



MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Wednesday, 18 January 2012
(7.30 - 8.50 pm)

Present:

Councillor Michael White (Leader of the Council), Chairman

Councillor Steven Kelly (Vice-Chair)

Councillor Andrew Curtin

Councillor Lesley Kelly

Councillor Roger Ramsey

Councillor Paul Rochford

Councillor Geoffrey Starns

Councillor Barry Tebutt *

Cabinet Member responsibility:

(Deputy Leader) Individuals

Culture, Towns & Communities

Housing

Value

Children & Learning

Community Safety

Environment

Apologies were received for the absence of Councillors Michael Armstrong and Robert Benham

Councillors Clarence Barrett, Denis Breading*, Wendy Brice-Thompson, Keith Darvill*, David Durant, Linda Hawthorn, Paul McGeary, Pat Murray, Frederick Thompson and Jeffrey Tucker and 5 members of the public were also present.

* For part of the meeting

1 MINUTES

The minutes of the meeting held on 16 May 2012 were confirmed as a correct record and signed by the Chairman.

2 ROGER McFARLAND, HEAD OF REGENERATION, POLICY & PLANNING

The Chairman referred to the forthcoming retirement from the Council's service of Roger McFarland, Head of Regeneration, Policy & Planning, and thanked him for his long service and the advice and assistance given to Members over the years.

Mr McFarland suitably responded.

3 NEW PLYMOUTH HOUSE AND NAPIER HOUSE, REFURBISHMENT SCHEMES

Councillor Lesley Kelly (Cabinet Member for Housing) introduced the report

The report set out proposals for innovative refurbishment of New Plymouth and Napier Houses in Dunedin Road, Rainham, incorporating larger, enclosed balconies, often called 'winter gardens'.

Cabinet noted that, following detailed option appraisal work, the preferred approach was to:

- a) Retain both blocks, rather than demolish them and redevelop their sites;
- b) Carry out a full refurbishment to Decent Homes standards; and
- c) Build larger, enclosed balconies.

The key features of the options appraisal were set out, and further information on the benefits of the winter gardens provided.

Options considered:

Demolition and replacement had been rejected on cost and viability grounds. The report concluded it would be financially advantageous to refurbish the two blocks, rather than demolish, dispose and redevelop.

Refurbishment with winter gardens and cladding was the preferred option, as it would provide the most significant and sustainable benefits for residents and the Council including:

- reduced maintenance costs for the Council
- additional living space for residents
- reduced fuel costs for residents
- a dramatically enhanced external appearance, changing the image and look of the tower blocks into a landmark scheme for Rainham and Havering Riverside.
- additional homes and community space.

Members noted that, for reasons of practicality, leaseholders would not be required to contribute to the cost of the winter gardens and that it was most unlikely that Council Tax bandings would be affected as a result of the proposed work. The proposals were for total refurbishment of the blocks, the demolition of which had been considered but found to be less cost-effective than proceeding as proposed as the blocks were structurally sound (although in need of minor repair). The cost would be borne wholly by the Council.

Cabinet agreed:

- 1 That both New Plymouth and Napier Houses be retained**
- 2 That the Housing Service develop proposals to:**

- i) **Remodel the ground floor of each block to provide new homes and community space**
 - ii) **Carry out environmental improvements within the grounds of the blocks.**
- 3 That residents of both blocks be consulted on the proposal to add winter gardens to all flats as part of the Decent Homes upgrade programme**
 - 4 That leaseholders be not charged for the cost of the works above the Decent Homes Standard**
 - 5 To receive a further report on the outcome of the consultation.**

4 LOCAL IMPLEMENTATION PLAN ANNUAL SPENDING SUBMISSION 2013/14

Councillor Barry Tebbutt (Cabinet Member for Environment) 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 across the Borough. The LIP had to be consistent with the Mayor of London's Transport Strategy and the Council's own adopted Local Implementation Plan.

As in previous years, the report now submitted outlined the process for the Council preparing its LIP Annual Spending Submission for the next financial year (2013/14). The Council had been awarded an indicative amount of £2,920,000 LIP funding for the 2013/14 financial year, broadly typical of most outer London boroughs, and later this year would need to tell TfL how it planned to spend the funds, taking into account TfL's LIP guidance.

Once approved in principle by Cabinet, a suggested detailed 2013/14 LIP Submission would be prepared for approval prior to going to TfL in October. As previously, the Highways Advisory Committee would be consulted before the submission was finalised. It was suggested that authority for final approval be delegated to the Cabinet Members for Environment and Community Empowerment, who had responsibility for strategic transport and local transport schemes respectively. TfL were expected to confirm the allocation to the Council in late 2012.

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. Biking Boroughs), other external funding sources and Section 106 contributions from development proposals.

Reasons for the decision:

The LIP Funding Submission to TfL was required annually in order to secure funding for a range of transportation-related initiatives in the Borough.

Other options considered:

There were no alternatives if the Council wished TfL to confirm its LIP funding award to Havering for 2013/14.

It was noted that, in developing schemes for inclusion in the LIP, the Council was obliged to bear in mind the Mayor of London's priorities. Funding could not be expected for schemes that conformed to the Council's strategies but not to those of the Mayor. In general, funding would have to be spent within the year allocated as agreement to carrying-forward could not be guaranteed.

Cabinet agreed:

1. **To note the guidance provided by TfL outlined in paragraphs 8, 9 and 10 of the report submitted and other aspects to consider detailed in its paragraph 11 in respect of Havering's Submission to TfL for LIP funding for 2013/14.**
2. **That development be approved in principle of the LIP Submission for 2013/14, having particular regard to the range of considerations set out in paragraph 14 of the report.**
3. **That the advice of the Highways Advisory Committee be sought on the proposed LIP submission before it is finalised.**
4. **That approval of Havering's final LIP Funding Submission for 2013/14 to TfL be delegated to the Cabinet Members for Environment and for Community Empowerment.**
5. **To note 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.**

5 AMENDMENT TO THE 2012/13 ANNUAL INVESTMENT STRATEGY

Councillor Roger Ramsey (Cabinet Member for Value) introduced the report

The Council's investment policy was set out in the Treasury Management Strategy Statement, which was agreed by full Council as part of the budget setting process in February.

The Council's investment policy had regard to the Department for Communities and Local Government's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities were security first, liquidity second, then return.

The report proposed two amendments to the approved investment policy:

- (1) To amend the group limit for UK institutions to the higher of £25m or 25% of the investments' opening balance at the start of the month
- (2) To create an additional £5m overnight limit (in excess of any previously set limit) with the Council's banker to allow for late receipt of cash.

Hitherto, the group limit had been the lower of £25m or 25% of the investments' opening balance at the start of the quarter as, prior to the introduction of the HRA refinancing reform, traditionally the start of the quarter was always the highest cash position. With rental incomes being generated throughout the month this was no longer the position and changing the lending limit would allow flexibility should cash levels increase.

Should the additional overnight limit be used, the cash would be placed with a more suitable counterparty the following working day.

Reasons for the decision:

The statutory Codes require Member approval of any amendments to the Annual Investment Strategy for 2012/13.

Other options considered:

- 1) Not to implement the changes to the strategy: this would have meant that the Council would continue to utilise the Debt Management Office and other Local Authorities, often at a cost.
- 2) To increase the number of available counterparties used by the Authority: this would have meant using lesser-rated institutions or those that for various reasons do not appear on the Council's approved lending list. Officers were not prepared to recommend this approach to Members.

Members were advised that a need for flexibility in short-term investment had become more noticeable recently because of changes in housing finance, the flow of capital receipts and a reduction in the number of financial institutions that could be used.

Cabinet approved the changes to the Annual Investment Strategy.

6 COMMISSIONING SCHOOL PLACES STRATEGY 2012-2016

Councillor Paul Rochford (Cabinet Member for Children & Learning) introduced the report

Cabinet was advised that, by 2020, it was currently expected that there would be around 21% more primary age children than in 2010 across the country and that, by 2015, all regions in England were projected to have an increased primary-aged population compared with 2010. Projected growth ranged from 10% to 15%, the rate for London.

In Havering, the birth rate had grown substantially. This had begun to have implications for the sufficiency of places in primary schools, especially in the first year of entry (Year R). The report now submitted set out a strategy to address this. In addition, while the Council retained statutory responsibility for ensuring there were sufficient school places to meet the needs of the population in the area, there is now an expectation that local authorities would introduce Free Schools and Academies as new providers in areas of demographic growth, and that the Council would therefore become a commissioner of additional places.

The report updated the Cabinet on the latest school places data and set out the proposed approach to meet that growing demand for the next five years, in the context of new national expectations about the changing role of the Local Authority, and to:

- help the school community understand the longer term population trends and the implications for their schools
- let parents and the wider community of Havering know what changes are planned and how their views and preferences have contributed to key planning decisions
- outline to potential sponsors of new schools, such as Academies and Free schools, contextual information about Havering's changing school population.

Reasons for the decision:

The decision was necessary to progress the strategy for ensuring there are sufficient school places in Havering to meet the rising pupil population.

Other options considered:

The Council could proceed with the expansion programme without an agreed CSPA in place. However as the Council was in the leadership role for this major and long term expansion programme it needed to consult stake holders on its proposed strategy for meeting the challenge of the rising school population and in so doing reduce the risk of these plans being unsuccessful.

It was affirmed that the previous review of primary places, which had resulted in a reduction in the number of classes and places across the borough, had been undertaken on the basis of then-known demographics and trends and that the current imbalance was the result of factors which could not have been foreseen at that time. Assurance was given that the strategy relied upon re-commissioning currently out-of-use accommodation and new building, and that use of "portakabins" would be avoided.

Cabinet agreed:

- 1 To approve the draft Commissioning School Places Strategy 2012/13-2016/17 (CSPS)**
- 2 To approve the circulation of the draft CSPS for consultation to all stake holders in school place planning**
- 3 To delegate the determination of the final CSPS jointly to the Cabinet Member for Children's Services and the Group Director for Children's Services.**
- 4 To note that a further report would be presented in September 2012, setting out the details of each expansion scheme, the consultation process and the indicative costs and funding for each scheme.**

7 FUTURE SHAPE OF EDUCATION SERVICES

Councillor Paul Rochford (Cabinet Member for Children & Learning) introduced the report

Proposals for the future delivery of education services from April 2013 were submitted, reflecting the Council's strategic aim to become a smaller, more streamlined organisation, which, as a consequence, would change the principles upon which services were delivered. It set out the national and local contextual factors which had been used to determine the future shape of the service.

It also acknowledged the importance of retaining services within the Council, which ensure that there is:

- A sufficiency of high quality early years and school places, and provision for vulnerable children and adults (up to the age of 25)
- Appropriate assessment and support for the Borough's most vulnerable children and young people
- A team to prevent school failure, by prompt and appropriate intervention
- Improving pupil outcomes by schools, so the council can strengthen the reputation it has within the business community as an attractive area to locate

The impact of a rapidly changing landscape of relationships between schools and the Local Authority was highlighted. It was noted that:

- Schools had the option to exercise greater freedoms and flexibilities through increased autonomy by conversion to Academy status
- There would subsequently be a reduction in the levels of funding received historically by the Council - in addition to the national 'deficit reduction' programme
- The role of the Council, through Children's Services, would be defined fundamentally by the delivery of its statutory functions
- Nationally, a network of Teaching Schools, National Leaders in Education and National Support Schools was in place. Schools were being encouraged to develop further the use of this school-to-school support function, particularly to take forward aspects of continuing professional development for staff, including support that was available locally through art, music and sports partnerships.

The report considered how statutory and essential in-house services could be reconfigured to reflect the new role of Local Authorities but at a reduced cost and with increased efficiency. It went on to suggest a number of options for some parts of the service that would no longer be delivered directly by the Council.

It was noted that the non-statutory education services (the Europa Centre, Catering Service, Adult College and the Music School), which provided support to children, families and schools, were not discussed and that a further report would be presented in due course, once final options and recommendations had been identified for those services.

Reasons for the decision:

To ensure that the Council would be able to meet its statutory obligations to support children, families and schools, within a reduced funding envelope, thereby ensuring the provision of high quality schooling to local residents and protecting the most vulnerable children and families.

Other options considered:

No longer to provide statutory services to schools but to operate a "free market", with the associated risks for the future lives of children and families in Havering and the long term reputation of Havering as a place to which businesses wish to locate and in which families wish to live.

Cabinet agreed:

- 1 To retain in-house a smaller number of teams with responsibility for delivering the Council's statutory duties to vulnerable children and families, and those relating to preventing school failure (to be implemented in April 2013)**

- 2 (a) **To explore two options for the non statutory functions of a non statutory Havering School Improvement Service (Hsis) Trust during July:**
 - **the establishment of Hsis Trust with local schools**
 - **a “soft market testing” exercise to establish the level of external interest in running the service**
- (b) **That a final decision about the “destination” of this service be made following this work (to be implemented in April 2013)**
- 3 **To note that work continued to ensure that the non-statutory traded services of the Europa Centre, Catering Service, Adult College and the Music School meet their MTFs savings targets, while options continue to be explored for the future delivery of those services.**

8 **"CREATING BRIGHTER FUTURES" - A VISION FOR THE FUTURE DELIVERY OF SERVICES FOR YOUNG PEOPLE IN HAVERING**

Councillor Paul Rochford (Cabinet Member for Children & Learning) introduced the report

A vision for the future delivery of youth services in Havering entitled “Creating Brighter Futures” was presented. It proposed a new approach to engaging with young people and supporting the Council, community, voluntary and business sectors to work more effectively with young people.

The vision defined a new Havering Assets Framework and described a new role for youth workers, including direct contact with young people, street projects and supporting the voice of young people in design delivery and governance of services. It also focused youth work on building the capacity and capability of local people, volunteers and community groups to offer better outcomes for young people. The aim was to make the most of the natural networks that young people experienced in their daily lives. It directly supported the government policy “Positive for Youth” in developing more positive and enterprising image and view of young people and their communities.

Reasons for the decision:

To offer a new vision and new direction for youth services and those organisations providing opportunities for young people.

To underpin the subsequent production of a strategy and action plan which would set out in detail how young people would secure better outcomes, in terms of employment, education, health and personal outcomes.

Other options considered:

The option of not producing a Vision was considered but ruled out because it was essential that it be produced before a strategy and action plan were drawn up.

Assurance was given that the need for “mother and toddler” groups would not be overlooked, although it was stressed that the Council had to balance demand with efficiency in provision.

Cabinet:

- 1. Agreed the new Vision for the delivery of youth services in Havering, attached as appendix 1 to this report entitled “Creating Brighter Futures.”;**
- 2. Noted that a further report including a strategy and action plan to achieve the Vision in the next three years will be presented to Cabinet in December 2012**

9 RAINHAM LIBRARY & LIFELONG LEARNING CENTRE

It was noted that the Chairman of the Towns & Communities Overview & Scrutiny Committee had agreed pursuant to paragraph 18 of the Executive Procedure Rules that the report should be exempt both from the Forward Plan procedure and from call-in.

Councillor Roger Ramsey (Cabinet Member for Value) introduced the report

The Rainham Library and Lifelong Centre would be a catalyst project within the Rainham Compass regeneration scheme, providing a valuable community resource, additional residential units and supporting educational achievement within the Rainham area. The project was integrally linked with bringing the adjacent new Rainham Station bus interchange into use and with regeneration plans for the Broadway, where the existing library was located.

Site works and construction to ground floor slab had already been completed but progression to the main construction stage had been interrupted by the dissolution of the London Thames Gateway Development Corporation. However, following recent discussions with the GLA (that had inherited LTGDC’s role and assets), funding arrangements had now been agreed that would enable the main construction contract to be awarded and the scheme to be delivered by the Council, enabling completion of the project in early 2014.

Reasons for the decision:

The project was key to the Rainham Compass Regeneration scheme. Following an earlier start on site by LTGDC, the scheme was currently at risk of being ‘mothballed’ with foundations and floor slab already

completed. The GLA had offered £2.2m grant funding specifically for the purpose of progressing the construction and the additional £1.8m investment from the Council would cover the remaining funding gap. There was an option for the Council to recoup this additional funding, if it chose to do so, from selling the residential units on the open market.

Tenders for the scheme having been sought at the end of 2011, they had expired but the preferred contractor had agreed to hold their current tender price in the short term, thereby avoiding the need to repeat the tendering exercise if the contract could be awarded shortly.

Other options considered:

Pre-sale of the residential units on the open market was the original proposal but was no longer viable as a result of changes in Social Housing Grant.

Pre-sale of the residential units to a private investor had stimulated little interest

It was noted that a decision as to whether the housing accommodation to be provided (without which the scheme would not be viable) would become part of the Council's housing stock or disposed of did not need to be taken yet.

Cabinet agreed:

- 1. To note and accept the grant funding offer of £2.2 million from the GLA to support completion of the project.**
- 2. To authorise the Head of Legal Services to execute all legal formalities once decisions have been made by those with delegated authority, in agreement with the Cabinet Member for Value, to enable the Council to proceed with the scheme including:**
 - The main grant agreement between GLA and the Council**
 - Award of the main construction contract to Roof Ltd**
- 3. To recommend to Council that the Capital budget be increased by £1.8m funded through capital receipts, to secure development of the residential element of the Rainham Library scheme.**

10 LOCALISATION OF COUNCIL TAX SUPPORT

Councillor Roger Ramsey (Cabinet Member for Value) introduced the report

The Welfare Reform Act 2012 had abolished the national Council Tax Benefit scheme with effect from April 2013 and the Local Government Finance Bill

currently making its way through Parliament would require Local Authorities to design their own local council tax support schemes.

Eight options had been identified from which a local Council Tax Support Scheme could be developed. A key issue for the Council was developing and delivering a local scheme where the Government grant allocation had been reduced by 10% (£1.9 million).

Cabinet were now asked to consider and be aware of the implications and risks associated with all eight options and also the risks generally associated with a local scheme.

Reasons for the decision:

This report arose as a result of the Local Government Finance Bill, which required the Council to design a Local Council Tax Support Scheme to support people who were liable to pay Council Tax and were in financial need.

Other options considered:

The options available were summarised in the report.

It was noted that the final decision as to the Scheme would be a matter for full Council, possibly as part of the consideration of the Council Tax and budget for 2013/14.

Cabinet agreed:

- 1. To note the financial pressure of a £1.9m reduction in government grant for council tax support in 2013/4.**
- 2. To authorise consultation with the Greater London Authority on the Options, with the preferred option being Option 8.**

11 APPROVAL FOR AWARD OF CONTRACT FOR REABLEMENT SERVICE

Councillor Steven Kelly (Cabinet Member for Individuals) introduced the report

Approval was sought for the award of a five-year contract, following a competitive tender process, for the provision of reablement services to adults, commencing 1 November 2012.

The report set out the background and procurement process for the selection of the provider.

Tenders had been received from two bidders, referred to in these minutes as Bidder A and Bidder B. However, Bidder B had withdrawn from the tender

process. The Bidders are identified in the Appendix to these minutes, which is exempt and not available to the press or public.

Reasons for the decision:

There were clear policy objectives that had been set both nationally and locally for prevention, reablement and independence. The externalisation of the reablement service was intended to contribute to the implementation of these strategies by ensuring that reablement was available to a greater number of people, thereby increasing the independence and improving the health and wellbeing of adults in Havering.

Increasing numbers of people, particularly older people, would require a service in the future, placing significant increased pressure on budgets.

Other options considered:

The following options had been considered:

Retention of the existing service:

- The primary disadvantage of this would be that achievement of the required level of savings would be highly unlikely
- In 2011 a staffing and service restructure was implemented, which realised savings contributing towards the achievement of MTFS savings of £750k per annum. However, there was no further scope to reduce costs internally

Undertaking a phased externalisation:

- Based on the current level of staff turnover (10%), it was unlikely that sufficient staff would choose to leave the service to achieve the required amount of savings within the required timescales
- Corporate support and infrastructure e.g. management, payroll, HR, Finance etc. would still be required

Externalising partially:

The in-house service had been unable to meet all of the demand for re-ablement provision. Externalisation of the work to meet demand had therefore been considered. This would have enabled the Council to monitor external costs and quality before reviewing whether the entire service should be re-provided. However, it had not been possible to identify a local provider able to take on this work. Furthermore, it would not contribute directly to the required savings, and therefore wider action had been required.

Assurance was given that the new approach was unrelated to issues of discharge from hospital, although it would assist in bridging the gap between discharge and the availability of long-term care arrangements.

Cabinet agreed:

- 1 To approve the award of the contract to Bidder A for a period of five years, for the delivery of a guaranteed block of 1000 hours per week, and up to an additional 250 hours per week as required.**
- 2 That all necessary action be taken by the Council and by Bidder A, including all actions and communication in relation to the transfer of staff under TUPE, to enable the implementation of the contract from 1 November 2012.**