

**London Borough of Havering
Record of Decision**

Disclosures of Interest

1. **TITLE:** Havering and Wates Regeneration LLP Business Plan and Budget 2020-2021
2. **DECISION MADE BY:** Cabinet
3. **DECISION:**

Cabinet:

1. **Agreed** to endorse and recommend the inclusion of a budget of £121.6m equity for the 12 Sites and Chippenham Road scheme together with a budget of £76.4m (including £19.6m land assembly costs for Napier New Plymouth Blue Line) for potential land acquisition/CPO costs within the proposed HRA capital programme that will be considered by Cabinet in February 2020 in the annual rent setting and capital programme report and that this is recommended to Council for final approval in February 2020.
2. **Approved** the Havering and Wates Regeneration Joint Venture Business Plan dated January 2020, as at Appendix 2 of the report.
3. **Agreed** to forward fund phase 1 of the 12 Site Programme up to £45.4 million for the development of Napier and New Plymouth (£14.9 million), Solar, Serena and Sunrise Courts (£15.9 million) and the Waterloo Estate (£14.6 million) and authorise the Director of Regeneration to enter into the necessary forward funding agreements.
4. **Authorised** the Director of Regeneration to consider the appropriation of land at the appropriate time in work package one from the Housing Revenue Account (HRA) to the General Fund, for planning purposes and to consider the appropriation of land at the appropriate time in work package one back to the HRA.
5. **Authorised** the Director of Regeneration to enter into the build licence or build lease (as is appropriate) for sites within work package one of the 12 site regeneration programme, once the Council has met the Conditions Precedent for individual sites.
6. **Approved** the budget of up to £8million for the demolition of the Waterloo Estate and Agree for the Director of Regeneration in consultation with the Director of Legal and Governance to enter into contract with the Havering and Wates JVLLP to carry out the demolition of the Waterloo Estate, subject to approval of the demolition application.
7. **Approved** the removal of the Delta Estate from the 12 site regeneration programme.
8. **Authorised** the Director of Regeneration to enter into variations of any of the

existing joint venture documentation which is required to implement any of the recommendations contained in this report.

9. Authorised the Director of Regeneration to make all further changes to the documentation that the Director considers necessary or in his opinion appropriate from time to time

10. Recommendation 10 was included in the Exempt Report and was agreed by Cabinet.

4. REASON FOR DECISION

- To incorporate revised assumptions an updated programme into the Business Plan for the period 2019-20.
- To continue to secure the Councils regeneration objectives for the 12 Site Regeneration Programme.
- The optimisation of affordable housing provision to be purchased by the HRA, on advantageous terms via a Joint Venture vehicle, to help sustain the HRA long term.
- To maximise the level of family housing and retirement provision in the Borough.

5. ALTERNATIVE OPTIONS CONSIDERED

- The adoption of the Business Plan is a consent matter. Without the Council's approval, as a Member of the LLP, the revised Business Plan could not be adopted and the current Draft Business Plan would be maintained. The Council is in contract with Wates as a commercial partner for the delivery of the regeneration of sites within work package one and share the associated costs. These commitments will need to be upheld.
- Not approving the revised Business Plan may have a negative impact on the Council's ability to continue funding land acquisition which in turn will have implications with delivery targets including affordable housing delivery and achieving targets agreed with GLA in the Overarching Borough Intervention Agreements.
- Not adopting the revised Business Plan may also give rise to negative market sentiment with a consequential impact on the wider development market that this scheme would otherwise seek to stimulate.

6. DOCUMENT CONSIDERED: HAVERING WATES JV BP 20.21 PUBLIC CABINET
12.02.20 Final 07.02.20 (003)

1. TITLE: SETTING THE HRA BUDGET FOR 2020/21 AND THE HRA CAPITAL PROGRAMME (2020/21 - 2023/24)

2. DECISION MADE BY: Cabinet

3. DECISION:

Cabinet:

1. **Approved** the Housing Revenue Account Budget as detailed in paragraph 3.6. of the report.
2. **Agreed** that the rents chargeable for tenants in general needs Council properties owned by the London Borough of Havering be increased by 2.7% from the week commencing 6th April 2020.
3. **Agreed** that the rents chargeable for tenants in supported housing Council properties, such as sheltered housing and hostels, owned by the London Borough of Havering, are increased by 2.7% from the week commencing 6th April 2020
4. **Agreed** the four rent-free weeks for 2020/21 as being: week commencing 19th August 2020, the two weeks commencing 14th and 21st December 2020, and the week commencing 29th March 2021.
5. **Agreed** that service charges and heating and hot water charges for 2020/21 are as detailed in paragraph 2.4.2 of the report.
6. **Agreed** that the service charges for homeless households accommodated in the Council's hostels in 2020/21 are as detailed in paragraph 2.6.1 of the report.
7. **Agreed** that charges for Houses in Multiple Occupation (HMO) leased and managed by the Council (General Fund) are set at the LHA Single Room Rate Applicable on the 6th April 2020. See para 2.3.2. of the report.
8. **Agreed** that charges for garages should be increased by 2.7% in 2020/21 as detailed in paragraph 2.2.1 of the report.
9. **Agreed** that the service charge for the provision of intensive housing management support in sheltered housing for 2020/21 shall be as detailed in paragraph 2.5.1 of the report.
10. **Agreed** that the Careline support charge should be increased by 2.7% for 2020/21 as detailed in paragraph 2.5.4 of the report.
12. **Agreed** that the Telecare support charges should be increased by 2.7% for 2020/21 as detailed in paragraph 2.5.4 of the report.
13. **Approved** the HRA Major Works Capital Programme, detailed in **Appendix 1a** of the report and will refer it to full Council for final ratification.
14. **Approved** the HRA Capital expenditure and financing for the 12 Sites Joint Venture and other acquisition and regeneration opportunities detailed in paragraphs 3.5.1 to 3.5.21 and **Appendix 1b** of the report and will refer it to full Council for final ratification.

4. **REASON FOR DECISION**

The Council is required to set the housing rent, service charges and a budget in accordance with the Local Government and Housing Act 1989 and set a budget that is not in deficit.

5. **ALTERNATIVE OPTIONS CONSIDERED**

There are no alternative options in so far as setting a budget is concerned. However, there

are options in respect of the various elements of the budget. These are considered in preparing the budget and cover such things as the rent and service charge increases, budget growth and major works programme proposals. The rationale for the levels of investment and levels of charges are contained within the body of the report.

6. **DOCUMENT CONSIDERED:** Cabinet - HRA Business Plan and Budget 2020 - 2021 v19

1. **TITLE:** 2020/21 Capital Programme and Strategy

2. **DECISION MADE BY:**

3. **DECISION:**

Cabinet:

1. **Will Recommend to Council for consideration and approval** the 2020/21 and ongoing Capital Programme (subject to business cases for the regeneration schemes being approved in line with the governance process)
2. **Agreed** that the Chief Financial Officer be authorised to allocate funding from the Capital Contingency included within the draft Capital Programme.
3. **Agreed** that externally funded schemes can be added to the capital programme up to £500k as and when funding is confirmed. Any external funding over £500k will be subject to approval by the Chief Financial Officer.
4. **Agreed** that the relevant Cabinet Member, together with the Cabinet Member for Finance and Property be delegated authority to commence tender processes and accept tenders for capital schemes included within the approved programme under the block programme allocations or delegation arrangements set out in this report.
5. **Approved** the capital strategy contained within this report noting its impact on both the capital programme and overall contribution to the setting of the revenue budget for 2020/21 and beyond
6. **Noted** the capital prudential indicators included within the capital strategy when approving the capital programme to ensure affordability.

4. **REASON FOR DECISION**

The Council is required to approve the Capital Strategy as per the 2017 updates to the Prudential Code for Capital Finance in Local Authorities and the Treasury Management in the Public Services Code of Practice

5. **ALTERNATIVE OPTIONS CONSIDERED**

There are no alternative options in so far as approving the capital strategy and setting the capital programme. However, there are options in respect of the various elements of the capital programme.

6. **DOCUMENT CONSIDERED:** Cabinet Report - 2020-21 Capital Programme and

1. **TITLE:** Treasury Management Strategy Statement (TMSS) 2020/21 and Annual Investment Strategy (AIS) 2020/21, Treasury Indicators and Minimum Revenue Provision Policy Statement for 2020/21

2. **DECISION MADE BY:**

3. **DECISION:**

Cabinet:

1. **Approved** the Treasury Management Strategy Statement (TMSS) 2020/21.
2. **Approved** the Treasury Management set out in Appendices 1 and 2 of this report.
3. **Approved** the Annual Minimum Revenue Provision (MRP) Statement for 2020/21 set out in Appendix 7 of this report.
4. **Will recommend** the annual TMSS and MRP statements 2020/21 to Council for approval.
5. **Delegated** future changes required to this Strategy to the Chief Operating Officer in the consultation with the Cabinet Member for Finance and Property. This will provide the additional flexibility to swiftly respond to changing financial markets.

4. **REASON FOR DECISION**

The Statutory Codes set out that the Council ought to approve a Treasury Management Strategy Statement, the MRP Strategy and the Prudential Indicators.

5. **ALTERNATIVE OPTIONS CONSIDERED**

The MHCLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Operating Officer, having consulted the Cabinet Member for Finance and Property, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment	Higher investment balance leading to a higher impact in the event of a default;

	income	however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain

6. **DOCUMENT CONSIDERED:** LBH TMSS V.8 Jsw Final published

1. **TITLE:** Council's Medium Term Financial Strategy (MTFS) and Budget for 2020/21

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

Cabinet:

1. **Agreed** the Council's General Fund Budget Requirement for 2020/21 to be set at £130.104m as set out in paragraph 5.3.2 and Appendix E of the report;
2. **Agreed** the Delegated Schools' draft budget set out in section 2.3 of the report;
3. **Agreed** a 1.95% increase in Council Tax for 2020/21 as set out in paragraph 5.1 of the report;
4. **Agreed** an additional 2% Adult Social Care Precept as in paragraph 5.1 of the report;
5. **Noted** the Medium Term Financial Strategy position as set out in Section 4
6. **Agreed** the fees and charges schedule as set out in Section 6 and Appendix F
7. **Noted** the budget and risks as set out in Section 9
8. **Approved** the Council's approach to general balances as set out in paragraph 7.3
9. **Noted** the requirements of S106 of the LGA 1992 Act as set out in Section 1
10. **Agreed** that if there are any changes to the GLA precept and/or levies, the Chief Financial Officer be authorised to amend the recommended resolutions accordingly and report these to the next Council meeting as required.
11. **Agreed** that to facilitate the usage of un-ringfenced resources, the Chief Financial Officer in consultation with Service Directors will review any such new funds allocated to Havering; make proposals for their use; and obtain approval by the Leader and the Cabinet Member for Finance and Property.
12. **Delegated** to the Chief Financial Officer in consultation with Service Directors

the authority to make any necessary changes to service and the associated budgets relating to any subsequent specific grant funding announcements, where delays may otherwise adversely impact on service delivery and/or budgetary control, subject to consultation with Cabinet Members as appropriate.

13. **Delegated** authority to the Cabinet Member for Adult Social Services and Health and the Leader to approve an annual spend plan for the Public Health grant.
14. **Delegated** to the Directors of Children's and Adults authority to agree inflation rates with social care providers for 2020/21.
15. **Read** the Equalities Impact Assessment in respect of the CTS Scheme as set out in Appendix J to the report.
16. **Read** the draft summary version of the Council Tax Support Scheme for 2020 as set out in Appendix K to the report.

Will recommend to Council for consideration and approval:

17. The Council's General Fund Budget Requirement for 2020/21 to be set at £130.104m as set out in paragraph 5.3.2 and Appendix E of the report;
18. The Delegated Schools' draft budget set out in section 2.3 of the report;
19. A 1.95% increase in Council Tax for 2020/21 as set out in paragraph 5.1;
20. An additional 2% Adult Social Care Precept as in paragraph 5.1;
21. That it pass a resolution as set out in section 11 of this report to enable Council Tax discounts to be given at the 2019/20 level.
22. Agree that Havering joins the 67% London Business Rate Pool for 2020/21 and agrees the Memorandum of Understanding (MOU) as set out in paragraph 3.3.5 and Appendix L despite it representing a reduction in revenue of £1.5m compared to the previous 75% pool.
23. Recommend to Full Council that the Council Tax Support Scheme 2019/20 is adopted for 2020/21 as set out in Section 12 of this report
24. Recommend to Full Council that the financial procedures for virements are updated as set out in paragraph 7.4 and Appendix M

4. **REASON FOR DECISION**

The Council is required to set a balanced budget in advance of the beginning of each financial year. This report sets out the process to reach a balanced budget for 2020/21 and sets out the Council's future plans for balancing the budget in the medium term from 2021/22 to 2023/24.

5. **ALTERNATIVE OPTIONS CONSIDERED**

The report before Cabinet outlines all the options identified for balancing the 2020/21 budget. Officers will continue to seek further options for balancing the budgets for 2021/22 to 2023/24.

6. **DOCUMENT CONSIDERED:** Budget Report - cabinet 1.2 (030220)
Appendix A
Appendix B
Appendix C Budget Consultation
Appendix D
Appendix E - Council Tax Resolution (030220)
Appendix F - 2020-2021 Budget (030220)
Appendix G - Fees and Charges v3
Appendix H Risk Register Cabinet Version
Appendix J CTS 1- 2020-21CTS EIA
Appendix K CTS 2 Summary of the Council Tax Support Scheme 2020-21
APPENDIX L London BRR pool - MOU 2020-21
Appendix M Update Virement Levels

1. **TITLE:** EXCLUSION OF THE PRESS AND PUBLIC

2. **DECISION MADE BY:**

3. **DECISION:**

Cabinet did not go into closed session.

4. **REASON FOR DECISION**

5. **ALTERNATIVE OPTIONS CONSIDERED**

6. **DOCUMENT CONSIDERED:**

Havering and Wates Regeneration LLP Business Plan and Budget 2020-2021

1. **TITLE:**

2. **DECISION MADE BY:**

3. **DECISION:**

4. **REASON FOR DECISION**

5. **ALTERNATIVE OPTIONS CONSIDERED**

6. DOCUMENT CONSIDERED: