



MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Tuesday, 12 July 2016
(7.30 - 8.20 pm)

Present:

Councillor Roger Ramsey (Leader of the Council), Chairman

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

Apologies were received for the absence of Councillor Jason Frost.

Councillors Ray Morgon and Jeffrey Tucker also attended.

There was a member of the press present.

Councillor Joshua Chapman disclosed an interest in item 5 on the agenda – the Local Implementation Plan - as he was an employee of Transport for London and there could be a conflict of interest. He withdrew from the Chamber during the consideration of this item and returned afterwards. Unless otherwise indicated, all decisions were agreed unanimously with no Member voting against.

61 **MINUTES**

The minutes of the meeting held on 15 June 2016 were agreed as a correct record and were signed by the Chairman.

62 **2017/18 LOCAL IMPLEMENTATION PLAN ANNUAL SPENDING SUBMISSION**

Councillor Osman Dervish, Cabinet member for Environment, Regulatory Services and Community Safety, introduced the report

Cabinet was reminded that the Council made an annual Local Implementation Plan (LIP) Spending Submission to Transport for London (TfL) for funding transportation initiatives. This was the major source of funding for transport for the Council.

The Submission had to be consistent with the Mayor of London's Transport Strategy, and the Council's own adopted Local Implementation Plan strategy document.

The report before Members recommended that Cabinet approval of the detailed and full LIP Submission (including its Principal Road Maintenance and Bridge Strengthening bids) should be delegated to the Cabinet Member for Environment, Regulatory Services and Community Safety prior to it being submitted to TfL.

The report made clear that the recent Mayoral election and the Government's Comprehensive Spending Review would have influence in the way that the submission for 2017/18 was prepared.

TfL was expected to provide guidance to boroughs on preparing the 2017/18 submission in the near future. A copy of this guidance will be placed in the Members Resource room when it becomes available. TfL was also expected to inform boroughs of its indicative allocation for the 2017/18 financial year later this year. It was currently expected that TfL would confirm the funding for the proposed 2017/18 programme in late 2016 and, as in previous years, Members would be advised about the outcome.

The report confirmed that, as previously, the Council would continue to explore additional opportunities for funding transport programmes/policies to supplement those from the LIP allocation such as other TfL funding streams (e.g. TfL Major Schemes funding), other external funding sources and contributions from development proposals.

Reasons for the Decision

The LIP Funding Submission was a statutory requirement submitted annually to TfL in order to secure funding for a range of initiatives in the Borough with a focus on transport which also encompassed public realm, safety and the environment. Without the LIP funding, it was extremely unlikely that the Council would have the resources to take these forward.

Alternative Options Considered

There are no alternatives if the Council wished TfL to confirm its LIP funding award to Havering for 2017/18.

Cabinet:

1. **Noted** that approval of Havering's full final LIP Funding Submission for 2017/18 to TfL be delegated by the Leader to the Cabinet Member for Environment, Regulatory Services and Community Safety.
1. **Agreed** that other opportunities for investment in transportation initiatives would continue to be sought from TfL outside the LIP Annual Spending Submission process and from other stakeholders and funding sources.

63 **ANNUAL CORPORATE PERFORMANCE REPORT (2015/16)**

Councillor Clarence Barrett, Cabinet member for Financial Management, introduced the report

Cabinet was reminded that the Corporate Performance Report provided an overview of the Council's performance for each of the strategic goals (Clean, Safe and Proud). The report highlighted areas of strong performance and potential areas for improvement.

Where performance was more than the 'target tolerance' off the annual target and the RAG rating was '**Red**', 'Corrective Action' was included in the report. This highlighted what action the Council would take to address poor performance.

Members were informed that the report before them was for the year 2015/16 and that it contained 83 quarterly and annual Corporate Performance Indicators which had been measured. All of the 83 indicators had been given a "RAG" status. In summary:

- **64 (77%)** had a RAG status of **Green**.
- **19 (23%)** had a RAG status of **Red** or **Amber**.

This represented slightly improved performance compared with Quarter 3, when 70% of PIs were RAG rated **Green** and 30% were rated **Red** or **Amber**.

Cabinet was reminded that it had approved changes to future performance reporting arrangements when it received the Quarter 2 CPR. From the new financial year onwards the quarterly and annual Corporate Performance Reports would be considered first by the individual overview and scrutiny sub-committees, then the Overview and Scrutiny Board and finally the Cabinet. This would allow the OSC Board to maintain oversight of the value the individual committees were adding in monitoring and influencing performance and would also allow the Cabinet reports to reflect any actions the OSC committees might be taking to improve performance in highlighted

areas. It was anticipated that the time taken to complete the entire reporting cycle would, as a consequence, be shortened.

Members were also informed that also being introduced was a process for measuring customer satisfaction. Whilst the PIs currently included in the Corporate Performance report provided both Members and officers with vital performance information that could be used to improve services, there were few PIs that focused on customer satisfaction. There were various options to address this and, in order that the Council might fully understand the options available and what the benefits and resource implications of each option might be, the Communications Service was currently seeking views from an external consultant to gain expert advice on how the Council could gauge residents' satisfaction in the most meaningful way. This would inform any new performance indicators which were likely to be included in the Corporate Performance Report during 2016/17.

Reasons for the decision:

To provide Cabinet Members with an update on the Council's performance for each of the strategic goals (Clean, Safe and Proud).

Other options considered: N/A

Cabinet:

1. **Reviewed** the levels of performance set out in **Appendix 1** to the report and the corrective action that was being taken, and
2. **Noted** the content of the Demand Pressures Dashboard attached as **Appendix 2** to the report.

64 **AWARD OF THE SPORT AND LEISURE MANAGEMENT CONTRACT**

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

Members were informed that the report before them sought Member agreement to award the Council's Sports and Leisure Management Contract, for a period of 20 years, from October 1st 2016. The report also sought Member agreement in principle to the building of a new Hornchurch Sports Centre, investment in new health and fitness facilities at Central Park Leisure Centre and to the continued Council funding of the Chafford Sports Complex, within the parameters that were identified in the report.

The report furthermore sought Member agreement to award the contract to Tenderer A on the basis that they had submitted the most economically advantageous tender (a "meat" bid) to the Council, taking account of all relevant price and quality evaluation issues.

Reasons for the decision:

The preferred bid had been selected because it achieved the best overall score, taking account of price and quality, when assessed against the evaluation criteria identified in the table included in paragraph 21 of the report.

Other options considered:

In considering alternatives for the management of the Sport and Leisure facilities there was not a 'do nothing' option as the current contract for the management of the facilities would end on September 30th 2016. The option of extending the contract for another 5 years had already been ruled-out on the basis that it would not achieve value for money for the Council (as set out in the Tender Strategy produced in February 2014). The option of bringing the service back in-house had also been ruled-out because of the tax implications that would arise and because it was believed that an experienced leisure operator was more likely to maximise the commercial opportunities that were available as compared to the Council. It was also the case that an external operator (providing it was delivering the contract through a Trust, Charity or similar organisation) could secure significant NNDR and VAT advantages, in comparison to the Council.

The option of retaining the existing Hornchurch Sports Centre had been considered but rejected given the age of the building, the fact that it would almost certainly need to be replaced in the next 10 - 20 years and because of the significant repair and maintenance costs associated with the current building.

Following consultation with the Council's Legal Advisor, Cabinet was informed that paragraph 20 in the report needed to be replaced with the following wording:

"20. Tenderer A's best "Price" score at the BAFO stage is linked to their "Core Bid" and a contract term of 10 years. Tenderer B's best "Price" score is linked to their "Mandatory Variant Bid" and a contract term of 20 years."

Furthermore, the Legal Advisor requested that some changes to the wording of some of the recommendations be made and Cabinet agreed to those changes, the recommendations to read:

Cabinet:

- 1 **Awarded** the Sports and Leisure Management Contract for a period of 20 years starting on October 1st 2016, to Tenderer A, on the basis that they had submitted the most economically advantageous tender, taking account of all the relevant price and quality evaluation issues identified in the report;
- 2 **Agreed in principle** to the Contract reverting to a 10 year period if Tenderer A was not able to secure planning permission to build the

proposed new Hornchurch Sports Centre and to delegate responsibility to the Chief Executive after consultation with the Head of Culture and Community Access to negotiate and agree revised contractual arrangements at the appropriate time should that eventuality arise;

- 3 **Noted** that the award of the Contract to Tenderer A would result in the Council receiving an average annual net payment of £967k through the life of the Contract once the Council's Prudential Borrowing costs had been taken into account and that this would deliver the already agreed MTFS savings of £700k per annum;
- 4 **Agreed** that the Chief Executive after consultation with the Head of Culture and Community Access negotiate and agree a final Contract price with Tenderer A, taking account of any agreed changes to the Contract and any associated agreed Variations to the Contract price;
- 5 **Noted** that the funding required to progress all of the investments proposed by Tenderer A would be arranged and secured by the Council and that the costs associated with securing this funding had been factored into the financial analysis which showed the £700k MTFS savings would be achieved;
- 6 **Delegated** authority to the Head of Culture and Community Access after consultation with the Deputy Director of Legal Services, to negotiate and agree a variation to the Contract which would allow the continued operation of the Chafford Sports Complex from October 1st 2016 - subject to any revenue costs to the Council being mitigated as far as possible - the school paying for their use of the facilities, a break clause being included in the Contract to cover a situation where the Council developed a new sports and leisure facility in the south of the borough and subject to agreement being reached with the Chafford School and Tenderer A;
- 7 **Noted** that as part of their tender submission Tenderer A would build a new Hornchurch Sports Centre on the site of the existing main car park and land to the west of that car park, subject to planning permission being secured;
- 8 **Delegated** authority to the Head of Culture and Community Access after consultation with the Chief Executive and the Cabinet Member Culture and Community Engagement, authority to establish whether there was a strong business case for retaining and converting the existing Hornchurch Sports Centre sports-hall into a multi-purpose entertainment venue, rather than demolishing it;
- 9 **Will Receive** a further report on the potential conversion of the existing Hornchurch Sports Centre sports-hall should there be a strong business case for so doing;
- 10 **Noted** that as part of their tender submission, Tenderer A would improve the health and fitness facilities at Central Park Leisure Centre, subject to planning permission being secured;

- 11 **Delegated** authority to the Head of Culture and Community Access after consultation with the Deputy Director of Legal Services, to agree and sign the final Contract, the Leases and all other documents required to enact the Contract.

Chairman