

Notice of KEY Executive Decision (Special Urgency)

Subject Heading:	GRANT ACCEPTANCE - PROPERTY INSPECTION WORK AND RELATED ACTIVITIES TO MAXIMISE BUSINESS RATES AND COUNCIL TAX REVENUES IN THE LONDON BOROUGH OF HAVERING FOR 2020-21 TO 2022- 2023
Cabinet Member:	Cllr Roger Ramsey, Cabinet Member for Finance and Property
SLT Lead:	Jane West
Report Author and contact details:	Jane West, Chief Operating Officer jane.west@havering.gov.uk
Financial summary:	The report requests approval for acceptance of a grant of £601,613 from the Greater London Authority towards increasing activity in the collection of council tax and business rates debts from 2020/21 to 2022/23. The full financial implications are unknown at this stage as the additional investment may lead to additional income to the Council.
Reason decision is Key	<i>(c) Significant effect on two or more Wards</i>
Date notice given of intended decision:	

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Relevant OSC:	Overview and Scrutiny Board
Is it an urgent decision?	Yes as the Council needs to confirm its acceptance of the grant offer to the GLA. Early acceptance will enable the GLA to make payment to the Council in January 2021.
Is this decision exempt from being called-in?	Yes, due to Special Urgency

The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input checked="" type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

THE GREATER LONDON AUTHORITY (GLA) has agreed to grant the **London Borough of Havering** up to six hundred and one thousand and six hundred and thirteen pounds (£601,613) (“the Funding”) towards the cost of the Project over the three financial years from 2020-21 to 2022-23.

This project is intended to fund and support additional property inspection work and other activities in its area in order to maximise business rates and council tax revenues.

Recommendations

1. To approve the acceptance of the GLA Grant of up to £601,613.
2. To approve the Local Authority costs of part funding the Additional Property Inspection and Related Activity to maximise the Business Rates and Council Tax Revenues to the Council for 2020-21 to 2022-2023. The total 3 year costs for the local authority are £560,907 and will be met from existing budget allocations.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3 of the Constitution- Responsibility for Functions: Para. 2.2 (a) (i) relating to taking decisions relating to the Council’s finances including but not exclusively budget control

STATEMENT OF THE REASONS FOR THE DECISION

- 1.1 These decisions are required under “Special Urgency” to allow the Council to secure GLA funding this financial year with payments from the GLA expected from January 2021 which will enable the Council to maximise Business Rates and Council Tax Revenues.
- 1.2 The grant offer was made by the GLA on the 26th November 2020 to all local authorities that expressed an interest. An expression of interest had been submitted by the Council in 2019/2020.
- 1.3 It was in November 2020 that the Council received notification that the London Mayor had given his approval to the funding. The urgency of this matter has been attributed to the lateness from the GLA and their request that all of the formalities should be completed by January 2021 in order for the first payments to be made this financial year.

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- 1.4 The Greater London Authority has agreed to grant the London Borough of Havering up to six hundred and one thousand and six hundred and thirteen pounds sterling (£601,613) (“the Funding”) towards the cost of the above named Project over the three financial years from 2020-21 to 2022-23. This project is intended to fund and support additional property inspection work and other activities in its area in order to maximise business rates and council tax revenues.
- 1.5 A breakdown of the funding provided for each of the three financial years and a summary of the project agreed is set out in Appendix 1
- 1.6 This project funding was made available for various projects and is intended to part fund and support the following projects
- Property inspection work in order to maximise income and seek additional rateable value (RV).
 - Business Rates Maximisation project, utilise external service providers and tools in seeking additional RV and provide accurate forecasting tools for appeals provisions.
 - Business Rates Arrears project , additional work to review and proactively chase arrears on a case by case basis
- 1.7 The project funding will be made available for 3 years commencing this financial year 2020-2021 and GLA London mayoral approval has just been sought. Further details are attached at appendix 1 and 2 for full funding and local authority and GLA apportionment. The Local Authority share will be met by existing budgets allocations.

1.6 Property Inspection Project

The GLA has agreed to part fund 3 current Inspector posts, (2 in respect of Council Tax and 1 in respect of Business Rates) and activity including salary costs, a proportion of supervisor and manager costs and other costs such as car mileage, training and office costs. The increased activity will include closer working with the planning and building control teams, increased frequency of inspections and targeted campaign for properties to be accessible for inspections. The Council’s share will be met from existing budget allocations. The GLA funding has been agreed by the Mayor and in the event that the GLA cease the funding the full costs can be met from existing budgets given that this project funds existing inspectors.

The total 3 year costs for this project is £440,266

The apportionment is as follows:

GLA	202,756	46.1 %
LBH	237,509	53.9 %

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1.7 Business Rates Maximisation Project

This project will part fund the use of external service providers and tools in seeking additional Rateable Value. This will be achieved by seeking data on business premises not currently in the rating list. This will increase the Council's income to the collection fund and provide accurate forecasting tools for appeals lodged with the Valuation Office Agency in respect of Rateable Values. It allows the authority to have access to more precise and up to date information in order to continuously review budget provisions and will provide accurate forecasting in respect of the Council's collection fund. The Council has set aside a budget of £50,000 per annum for its share assuming 60% of the costs are funded. A cap has been set with the service provider to ensure this is not exceeded. It is estimated that should the full costs be used approximately £933k of additional RV could be found and this could equate to approx. £400k in additional income to the Council's collection fund.

The total 3 year costs for this project is £306,040

The apportionment is as follows:

GLA £169,007 55.2%

LBH £137,032 44.8 %

1.8 Business Rates Arrears Project

The funding being made available will support increased activity and a proactive approach to reviewing arrears on a case by case basis in order to reduce the Council's Business Rates Arrears. Part funding has been agreed to set up an in house team to proactively chase arrears cases on the basis of two additional FTE, to be recruited on a temporary basis. The Council's Business Rates arrears are currently £2.6m. The activity will include additional tracing activity, use of external tracing service providers and increased use of solicitors for bankruptcy cases. The local authority share will be met by an existing vacant post. London Mayoral approval has been sought. In the unlikely event that GLA withdraw their funding the temporary resource will be employed on a weeks' notice basis and additional costs ceased.

The total 3 year costs for this project is £416,214

The apportionment is as follows:

GLA £229,849 55.2%

LBH £186,364 44.8 %

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OTHER OPTIONS CONSIDERED AND REJECTED

The grant offer could be rejected but this would reduce the activity planned as part of this project and the Council would potentially miss out on future additional income.

PRE-DECISION CONSULTATION

The Leader and Councillor Ramsey to be briefed.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Jane West

Designation: Chief Operating Officer

Signature:

Date:

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The proposed grant funding will enable the Council to enhance its operations for this project. The Council can accept the funding offered by the GLA.

By employing a temporary resource, the Council reduces its liability for fixed costs in the unlikely event that GLA withdraw their funding.

FINANCIAL IMPLICATIONS AND RISKS

The grant will part fund three posts and the council's share of the funding of those posts totalling some £610,237 will be contained within existing budget provisions. The projects are intended to increase the income to the council's collection fund.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no HR implications arising from this report.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

An EqHIA (Equality and Health Impact Assessment) is usually carried out when a proposed or planned activity is likely to affect staff, service users, or other residents. It is acknowledged that due to the urgency of the threat posed by the coronavirus, it will not be possible to carry out an EqHIA in advance of these decisions being made but they are considered to be of low risk and of benefit to those in need.

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HEALTH AND WELLBEING IMPLICATIONS AND RISKS

BACKGROUND PAPERS

Appendix A – LBH Funding
Appendix B – LBH REV Max Agreement

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Delete as applicable

Proposal NOT agreed because

Details of decision maker

Signed

Name:

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date:

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Committee Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____