officers, and the weight to be attached to that advice, Members must have regard to the personal duties placed upon the Council's Section 151 Officer (see para 5 below). The Council may take decisions which are at variance with his advice, providing there are reasonable grounds to do so. However, Members must take into consideration the Council's exposure to risk if they disregard clearly expressed advice, for example, as to the level of provision required for contingencies, bad debts and future liabilities.
5. The Section 151 Officer is required by the Local Government Act 1972 and by the Accounts and Audit Regulations 2015 to ensure that the Council's budgeting, financial management and account practices meet relevant statutory and profession requirements. Furthermore Section 25 of the Local Government Act 2003 requires the s151 Officer to report on the robustness of the budget estimates and the adequacy of reserves to which Members must have regard.

6. Members must also have regard to, and be aware of the wider duties placed upon the Council by various statutes governing the conduct of its financial affairs. These include the distinction between revenue and capital expenditure, specified within the Local Government and Housing Act 1989. The Local Government Act 2003 requires that the prudential borrowing limits are set by the Council having regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code. This sets out a framework for self-regulation of capital spending, in effect allowing Councils to invest in capital projects without any limit, so long as they are affordable, prudent and sustainable. To facilitate this arrangement the code requires the Council to agree and monitor a number of prudential indicators.
7. Section 106 of the Local Government Finance Act 1992 makes it a criminal offence for any Member with arrears of Council Tax which have been outstanding for two months or more to attend any meeting of the Council or one of its committees at which a decision affecting the budget is to be made, unless the Member concerned declares at the outset of the meeting that he or she is in arrears, and will not be voting on the decision for that reason. The Member concerned must then abstain from voting. The application of Section 106 is very wide and there have been successful prosecutions under this legislation. It can include meetings held at any time during the year, not just the annual budget meeting, and it may include meetings of committees or sub-committees as well as Council meetings. Members should be aware that the responsibility for ensuring that they act within the law at all times rest solely with the individual Member concerned.
8. The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 provide that the Council's procedures must provide for the minutes to record how each Councillor voted (including any abstentions) when determining the Council's budget and the level of Council Tax to be levied.
9. Having set a budget at the beginning of the year, the Council is also under a duty to monitor that budget during the course of the year and to take remedial action if at any time it appears likely that expenditure will exceed available resources. Members are aware of the duty of the Section 151 Officer under Section 114(3) of the Local Government Finance 1988 Act to report to the Council if it appears that this will happen, and of the impact of Section 115(6) which prohibits any new agreement which would incur expenditure from being entered into following the issuing of such a report and pending its consideration by the Council. The Members of the Council, having received a Section 114 report are obliged to take all reasonable practicable measures to bring the budget back into balance.
10. A Section 114 report is a serious matter which can destabilise an authority and can only be avoided by prudent budgeting and effective budgetary control. This adds emphasis to the need for an adequate contingency provision and a strong corporate commitment to holding chief officers accountable for containing expenditure within cash limits approved during the budget process.

11. It is the duty of the Chief Financial Officer as the Section 151 Officer to provide the relevant financial information, which is or ought to be available and advise on the financial prudence of options before Members, and Members must take account of such information and advice in reaching their decisions. The Council is however free to take decisions which are at variance with the advice of those officers, providing there are reasonable grounds to do so.
12. The Section 151 Officer must consider whether in his view the Council had agreed a balanced budget which is capable of delivery taking all known factors into account. In the event that he/she considers this not to be the case, then he has a personal duty to indicate this by issuing the Council with a notice under Section 114 Local Government Finance Act 1988.

Havering

Making a Greater London



Communities

making Havering



Places

making Havering



Opportunities

making Havering



Connections

making Havering



Over the past four months, Havering's Senior Leadership Team and Cabinet have been working on a new vision for the borough. This new vision incorporates the key values of 'Clean, Safe and Proud' but seeks to position Havering to take full advantage of new and emerging opportunities for our residents and businesses. The vision and branding seeks to better position Havering as a forward looking, exciting place to work, live and invest.

We want our residents to feel proud and safe in a clean environment, but we want to go beyond this and take a more outward-facing approach. Our new vision: 'Havering – Making a Greater London', is about both embracing the best of what Havering has to offer, but also how we as a borough can play an active role in the success of the whole of London. **Our vision is focused around four cross-cutting priorities:**

Communities, Places, Opportunities and Connections. Underpinning these themes will be outcomes that the Council will seek to deliver and success will be measured and reported through performance processes. These key themes and outcomes will provide the basis for the new Corporate Plan, service plans and future financial strategies.

In the last month, we have shared this vision with business leaders, residents, education stakeholders, public and voluntary sectors and Cabinet at a series of engagement sessions. We are pleased to note that feedback has been widely positive; our partners are on board and excited to be part of delivering this vision for the borough.

The current set of outcomes are detailed below:

Communities making Havering

Healthy and Active Lives

- We will help residents to make good lifestyle choices so that they are less likely to experience poor health and need help from public services.
- We will work with health and community partners to tackle health inequalities including obesity and smoking; and the harm caused by drug and alcohol abuse.

A good start for every child to reach their full potential

- We will ensure that every child has access to a great education. We will support our primary and secondary schools to develop a strong strategy to achieve the best outcomes for Havering's children.
- We will help families that need support to provide children with a consistent and stable family environment, giving them the best start in life and a happy childhood.

Families and communities look after themselves and each other

- We will work with communities to develop resilient and inclusive neighbourhoods. This will be achieved through engaging with communities about issues that matter to them.

Supporting vulnerable residents in our communities

- We will continue to work with partners to provide the most vulnerable people in our communities with the most efficient and effective social care services.
- We will ensure that children and young people in and leaving our care enjoy stability and are supported to succeed in all areas of their lives.
- We will offer adults in care the choice and control they need to work towards more independent and stable lives.

Places making Havering

A clean, safe environment for all

- We will work with enforcement agencies and local residents to make sure people feel safe and are safe.
- We will work with partners to provide a high-quality environment for residents, businesses and visitors. The borough will have streets, neighbourhoods and public spaces that are clean and well-maintained.

High-quality homes

- High-quality, suitable and affordable homes will be delivered to meet the needs of the growing population and support economic growth.
- We will continue to invest in our housing stock, ensuring decent, safe and high standard properties are provided for our residents.

Award-winning parks and open spaces

- We will continue to work with residents to improve our award-winning parks and open spaces.
- Our parks and open spaces will provide opportunities for sport, entertainment and healthy recreation, encouraging our residents to be fit and active.

A vibrant cultural and leisure destination

- Our residents will have access to vibrant culture and leisure facilities wherever they live.
- Working with our partners we will continue to invest in our town centres to provide a distinct offer that will attract businesses, residents and visitors.

Opportunities making Havering

First-class business opportunities

- We will provide first-class business opportunities by supporting commercial development opportunities.
- We will facilitate the expansion of CEME and capitalise on the London Riverside Opportunity Area.
- We will continue to attract inward investment and actively support the government's target to spend a third of its budget on small businesses by 2020.

High-quality skills and careers

- We will continue to set an example for businesses by developing the skills of our workforce by supporting traineeships, apprenticeships and graduate programmes.
- We will work with businesses to secure investment in high-quality skills and careers including through the new Apprenticeship Levy.

Dynamic development and infrastructure

- We will deliver a number of development projects, such as the Romford Leisure Development, to attract more investment, businesses and visitors to the borough.

A thriving local economy

- We will work with employers, investors and partners to ensure sustainable economic growth that generates local wealth and opportunities.

Connections making Havering

A digitally-enabled borough

- We will work with businesses and partners to improve Broadband and Wifi connectivity across the borough, benefiting those who live, work and visit Havering.
- We will be more connected to our residents and businesses through an accessible and easy-to-use new website and will support residents to become more confident to access council services online.

Capitalising on our location and connectivity

- We will promote Havering's key connections to central London, as well as its national and international links.
- We will enable residents to capitalise on Havering's location with the opening of the borough's three Crossrail stations by 2019 and Beam Park station by 2020.

Fast and accessible transport links

- We will enhance our transport network to ease congestion within the borough.
- We will continue to lobby for improved transport infrastructure to support regeneration and place shaping.

Access to jobs and opportunities

- We will ensure that residents are able to access employment and training opportunities locally.
- Through investment in business development and the improving transport network, we will ensure that the borough maximises employment, high quality skills and career opportunities.

These outcomes will inform the priorities in the budget and medium term financial plan. Council will receive a further report expanding on this high level vision linked to Service Planning and future performance measures in April.

SCHEDULE OF FEES AND CHARGES
(as detailed below)