

CABINET

6.30 p.m.
Please note time

Thursday
5 July 2007
Please note day

Council Chamber
Town Hall

Members 10: Quorum 5

Councillor Michael White

Leader of the Council (Chairman)

Councillor Steven Kelly (Deputy Leader)

Sustainable Communities & Health

Councillor Michael Armstrong

Housing & Regeneration

Councillor Peter Gardner

Public Safety

Councillor Andrew Curtin

Public Realm

Councillor Barry Tebbutt

StreetCare & Parking

Councillor Paul Rochford

Environmental & Technical Services

Councillor Eric Munday

Performance & Corporate

Councillor Roger Ramsey

Resources

Councillor Geoffrey Starns

Children's Services

***For information about the meeting please contact:
Ian Buckmaster (01708) 432431 ian.buckmaster@havering.gov.uk***



Cabinet, 5 July 2007

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Cabinet, 5 July 2007

AGENDA

1 ANNOUNCEMENTS

On behalf of the Chairman, there will be an announcement about the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 APOLOGIES FOR ABSENCE (if any) - receive.

3 DECLARATION OF INTERESTS

Members are invited to declare any interests in any of the items on the agenda at this point of the meeting. Members may still declare an interest in an item at any time prior to the consideration of the matter.

4 MINUTES

To approve as a correct record the minutes of the meeting held on 20 June 2007, and to authorise the Chairman to sign them

5 CONSIDERATION OF REPRESENTATIONS TO STAGE ONE OF THE FORMAL CONSULTATION ON THE PROPOSED TRANSFER OF THE MARDYKE ESTATE

6 PROVISION OF MEALS ON WHEELS

Cheryl Coppel
Chief Executive



MINUTES OF A CABINET MEETING
Havering Town Hall, Romford
Wednesday, 20 June 2007 (7.30pm – 8.20pm)

Present:

Councillor Michael White, Leader of the Council, in the Chair

Cabinet Member responsibility:

Councillor Steven Kelly (Deputy Leader)	Sustainable Communities & Health
Councillor Michael Armstrong	Housing & Regeneration
Councillor Andrew Curtin	Public Realm
Councillor Eric Munday	Performance & Corporate
Councillor Roger Ramsey	Resources
Councillor Paul Rochford	Environmental & Technical Services
Councillor Geoffrey Starns	Children's Services
Councillor Barry Tebbutt	StreetCare & Parking

Councillors Clarence Barrett, Jeff Brace, Keith Darvill, Gillian Ford, Linda Hawthorn, Andrew Mann (for part of the meeting), Barbara Matthews and John Mylod attended

2 members of the public and a representative of the press were also present.

An apology was received for the absence of Councillor Peter Gardner.

All decisions were agreed with no vote against.

Councillor Andrew Curtin declared an interest in the matter referred to in minute 4.

On behalf of the Chairman, those present were reminded of the action to be taken in the event of an emergency.

1 MINUTES

The minutes of the meeting held on 16 May 2007 were agreed as a correct record and were signed by the Chairman.

2 BEST VALUE PERFORMANCE PLAN 2007

Councillor Eric Munday, Cabinet Member for Performance & Corporate, introduced the report

Cabinet was reminded that the Local Government Act 1999 required all best value authorities to prepare an annual Performance Plan as a key element of delivering best value. The Plan was expected to include details of the previous year's outturns as well as targets for both the current year and the subsequent two years

Havering's approach to Best Value was supported by its strategic and financial planning process, which links the Corporate Plan, the Medium Term Financial Strategy, and the Performance Plan, to ensure all staff are working to improve the quality of life of Havering's residents.

Reasons for the decision:

To comply with the Local Government Act 1999 requiring Best Value authorities to prepare an annual Performance Plan.

Other options considered:

As this was a statutory obligation, no other options were considered.

Members noted that the Council had met or exceeded 52% of its targets but that to move from "three stars" to "four stars", more would need to be met or exceeded. The Council's satisfaction rating for direction of travel was third highest in London, and rising against the national trend downwards.

Cabinet:

1. **Noted the (unaudited) outturns being reported to the Audit Commission for both the statutory Best Value Performance Indicators and a selection of the locally collected performance indicators.**
2. **Endorsed the improvements in performance targets being set by services for 2007/08 and the subsequent two years.**
3. **Recognised that some of these outturns may be subject to change before final publication of the Performance Plan on 30 June 2007.**

3 THE HAVERING MUNICIPAL SOLID WASTE MANAGEMENT STRATEGY 2006-2020 – ANNUAL REPORT

Councillor Barry Tebbutt, Cabinet Member for StreetCare & Parking, introduced the report

In April 2006, Cabinet had approved the Havering Municipal Solid Waste Management Strategy 2006–2020. The Strategy had been developed to ensure that Havering would be in the best possible position to meet its statutory Recycling and Composting targets and progressively to reduce the amount of Biodegradable Municipal Waste sent to landfill.

The report submitted gave an update to Members on the progress that had been made against the projects identified for action in the first year of the

Waste Strategy and highlighted additional activities which would build upon the achievements to date.

Appendix 1 to these minutes summarises the progress made and indicates the next steps.

Reasons for the decision:

Support for the Havering Solid Municipal Waste Management Strategy would ensure the Council was in the best possible position to meet statutory targets and reduce the amount of waste sent to landfill.

Other options considered:

The report stated the progress achieved against the projects identified for action in the Havering Waste Strategy. No other options were therefore considered.

Members noted that:

- a battery recycling facility existed at the Gerpins Lane Recycling Centre but it was mainly for larger, car batteries rather than the small type, although the provision of a facility for them was under investigation;
- the decision as to whether or not to send a warning letter or serve a Fixed Penalty Notice rested with the enforcement officer;
- the Council was falling short in its recycling targets for 2006/07, following a lengthy commissioning process of the new Bio MRF infrastructure and additional initiatives not yet implemented. However, waste sent to landfill was reducing through the Council's ELWA partners' Shanks processes.

Cabinet:

1. **Noted the progress made against the actions identified for the first year of the Havering Municipal Solid Waste Management Strategy.**
2. **Adopted the proposed projects identified for action in 2007/08, as listed in the Appendix to these minutes.**

4 HOUSING STRATEGY UPDATE 2007 – 2010

Councillor Andrew Curtin declared a personal interest, as Chairman of the board of Homes in Havering.

Councillor Michael Armstrong, Cabinet Member for Housing & Regeneration, introduced the report

The Council's Housing Strategy 2004–07 had been declared Fit-for-Purpose by the Government Office for London in 2004. Achieving this status meant that subsequent strategies need only take the form of an update, with amendments only being required where there had been significant changes at the local, regional and national level. In addition, there was an expectation

that the strategic housing objectives would be periodically reviewed and the action plan updated.

The report submitted presented a summary of key factors at the local, regional and national that needed to be taken into account when amending the Strategy. A revised set of strategic housing objectives was proposed.

Reasons for the decision:

The original Housing Strategy, and in particular its action plan, was now out-of-date. In addition, there had been a number of significant changes to services locally, and policy changes at the local, regional and national levels since publication of the last Housing Strategy affecting local authorities' housing roles. Acceptance onto the Government's ALMO programme was a prerequisite step in seeking, and ultimately accessing, the funds required to make the Council's properties decent.

Despite the recent changes in legislation giving the Mayor for London the lead role in housing strategy making in London, there still currently exists a duty on local housing authorities to produce and keep up-to-date a housing strategy reflecting local needs and priorities.

Other options considered:

There is no alternative to updating the 2004-2007 Housing Strategy.

Cabinet agreed:

1. **That the revised strategic housing objectives be approved.**
2. **That authority to approve the final version of the revised Housing Strategy including a new action plan, be delegated to the Lead Member for Housing and Regeneration, acting in consultation with the Group Director, Sustainable Communities, unless there are amendments that would incur a financial liability for the Council.**

5 HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME

Councillor Michael Armstrong, Cabinet Member for Housing & Regeneration, introduced the report

The report gave details of the proposed Housing Capital programme covering expenditure on properties held within the Housing Revenue Account (HRA).

The report analysed the expenditure against the approved programme for 2006/07, and sought approval of amended programmes for 2007/08 and 2008/09, along with a proposed programme for expenditure on HRA properties in 2009/10.

Reasons for the decision:

Approval of the HRA Capital Programme as recommended was required to enable the Council to balance commitments made in (a) previous capital programme reports, (b) the MTFs report approved on 14 February 2007, and (c) the bid to the Department for Communities and Local Government for funding through the Arm's Length Management Organisation route.

Other options considered:

To maintain the previously approved programme: this option was rejected as the previous programme required significant amendment to reflect (a) the revised appraisal of works required to HRA properties arising from the ALMO bid, and (b) the proposed transfer of the Mardyke Estate to Old Ford Housing Association, thus reducing both capital resources and liabilities.

Cabinet approved the revised three year Capital Programme covering expenditure on HRA properties in the period 2007/08 to 2009/10.

6 HAVERING PRIMARY CARE TRUST – AGREEMENT TO A PROTOCOL REGARDING PLACEMENT COSTS

Councillor Geoffrey Starns, Cabinet Member for Children's Services, introduced the report

Endorsement by Members was sought of the current working protocol used by the Children's Services Directorate and Havering Primary Care Trust (PCT). This protocol had been introduced to ascertain the share of costs between the statutory agencies, for children who have complex needs (including children with disabilities) and/or are cared for away from home.

The protocol would also be presented to the PCT board, via the Professional Executive Committee for ratification by the Director of Public Health. The protocol enclosed is a 'working document' and has been operationally active for several months.

Reasons for the decision:

To approve an arrangement agreed with the PCT.

Other options considered:

There were no other arrangements currently considered. The only alternative would be to revert to a less joined up and inconsistent process for decision making.

Cabinet:

- 1. Noted that the protocol set out in the Appendix to the report submitted had been adopted, and was being used as a tool for determining the apportionment of placement costs between the local authority and Havering Primary Care Trust for children with complex needs**

2. **So far as necessary, confirmed its support of the use of that protocol.**

7 **CHILDREN'S TRUST**

Councillor Geoffrey Starns, Cabinet Member for Children's Services, introduced the report

In January 2006, Cabinet approved arrangements for setting up the Havering Children's Trust, in accordance with the Children Act 2004. The membership and the terms of reference of both the Trust Board, chaired by the Cabinet Member for Children's Services and the Trust Executive, chaired by the Group Director, Children's Services, were also approved.

Cabinet requested a further report in due course from the Director of Children's Services with proposals for the next stage of development. The report now submitted, falling a year after the formal establishment of the Trust, reviewed its first year of activity and to set out proposals for further stages of development.

Reasons for the decision:

To comply with previous requirements.

Other options considered:

There were no other arrangements currently considered.

Members noted a suggestion that the Children's Services Overview & Scrutiny Committee should consider the operation of the Trust in due course.

Cabinet:

1. **Noted the progress of the Children's Trust within its first year.**
2. **Agreed the future direction as set out in the report, particularly to the investigation of joint commissioning arrangements between the Council's Children's Services and Havering Primary Care Trust.**
3. **Noted that, at this stage, it was not thought necessary to bring forward proposals to establish executive functions or financial delegation to the Trust Board, but that this could change in the future.**

HAVERING MUNICIPAL SOLID WASTE MANAGEMENT STRATEGY 2006-2020

Actions in 2006/07

- 1 Promote home composting to residents through the provision of subsidised home compost bins, communication and awareness raising campaigns and the Master Composter Scheme.**

To date, Havering residents have purchase 1935 bins and 792 caddies through the scheme.

- 2 Support Community re-use schemes through the establishment of networks.**

This action will be progressed during 2007/08.

- 3 Reduce trade and green waste disposed of as Municipal Solid Waste through education and enforcement.**

Businesses that incorrectly dispose of their commercial waste will be addressed through education, and where this fails, enforcement action. To date approximately 2200 warnings letters have been sent and 70 fixed penalty notices issued to businesses who are not complying with their "Duty of Care" to ensure their waste is stored and disposed of correctly.

The green waste wheeled bin collection and composting service was launched in April 2006 and has now been rolled out to the remainder of the Borough from April 2007. Over 5200 customers subscribed to the service in the first year and 97% indicated that they will renew their subscription. This resulted in approximately 1500 tonnes of green waste, which could otherwise have been landfilled, being collected and composted. The service was rolled out Borough wide in April 2007.

- 4 Consider options for limiting Municipal Solid Waste collected.**

This is supported by the promotion of the subsidised home composting scheme but, to increase significantly recycling and composting performance, waste minimisation options must be considered. Options for limiting household waste presented for disposal will be considered in detail during 2007/08.

- 5 Reduce fly-tipping by effective education and enforcement.**

The initial focus has been on reducing fly-tipping, with to date 5203 investigations resulting in 3526 warning letters being sent and 92 Fixed Penalty Notices being issued.

A pilot scheme implemented in Gooshays Ward, aimed at reducing antisocial behaviour, including fly-tipping, through use of posters, press releases and leaflets as well as visits by enforcement officers, and which saw a 51% reduction in fly-tipping, will be used as a model for further projects across the Borough.

687 fewer incidents of fly-tipping were reported Borough wide compared with the previous year.

6 Provide the orange bag recycling scheme to all high and low rise flats.

Orange recycling bags are now delivered to all high and low rise flats and, during 2007, recycling in flats will be promoted.

7 Monitor and Improve participation and capture rates in the orange bags scheme particularly in areas with low recycling rates.

The number of people participating in the orange bag recycling service had increased from 56% in 2005 to 86% during 2006. This increase can be attributed to a range of awareness raising initiatives including the Better Havering promotions, the distribution of a leaflet which clearly illustrates what happens to the orange bags once they are collected, ongoing educational work with the Boroughs Schools and attendance at community events such as Planet Havering.

8 Introduce a pilot, buy into, kerbside collection of green waste & expand the service to the whole Borough if sustainable.

The wheeled bin green garden waste collection and composting service was launched in eight wards. Over 5200 customers subscribed to the service during its first year and more than 1550 tonnes of green waste was collected for composting. A customer satisfaction survey undertaken in September 2006 established that 99% of customers were satisfied with the service and that 97% would be renewing their subscription for the coming year. The service was rolled out to the remainder of the Borough in April 2007 and currently over 9000 customers use the service.

9 Introduce more distribution points from where residents can collect additional orange sacks for recycling.

Sixteen standard sized orange recycling sacks are delivered to residents in houses and low rise flats and thirty two smaller sacks are delivered to residents in high rise flats each quarter. Additional sacks can be obtained from the Town Hall, Mercury House, the Public Advice and Service Centres, all libraries, Fairkytes Arts Centre and estates offices on the Waterloo Gardens, Mardyke and Parkshill and Sunrise Estates.

10 Increase the number of bring sites (mini recycling centres) within the Borough by at least twenty.

An additional twenty bring sites were installed in the Borough Schools (85 out of 94 schools now have recycling facilities) and a further twenty public access sites were introduced during 2006/07. It is intended to identify new locations during 2007/08. This will increase the capture of glass which cannot be collected in the orange sack door to door service.

11 Continue with recycling incentive schemes such as 'Its in the bag'.

The "Its in the bag" scheme funded by DEFRA to incentivise recycling ended in 2006. DEFRA concluded that investment in communications might reap greater rewards than allocating funding to other incentive schemes. "Its in the bag" was supported by the media and Time FM and contributed significantly to increased awareness of the importance of recycling.

12 Introduce assisted recycling collections for the aged, infirm and disabled.

All residents can request an assisted collection of their refuse or orange recycling sacks. Agreement has been reached with Shanks East London & ELWA to introduce DDA Compliant bring banks at the most popular sites to facilitate the collection of glass.

13 Develop a pilot textiles household collection.

A pilot textiles collection service was introduced in Havering in April 2006 by Shanks East London but the service was not financially viable and had issues in terms of theft of textiles left at the kerbside, although it was recognised that the scheme could have been better publicised. Textile recycling at bring banks will be promoted whilst further consideration is given to establishing a dedicated collection service.

14 Consider the introduction of kerbside glass, kitchen waste and cardboard recycling collection schemes.

The Shanks BIO MRF facility at Frog Island, which can capture some glass from the residual waste stream, has only recently been commissioned and is still being refined. DEFRA has confirmed that, subject to appropriate audit controls being met, recycled glass and other 'back end' recycling can be attributed to the Boroughs and count towards their recycling targets.

The tonnage of glass currently being obtained from the BIO MRF is low and it will be necessary to evaluate the capture rates when the facility is operating to its maximum capacity before exploring the viability of

introducing a kerbside glass collection service in the future. Studies have however indicated that the amount of glass within the Havering Waste Stream is significant and a door to door collection service would positively impact on efforts to achieve performance targets.

The East London Waste Authority does not have facilities to compost separately collected kitchen waste. Thin cardboard can be recycled in the orange sack collection service and thicker card can be accommodated at the Reuse and Recycling Centre at Gerpins Lane. The introduction of a kerbside collection of either food waste or thick cardboard would have to be fully evaluated with ELWA colleagues and Shanks.

15 Introduce Static green waste collection points in areas of the Borough, not included in the wheeled bin green garden waste collection and composting service.

The expansion of the green waste service Borough wide with effect from April 2007 reduces this need.

16 Implement a street cleansing recycling programme and monitor and report on its success.

The street cleansing fleet is now using the Frog Island Reuse and Recycling Centre MRF and initial reports suggest a high proportion of recyclables are being recovered from the street cleansing arising through this process. Consideration will be given to introducing street litter recycling bins to further promote the recycling message in our town centres.

17 Introduce office paper and orange sack recycling services in Council buildings.

All main corporate buildings are now included in the orange sack recycling service. It is estimated that over forty eight tonnes of recyclables (predominantly paper) were collected during 2006/07.

18 Prepare and deliver a comprehensive, influential community education programme addressing reuse, recycling and composting services and the responsible disposal of residual waste.

With the commissioning of the Frog Island facilities, the roll out of the orange sack door to door recycling collection service, the increase in the number of bring banks around the Borough and the introduction of the wheeled bin green waste collection service, the focus now needs to be on developing an effective communications programme aimed at maximising participation in these services.

Promotion of recycling has continued within the Borough's Schools and Time FM has been commissioned to develop and deliver a recycling road show aimed at increasing awareness of recycling both among the students and their families, supported by a series of on-air advertisements featuring local schoolchildren promoting recycling. This initiative was supported by Ben Bradshaw MP who gave an interview for Time FM. To date the Time FM road show has visited 29 schools and presented to over 1200 pupils.

Recycling and other sustainable waste management projects have also been promoted at community events such as Planet Havering and the Havering Show, and officers regularly attend meetings of community groups.

Leaflets, press releases and articles in the Living in Havering magazine along with the Better Havering and door stepping campaigns have all helped to promote recycling, waste minimisation and improve customer satisfaction levels.

19 Offer all schools the option to participate in a recycling scheme.

All Havering Schools have been offered the free installation of recycling facilities and eighty five of the ninety four Schools now have bring banks on site. All of the Boroughs schools have also been invited to receive presentations on waste and recycling by either our Environmental Education Officers, Shanks or Time FM.

20 Promote Waste and Recycling Services at schools and events as part of the Better Havering Campaign and in partnership with Time FM.

Waste minimisation and recycling initiatives have been promoted at numerous community events and schools promotions are ongoing.

There has been a marked increase in customer satisfaction with the waste and recycling related services as evidenced in MORI survey undertaken in 2006: 70% of residents are satisfied with the recycling facilities compared to 56% in 2003/04 and 82% expressed satisfaction with the Reuse and Recycling Centre compared to 61% in 2003/04.

DEFRA targets and projects for 2007/08

While there have been year on year improvements in recycling and composting performance, Havering is still failing to meet the DEFRA target which is to recycle and compost 27% of household waste.

Projects to be progressed as a priority during this (2007/08) financial year to further improve recycling and composting performance are listed below:

- (i) Promote the WRAP funded subsidised home compost bin campaign to maximise sales and minimise waste.
- (ii) Consider other options for reducing the amount of household waste collected.
- (iii) Utilise the WRAP Behavioural Change Local Fund to develop and implement an effective communication plan to increase participation in all recycling and composting schemes.
- (iv) Promote the wheeled bin green waste collection and composting service Borough wide to maximise customers and the amount of waste collected for composting.
- (v) Increase the number of bring banks where glass can be recycled with the aim of ensuring all Havering households are within one kilometre of a facility.
- (vi) Assess the 'back end' recycling performance of the BIO MRF in terms of glass capture and undertake a feasibility study to assess the benefits and associated costs of introducing a door to door glass collection. (subject to BIO MRF outputs)
- (vii) Review the number of orange sacks that are provided to residents to ensure they have sufficient bags to recycle at all times.

Beyond 2007/08

Issues include:

Shanks and The East London Waste Authority
Waste Minimisation
Kerbside glass collection
Waste Electrical and Electronic Equipment (WEEE)
Communications



MEETING	DATE	ITEM
CABINET	5 JULY 2007	5

Cabinet Member:
Councillor Michael Armstrong

Relevant Overview & Scrutiny Committee:
Housing

REPORT OF THE CHIEF EXECUTIVE

SUBJECT: Consideration of Representations to Stage One of the Formal Consultation on the Proposed Transfer of the Mardyke Estate

SUMMARY

- 1.1 This report presents a detailed analysis of the representation received from Mardyke tenants during Stage One of the Formal Consultation on the proposed transfer of the Mardyke estate which ran for 28 days up to 25 June 2007. The outcome of the consultation conducted concurrently with leaseholders is also presented.
- 1.2 Representations in the form of completed questionnaires – the questionnaires were distributed with the Offer Document – were received from 133 (28%) tenants. In addition, 8 (13%) leaseholders returned completed questionnaires during the concurrent consultation exercise.
- 1.3 The analysis of these representations indicates strong overall support for the proposed transfer, with comments primarily seeking clarification of elements of the published Offer documents. Consequently, it is not proposed that any significant changes are required to the offer already made to tenants.

- 1.4 This report also seeks approval to continue to Stage Two of the Formal Consultation process. This is the final stage during which the ballot must take place. To this end, approval of the question to be put to tenants in the ballot is also sought.
- 1.5 Officers believe there is a strong case for an exception to the call-in requirement on decisions made by Cabinet on the basis of this report. It is considered that observance of the call in could delay Stage Two of the Formal Consultation until early to mid Autumn. It is necessary to complete the transfer of the estate (if approved in the ballot) by 31 March 2008 if a loss of £965,000 to the Housing Revenue Account in 2009/10 is to be avoided – a serious prejudice to the interests of the Council. If the start of the ballot is delayed beyond the middle of July then it will not be realistically possible to complete the subsequent transfer of the estate before 31 March 2008. The Chairman of the Housing Overview and Scrutiny Committee has been consulted and has agreed that these decisions should be treated as urgent.

RECOMMENDATION

- 2.1 That having considered the responses received during the Stage One consultation with both tenants and leaseholders Cabinet considers that the proposal for the transfer of the Mardyke estate does not require significant amendment and should proceed to Stage Two of the Formal Consultation with tenants with a secure or introductory tenancies and to the ballot.
- 2.2 That the question, 'are you in favour of the Council's proposal to transfer the ownership and management of your home to Old Ford Housing Association, part of the Circle Anglia group?', be approved for the ballot.
- 2.3 That concurrent with Stage Two of the Formal Consultation with tenants, an exercise to elicit leaseholders' views on the proposed transfer is conducted.
- 2.4 That minor changes for the purpose of clarifying any of the details of the proposal be delegated to the Head of Housing and Environmental Health.
- 2.5 That as agreed by the Chairman of the Housing Overview and Scrutiny Committee the above decisions be considered collectively as urgent in that a delay likely to arise from applying the call in procedure will seriously prejudice the interests of the Council by probably incurring a revenue impact on the Housing Revenue Account in 2009/10 of around £1m owing to the workings of the housing subsidy system.

REPORT DETAIL

Background

- 3.1 This report represents the culmination of informal consultation with Mardyke residents carried out by the Council since 2004 on proposals for the transfer

of the estate to a housing association, and, more crucially, the first stage of the statutory Formal Consultation prescribed under the legislation relating to stock transfer.

Analysis of representations made during Stage One of the Formal Consultation

- 3.2 At its meeting of 17 January 2007, Cabinet approved commencement of the Formal Consultation, subject to consultation with relevant stakeholders. Stage One of the Formal Consultation consequently commenced on 26 May 2007 following:
- (a) confirmation by the Communities and Local Government (CLG) department on 30 March of its willingness to provided the gap funding required by the transfer's business plan developed by Circle Anglia group and the Council,
 - (b) approval of the Offer Document to Tenants and Leasholder Consultation Document by the resident-led Mardyke Steering Group, the CLG, the Housing Corporation, Old Ford Housing Association's Management Board and by the Lead Member for Housing and Regeneration acting under delegation from Cabinet, and
 - (c) approval of the final revision of the business plan by the Circle Anglia's directors group.
- 3.3 The Formal Consultation documents, including a response form and an addressed and franked envelope for its return, were delivered to the 467 tenants with a secure or introductory tenancy eligible to vote in the ballot. The response form gave tenants the opportunity to give their views on the proposed transfer, what they think about the proposals, whether they needed more information or more clarity on the proposals, and what their concerns are. By the end of the 28 day consultation period, 133 response forms had been returned, 28% of those sent out.
- 3.4 Table 1 below shows their response to the question "At this stage, based on the information you have had so far, what is your view on the proposed transfer to Old Ford Housing Association?"

What is your view on the proposed transfer to Old Ford Housing Association?	Number of response forms returned	% of response forms returned	% of tenants eligible to vote in the ballot
I am in favour of the transfer proposal	118	89%	25%
I am unsure	10	8%	2%
I am against the transfer proposal	2	2%	0%
Question not answered	3	2%	1%
Total	133	100%	28%

- 3.5 The table indicates the majority of those returning a form are in favour of the proposed transfer.
- 3.6 All comments made during Stage One are included in Appendix A. It can be seen that half of those who responded also made a comment on the proposals, or asked a question about them. Practically half (49%) of those who expressed support for the proposed transfer made a strong comment in favour of the transfer, such as “excellent”, “a great idea” or “very good”. These comments are excluded from further analysis which focus of questions and concerns.
- 3.7 Table 2 provides a breakdown of the number of respondents with questions / concerns.

What is your view on the proposed transfer to Old Ford Housing Association?	Number of response forms returned	Number of response forms including a comment and/or question	% of respondents asking a question
I am in favour of the transfer proposal	118	60	45%
I am unsure	10	7	5%
I am against the transfer proposal	2	0	0%
Question not answered	3	0	0%
Total	133	67	50%

- 3.8 A breakdown of the subject of the questions / concerns is shown in Table 3 below.

	Those reporting they are in favour of the proposed transfer		Those reporting are 'unsure' about the proposed transfer	
	Number of questions / concerns raised	% of questions / concerns raised	Number of questions / concerns raised	% of questions / concerns raised
Lettings	25	37%	6	38%
Timescale of the regeneration	11	16%	1	6%
The proposed new homes	7	10%	1	6%
General issue about the transfer	5	7%	1	6%
Moving and moving costs	4	6%	1	6%
Rents and service charge levels	3	4%	2	12%

Security	3	4%	1	6%
Car parking	2	3%	1	6%
Disruption during redevelopment	0	0%	1	6%
Tenancy rights	0	0%	1	6%
Other (individual questions / concerns raised only once by those in favour of the transfer)	7	10%	n/a	n/a
Total	67*	100%	16*	100%
* This figure is higher than the number of tenants raising questions / concerns as each tenant could raise more than one point.				

3.9 The table above shows that the single biggest issue among the questions / concerns was the lettings process as it relates to people being rehoused as part of the redevelopment.

Lettings issues

3.10 In total, 31 questions / concerns were raised about lettings issues. These consisted of the following points:

- size and position of property they would like now or in the future – 15 questions / concerns
- moving elsewhere in Havering – 4
- moving out of the borough – 1
- concern about moving next to anti-social neighbours – 3
- concern about temporary moves – 1
- general questions about the rehousing options / policy – 5
- individual tenancy issues – 2.

Timescale for the regeneration

3.11 Of the 12 tenants with questions / concerns about the timescale for the regeneration, the primary concern was how long the redevelopment would take, when would their block be demolished and so when would they move. Two particular questions also covered technical demolition issues; would asbestos in the blocks impact on the demolition, and how would the blocks be demolished. Old Ford Housing Association would only be able to answer such questions, of course, once full survey work has been completed.

The proposed new homes

3.12 The questions about the proposed new homes included; the size of balconies, the provision of walk-in showers, double glazing, the provision of cable tv, and the size of the new flats (this information was included in the Transfer Offer). Three respondents requested information on whether any 2 bedroom ground

floor properties would be built. There will be; this will be clarified in the next newsletter to tenants – see paragraphs 3.34 and 3.35 below

General questions about the transfer

3.13 Of the transfer questions, one question was about transfer timing and procedure, one was regarding their concern that the transfer would not go through, and one asked for clarification of what becoming a housing association would mean, while the remaining two wondered whether the redevelopment would ultimately be successful.

Other questions / concerns

3.14 The full details of all the questions / concerns listed in Appendix A reveals:

- five respondents asked questions about moving expenses and one was concerned about the possibility of having to move twice
- five respondents expressed a concern with rent / service charge levels.
- three respondents expressed a concern about car parking provision
- three respondents expressed a concern about security
- the subjects of other questions asked included; disruption during the redevelopment, tenancy rights, pets, right-to-buy, shared ownership, employment opportunities and the local bus route.

Leaseholder consultation

3.15 While there is no statutory requirement to formally consult leaseholders, both the Council and Old Ford Housing Association consider leaseholders to be key members of the Mardyke community and have included them in all consultation exercises to date.

3.16 The transfer guidance considers it good practice to consult leaseholders and so it is proposed that concurrent to Stage Two of the Formal Consultation with tenants, a consultation exercise is carried out with leaseholders. It should be noted, however, that it is only that results of the ballot of tenants that the CLG would consider with any subsequent application from the Council to transfer the estate.

3.17 Consultation documents including a response form and an addressed and franked envelope for its return were delivered to the 60 resident and non-resident leaseholders owning a property on the estate. The response form gave leaseholders the opportunity to give their views on the proposed transfer, what they think about the proposals, whether they needed more information or more clarity on the proposals, and what their concerns are. By the end of the consultation period, eight response forms had been returned, 13% of those sent out.

3.18 Table 4 below shows their response to the question “At this stage, based on the information you have had so far, what is your view on the proposed transfer to Old Ford Housing Association?”.

What is your view on the proposed transfer to Old Ford Housing Association?	Number of Response Forms returned	% of Response Forms returned	% of Leaseholders consulted
I am in favour of the transfer proposal	7	88%	12%
I am unsure	0	0%	0%
I am against the transfer proposal	1	12%	2%
Total	8	100%	13%

3.27 Five of those leaseholders who expressed their support for the proposals went on to made a strong comment in favour of the transfer, such as "very good". Such comments are not included in the subsequent analysis of questions / concerns.

3.28 Five out of the eight who responded raised questions / comments. A breakdown of the number of respondents who commented or asked a question are shown in Table 5 below.

What is your view on the proposed transfer to Old Ford Housing Association?	Number of Response Forms returned	Number of Response Forms including a comment and/or question	% of respondents asking a question
I am in favour of the transfer proposal	7	4	50%
I am unsure	0	0	0%
I am against the transfer proposal	1	1	13%
Total	8	5	63%

3.29 A breakdown of the subject of the questions asked are shown in Table 6 below.

	Those reporting they are in favour of the proposed transfer		Those reporting are 'unsure' about the proposed transfer	
	Number of questions / concerns raised	% of questions / concerns raised	Number of questions / concerns raised	% of questions / concerns raised
Timescale	3	43%	0	0%
Property Location / Valuation	2	29%	0	0%
General issue about transfer	1	14%	0	0%
Concern about current housing management	1	14%	0	0%

Total	7*	100%	0	0%
* This figure is higher than the number of leaseholders raising questions / concerns as each could raise more than one point.				

- 3.30 Those asking about timescale asked about the ballot date and the proposed demolition programme, when would their block be demolished and so when would they lose their property.
- 3.31 Two leaseholder respondents wanted to know about the location / valuation of the proposed new properties that might be available to them, with another leaseholder expressing concerns about current housing management activity to tackle anti-social behaviour.
- 3.33 The resident leaseholder expressing the view that they are against the transfer did not ask any questions, but stated that they did not want to move and are concerned about the amount of money that will be offered for their property.

Responding to the Stage One Representations

- 3.34 The response form gave residents the opportunity to choose the method of response – home visit, letter, email or phone call – and the organisation who would respond – the Council, Old Ford Housing Association or First Call, the independent resident advisor. Each resident who has asked a question either already has or shortly will receive a response by the method, and from the organisation they have specified on their form.
- 3.35 In addition, a Havering Council newsletter will be sent to all residents involved in the consultation, whether they responded or not. This will provide:
- information on the key subjects raised through the comments and questions, notably the proposed transfer and regeneration timetable, and assuming a positive ballot, and further information on how the detailed lettings procedures and the design and layout of the estate will be developed with resident consultation following the ballot
 - a list of minor corrections to the Offer document, essentially proofing errors
 - a mock-up of the ballot paper and details of how votes are cast. It should be noted that a postal ballot is being conducted; this is the only way in which tenants can cast their vote.

Conclusion that there are no significant changes require to the offer documents

- 3.36 The issues raised through the consultation do not call into question to any significant degree the information contained within the Offer document sent to all tenants as a requirement of Stage One of the Formal Consultation. The questions / concerns raised require clarification of various aspects of the proposed transfer and regeneration, in particular the arrangement of the new properties and their letting, which will only be developed in detail after a positive ballot.

- 3.37 In summary, it is concluded that the representations made, while leading to the need for clarification of the offer already made both in responses to individuals and to tenants and leaseholders collectively by means of a newsletter, do not require any significant changes to be made to the offer.
- 3.38 The legislation requires the authority to include as part of its written Stage Two Notice 'any significant changes in the proposal'. Given the above conclusion it is proposed that the Notice clearly informs tenants that no significant changes have been made to the Offer they have already received.

Stage Two of the Formal Consultation

- 3.39 It is proposed to commence Stage Two of the Formal Consultation as soon as is practicable following Cabinet's decisions on the contents of this report.
- 3.40 Commencement of Stage Two is marked by the serving, by the Council, of a Stage Two Notice. This is a written notice to all tenants. The CLG lays down the following requirements, stating that the notice should:
- describe any significant changes in the proposals. Given the conclusions drawn above from the analysis of representations made during Stage One, it is proposed that the notice clearly informs tenants that no significant changes have been made to the Offer they have already received
 - say that objections may be made to the Secretary of State within 28 days or a specified longer period, and
 - draw attention to the fact that the Secretary of State will not give consent to a transfer if it appears that the majority of tenants are opposed to the transfer.

Ballot question

- 3.41 While not a legal requirement, the CLG's guidance states that although it will consider alternative methods, it considers a formal ballot carried out by an independent body as an effective way in which an authority can demonstrate whether a majority of tenants are not opposed to the transfer. Cabinet has already approved, at its meeting of 17 January 2007, balloting as the means by which it wishes to formal establish tenants' views.
- 3.42 To enact Cabinet's decision, it is now proposed to adopt the following question in the ballot, to which 'yes' and 'no' boxes will be provided:
- 'Are you in favour of the Council's proposal to transfer the ownership and management of your home to Old Ford Housing Association, part of the Circle Anglia group?'*
- 3.43 This is the exact phrasing suggested in the CLG guidance and so its approval by Cabinet would be not require subsequent approval by the CLG.
- 3.44 It is the CLG's expectation that the ballot shall run concurrent with the Stage Two period, that is the 28 days during which representations can be made to the secretary of state. Electoral Reform Services have already been

commissioned to run a ballot subject to Cabinet's decisions based on this report.

Views of the Mardyke Steering Group on the representations made at Stage One of the Formal Consultation

- 3.45 At its meeting on 25 June 2007, the tenant / leaseholder Mardyke Steering Group considered this report in draft form and endorsed the recommendations, save the waiver of the call in process which they were not asked to consider. The Mardyke Steering Group supports the move Stage Two of the Formal Consultation and the ballot.

Urgency of the matter under consideration in this report

- 3.46 It is considered that the matters considered in this report can be considered to be urgent in that a delay likely to arise from applying the call in procedure has a strong likelihood of seriously prejudicing the interests of the Council by incurring an impact on the Housing Revenue Account in 2009/10 of around £1m owing to the workings of the housing subsidy system. See paragraphs 4.3 to 4.10 below for more details. The Chairman of the Housing Overview and Scrutiny Committee has been consulted as required by the Constitution and he has agreed that the matter is urgent and that the exception to the call in procedure can be used.

4. Financial implications and risks

- 4.1 The costs associated with the issuing on the Stage Two Notice, the running of the tenant ballot and conducting a consultation exercise with leaseholders can be met within the HRA resources set aside for the stock transfer project in 2006/07.
- 4.2 There are no capital costs falling to the Council as the CLG has agreed to provide the necessary gap funding to Old Ford Housing Association predicted by the association's business plan. As reported to members previously, the transfer agreement that would be drawn up between the Council and Old Ford Housing Association would assign any financial risk associated with the under-performance of the business plan to the housing association and not the Council.

The financial case for the matters considered in this report being urgent

- 4.3 The timing of the commencement of Stage Two of the Formal Consultation is particularly important as any delay could have a very significant impact on the HRA. This is a result of the way in which the housing subsidy system works.
- 4.4 As Havering Council is in negative subsidy, the Council in fact pays subsidy to the Government, rather than receiving subsidy from the Government. Thus, as the Council reduces its stock holding it pays less subsidy to Government, rather than, as may be expected, receiving a lower subsidy payment. With the transfer of the Mardyke estate, the subsidy paid to the Government will drop.
- 4.5 There is, however, a time lag between the Council's stock reducing (by whatever means) and the effect of this being felt through the subsidy system.

This is because the subsidy relating to the HRA in any one year relates to the number of units owned by the authority *at the beginning of the preceding year*. That is, for example, the negative subsidy payable by the Council to the Government in 2007/08 is based on the Council's stock at the start of 2006/07.

- 4.6 Following this logic, if the Council transfers the Mardyke estate shortly *before* the start of 2008/09, say, in March 2008, then:
- in 2008/09 the HRA will suffer the impact of having to pay negative subsidy based on the erroneous assumption of continued ownership of the Mardyke estate (because the stock total at the start of 2007/08 will be used for subsidy purposes) without the benefit of the rental income from the estate. This disadvantageous situation *cannot* be avoided
 - in 2009/10, the stock total at the start of 2008/09 will be used; this will correctly exclude the Mardyke properties, thus reducing the Council's negative subsidy liability
- 4.7 If, in contrast, the Council transfers the Mardyke estate shortly *after* the start of 2008/09, say in April 2008, then:
- in 2008/09 the HRA will suffer in exactly the same way as described above. The timing of the Stage Two consultation *cannot* avoid this
 - however, in 2009/10, the stock total at the start of 2008/09 which includes the Mardyke properties will be used; thus negative subsidy based on ownership of the Mardyke estate will continue to be extracted from the Council until the end of March 2010, even though there would have been no rental income from these properties since April 2008, virtually two year earlier.
- 4.8 The table below summarises the estimated anticipated revenue impact in **2009/10** of the above scenarios.

	Scenario 1: Mardyke estate transfers shortly <i>before</i> the start of 2008/09	Scenario 2: Mardyke estate transfers shortly <i>after</i> the start of 2008/09
<i>Number of Havering Council properties assumed for HRA subsidy purposes</i>	10,340*	10,830*
<i>Difference between actual and assumed properties</i>	0*	490*
Financial effect of Mardyke transfer	£000	£000
Subsidy deduction in respect of guideline rent	£0	(£1,785) loss
Management and Maintenance Allowances	£0	£820 gain
Gain/(Loss) to the HRA in 2009/10	£0	(£965k) loss
* In order to highlight the impact of the Mardyke transfer, the figures exclude stock		

reductions owing to other factors such as right-to-buy sales, sheltered housing disposals and the like
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- 4.9 The table clearly shows the very significant revenue impact that delaying the actual transfer beyond the end of 2007/08 can make, that is, a detrimental impact between the two scenarios of an estimated £965,000 in 2009/10.
- 4.10
4.10 If the call in procedure was to be applied, there is a likelihood that any resultant Housing Overview and Scrutiny Committee meeting could not happen until later in July. Then, given the Cabinet does not meet in August, even if a special meeting were to be convened, it is most likely that Cabinet would not be able to consider the Housing Overview and Scrutiny Committee's report until September. Only then would there be authority to start the Stage Two and the ballot process. This timeframe would in all likelihood obviate the possibility of a transfer of the Mardyke occurring before 31 March 2008.
- 4.11 It is worth noting that under scenario 2 in the above table, the Housing Capital Programme could gain by an estimated £325,000 in 2009/10. This, however, needs to be considered in the context of the likelihood of Homes in Havering having by this time gained access to an additional £128m of capital resources.

5. Legal Implications and risks

- 5.1 The formal consultation process on proposed stock transfers is detailed in section 106 of and Schedule 3A to the Housing Act 1985 (as inserted by section 6 of and Schedule 1 to the Housing and Planning Act 1986) and guidance issued by the DCLG.
- 5.2 The legislation requires that authorities shall consider the representations made during Stage One of the Formal Consultation, with the implication that such consideration shall be influential in the authority deciding whether or not to proceed to Stage Two. This report fulfils this requirement to consider the representations
- 5.3 The recommended ballot question is that suggested in the CLG guidance, thus further approval from the CLG is not required.
- 5.4 With regard to the urgent nature of the decisions being made on the basis of the matters presented in this report, it is appropriate that the financial disadvantages that could result from a delayed commencement of Stage Two of the Formal Consultation and consequent delayed transfer of the actual transfer can be considered the basis for an exception to the call in procedure.
- 5.5 Based on transfers elsewhere, it is reasonable to expect a transfer to occur around six to seven months after a successful ballot, therefore, it is reasonable to assume if the call in procedure was applied, a resultant delay in being able to commence the Stage Two consultation until October would push any subsequent transfer into financial year 2008/09.

5.6 Agreement to the waive of the call in period has been gained from the Chair of the Housing Overview and Scrutiny Committee such that Cabinet's approval of the recommendations the decisions taken as a result of this report are urgent shall enable the decisions to be acted upon immediately.

6. Human Resources Implications and risks

6.1 None arising directly from this report.

7. ICT Implications

7.1 None arising directly from this report.

8. Reasons for the decision

8.1 To enable the Council to demonstrate support for the proposed transfer in any future submission to the CLG for permission to transfer the Mardyke estate, the Council must be able to demonstrate that the prescribed elements of the Formal Consultation have been completed.

8.2 This report outline the results of Stage One of this consultation and seeks approval to move to the second and final stage.

8.3 Though not a statutory requirement, the CLG's guidance puts forward a ballot by an independent body as the way of seeking to establish tenants' views. This is recommended here.

9. Alternative options considered

9.1 None applicable.

10. Equalities and Social Inclusion implications

10.1 Members of Havering's more socially excluded communities, notably residents with low incomes and those from black and minority ethnic communities, are over-represented on the Mardyke estate. Thus, the ultimate redevelopment and improvement of properties will have a positive impact of these communities' quality of life.

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CHERYL COPPELL
Chief Executive

Background Papers List

None

Appendix A: Schedule of Questions / Concerns

Schedule of Tenant Comments / Questions (Those in Favour of Transfer)			
Lettings			
	1	Concerns	Will I get a 3 bedroom ground floor with a garden and if so, I am concerned about people above me throwing things over into my garden
	2	Concerns/question	I wish to live in a block that faces south east and has windows facing due south. I wish to live on the 5 th floor.
	3	Concerns	I must live on the ground floor due to severe arthritis
	4	Not clear	I need a 3 bed property as I have 2 children girl is 11 boy is 3 is that what I would get?
	5	Question	Is it possible to please request a top floor flat hopefully when (not if) the redevelopment is completed
	6	Question	Would like my new flat to have a south facing balcony!
	7	Concern/question	The idea that I will still only get a 2 bedroom considering their (sic) is an 8 year age gap between my sons. My eldest will start secondary school this September, he needs his own space to study. I do need a 3 bedroom (continues with further personal details)
	8	Question	I am overcrowded how long will I be waiting if I do stay on the estate?
	9	Question	Can people pick which block they move into, and which flat. Are there enough flats for people on the estate, we have no updates on this - number of people to number of flats being built
	10	Not satisfied/not clear	Would like to see more regarding the rehousing options, i.e. moving out off the borough. We currently occupy a 3 bed property but under Council and HA guidelines only entitled to 2 bed. If we wish to move away from the estate will we only be entitled to 2 bed?
	11	Not clear	I wished that my two boys could have separate rooms (continues with further personal details)
	12	Concerns	I would like to speak to some about the flat how I would like my place
	13	Not clear/concerns	Once signed up to Old Ford Housing are we limited to their transfer list or can we transfer using the council list. My wife has health problems and climbing stairs causes her problems will this be taken into account – the Council has not
	14	Not clear/concerns	Rehousing. If the vote goes yes which I hope it will I am concerned about where I will end up.
	15	Question	If the take over does take place and the rebuilding takes place, where are we going to be moved to
	16	Concerns	If I decided to move from the property would I get similar accommodation
	17	Concerns	Where will we go when the flats are coming down
	18	Concerns	I would prefer to go in a block with lifts. We are all getting older, pity that not all blocks have lifts

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	19	Concerns	All that concerns me that I get a top floor flat
	20	Concerns/question	I would not like to be rehoused in a block with the noisy neighbour I now have to put up with. I have been in touch with a group of neighbours all near the same ages who would like to be housed together. They are one and two bedrooms and we all feel that as we are all older citizens it is time we had some peace and not have to listen to very loud music. Do you think that the above request is likely. As I have always lived on the first I would love to be rehoused on the top floor. As a group we know that it will be up to standards regarding sound proofing, but we all would like to be on one block
	21	Concerns/question	Yes the fact that I should decide to stay I will be surrounded by nuisance neighbours as I am now. As the plans are not completed or finalised is it not possible to incorporate blocks to house older people, older couples or older singles living alone. I have no objection to living on the Mardyke now or in the future except for the noise caused by inconsiderate neighbours, if other older like minded people in similar situations could share the same block it would, in my opinion be a problem solved for many. I am aware there are several people happy to live together, given the opportunity.
	22	Concerns	Living next to noisy neighbours, anti social behaviour
	23	Question	Can I have a list of possible other estates I your association where I could possibly transfer to instead of relocating twice and how long would I be away from my flat whilst its rebuilt
	24	Not clear/question	I would appreciate if Circle Anglia could give me an interview regarding transfer to 2 bedroom flat ASAP. I would like an immediate transfer to Highfield Towers. I have been on list for 17 years and nothing has been done. I am about to see my MP and Romford Recorder
	25	Question	If the transfer dose go ahead too Housing Association as the new landlord. I would like to move with Homes in Havering off the Housing Estate
Timescale for the regeneration			
	1	Question	When are we going to move?
	2	Not clear/Concern	In what order are they knocking the blocks down? When are they knocking my block down?
	3	Not clear	When are you going two (sic) start?
	4	Question	When will demolition begin? Is the amount of asbestos used in the current tower blocks going to be a health and safety concern during demolition?
	5	Concern	When the tower blocks are demolished, how are they going to do it? How will it affect others?
	6	Question	I would like to know more about how long this project would take?
	7	Not clear	When the building knock down (sic)
	8	Concern/Question	The order of 5 stages of buildings Where does the stage 1 start and stage 5 finish.
	9	Not clear	Where could we move. How long, school situations and

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			when our particular block will be demolished.
	10	Not clear	Will it be long before I can move.
	11	Concerns	If the block we live in is part of the last phase will we have to wait 3-4 years to be moved off the estate depending on what we want to do
Proposed new homes			
	1	Concerns	What size balconies?
	2	Questions	Would there be walk-in showers as my husband and I are not able to get into the bath because of arthritis.
	3	Concerns	Its why we can't have ntl. Why should we get stuck with what you say, we should have the right to choose like everybody else.
	4	Concerns	Will we have double glazing windows
	5	Not clear/Question	I live in a 2 bed maisonette with my two young children, one boy and one girl. I've been told that we get like for like therefore I fully expect another maisonette and I fully expect another ground floor. I would appreciate a letter from Old Ford Housing Association explaining the plans for 90-112 Walden Avenue
	6	Concerns	Why are two bedroom properties overall the only properties to decrease in size
	7	Questions	I think that 2 bed ground floor flats/maisonettes should be built because I have 2 children of same sex and don't qualify for a garden as 2 beds are not (ground) floor level my children won't get a chance to have a garden because I won't gaulify for a ground 3 bed until my eldest is 16 which there-for (sic) I won't qualify a garden. This will be a great loss to their growing skills and development.
General issue about the transfer			
	1	Not satisfied/not clear	Would like more info regarding transfer. When will transfer
	2	Concerns	Yes I am concerned that the proposal is going to fall through and that the Mardyke is not going to be improved if the tenants vote against the transfer
	3	Concerns	Yes, although we think regeneration and transfer to the Housing Ass is a good idea we believe that it will in fact still always be the Mardyke and will in years go back to the way it is now
	4	Concerns	Yes, although we think regeneration and transfer to the Housing Ass is a good idea we believe that it will in fact still always be the Mardyke and will in years go back to the way it is now
	5	Not clear/ question	The lot. I would like to hear from you.
Moving and moving costs			
	1	Question	Would like more info re moving expenses
	2	Question	If all goes through are we getting paid to move out and when is it all going through?
	3	Not clear	3 years ago I had fitted carpets installed. Would I receive financial help with replacement
	4	Concerns	I hope I do not have to work twice

Rent and Service Charge Levels			
	1	Concerns	Rent prices going up
	2	Concerns	Rent increases
	3	Concerns	Rent increases and service charges
Security			
	1	Concerns	Security is an issue for me, standard front doors are not very secure if you are out at work 5 days a week (I have replaced mine)
	2	Concerns	Security i.e. tv camera
	3	Question	Will there be enough cctv to cover the whole estate
Car Parking			
	1	Concerns	Only allowing 1 parking space per property could cause problems when relatives visit properties
	2	Concerns	Car parking
Other (questions asked once)			
	1	Question	I wish to know if the bus route will be changed, I believe buses should not drive through the estate, they are noisy and dangerous, my flat shakes when they sit outside
	2	Question	Will the employment opportunities that rise from the development be offered within the estate i.e. to existing tenants
	3	Question	I would like to know if I will be able to keep my dog?
	4	Question	I would like more information about part ownership. What does it mean exactly.
	5	Not clear	Right to buy details
	6	Concerns	Yes, keeping and rehousing people that attract and are trouble and disrespect the surroundings drinking and hanging about
	7	Concern/question	I have another child living with me and I have registered. The Council have no record. What next? Also my partner would like to go the tenancy.

Schedule of Tenant Comments / Questions (Those Unsure of Transfer)			
Lettings			
	1	Concerns	I wish to move to Harold Hill to be close to my family
	2	Concerns	Yes I have difficulty climbing stairs as my right ankle is pinned.
	3	Concerns	If you are moved, would you be put back at your original address
	4	Question	And what area can we move to?
	5	Not clear/question	What options are available to us when its time to move what will we be offered. I would like someone from the Council to explain to us what will be available to us , what options we have
	6	Concern/question	Choice of location. If I wanted to leave the estate what options would be available to me. If I'm not happy can I move?
Timescale for the regeneration			
	1	Question	I would like to know how long it will all take?

Proposed New Homes			
	1	Concerns/question	Size of my new flat. I will not take flat that is smaller than my present property and I would require a balcony.
General issue about the transfer			
	1	Not clear/concerns	If you transfer are we part of the Council or do we completely change over? As I prefer being part of the Council I'm with. What concerns me is what this change will mean to us apart from rebuilding etc. Is there anything else we need to be aware of?
Moving and moving costs			
	1	Not clear/concerns /question	Would I be able to move and still get money? Moveing (sic) house (moveing costs breakdown on payments). Packing
Rent and Service Charge Levels			
	1	Concerns	Rent hikes, increased service charges
	2	Not clear	Rent increases
Security			
	1	Question	Concierge (stay or go?)
Car Parking			
	1	Question	Parking?
Disruption during redevelopment			
	1	Not clear	At what date will my block be demolished
Tenancy rights			
	1	Question what rights we will loose if we become Housing Assoc tenants (sic)

Schedule of Leaseholder Comments / Questions			
Timescale for the regeneration			
	1	Not clear	Just how long will I have to wait before you bye (sic) my flat after the ballot
	2	Concerns	Just wanting to know how long till the day or month I need to move
	3	Not clear	Not knowing if my home is to be demolished. I was told I would know in April 07
Property Valuation / Location			
	1	Question	Will residents remain close to their existing properties when they will be required to move to the new properties? i.e. the rebuilt ones?
	2	Question	I would like to no (sic) about offers being made / will there be a enuff to buy a new flat / will I be able to live in the Romford area
General issue about the transfer			
	1	Concerns	I would like to know when the vote will be
Concern about current housing management			
	1	Concerns	My concern at the moment is the last 3 months the estate in general is worse especially at night lots of shouting and music in cars from 11pm



MEETING

DATE

ITEM

CABINET

5 July 2007

6

Cabinet Member: Cllr Steven Kelly

Relevant Overview & Scrutiny Committee: Adult Services

REPORT OF THE CHIEF EXECUTIVE

SUBJECT: Provision of Meals on Wheels

SUMMARY

This report seeks approval to (i) extend the current Service Level Agreement between the Council's Adult Social Services and Catering Services; (ii) enter into another SLA for a period of 5 years; and (iii) enter into contracts with Appetito in order that greater efficiencies and improved services delivery of Meals on Wheels can be achieved.

RECOMMENDATION

That Members:

1. Agree that the in-house Catering Service continues to provide Meals on Wheels to relevant clients of Adult Social Services, in accordance with existing arrangements, for six (6) months until October 2007.

2. Agree that for a period of five years, with effect from October 2007, the in-house Catering Service be responsible for providing Meals on Wheels to relevant clients of Adult Social Services on different terms to those which currently apply. Namely, that Adult Social Services will pay the in-house Catering Service on the basis of meals actually delivered. A review of the service will be undertaken, during the final eighteen (18) months of the five year period, to inform a decision on the future provision of Meals on Wheels to Council service users.
3. Authorise the Head of Adult Social Services to raise the price of a hot meal charged to service users from £3.10 to £3.65 per meal, this increase to take effect when the new arrangements, referred to in point 2 above, are implemented.
4. Authorise the Head of Adult Social Services to increase the charge to service users, in April of each year of the five year term to incorporate any increase in charges payable to Appetito (see 6. below).
5. Waive Contract Procedure Rules 2, 7, 12 and Schedule G, to enable the Council's Catering Service to contract with Appetito, for the provision of Meals on Wheels, and the lease of vehicles without the need to submit a pre-tender report and to carry out a full 2-stage tender process.
6. Authorise officers to enter into contracts with Appetito for the provision of Meals on Wheels and the lease of vehicles for a period of five (5) years, with effect from September , 2007.
7. Authorise officers to extend both (i) the internal arrangements between Adult Social Services and Catering Services; and (ii) the contracts with Appetito, for a period of up to two (2) years in the event that, following the review referred to at point 2 above, officers consider that it would be in the interests of the Council so to do.

REPORT DETAIL

The main purpose of the meals on wheels service is to ensure that people who are assessed as being unable to prepare a main meal for themselves receive a good level of nutrition in their diet. The secondary purpose of this service is to ensure that regular contact is made with isolated members of the community to enable early detection of problems and alert emergency services if necessary.

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The current meals on wheels 'contract' was awarded in 1999 following a competitive tendering process that was won by the in-house Catering Services.

The service includes the delivery of hot meals, daily, between 11.30am and 2.00pm and frozen meals every fortnight. Service users pay £3.10 for their hot meals, which is subsidised by the Council and the full cost for frozen meals. The service will include recipients being provided the additional choice of sandwiches and breakfasts at additional costs but without requiring any additional funds from council.

The price of the current 'contract' with in-house Catering Services is based on assumed customer numbers of (i) 400 for hot meals between Monday and Friday and (ii) 250 for weekends and bank holidays. However the service currently provides, on average, between 252 and 380 daily hot meals, Monday to Friday and between 252 and 304 during the weekends.

Tendering process

In October 2005, Members authorised officers to undertake a full competitive tendering process to identify a provider for the meals on wheels service with effect from 1st April 2007, taking into account the Transfer of Undertakings (Protection of Employment) Regulations and all, other, relevant matters.

In February 2007, The Lead Member for Adult Social Services authorised the abandonment of the European tendering process, which had commenced on 27th April 2006, as it had not provided bids which were consistent with the Council's commissioning requirements and agreed budget.

It was agreed that certain aspects of the meals on wheels internal charging structure needed to be revisited before any long-term arrangements could be made for the provision of the service.

Outcomes of discussions with in-house Catering Services

Discussions have occurred between Adult Social Services and the in-house Catering Services during which consideration has been given to a range of customer contribution levels and changes in service delivery, including resultant impacts on demand of such price increases, so as to arrive at the most favourable budgetary result for the authority.

The current proposal includes widening the delivery window from 11.30am to 2.30pm whilst keeping other service improvements included in the service specification such as a comprehensive quality assurance process, the option of providing an evening service, sandwiches and breakfast. This change would reduce the price of a hot meal from the £4.86, proposed by Catering Services, to £4.81.

The in-house Catering Services will achieve the reduction in price by entering into an agreement with Appetito for the provision of meals on wheels and the lease of delivery vans, which are able to regenerate the meals. Due to a 3

month lead-in period requirement, the vans can only be introduced from October 2007.

Financial Implications and risks:

The current value of the contract is budgeted at £549,518 gross per annum. Assuming current demand levels are stable and service users continue to pay £3.10 per meal, then the net cost to Adult Social Services will be £195,359, which means a shortfall of £64,359. However, increasing the service users contribution to £3.65 per hot meal reduces the net cost to £132,524 and the overspend to £1,524 [appendix 1]. The latter represents a considerable reduction to Adult Social service's current overspend, which is projected to be £130k in 2006/07.

The 'contract' changes to a unit cost variable contract. Therefore any changes in price may affect demand. However as the service will continue to be provided in-house there are implications to the authority. For significant changes in price this can change demand so the authority will need to be aware that sustainability of the 'contract' may be an issue in such circumstances.

An increase in service users' contribution to £3.65 will significantly reduce the Adult Social Services' subsidy. However, there is still a risk that an increase in the numbers of service users would lead to a higher overspend as the service continues to be subsidised.

Legal Implications and risks:

Arrangement between the in-house Services:

As the Council cannot contract with itself, there will be no formal contract in respect of the arrangement between Adult Social Services and Catering Services. A Service Level Agreement will record the arrangement which has been arrived at between the two Council services.

Contract(s) with Appetito

In submitting a bid within the, now abandoned, European procurement process, the in-house Catering Service had included a proposed contract with Appetito. That, proposed, contract was not tendered separately on the basis that a full 2-stage European tendering process was being carried out in respect of the, overall, Meals on Wheels contract. Because of the abandonment of the EU process, the proposed contract with Appetito falls to be considered, as a separate contract, within the context of the European procurement rules.

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For the purposes of the Public Procurement, England and Wales, Public Procurement Northern Ireland (Statutory Instrument 2006 No. 5), the contract is a 'Part B' service. As such, there is no requirement for the Council to carry out a procurement process in compliance with the full European regime.

Included in the specified regulations, with which the Council must comply, is the requirement to send a Contract Award Notice to the Official Journal of the European Union no later than 48 days after the 'award' of a Part B Services Contract.

Because of the value of the, proposed, meals on wheels contract with Appetito, the Council's Contract Procedure Rules require a pre-tender report to have been presented to the Individual Cabinet Member and a full 2-stage tender process to have been undertaken. For the reason given within this report, this was not done. This report, therefore, seeks waiver of the, relevant, Contract Procedure Rules.

Contract documentation will need to be drawn up and executed by the Council and Appetito.

Finally, in accordance with Contract Procedure Rule 18 (Part 4, Section 4 of the Council's Constitution), the contract with Appetito must be entered onto the central register of council contracts, maintained by the Business Support Unit.

Human Resources Implications and risks:

There will be no direct Human Resources implications arising from this decision, as the service will continue to operate through the in-house team and therefore TUPE Regulations will not apply and staff will continue to enjoy the terms and conditions they are currently employed on.

The proposed Single Status Agreement will require that terms and conditions will be subject to review as a result of this Service Level Agreement. The Council should consider the implications that Single Status may have in terms of continuing to directly employ staff. within the in-house team.

Equalities and Social Inclusion Implications and risks

There are no equality issues in relation to this report. However without this service there is a risk on isolating valuable adults in the continuing with adequate nutrition. The meals on wheels service helps to promote social inclusion by the service user being visited on a daily basis and having regular contact with London Borough of Havering's staff.

Reasons for the decision:

To ensure that the council receives best value that continuity of service is continued and that vulnerable adults that are not capable of making their own

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hot meal receives at least one hot meals per day that meets there nutritional and dietary requirements.

Alternative options considered:

For the reason indicated above, the original tender process was abandoned. The only arrangement which will allow the, relevant, time frame to be met is for the Council's in-house Catering service to provide the meals on wheels, with new internal charging arrangements taking effect in October of this year. The new internal charging arrangements will be introduced because continuation of the current arrangement would produce a significant detrimental impact on the budget for Adult Social Services as the price per meal is higher and the proposed price increase would be difficult to justify with the current quality of the service.

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CHERYL COPPELL
Chief Executive

Background Papers List

Tender specification

Average number of meals per day over
the last 12 months 313
Note maximum and minimum are

Gross annual cost £549,518

Cost per meal £4.81

Note that these are only assumptions and any increase in demand will increase the cost to LBH.

Charge to Service User per meal	Net Cost to LBH	LBH Budget	Variance	Subsidy per meal
£3.10	£195,359	£131,000	-£64,359	-£1.71
£3.15	£189,647	£131,000	-£58,647	-£1.66
£3.20	£183,934	£131,000	-£52,934	-£1.61
£3.25	£178,222	£131,000	-£47,222	-£1.56
£3.30	£172,510	£131,000	-£41,510	-£1.51
£3.35	£166,798	£131,000	-£35,798	-£1.46
£3.40	£161,085	£131,000	-£30,085	-£1.41
£3.45	£155,373	£131,000	-£24,373	-£1.36
£3.50	£149,661	£131,000	-£18,661	-£1.31
£3.55	£143,949	£131,000	-£12,949	-£1.26
£3.60	£138,236	£131,000	-£7,236	-£1.21
£3.65	£132,524	£131,000	-£1,524	-£1.16
£3.70	£126,812	£131,000	£4,188	-£1.11
£3.75	£121,100	£131,000	£9,900	-£1.06
£3.80	£115,387	£131,000	£15,613	-£1.01
£3.85	£109,675	£131,000	£21,325	-£0.96
£3.90	£103,963	£131,000	£27,037	-£0.91
£3.95	£98,251	£131,000	£32,749	-£0.86
£4.00	£92,538	£131,000	£38,462	-£0.81
£4.05	£86,826	£131,000	£44,174	-£0.76
£4.10	£81,114	£131,000	£49,886	-£0.71
£4.15	£75,402	£131,000	£55,598	-£0.66
£4.20	£69,689	£131,000	£61,311	-£0.61
£4.25	£63,977	£131,000	£67,023	-£0.56
£4.30	£58,265	£131,000	£72,735	-£0.51
£4.35	£52,553	£131,000	£78,447	-£0.46
£4.40	£46,840	£131,000	£84,160	-£0.41
£4.45	£41,128	£131,000	£89,872	-£0.36
£4.50	£35,416	£131,000	£95,584	-£0.31
£4.55	£29,704	£131,000	£101,296	-£0.26
£4.60	£23,991	£131,000	£107,009	-£0.21
£4.65	£18,279	£131,000	£112,721	-£0.16
£4.70	£12,567	£131,000	£118,433	-£0.11
£4.75	£6,855	£131,000	£124,145	-£0.06
£4.80	£1,142	£131,000	£129,858	-£0.01
£4.85	-£4,570	£131,000	£135,570	£0.04
£4.90	-£10,282	£131,000	£141,282	£0.09

	Gross Cost Per Meal 05/06	Charge per meal	Subsidy per meal
Barnet	4.61	3.90	0.71
Havering Proposed Costs	4.81	3.65	1.16
Waltham Forest	5.10	3.15	1.95
Brent	5.13	3.00	2.13
Enfield	5.27	3.10	2.17
Merton	5.30	3.00	2.30
Hackney	5.10	2.70	2.40
Sutton	5.16	2.70	2.46
Bexley	5.98	2.75	3.23
Hillingdon	6.52	2.60	3.92
Lambeth	6.05	2.10	3.95
Ealing	7.14	3.00	4.14
Barking and Dagenham	6.76	2.11	4.65
Harrow	8.91	3.25	5.66
Southwark	7.70	2.00	5.70
Bromley	8.53	2.50	6.03
Camden	8.11	2.05	6.06
Islington	9.03	2.30	6.73
Hounslow	11.70	3.50	8.20
Westminster	16.94	4.25	12.69
City of London	15.47	2.55	12.92