

Public Document Pack



MINUTES OF A CABINET MEETING Council Chamber - Town Hall Wednesday, 20 November 2013 (7.30 - 10.45 pm)

Present:

Councillor Michael White (Leader of the Council), Chairman

Councillor Steven Kelly (Vice-Chair)

Councillor Michael Armstrong

Councillor Robert Benham

Councillor Andrew Curtin

Councillor Roger Ramsey

Councillor Paul Rochford

Councillor Geoffrey Starns

Councillor Barry Tebbutt

Councillor Lesley Kelly

Cabinet Member responsibility:

(Deputy Leader) Individuals

Transformation

Community Empowerment

Culture, Towns & Communities

Value

Children & Learning

Community Safety

Environment

Housing & Public Protection

Councillors Clarence Barrett, Sandra Binion, Keith Davrill, David Durant, Gillian Ford, Linda Hawthorn, Paul McGeary, Pat Murray, Jeffrey Tucker and Lawrence Webb were present for the meeting.

3 Members of the public were also in attendance.

There were no disclosures of pecuniary interest.

The Chairman announced the evacuation procedures in the event of an emergency.

90 **MINUTES**

The minutes of the meeting of Cabinet held on 16 October 2013 were agreed as a correct record and signed by the Chairman.

91 **SHARED BACK OFFICE SERVICES WITH THE LONDON BOROUGH OF NEWHAM**

Councillor Michael White, the Leader of the Council, introduced the report.

The report before Cabinet concerned the creation of a Joint Committee with the London Borough of Newham to create a shared back office function.

It was reported that both Newham and Havering Councils had faced considerable financial pressures in recent years, with Havering having to make £40million on savings by 2014. Recognising that reductions in local government funding would continue but, however with little room as individual authorities to make further reductions in support service costs, the two Councils agreed, in October 2012, to work together to fully share back office services. The aim was to drive down costs and make savings which would allow protection for frontline services for residents.

It was noted that both Councils had worked quickly to develop the shared service in order to maximise the savings it could achieve. Go Live was aimed for December 2013, with full redesign and transformation of services completed by 2018/19. The two Councils were also ambitious to market the shared service to other councils, public and third sector organisations, creating a preferred model for support services and generating additional income for both councils.

The report outlined the main benefits of the shared service as:

- Improving the customer experience
- Increasing operational efficiency
- Reducing the costs of support services by sharing staff & assets
- Resilience and flexibility through standard systems and a pool of resources
- Building on best practice service delivery in either Council
- Pooling scarce specialist resources and creating additional capacity
- Savings through common procurement strategies and sharing expertise
- Reducing the cost of transformation for each Council by doing things only once

The proposed shared service would include 21 separate services across the two Councils with a combined cost of shared in scope services of £57m and employing 1,100 people. The back office services include:

- | | |
|--|---|
| • Human Resources | • Procurement |
| • Payroll | • Business Improvement |
| • ICT | • Property, Asset Management and Facilities |
| • Finance | • Health and Safety |
| • Council Tax, Benefits and Business Rates | • Audit, Insurance and Risk Management |
| • Legal Services | • Transport |
| • Democratic Services | |

Members were informed that the shared service would be delivered through a Joint Committee model, with three members of the Executive from each Council making up the Joint Committee. The Joint Committee had been chosen over other models, such as simply outsourcing all the services, as it enabled retention of all the savings, provided a more flexible approach to developing the shared service and would allow marketing of the service to take place to additional users. The Joint

Committee would go live some time during December once both Councils had given approval.

Under the proposed model for the shared service all of its staff would continue to be employed by one of the two Councils; the shared service itself would not employ anyone. This would negate the need for a TUPE transfer of staff and the impact on the two Councils' pension funds would be negligible. Staff would remain on their existing terms and conditions.

The shared service was anticipated to save the two boroughs £10.6m per annum by 2018/19 with Havering's share being £3.9m.

Reasons for the Decision

To enable the Council to continue to deliver financial savings a shared back office service with the London Borough of Newham has been proposed.

Alternative Options Considered

It was considered that minimal further savings in the back office functions could be made without considering alternative arrangements. The business case considered alternative delivery vehicles to that of a Joint Committee but it was considered that the alternatives did not deliver the same level of savings in the required timescale.

The setting up of a joint committee at this stage did not preclude the two Councils from deciding on another course of action in the future.

It was stressed that the shared back office proposal would not jeopardise the delivery of frontline services. There was however concern raised at the disparity in pay levels between staff in the two Councils.

Cabinet:

- 1. Agreed to create a shared service for back office functions with the London Borough of Newham.**
- 2. Agreed to the setting up of a Joint Committee with the London Borough of Newham as the chosen vehicle to deliver the shared service and to recommend to the Governance Committee that it approves the necessary changes to the Council's constitution to create such a body with an effective date of 1 December 2013. *At its meeting on 13 November, the Governance Committee approved the necessary changes to the Constitution.***
- 3. Agreed that power to determine the management structure of the shared service be delegated to the proposed Joint Committee as from 1 December 2013 and recommends to the Governance Committee that it approves the necessary changes to the Council's Constitution to achieve such a delegation. *At its meeting on 13 November, the Governance Committee approved the necessary changes to the Constitution.***
- 4. Noted that further detailed alterations to the council delegations would be required once the senior management structure for the shared service was known and that a further report will go to the Governance Committee in early 2014.**

5. **Approved the basis of the funding formula as identified in paragraph 7.1 and 7.2 of the report with the recalculation of the funding agreement percentages which are to be finalised later in the financial year once final budgets are known for each council.**
6. **Approved the delegation to the Group Director (Resources) in consultation with the Lead Member for Value the arrangement for the signing of the Joint Committee Agreement.**

92 **OUTLINE PROPOSALS TO ADDRESS PRIMARY RISING ROLLS**

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

It was reported that in September 2013, Cabinet had agreed the first phase of Havering's primary school expansion plan. The expansion of 15 primary schools was to provide adequate primary school places given the increasing birth rate in the Borough.

Across the country and London in particular, demand for school places continues to rise, driven by a number of factors. It was noted that the issue was particularly pressing in primary schools.

Havering had not seen the spikes in demand as in other areas of the Capital, but demand for places was threatening to outstrip the supply of primary school places in the Borough. The unprecedented and unforeseeable surge in demand had pushed the Council to:

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 approval to an approach to managing the forecast increase in primary phase pupil numbers beyond the current Phase 1 of the Council's Programme of Primary School Expansions.

The proposals took account of the Council's agreed *Commissioning School Places Strategy 2012/13-2016/17*, updated pupil forecasts and other related developments in School Organisation.

Approval of the proposals would enable officers to undertake consultation with stakeholders including the encouragement of new Free Schools as part of the Council's strategy of ensuring that there are sufficient school places to meet the best 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 2014, subject to the outcome of a Department for Education (DfE) review of school organisation change processes.

Reasons for the decision

The decision was necessary to ensure the provision of sufficient additional primary places to meet the forecast rise in primary pupil numbers projected beyond Phase 1 of the Council's Programme of Primary Phase School Expansions.

Other options considered

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

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

Cabinet:

1. **Authorised staff to develop Phase 2 of the Council's Primary Expansion Programme based on the following 'three-stranded' approach:**
 - **Potential new Free Schools should be encouraged into Havering coupled with consideration of new 'all-through' provision potentially on existing secondary school sites;**
 - **Expand current primary phase schools by using additional sites adjacent to existing school sites;**
 - **Expand existing primary phase schools on their existing school sites, starting with bulges for 2014/15 and including consideration of expanding existing 3FE primary schools subject to assessment of the impact of such an expansion on standards, effectiveness and performance.**
2. **Agreed that the power to take further decisions on Phase 2 of the Primary Expansion Programme be delegated to the Lead Member for Children and Learning and Lead Member for Value, following consideration of the above and including a preference for expanding existing popular and high-performing schools and inclusion of nursery provision where appropriate and practicable;**
3. **Agreed that it would increase the "primary expansion" allocation within the 13/14 Capital Programme by £4,610,221 to be funded by 14/15 basic need grant (£4,451,633) and extended schools grant 2008/11 (£155,588) noting that although commitments may need to be made prior April 2014, it was unlikely that any grant would need to be physically spent prior to this point.**
4. **Noted that the financial consequences of phase 2 of primary expansion would be addressed as part of the 2014/15 budget setting process and also be reassessed at the point further decisions were taken.**
5. **Noted that plans to address Phase 3 would be the subject of future reports.**

93 **EDUCATION & SKILLS DELIVERY STRATEGY**

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

The report sought Cabinet approval for the Education and Skills Delivery Strategy.

The Delivery Strategy sets out and updates in the current context the Council's vision and ambition for education in Havering. The Strategy describes the processes that would be undertaken to achieve this vision and how success would be measured.

It was reported that discussion and consultation had taken place with all education providers, including early years settings, schools and colleges over the last 6 months. Their views and suggestions had been incorporated into the final version of the Strategy.

Reasons for the decision:

The decision was necessary in order to set out the vision, ambition and process whereby all children and young people in Havering would attend good or better education provisions.

Other options considered:

None.

Cabinet approved the Education and Skills Delivery Strategy.

94 **PROPOSAL FOR ADDITIONAL POST 16 PROVISION IN HAVERING FOR YOUNG PEOPLE AGED 16-19 WITH SPECIAL EDUCATIONAL NEEDS AND/OR DISABILITIES**

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

The report before Cabinet sought in principle approval to expand post-16 provision for young people with special educational needs and/or disabilities ("SEND"). If granted, further approval would be sought from Cabinet of a final proposal once location and development options have been explored in more detail.

The report explained that demographic trends and changes in the type and complexity of learning difficulties had led the Council to review the size and suitability of its existing post-16 provision. Analysis of current pupils aged 11 to 15 years at the borough's three special schools, and of school/college destinations at age 16 over the last three years had taken place. The results correspond with concern voiced by a small number of parents of children with SEND that the Council was not making sufficient or appropriate provision for their children from age 16.

Discussion and analysis had taken place through a strategy group over the last 18 months, in conjunction with parent representatives. Views had also been

welcomed from head teachers of the borough's special schools, as well as colleagues across Children's Social Care, Learning & Achievement, Adult Social Care and Health. Young people had also been consulted on what they thought post-16 provision should be like.

Providing additional in-borough provision for a small number of 16-19 year olds with high levels of SEND would require significant investment but would have numerous benefits. Primarily, by creating a continuum of appropriate and local provision, young people would be able to remain in their home environment rather than potentially travelling to out of borough provision. By ensuring that these young people maximise their potential for independence, it would not only improve their quality of life and long-term outcomes but it was also anticipated that they would require less support from Adult Social Care in the future as a result.

Reasons for the decision:

The Council has a duty to provide suitable education for young people with SEND. While existing local post-16 provision is very good, it was acknowledged that there were a number of young people whose needs were not profound enough for Ravensbourne to be appropriate but who would not yet be able to access Havering College.

The Council should respond to the changing needs of its young residents with SEND and prepare to meet the demands of demographic predictions.

Out of borough provision for those whose needs could not be met in Havering was costly and could not be guaranteed in future years as those boroughs would meet their own local demand before making places available to other local authorities.

Capital investment would enable future demand to be met appropriately.

Other options considered:

Do nothing: This was rejected for all of the reasons set out above.

Cabinet:

- 1. Gave in principle approval to the development of new post-16 provision in Havering for 16-19 year olds with special educational needs and/or disabilities by September 2015.**
- 2. Approved the "Post-16 Strategy for young people with special educational needs and/or disabilities"**
- 3. Noted that the financial consequences of this proposal would be addressed as part of the 2014/2015 budget setting process.**

95 CORPORATE PERFORMANCE REPORT - QUARTER 2

Councillor Michael White, the Leader of the Council, introduced the report.

The report before Member set out the performance of the Council's Corporate Performance Indicators for the first quarter (August-October 2013), against the five Living Ambition Goals of the Corporate Plan:

Y Environment
Y Learning
Y Towns and Communities
Y Individuals
Y Value

Of the 55 Corporate Performance Indicators, 44 were measured quarterly. The remaining indicators were collected on an annual or bi-annual basis only.

The report identified where the Council was performing well and not so well and highlighted what action the Council was taking to address poor performance where appropriate.

Appended to the report was a chart which detailed each of the 55 Corporate Performance Indicators. Officers provided responses to queries raised by Members in respect of some of the performance indicators.

Reasons for the decision:

To provide Cabinet Members with a quarterly update on the Council's performance against the Corporate Performance Indicators.

Other options considered:

N/A

Cabinet noted the contents of the report.

96 **FUTURE FINANCING MEMBER PROJECT**

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

The report explained that at the beginning of this term, ten Strategic Administration Projects were established to help deliver services more effectively and in new ways. The Projects each were driven by a Member of the Cabinet, working with a select team of officers, representing a diverse variety of disciplines within the Council.

The projects were:

Council Effectiveness
Think Family
Open Government
Community Action
Harold Hill Ambitions

Neighbourhood Responsibility
Civic Pride
Future Financing
Rainham Compass
Romford Regeneration

In the last year of this Administration, each Project would report back to Cabinet, to note the achievements attained and the progress made.

The **Future Financing** project was established to better understand the most significant change in Local Government funding in recent history and what implications this would have for Havering.

The project focused on the impact of the following:

- How to maximise Council resources under the new Grant Regime, with the return of Business Rates to Local Authorities.
- The New Homes Bonus and changes to Housing Revenue Account funding.
- Promoting Business Investment.
- The Comprehensive Spending Review & Grant Changes.
- The Corporate Office Property Strategy (COPS), in particular the move from Scimitar House.
- The review of Council Assets.

Cabinet noted the outcomes delivered by the Future Funding project.

97 ROMFORD LEISURE DEVELOPMENT

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

The report sought Member approval to finalise negotiations with Morrisons to ensure that the Romford Leisure Development project could proceed, thus securing all the sporting, culture and regeneration benefits that had previously been reported to Cabinet.

The centre would feature a new competition ice rink and competition pool - delivering a boost to sport, health and wellbeing in Havering for generations to come. It would also back the Council's wider aim of supporting the viability and vibrancy of the town centre.

Various costs had increased since the pre tender estimates were reported to Cabinet in June 2011, resulting in a requirement to increase the budget for the Romford Leisure Development project by £2m.

This decision was subject to Council agreeing to an overall increase in the capital funding allocation for the Romford Leisure Development project, and the agreement with Morrisons becoming unconditional.

Reasons for the decision:

The decision to recommend to Council the allocation of additional funding of £2m for the Romford Leisure Development project had been taken to ensure that the project could be delivered as originally envisaged, securing all the benefits to Havering residents that had been set out in previous reports.

Other options considered:

The option of not recommending an increase in the budget of £2m was considered, but rejected, because the project could not proceed as originally envisaged unless this extra money was provided.

The option of changing the design and /or the mix of facilities provided in the new facility was considered, but rejected, because that would undermine the Council's objectives for the project.

Concern was expressed that additional capital would have to be found to underpin the project. Assurances were given that staff had done all they reasonably could do to minimise the cost.

Cabinet:

1. **Noted the effective current approved budget for the scheme of £26.848m.**
2. **Agreed to an increase of £2m to this budget, making a revised capital budget of £28.848m, and referred this £2m increase to Council for final approval, subject to the Agreement with Morrisons becoming unconditional.**

98 **SUSPENSION OF STANDING ORDERS**

During the discussion of the reports Cabinet **RESOLVED** to suspend Committee Procedure Rule 8 in order to complete the consideration of the remaining business of the agenda.

Chairman