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MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Wednesday, 4 November 2015
(7.30 - 9.00 pm)

Present:

Councillor Roger Ramsey (Leader of the Council), Chairman

	Cabinet Member responsibility:
Councillor Damian White	Housing
Councillor Robert Benham	Environment
Councillor Wendy Brice-Thompson	Adult Social Services and Health
Councillor Meg Davis	Children and Learning
Councillor Osman Dervish	Regulatory Services and Community Safety
Councillor Melvin Wallace	Culture and Community Engagement
Councillor Clarence Barrett	Financial Management
Councillor Ron Ower	Housing Company Development and OneSource Management

Councillors Ray Morgon, Gillian Ford, Philip Martin, Keith Darvill and Graham Williamson also attended.

There was a member of the press and one member of the public present.

There were two disclosures of personal interest relating to Minute 20 - Outline Proposals to Address Early Years, Primary, Secondary and SEN Rising Rolls – Phases 3 and 4 Expansion Programme:

Councillor Wendy Brice-Thompson as a Governor of the Royal Liberty School and Damian White as a Governor of Frances Bardsley Academy.

Unless otherwise indicated, all decisions were agreed unanimously with no Member voting against.

18 MINUTES:

The minutes of the meeting held on 23 September 2015 were agreed as a correct record and were signed by the Chairman.

19 **THE COUNCIL'S FINANCIAL STRATEGY 2015:**

Councillor Roger Ramsey, Leader of the Council, introduced the report

Cabinet was reminded that it had received a report on 9 September 2015 setting out the potential funding gap in the Council's financial strategy over the next three years.

The report before it set out a range of savings options and income generation proposals with the intention of bridging the gap in the financial strategy. Members were informed that if agreed, those proposals would be integrated within the financial model as part of the Council Tax setting report which would be considered by Cabinet in January 2016 for approval by Council in February 2016.

The outcome of the local government financial settlement (LGFS) for 2016/17 would not be known until early in 2016 and the present report acknowledged the risks associated with the development of the financial strategy in the absence of any great certainty over the level of future funding.

Members were reminded that all proposals would be subject to consultation before any final decisions were made.

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 represented a further significant step in developing the Council's budget strategy for the next three years and reflected the expected continued Government approach of reduced levels of funding.

Other options considered:

None. The Constitution required this as a step towards setting the Council's budget.

Cabinet:

1. **Noted** the latest projection of budget gap and the assumptions upon which these had been based, and the risks associated with them.
2. **Noted** the latest projection of the draft Medium Term Financial Strategy (MTFS), covering the period from 2016/17 to 2018/19, as set out in the report.
3. **Noted** that a range of corporate strategies would be impacted by the budget strategy and these would need to be updated and approved accordingly.

4. **Agreed** the final list of income generation and savings proposals as set out in Appendix A to the report for engagement with the local community, stakeholders, other interested groups, staff and unions.
5. **Agreed** to receive a further report in January 2016 which would consider the impact of the Local Government Financial Settlement (LGFS) on the MTFs and the implications for Council Tax setting.
6. **Noted** the advice of the Section 151 Officer in setting a robust budget.
7. **Approved** the demand management strategy as set out in Appendix B to the report.
8. **Approved** that the freehold interest in the sites identified in the report be declared surplus and gave authorisation for their disposal (subject to any necessary planning permissions and other consents as appropriate being obtained) and that the Head of Property, oneSource in consultation with the Director of Legal & Governance, oneSource be authorised to deal with all processes and matters arising and thereafter to complete the disposal.

20 **OUTLINE PROPOSALS TO ADDRESS EARLY YEARS, PRIMARY, SECONDARY AND SEN RISING ROLLS - PHASE III EXPANSION PROGRAMME:**

Councillor Meg Davis, Cabinet member for Children and Learning, introduced the report

Before Councillor Davis introduced the report, the Leader reminded Cabinet that the Council had a statutory duty to provide education for all school-age children in the borough. He recalled that during the early years of the previous decade due to the steady decline in the birth rate the borough found itself with a surplus of some 2,500 school places. The Government of the day obliged all authorities with high vacancies to reduce their capacity and at that time a number of schools were closed, but since then the birth rate had climbed again and, along with other external pressures, the position had changed significantly – not only locally, but across London – to such an extent that drastic action was now required in order to ensure that no child was left without a school place.

It was in this context that the report before Members had been drafted.

Councillor Davis thanked the Leader for that overview and added that Havering had seen an increase of over 33% in the number of births in families resident in the Borough between calendar years 2002 and 2013. Havering residents were choosing to start or/and increase their family more than other London borough, in fact the ONS live birth data for 2013 showed

that all other London boroughs experienced a drop in their birth rate from 2012 to 2013 apart from Havering which saw a 4% increase. Many London boroughs, having already experienced the increase in birth rate, were now seeing it plateau, but Havering was still at the early stages of its increase in the birth rate and therefore implementing the proposals so that local residents who were choosing to start or/and expand their family would have a local primary and then a secondary school place to send their children to was timely and imperative. An expansion programme had already begun and in 2013/14 the authority had created 10 permanent forms of entry (FE) in Primary schools together with 525 temporary places to cover short-term pressures for primary age pupils. In total 21 primary schools had expanded.

The number of Primary age pupils was expected to continue rising significantly from 20,374 in 2014/15, to 24,278 in 2019/20, which was more than 3,000 extra pupils over the next five years. There would therefore be a need to continue to make new provision available for these local children in most planning areas on both a permanent and temporary basis.

As those pupils advanced toward needing secondary education the authority's current surplus of places in the secondary sector would be eroded and surpassed. Havering would exceed its overall Secondary places (in all year groups) around 2018/19 but was projected to exceed its Year 7 capacity sooner; in 2016/17.

There were currently 3,248 places available in Havering for Year 7 pupils. The local authority would begin the process of planning additional capacity across the borough for the projected increase in secondary pupil numbers through Phase Three of its expansion programme.

The rise in demand meant that the Council needed to do two things:

1. Find ways to absorb the immediate extra demand for places, while protecting the Borough's excellent reputation for good schools – which was already well underway.
2. Plan for a longer term growth in pupil numbers, which meant creating more capacity in the Havering school system.

The report sought Cabinet's approval to an approach to managing the forecast increase in early years, primary, secondary and SEN pupil numbers beyond the current Phase 2 of the Council's Programme of Primary School Expansions.

The recommendations took account of the very wide resident, parent and stakeholder consultation outcomes, the Council's agreed Commissioning Plan for Education Provision 2015/16 - 2019/20, updated pupil forecasts and other related developments.

Approval of the recommendations would enable officers to undertake consultation with stakeholders including the encouragement of new Free Schools - where appropriate - and ensuring value for money as part of the Council's strategy for ensuring that there were sufficient school places to meet the assessment of likely future demands.

Officers would also be authorised to commission detailed feasibility work to assess, appraise and prioritise the capital implications and to firm-up specific proposals for final decision by March 2016.

Reasons for the decision:

This decision was necessary to ensure the provision of sufficient school places to meet the forecast rise in early years, primary, secondary and SEN pupil numbers projected beyond Phase 2 of the Council's Programme of Primary Phase School Expansions.

Other options considered:

A number of options had been identified in the report each requiring further consideration. So far no option had been rejected.

Not providing any additional places was not an option as the Council would be failing to meet its statutory duties..

Cabinet:

1. **Agreed** that Phases 3 and 4 of the school expansion programme should be developed based on the following approach in line with consultation responses:
 - a. To have a preference for expanding existing popular and high-performing schools and inclusion of nursery provision and Additional Resource Provisions (ARPs) where appropriate and practicable.
 - b. To consider the expansion of existing schools, but only to a maximum size of 4FE (forms of entry) in the primary phase, ensuring at all times that agreed standards of education was paramount; to consider the possible establishment of primary phase provision on secondary school sites as all-through provision and the encouragement of Free Schools where needed and they provided best value.
 - c. To begin to rationalise Published Admission Numbers (PANs) for secondary schools so that they were in multiples of 30.
2. **Agreed** the **PERMANENT** expansion - subject to consultation and statutory processes - including planning processes and consultation of the following schools:
 - d. Parsonage Farm
 - e. Crownfield Infants & Junior Schools
 - f. St Peter's Catholic School
 - g. Broadford Primary
 - h. James Oglethorpe Primary

To note that a further 1FE expansion would be required in each of the Romford and Upminster & Cranham planning areas but that work was still on-going to select those schools.

- 3 **Delegated** the power to take further decisions regarding the approval of which settings/schools should be expanded (subject to the appropriate statutory processes) for the remainder of the Phase 3 of the Expansion Programme to the Cabinet Member for Children & Learning and the Cabinet Member for Value, following consideration of the above, subject to budgetary provision being confirmed.
- 4 **Delegated** to the Director of Asset Management authority to submit planning applications, commission all associated surveys/ investigations (including transport assessment, soils survey, environmental checks etc.) and commence tender processes as required to support the development of options appraisals to deliver the phase 3 expansions required – noting that tender awards would remain the subject of separate Executive Decision(s).
- 5 **Recommended to Council** that the following items be added to the 2015/16 capital programme for phase 3 expansion:
 - £16,756,152 16/17 Basic Need Grant and;
 - £282,078 interest on existing S106 education contributions
- 6 **Authorised** feasibility studies to be carried out to facilitate the development of a secondary high quality and value for money expansion programme to take place in Phase 4 (2018/19) at a number of secondary schools.
- 7 **Authorised** £1m funding to be transferred from the phase 3 expansion programme to the phase 4 expansion programme to allow the most appropriate schemes to be developed to design & planning stage, noting that there was a risk that any schemes not progressed would not be eligible for capital funding, requiring alternative revenue funding to be identified.
- 8 **Noted** that plans to address Phase 4 of the Council's Expansion Programme would be the subject of future reports and that where possible the financial implications would be addressed as part of the 2016/17 and future years budget setting processes.
- 9 **Noted** that transport, parking and traffic was a key issue of concern for local residents when schools were built or expanded and that future expansion plans would incorporate an action plan to address those issues.

Increasing SEN places

- 10 **Approved** the SEN Strategy – Appendix 1 to the report - and the proposals outlined in the Strategy.

- 11 **Agreed** to open a new 16-25 SEN provision based at Avelon Road by September 2016.
- 12 **Recommended to Council** that the following items be added to the 2015/16 capital programme re; post 16 SEN: £927,000 interest on existing S106 education contributions
- 13 **Agreed** to increasing the number of Early Education and Childcare Places based on the following approach:
- a. Support the set-up of new businesses, particularly in areas of place pressure.
 - b. Engaging with maintained schools, academies and free schools to support the establishment of nursery provision to deliver the Early Education Entitlement as part of the whole school rather than engaging with a Private, Voluntary and Independent (PVI) provider especially where these were in areas of place pressure.
 - c. Encouraging and supporting schools to offer full time education and childcare (this might include Breakfast and After School Clubs) from 8am to 6pm, enabling school nurseries to deliver a more flexible offer including blocks of hours, rather than just morning or afternoon.
 - d. Engagement with both school and PVI settings to develop or expand more of these, to deliver the increased 2 year old entitlement.
 - e. Building capacity to support the delivery of the new 30 hours funded entitlement due to come into force in September 2017.
- 14 **Recommended to Council** that the following items be added to the 2015/16 current Early Years capital programme: £1,900,000 DSG Top-sliced from Early Years Capital.

21 **CONSULTATION ON YOUTH SERVICE PROPOSALS:**

Councillor Melvin Wallace, Cabinet member for Culture and Community Engagement, introduced the report

Cabinet was reminded that in the light of the community consultation which had taken place between May and August 2015 the report sought a decision on the Medium Term Financial Savings (MTFS) for the Youth Facilitation and MyPlace teams as from the 2016/17 financial years,

Reasons for the decision:

To achieve the required MTFS savings for the Youth Facilitation Service and for the MyPlace building in Harold Hill.

Other options considered:

The option of not proceeding with delivering the MTFS savings outlined in the report had been considered but rejected on the grounds that the outcome of the community consultation was broadly supportive of the proposals and if not implemented, alternative savings would have to be found elsewhere.

Cabinet:

1. **Noted** the outcome of the community consultation on the MTFS proposals that impacted on the Youth Facilitation and MyPlace teams, as detailed in Appendix 1 to the report.
2. **Confirmed** that the level of MTFS savings would be £516k per annum for the Youth Facilitation team, as from the 2016/17 financial year and £100k for MyPlace as from the 2017/18 financial year.
3. **Noted** that a budget of £250k per annum would be retained to support the work of the Youth Facilitation team and that a net budget of approximately £250k would be retained to deliver services at the MyPlace building.
4. **Confirmed** that Housing Revenue Account funding of £100k per annum would be allocated to work with young people living on Council estates where a high percentage of Council tenants lived.
5. **Agreed** to officers progressing restructures in both the Youth Facilitation and MyPlace teams, to achieve the required MTFS savings.
6. **Agreed** to officers progressing a procurement process that would result in the externalisation of the Youth Facilitation and MyPlace services, once the restructures in both services were implemented.

22 **AUTHORISATION TO ENTER INTO GLA HOUSING ZONE OVERARCHING BOROUGH AGREEMENT:**

Councillor Ron Ower, Cabinet member for Housing Company Development and oneSource Management, introduced the report

Cabinet was reminded that following its approval on the 24 September 2014, the Rainham and Beam Park Housing Zone bid was submitted to the GLA. The submission was successful and Havering's status as a Housing Zone Borough was announced on the 25 June 2015. The legal and administrative process to formally allocate monies was now in the due diligence phase with the GLA having appointed external consultants to review individual components of the bid. The London Borough of Havering

was being asked by the GLA to enter into an Overarching Borough Agreement (OBA) with it.

The OBA was the agreement which embodied the basis of the Housing Zone principles and arrangements with successful bidding Boroughs. It might be revised and/or amended at the discretion of the GLA and boroughs to reflect Zone specific or other provisions. Upon the signing of the Agreement, the GLA would allocate budget resources of £30.56m for the delivery of the Rainham and Beam Park Housing Zone programme.

Under this agreement a suite of individual funding agreements relating to each of the ten major project strands in the Rainham and Beam Park Housing Zone programme would sit. These would be drawn up as the major projects were refined as the Housing Zone moved forward and would form the contractual basis for the drawing down of Housing Zone funding.

The report sought Cabinet's approval to enter into the GLA's Overarching Borough Agreement for the Rainham and Beam Park Housing Zone and delegated authority to enter into individual funding agreements.

Reasons for the decision:

The Housing Zone programme would give access to significant investment in Havering which would in turn improve development viabilities and allow for investment prior to housing delivery.

Other options considered:

Not entering into the Overarching Borough Agreement had been rejected. From officer discussions with the GLA, housing associations and developers, it was clear that proposals for new housing already were coming forward for sites in the proposed Rainham and Beam Park Housing Zone area and it was also found that additional sites would be marketed soon - including those put forward by the GLA itself.

Without Housing Zone funding to provide essential infrastructure and land assembly, the likelihood was that development would proceed but in a piecemeal manner and with limited Council ability to guide quality of design and provide community facilities with the possible prospect of development resulting in future liabilities to the Council. With piecemeal developments, developers could argue against increased financial contributions to infrastructure and affordable housing on the grounds that their development in isolation had only a minimal impact on the area and that London's general housing shortage outweighed the need for contributions.

Cabinet:

1. **Agreed** to the Borough entering into the Overarching Borough Agreement with the GLA.
2. **Delegated** to the Leader of the Council, Cabinet Member for Housing Company Development & oneSource Management and the Group Director Community and Resources the approval of

subsequent individual transactions, project business cases and funding agreements.

3. **Agreed** to the establishment of the Rainham and Beam Park Housing Zone board and governance arrangements as set out in Section 4.0 of the report.
4. **Agreed** in principle to the establishment of funding pots of S106 and Community Infrastructure Levy (CIL) contributions from developments coming forward in the Housing Zone to support the delivery of key infrastructure and be available to assist in repaying any forward funding from 'GLA recoverable grant'. The terms of any repayment to be delegated to the Leader of the Council, the Cabinet Member for Housing Company Development & oneSource Management and the Group Director Community and Resources for approval.

Chairman