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MINUTES OF A CABINET MEETING Council Chamber - Town Hall Wednesday, 15 August 2012 (7.35 - 8.30 pm)

Present:

Councillor Michael White (Leader of the Council), Chairman

Councillor Steven Kelly (Vice-Chair)
Councillor Robert Benham
Councillor Roger Ramsey
Councillor Paul Rochford
Councillor Geoffrey Starns
Councillor Lesley Kelly

Cabinet Member responsibility:

(Deputy Leader) Individuals
Community Empowerment
Value
Children & Learning
Community Safety
Housing & Public Protection

Apologies were received for the absence of Councillors Michael Armstrong, Andrew Curtin and Barry Tebbutt.

Councillors Wendy Brice-Thompson, Keith Darvill, Gillian Ford, Paul McGeary, Pat Murray, Linds Van Den Hende and Frederick Thompson were present for the meeting.

6 members of the public were present.

All decisions were agreed unanimously unless otherwise indicated.

The Chairman reminded Members of the action to be taken in the event of an emergency.

There were no disclosures of pecuniary interest.

Agenda item 5 concerning the requisition of the two Cabinet decisions relating to the future shape of Education Services, and the Commission School Places Strategy 2012-16; and agenda item 6 regarding the requisition of an Executive decision concerning proposed car parking charges in parks and open spaces were not dealt with as the relevant Overview & Scrutiny Committees had declined to support the requisition of the decisions referred to in those items.

12 **MINUTES**

The minutes of the meeting of Cabinet held on 11 July 2012 were agreed as a correct and signed by the Chairman subject to one minor amendment to show that the meeting took place on 11 July, not 18 January as indicated in the minutes.

13 **COMMISSION OF A LOCAL HEALTHWATCH SERVICE**

Councillor Steven Kelly, Cabinet Member for Individuals and the Deputy Leader of the Council, introduced the report.

The Health and Social Care Act 2012 placed a duty on the Council (all councils with Social Service responsibilities) to commission a fully operational Healthwatch by April 2013.

It was reported that Healthwatch was to be the new local Health and Social Care consumer champion and watchdog and would be required to represent the views of local residents of all ages, advocating and influencing the delivery and commissioning of Health and Social Care services.

The local representative of Healthwatch would have a statutory role on the new Health and Wellbeing Board from April 2013, ensuring that the voices of patients, users and the wider public are heard, and that the vision and objectives of the Health and Wellbeing Strategy reflected the priorities of local people.

The Council was keen to embrace the opportunities offered by the reconfiguration of health services locally and had been working closely with the Clinical Commissioning Group (CCG) for Havering to develop an ambitious set of priorities targeted on improving outcomes for patients and carers locally. The Council was therefore particularly keen to commission a Healthwatch function that would champion the views of patients, users and carers and improve public health and wellbeing as these new priorities were pushed forward.

It was noted that Healthwatch would replace LINK (Local Involvement Network) and would have additional responsibilities.

A consultation paper had been issued which covered the commissioning options facing the Council with regard to the new Healthwatch function as the Council had to decide how it wished to commission Healthwatch in order for it to be in place in Havering by March 2013. The report put forward three possible models, subject to the consultation and legacy analysis.

MODEL A - Havering Healthwatch evolving from either the current LINK steering group or the host organisation

MODEL B - Havering stand-alone organisation procured by Havering Council

MODEL C - Shared Healthwatch 'Hub and Spoke' model, with joint commissioning led by the London Borough of Barking and Dagenham but with added local specification reflecting local priorities.

The closing date for the 21 day consultation was Friday 17 August 2012.

It was stressed during the discussion that despite reports to the contrary, no agreement had been reached with the London Borough of Barking and Dagenham for the creation of a shared Healthwatch model. The consultation process would provide an opportunity for the Council to gauge the views of various stakeholders and interested parties on the proposed options, which the Cabinet Member for Individuals would consider as part of the selection process for the appropriate commissioning route, should Cabinet delegate authority to him.

Reasons and Options for the decision:

Consultation was taking place on three options. The reasons for and against each of them were detailed in an appendix to the report and which is appended to these minutes.

It was recognised that the timescales were short, but this had to be balanced with the need for local people to influence the future shape of Healthwatch and ensure that the legacy of LINK forms a firm foundation to build upon. It was recommended to delegate the final decision on the arrangements for commissioning a local Healthwatch to the Lead Member for Individuals and Deputy Leader. This would allow the Lead Member to undertake further detailed work in relation to a detailed specification for future Healthwatch services.

Cabinet AGREED:

1. To note the consultation on models for the commissioning of a local Healthwatch service.
2. To confirm the inclusion of the Independent Complaints' Advisory Service in the function to be carried out by Healthwatch.
3. To delegate the consideration of consultation responses, the LINKs legacy analysis, consultation with the host organisation and current chair/vice chair of LINK and selection of the appropriate commissioning route to the Cabinet Member for Individuals and Deputy Leader.
4. To note that further work would be undertaken to draw up the specification and proposed operating model for Healthwatch in Havering once the procurement route has been established.

14 DEPARTMENT FOR COMMUNITIES AND LOCAL GOVERNMENT WEEKLY COLLECTION SUPPORT SCHEME

Councillor Michael White, Leader of the Council introduced the report in the absence of the Cabinet Member for Environment.

The report provided an overview of the Department for Communities and Local Government's (DCLG) Weekly Collection Support Scheme (Scheme) and sought approval to submit two bids for the grant funding available.

It was explained that the Department for Communities and Local Government had made available up to £250 million to English local authorities over three years; £50 million in 2012/13, £100 million in 2013/14 and £100 million in 2014/15.

The aim of this scheme was to support local authorities in three ways:

- a) Introduce, retain or reinstate a weekly collection of residual household waste; or

b) Propose improvements to an existing waste service which was already centred around a weekly residual collection, for example by improving environmental performance, increasing the affordability or sustainability of that service; or

c) Add a weekly food waste (or organic waste) service to an existing fortnightly collection of residual household waste

Each proposal had to deliver a weekly collection of residual household waste; value for money (in terms of cost effectiveness); and deliver an environmental benefit over current performance. Schemes would only be awarded funding to local authorities that committed to weekly collections for (a minimum of) five years from 2012/13 (or the first year of the bid).

The Council had developed two bids which met the Schemes criteria and satisfied the funding stipulations. These were 'Green Rewards – Havering' and 'Havering Waste Prevention Campaign'.

'Green Rewards – Havering' would engage and motivate households to reduce their weekly residual waste and increase their weekly recycling through a proactive programme of communications and incentives and rewards. The aim of the project was to move the Councils household waste recycling and composting performance towards 40%.

It was noted that all households in the Borough would receive a welcome pack with information on how they could reduce waste and increase recycling. This would invite residents to activate their account. Once the account was activated household would receive a welcome letter and an activation card which could be used to obtain discounts from local retailers who had signed up to the scheme thereby helping to boost the local economy.

A total grant of £1,008,557 over three years was sought.

The second funding bid, 'Havering Waste Prevention Campaign', sought support to help reduce household waste over the next five years in order to reduce costs, reduce waste and contribute towards meeting the Mayor's recycling and waste targets.

Effective communications were key to reducing waste tonnages and this funding would be used to develop a full campaign for waste prevention. As well as reducing the amount the Council pays for waste disposal preventing waste would also save residents money. The campaign would attempt to fully utilise local organisations: schools, community groups, charities, etc as delivery partners and would build on the already successful Love Food Hate Waste campaign, promoting home composting, and other ways of preventing waste.

A total Grant of £350,120 over three years was sought.

It was reported that due to the tight time scales involved between feedback from DCLG and the deadline for submissions of the final bid the matter had not been included on the Forward Plan. Agreement had been sought and obtained from the Chairman of Environment Overview and Scrutiny Committee that the report be exempted from inclusion on the Forward Plan and that the item would be exempt from call-in to the Environment Overview and Scrutiny Committee.

Reasons for the decision:

Final bids for the grant funding had to be submitted to DCLG by 17 August 2012. Because the funding sought was over one million pounds a Cabinet decision was required.

Other options considered:

There was no obligation to bid for funding under the DCLG scheme.

Cabinet Agreed:

1. **That two grant funding bids be submitted to DCLG by the deadline of 17 August 2012.**
2. **Bid 1 - Green Rewards - Havering. A total grant of £1,008,557 over three years.**
3. **Bid 2 - Havering Waste Prevention Campaign. Total Grant of £350,120 over three years.**
4. **To continue to provide a weekly waste collection for a minimum of five years from 2012/13 in accordance with the funding conditions of the DCLG Support Scheme.**

15 **EXCLUSION OF THE PUBLIC**

Cabinet **RESOLVED** that the public be excluded from the meeting on the grounds that it was likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public were present during the following item there would be disclosure to them of exempt information within the meaning of paragraphs 3 and 4 of Schedule 12A to the Local Government Act 1972 which it was not in the public interest to publish.

16 **CHIEF EXECUTIVE'S REPORT CONTAINING EXEMPT INFORMATION**

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

The report provided the results of a mini tender exercise undertaken by London Authorities for the supply of Agency workers. The mini tender had been 'called off' from the Eastern Shires Purchasing Organisation (ESPO) Managed Service for Temporary Agency Resources (MSTAR) national framework for Agency workers. The framework had a number of different delivery models; including a Vendor Neutral Managed Service (VNMS) and a Managed Service (MS).

The outcome of the evaluation of the mini tender from the ESPO MSTAR agency worker framework was to award Lot 1a (VNMS) to Comensura and Lot 1b (MS) to Adecco.

It was noted that the Council would need to determine which model was most appropriate for its business needs and engage the winning supplier accordingly.

Reasons for the decision:

1. It was essential that the London Borough of Havering had a cost effective and value for money contract in place for agency workers when the current arrangements expires in August 2012.
2. As an organisation, the Council had been operating a VNMS system since 2006. It had delivered significant benefits, however a new contract would benefit from changes in the agency worker market and move to a fixed 'pence' mark-up arrangement, rather than a percentage mark-up – which would result in savings over and above current arrangements.
3. It was imperative to build on the benefits the Council had already delivered and looked to make further enhancements. There was an opportunity, to achieve these, by moving to a MS model, which would 'strip-out' the VNMS costs and mean that the Council would engage with one single supplier for the vast majority of agency workers and for the hard to fill and specialist type roles the MS provider would work with their chosen partners. With specialists recruited via the chosen partner the Comensura mark up would be replaced by an Adecco mark up. This would give the Council significant savings over the current arrangements.
4. There was a future option to integrate the MS providers system with Oracle R12, i-Procurement system so that agency workers were 'hired and paid' via the agreed corporate system. This would not be part of a standard 12 week implementation plan and although it was feasible to integrate with Oracle it had not been undertaken with Oracle R12, which was what the Council used. This bespoke integration was likely to add several months to the implementation timetable and due to the imminent contract expiry, it was suggested that the Council implement the stand alone system from Adecco. An example of an implementation plan was outlined in the Appendices to the report. The Council could schedule a move to an integrated solution at an appropriate juncture once the new system was up and running and delivering benefits subject to a full cost/benefit appraisal and the necessary approvals.

Options considered:

1. That service users source their own Agency Workers in the wider marketplace. This would create a situation whereby the less reputable companies in this market would be provided with an opportunity to sell to the Council. There were a number of companies that approached Councils to provide Agency Workers but past experiences, pre 2006, had shown that overall the true cost of sourcing Agency Workers via this route was more expensive than a corporate contract. This would also mean that there would be no centralised accurate management information, little control of spend, unable to assess quality, VFM or compliance with AWR.
2. Go out to tender alone. This would take around nine months to complete, due to the EU tendering timetable and would not get the best rates due to LBH expenditure being relatively small in

comparison to the £100s of millions per annum which would be spent on a national basis from this framework. Hence, the Council would not get the benefit of economies of scale of collaborating with others and using aggregated expenditure when going to market.

3. **Join ESPO MSTAR framework.** There were two sub-options, Lot 1a - VNMS, which is what LBH has been operating for past 5 – 6 years. Lot 1b - MS, which will mean that we engage directly with an agency that will provide 75 – 80+% of the agency workers directly. In the event of specialist / hard to fill posts the MS provider would use their second tier suppliers. The rates for both models, via the ESPO framework, will mean a reduction on our current rates and therefore provide significant savings. The outcome mini competition exercise undertaken by London Authorities was significantly delayed in deciding which suppliers should be awarded which Lot. A challenge was mooted by an aggrieved supplier over the procurement process and rather than go through a Legal process, which would have added further delay, the procurement process was re-started. This delay in the decision of the mini competition from the ESPO framework has meant that we have been unable to make our decision in a more timely manner. As a result of this unforeseen delay we will be 'out of contract' for a matter of months. Interim discussions with the incumbent supplier, Comensura, have taken place and they have agreed in principle to extend the rates and T&Cs of the current contract for up to 3 months. This should allow us enough time to implement an alternative model, as recommended.
4. **Join other frameworks that had been set up by other London Authorities.** These had been compared to the ESPO framework however; they were not able to compete with them on rates.

Cabinet Agreed:

1. **To confirm using the Eastern Shires Purchasing Organisation (ESPO) Managed Service for Temporary Agency Resources (MSTAR) national framework and the subsequent mini-tender exercise undertaken by London Authorities.**
 2. **That the Managed Service option (Lot 1b) was the most economically and operationally advantageous option and accordingly approve the corporate contract for supply of Agency workers be awarded to Adecco from August 2012 to April 2014, with an option to extend until 10 April 2015.**
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Chairman