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MINUTES OF A CABINET MEETING Council Chamber - Town Hall Wednesday, 14 December 2011 (7.35 - 8.25 pm)

Present:

Councillor Michael White (Leader of the Council), Chairman

Councillor Michael Armstrong

Councillor Robert Benham

Councillor Lesley Kelly

Councillor Steven Kelly (Vice-Chair)

Councillor Roger Ramsey

Councillor Paul Rochford

Councillor Geoffrey Starns

Councillor Barry Tebbutt

Cabinet Member responsibility:

Transformation

Community Empowerment

Housing

(Deputy Leader) Individuals

Value

Children & Learning

Community Safety

Environment

An apology for absence was received for Councillor Andrew Curtin.

Councillors Clarence Barrett, Keith Darvill, David Durant, Linda Hawthorn, Paul McGeary, Pat Murray and Garry Pain also attended.

Three members of the public and a representative of the Press were also present.

The decisions were agreed with no vote against.

The Chairman introduced Alicia Murphy who was the first elected Young Leader of Havering. Members welcomed Miss Murphy to the meeting.

40 **MINUTES**

A Member questioned the accuracy of Minute 39 regarding the discussion around the proposed lorry routes for the importation of inert material through residential locations and that he had not been given the opportunity to discuss matters which were contained in the exempt appendix to the report.

The Chairman commented that he had reviewed the discussion via the public webcast and was satisfied that the minutes accurately reflected the discussion. He added that the member, when discussing the report, had not requested that the public be excluded from the meeting so that the exempt business could be discussed.

Accordingly, the minutes of the meeting of Cabinet held on 16 November 2011 were agreed as a correct record and signed by the Chairman.

41 THE COUNCIL'S FINANCIAL STRATEGY

Councillor Roger Ramsey, Cabinet Member for Value, introduced the report.

Over the course of the last 15 months, Havering Council had agreed a package of savings to mitigate the impact of very significant cuts in central government funding to local authorities.

These savings, totalling in excess of £19 million in the first tranche, with a further £16 plus in the second tranche, had been made up of a range of measures designed to reduce back-office costs, cut bureaucracy and focus resources where they would have the most impact – while remaining fair to those local residents who most relied on the Council for day-to-day support.

Subsequent to the approval of the savings measures, the Government had issued a series of consultation papers on a variety of issues which were considered by Cabinet in October 2011. The report included an assessment of the potential impact of the Government's proposals, and the Council's response to them. The final decisions on these areas had not yet been received. There was one further issue relating to the Local Government Pension Scheme, which was covered in the report before Cabinet members.

Although the Government announced a two year financial settlement, the figures for 2012/13 were provisional at the time the report was drafted. It had since been announced that the provisional Capital Budget settlement for the coming financial year was £54.043m, this included the Council Tax Freeze Grant. It was reported that the settlement would be finalised after the consultation period, which was due to end on 16 January 2012.

The report contained the summary statements setting out the main principles of the Council's Medium Term Financial Strategy, in particular the revenue strategy, the capital strategy, and the procurement strategy. The report sought approval to recommend these to Council for adoption.

The report also set out the position in the current financial year, and a number of other relevant issues, as these needed to be taken into account in developing the detailed budget for 2012/13.

An error was contained in the table under Paragraph 6.2 of the report. The variance forecast for Development and Building Control was incorrectly expressed as £766k. It was announced that the correct figure was £76k.

Reasons for the decision:

It was essential that the Council's financial strategy took due account of Government plans, and any other material factors where these were likely to have an impact on the Council's financial position. The report provided an update to Cabinet on issues relevant to the budget setting process.

Other options considered:

None. The Constitution required consideration of the report as a step towards setting the Council's budget.

A discussion took place concerning the redistribution of business rates. The Cabinet Member for Value announced that no agreement on the matter had been reached at London Councils. The final Government proposals on the issue had yet to be received.

A member commented that the formula used for the financial settlement from Government was highly biased against Havering Council. The Cabinet Member for Value agreed that the formula was not only complex but also biased against the Council. He added that the Council repeatedly raised this as an issue of concern in consultation responses to the Government.

It was noted that there would be a further report to the next Cabinet meeting (which would also be going to the subsequent joint meeting of all Overview & Scrutiny Committees about the budget proposals), in which the capital position would be addressed.

Cabinet:

1. **Noted the Government's consultation process for the Local Government Pension Scheme, and the assessment of the potential impact on the Council.**
2. **Noted that details of the Local Government Financial Settlement for 2012/13 would be reported to Cabinet in full in January.**
3. **Approved the revenue, capital and procurement strategy statements, as set out in Appendix B to the report, and recommended their adoption to Council.**
4. **Noted the position in the current financial year, as set out in Section 6 of the report.**
5. **Agreed that financial support for the services provided by the Queens Theatre, Studio 3 Arts, HAVCO, and Motorvations as described in paragraph 7.10 of the report should be extended and incorporated into the base budget for 2012/13.**

42 BLUE BADGE SCHEME

Councillor Michael Armstrong, Cabinet Member for Transformation, introduced the report.

The report informed Cabinet of the forthcoming national changes to the Blue Badge scheme; and sought approval to increase the administration charge to successful applicants.

The current charge for a Blue Badge was £2, which was the maximum local authorities were allowed to charge. The Government had amended legislation so that the maximum Blue Badge fee that Local Authorities could charge would rise to £10.

Reasons for the decision:

The decision to implement the Blue Badge Improvement Service (BBIS) had been taken to meet the requirements of Blue Badge Reform

Programme announced by Norman Baker (Parliamentary Under-Secretary of State for Transport) on 14 February 2011.

The Blue Badge Scheme Local Authority Guidance (England) issued by the Department for Transport in June 2011 confirmed that the Government intended to increase the maximum fee that a local authority may charge for the issue of a Blue Badge to £10. This sum would help fund the administrative and other processes required in providing secure Blue Badges.

Other options considered:

As it was a statutory requirement to implement the BBIS, no other options were considered.

Members commented that the proposed increase in the charge for the Blue Badge was reasonable, and the measures would assist in the prevention of Blue Badge fraud.

Cabinet:

1. **Noted the introduction by the Department for Transport of the Blue Badge Improvement Service with effect from 1 January 2012.**
2. **Agreed to the proposed increase in administration charges from £2 to £10 for each successful Blue Badge application, replacement or renewal with effect from 1 January 2012; thereby recovering associated costs.**
3. **Noted the Department for Transport's requirement for the Mobility Assessment of all Blue Badge applicants with effect from 1 January 2012.**
4. **Noted that the changes would not affect the existing facility for Blue Badge holders with the greatest need (those who qualify for the Badge without the need for further assessment) to park for free in Council car parks.**

43 EXCLUSION OF THE PUBLIC

Cabinet decided on the motion of the Chairman that the public should be excluded from the remainder of the meeting on the ground that it was likely that, in view of the nature of the business to be transacted, if members of the public were present there would be disclosure to them of exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972 and it was not in the public interest to publish the information.

44 AWARD OF FRUIT AND VEGETABLE FRAMEWORK TENDER AS PART OF LONDON CONTRACTS SUPPLY GROUP

Councillor Paul Rochford, Cabinet Member for Children and Learning, introduced the report

The report explained that the contract for the supply of Fresh Fruit and Vegetables was a framework contract with members of the London Contracts Supplies Group (LCSG), which includes representatives of all London Boroughs. LCSG sought to obtain the best value for the supply of various goods and services.

It was noted that there was no existing contract for the supply of fresh fruit and vegetables as the previous supplier had withdrawn from the contract.

Reasons for the decision:

To ensure that the London Borough of Havering and other members of the LCSG have cost effective and value for money contracts awarded for the purchase of Fresh fruit and Vegetables for the period 1 January 2012 until 31 December 2015.

Other options considered:

Each Council department entered into individual arrangements with suppliers. Framework contracts provided a framework for fixed costs and agreed levels of service.

Service users sourced their own Fresh Fruit and Vegetables in the wider marketplace. This would create a situation whereby the less reputable companies in this market would be provided with an opportunity to sell to Havering and/or the LCSG. There were a number of companies that approached Councils to provide various catering contracts but past experiences had shown that the true cost of sourcing such contracts via this route was more expensive than a framework contract.

There was no contract in place for Fresh Fruit and Vegetables due to the previous contractor pulling out. A contract needed to be in place to ensure value for money when purchasing this item.

Cabinet AGREED:

- 1. To authorise the award of the contract for the provision of Fresh Fruit and Vegetables.**

Chairman

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