

## **CABINET**

**Tuesday 17 January 2017 at 7pm  
Minutes**

### **PRESENT:**

Councillors Bell (Chair), Anand, R Dheer, Gordon, Johnson, Mahfouz, Mason, Rai and Tailor

### **ALSO PRESENT:**

In accordance with paragraph 2.6(a) of the Constitution, Councillors Malcolm, Proud and Stafford addressed the Cabinet with regard to the following items:

Item 07 - **WLA Health and Work Programme – Devolution of Work Programme from DWP**  
(Councillor Malcolm)

Item 11 - **Budget Update Report 2016/17** (Councillor G Stafford)

Item 14 - **The Rental Exchange Scheme** (Councillor Proud)

### **Also In Attendance**

Councillor Mahmood

#### **1. Apologies for Absence**

There were none.

#### **2. Urgent Matters**

Item 08 – School Funding 2017/18: Approval to submit budget to the Department for Education.

This matter is urgent and has been exempted from call-in procedures pursuant to paragraph 16(a) of the council's Scrutiny Procedure Rules (within the constitution) : [http://www.ealing.gov.uk/downloads/download/911/council\\_constitution\\_part\\_4-rules\\_of\\_procedure](http://www.ealing.gov.uk/downloads/download/911/council_constitution_part_4-rules_of_procedure).

The reason for this is that key input budget figures were only provided by the Department for Education within the last few days but the council's final decision must be communicated to the DfE by no later than 20th January 2017. If call-in procedures are followed then it will not be possible for the council to meet this timeframe.

Cabinet accepted a tabled addendum and revised appendix 1 in relation to item 08 on the agenda.

#### **3. Matters to be Considered in Private**

There were none.

#### **4. Declarations of Interest**

Councillor Dheer declared an interest in item 8 by virtue of his relatives' employment in schools in the borough.

#### **5. Minutes**

##### **Resolved:**

That the minutes of the Cabinet meeting held on 13 December 2016 be agreed and signed as a true and correct record.

*The minutes should be read in conjunction with the agenda for the meeting. They are subject to approval and signature at the next meeting of this Committee.*

## 6. **Appointments to Sub-Committees and Outside Bodies**

There were none.

## 7. **WLA Health and Work Programme – Devolution of Work Programme from DWP Resolved**

That Cabinet:

- i) notes the progress West London Alliance (WLA) have made in securing the devolution of the Work and Health Programme (WHP) Budget in West London.
- ii) authorises the Director of WLA, following consultation with the Director of Legal and Democratic Services and the Executive Director of Corporate Resources, to take all necessary steps with Department of Work and Pensions (DWP), Greater London Authority (GLA), European Social Fund (ESF) and London Councils to secure ESF funding, including, applying for Co-Financing status for London Borough of Ealing acting on behalf of WLA and enter into any necessary agreements with DWP, GLA, ESF and/or London Councils to receive the ESF funding.
- iii) subject to successful application for ESF Co-Financing status, authorises the Director of WLA, following consultation with the Director of Legal and Democratic Services and the Executive Director of Corporate Resources, to agree the “ESF Memorandum of Understanding” with the DWP, acting as the UK Managing Authority for ESF.
- iv) authorises the Director of WLA, following consultation with the Director of Legal and Democratic Services and the Executive Director of Corporate Resources, to finalise the procurement strategy for the programme in compliance with the Ealing Contract Procedure Rules.
- v) authorises the Director of WLA to conduct a procurement exercise in accordance with the procurement strategy referred to in recommendation 1.4 in the report and invite and evaluate tenders for the provision of job search services for unemployed sick and disabled people across the WLA who meet the criteria of the WHP.

### **Reasons for Decisions and Options Considered**

In June 2016, Ealing Cabinet agreed to a number of recommendations in connection to the WHP:

- 1.4 - Authorise the CEO of Ealing to invite and evaluate tenders on behalf of the London Borough of Ealing for the provision of job search services for unemployed sick and disabled people across the WLA who meet the criteria of the WHP, with the procurement being run following a competitive dialogue process and being run in compliance with the Ealing Contract Procedure Rules.
- 1.5 - Authorise the CEO of Ealing, following consultation with the Executive Director of Corporate Resources, to submit bids for grants and funding; and enter into such agreements on behalf of the London Borough of Ealing as necessary with Treasury, DWP, JCP, GLA; other Councils of the WLA or London Councils in relation to other funding that may be available to support the programme.

However, since then and following lobbying by London Leaders and Chief Executives, In the 2016 Autumn Statement Chancellor made the following announcement:

*“The government will transfer to London, and to Greater Manchester, the budget for the WHP, subject to the two areas meeting certain conditions, including on co-funding”.*

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In relation to the “certain conditions” described by the chancellor, there is a need to amend these two recommendations in order to be able to comply.

Firstly regarding the recommendation 1.4 of June 2016 Cabinet, given how late in the day this change has emerged, it will be necessary for the detail of the procurement route to be determined without reference back to cabinet. While it may be appropriate to use a competitive dialogue process as agreed in June; other options, may be necessary. As a result Cabinet are requested to authorise the Director of the WLA to make the final decision on procurement approach.

Regarding the recommendation 1.5 of June 2016 Cabinet, a condition is that the WLA seek ESF (‘ESF’) match. DWP accept that successful ESF funding receipt is not a condition precedent to the devolution of the WHP Budget. The proposed mechanism is that Ealing, acting on behalf of WLA, will seek Co-financing Organisation (CFO) Status, similar to the status held by GLA. This will allow Ealing, acting on behalf of WLA to match the devolved budget with ESF monies. The new recommendation expressly refers to the need for that LBE to apply for ESF CFO status, this is considered to be a material change.

## **8. School Funding 2017/18: Approval to Submit Budget to the Department for Education (DfE)**

### **Resolved**

That Cabinet:

- i) notes the report submitted to the Schools Forum on 16 January 2017 and the tabled addendum and revised Appendix 1 provided at this Cabinet meeting.
- ii) approves Ealing Funding Formula for 2017/18 as set out in the proforma revised Appendix 1 as tabled at this meeting, including updated cash values of each factor made in the light of deliberations of the Schools Forum.
- iii) agrees to provide support to schools with a disproportionate number of children with Education, Health & Care Plans (EHC Plans) or statements of special education needs or Education, Health and Care Plans estimated to cost up to £0.642m in the financial year 2017/18 funded from Ealing’s High Needs Block, Appendix 2 of the report.
- iv) approves Ealing Early Years Funding Formula for 2017/18 as set out in the proforma attached as Appendix 3 of the report and approves the updated cash values of each factor made in the light of deliberations of the Schools Forum as tabled in the addendum and revised appendix 1.
- v) approves SEN support funding Option C as detailed in appendix 2 of the report

### **Reasons for Decisions and Options Considered**

The decisions are required to agree Ealing’s funding formula for primary and high schools, early years funding formula rates, and the SEN support fund prior to the submission of the Budget proforma to the DfE.

## **9. School Admissions Arrangements 2018-19**

### **Resolved**

That Cabinet:

- i) agrees the admission arrangements for Community Schools as outlined in Appendix 1 of the report.
- ii) agrees the admission numbers for all Ealing Schools - Appendix 2 of the report

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**Reasons for Decisions and Options Considered**

All admission authorities must determine their admission arrangements by 28 February every year, even if they have not changed from previous years and consultation has not been required. These are set out in paragraph 1.46 of the School Admissions Code.

**10. Approval of Expenditure of New and Re-purposed Section 106 Funding Received by Ealing Since October 2015****Resolved**

That Cabinet:

- i) approves the proposals for expenditure of £4.156m of new S106 funds received since October 2015 as set out in Appendix 1 of the report.
- ii) approves the proposals for expenditure of £0.053m of re-purposable S106 funds identified since October 2015 as set out in Appendix 2 of the report.
- iii) approves that, where expenditure against the proposals in i) and ii) above is identified as Capital spend, that spend be included in the Capital Programme.
- iv) notes the details of ongoing expenditure of £15.718m of previously committed S106 funds as set out in Appendix 3 of the report and that £0.036m of interest has been applied to those interest bearing agreements included in this schedule.

**Reasons for Decisions and Options Considered**

The Council has received or is due to be paid £4.156m of new S106 money since October 2015, the date of the last S106 Cabinet report. Research has also taken place with all relevant departments across the Council to ascertain whether previously committed funds are still required for the projects they were previously committed to, or are available to be repurposed where the terms of the specific S106 agreements allow this. These repurposable funds amount to £0.053m. In some cases the projects have taken place but were financed by funds other than S106; in others circumstances have precluded the projects from going ahead.

In total there is around £4.209m of new and repurposable S106 funding and the proposed uses of the funds are set out in appendices 1 to 2. Included in these proposals is S106 money received from the following large schemes in the past year:

	£m
PE9 Hoover Building One (2016)	0.969
A86 South Acton Estate - Phase 2 detailed	0.490
E92B Green Man Lane DoV 20/01/11	0.276
PR60 628 Western Avenue	0.269
<u>S53 75 HIGH STREET SOUTHALL</u>	<u>0.199</u>

2.203

The proposals set out in Appendices 1 and 2 of the report were drawn up in discussion with Councillors. Presentations to the Labour and Conservative Groups took place on 21 November and 12 December 2016, while the Liberal Democrat Group did not require a presentation.

Appendix 3 of the report details previously-committed S106 funds where projects are in progress.

**11. Budget Update Report 2016/17****Resolved**

That Cabinet:

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- i) notes the General Fund revenue budget forecast outturn position of a net nil variance for 2016/17, and the nil variance on the Housing Revenue Account, and agrees that Executive Directors are required to take management actions to bring the forecast gross General Fund overspends into balance for year-end (Para 5.1 and appendix 1 of the report).
- ii) notes the progress on delivering the 2016/17 savings (Para 5.3 and appendix 2 of the report).
- iii) approves the 2016/17 replacement saving of £0.075m (Para 5.3 and appendix 4 of the report)
- iv) notes the capital programme 2016/17 underspend forecast outturn position of (£0.560m) after taking account of slippage (Para 5.5 of the report).
- v) approves the capital programme net slippage of £68.279m (Para 5.5 of the report).
- vi) thanks officers for their work in achieving the current position.

### **Reasons for Decisions and Options Considered**

To confirm the financial position as at 31 October 2016. The report outlines the council's position on revenue, capital, income and expenditure to the end of the period and subsequent effect on the council's level of reserves.

## **12. Housing Revenue Account Budget**

### **Resolved**

That Cabinet:

- i) approves the HRA budget for 2017/18. Note this is a balanced budget.
- ii) approves a rent reduction of 1% from April 2017 which equates to an average weekly rent decrease of £0.96.
- iii) approves that service charges income target be increased by 2.5% in 2017/18, to reflect a more accurate cost recovery for services.
- iv) agrees that there is no increase in commercial rents, garages rents and heating charges in 2017/18.
- v) approves that rents on void properties are set at target or formula rent levels when they are re-let (known as rent convergence).
- vi) notes the HRA budget position for 2016/17 as at period 8 (i.e. November 2016).
- vii) notes the 2016/17 capital programme of £96.800m and the forecast slippage of £23.885m into future years (Appendix 2 of the report). Notes the forecast 2017/18 capital programme of £75.803m (Appendix 3 of the report) and the revised 2017/18 budget will be updated with any further slippage identified by December 2016. This will be brought forward to Cabinet for approval in February 2017.
- viii) notes the five year medium term financial plan for the HRA and the capital programme will be brought to Cabinet in February 2017.

### **Reasons for Decisions and Options Considered**

This report is required in order to:

- Give the authority to implement the proposals.
- Align Council policy with Government policy and legislation.
- Agree savings and income proposals.
- Comply with the law which requires the Council to give tenants at least 28 days' notice of any variation to the rent charged.

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### 13. **Housing Regeneration and New Build Update**

That Cabinet:

- i) notes Cabinet's decision on 25 July 2012 delegating authority to the Executive Director of Housing & Regeneration to consider options for dealing with Ealing's worst performing sheltered housing schemes, which included Seasprite, as identified in the review undertaken by Savills in 2011.
- ii) notes the opportunity to include Seasprite within the Small Sites Programme subject to the outcome of consultation.
- iii) agrees to undertake consultation on the proposed redevelopment of Seasprite.
- iv) agrees to receive a further report following the consultation with a view to making a decision as to whether or not to proceed with redevelopment of Seasprite.

#### **Reasons for Decisions and Options Considered**

At its meeting in July 2012, Cabinet gave permission for options to be explored for tackling LBE's worst performing sheltered housing schemes, as identified by the review of LBE's sheltered housing undertaken by Savills in 2011.

Seasprite sheltered housing scheme, located on the Yeading Estate, Northolt, comprises 51 properties distributed across 3 blocks: Jupiter Court, Latham Court and Court House. It was assessed as one of the worst performing sheltered housing schemes primarily because 23 of the 51 homes are bedsits, there is no communal space, and the properties are in a poor state of disrepair.

An opportunity has arisen for Seasprite to be included in the Small Sites Programme. By way of background, Cabinet agreed, at its meeting on 25 July 2012, to progress the development of identified under-used plots of LBE land, the 'Small Sites'. A Sales and Development Agreement (S&DA) between LBE and Hill Residential Limited was subsequently entered into in June 2014. The essence of this Agreement is for the transfer of the small sites to Hill's ownership in return for the delivery of a minimum of 214 mixed tenure homes. The cost of delivering the minimum 87 affordable homes required under the S&DA is to be cross subsidised from the private sale receipts. Early investigations established that a number of the identified sites were not suitable for development. In order to meet the obligations of the S&DA LBE are required to identify replacement site(s). Seasprite has been identified as a potential replacement site.

#### Redevelopment options for Seasprite considered

One option is the disposal of the Seasprite site, with the sales receipts used to re-provide sheltered housing on another site. This option could prove difficult in terms of identifying a suitable site, the sales receipts would not be sufficient to replace all of the existing sheltered housing, and it would involve the residents being decanted into other accommodation before any redevelopment could commence (due to the dependency upon the sales receipts).

Another option is redevelopment of the site through LBE's direct build programme. This option is difficult because LBE does not have enough HRA borrowing headroom to provide sufficient finance to support the redevelopment.

A 'do nothing' option is also possible, however, the current sheltered housing is not fit for purpose, and is in a poor state of disrepair (as identified by the 2012 Savills review of LBE's sheltered housing).

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#### **14. The Rental Exchange Scheme**

##### **Resolved**

That Cabinet:

- i) authorises the Interim Director of Safer Communities and Housing following consultation with the Director of Legal and Democratic Services to enter into a Data Contribution Agreement with Experian Ltd.
- ii) approves the participation in the Rental Exchange scheme and the issuing of Fair Processing Notice (FPN) to current and new Council tenants.
- iii) approves the commencement of a monthly data feed to Experian Ltd when agreement has been entered into.

##### **Reasons for Decisions and Options Considered**

The Housing and Planning Act 2016 will phase out secure tenancies, with measures preventing the Council from offering long-term tenancies to new tenants. From April 2017, the Council will be required to offer fixed-term tenancies of between 2-10 years, which are reviewed at the end of the period. It is anticipated that during reviews, tenants will be given advice and assistance to ensure they are aware of, and can access housing options available to them.

The approvals sought in this report are intended to combat the financial, digital and social exclusion challenges faced by Council tenants, and to provide a better platform for tenants to access alternative housing options in the future.

Leaseholders and their tenants would be excluded from the scheme as they do not pay rent, which is fundamental to being part of the scheme.

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#### **15. Approval to Award Entry of Suppliers on to the Adult Substance Misuse Dynamic Purchasing System (DPS)**

##### **Resolved**

That Cabinet:

- i) authorises appointing Suppliers as detailed in Appendix 1 of the report who meet the entry criteria onto the Ealing Council Adult Substance Misuse Dynamic Purchasing System (DPS) for the first round of the scheme due to commence April 2017.
- ii) delegates authority to the Director of Public Health or Director of Adult Social Services to authorise adding additional Suppliers onto the DPS throughout its 5-year term in accordance with its rules and selection criteria.
- iii) authorises entering into individual or block placement agreements with the Suppliers on the DPS as and when the service needs arise, within the departmental budget for Adult Substance Misuse, following the specified procedures within the DPS for awarding contracts
- iv) authorises the direct award of placements for vulnerable adults on a spot purchase basis where suitable specialist arrangements cannot be sourced via the DPS e.g. mother and baby residential rehabilitation placements or where the statutory Choice of Accommodation & Additional Payment Regulations 2014 apply, and authorises the Director of Adult Social Services or the Director of Public Health to award such spot contracts within the departmental budget for Adult Substance Misuse.

##### **Reasons for Decisions and Options Considered**

Substance misuse (alcohol and drugs) is a cause of considerable harm to the health and wellbeing of Ealing residents. It has a significant impact on health services, the criminal justice system, community safety, and is an important contributor to the social care needs

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of adults and children. Residential rehabilitation and detoxification services, often run by voluntary or private sector providers, are a key part of Ealing's recovery-orientated treatment system, with robust care pathways between the community based services and the Tier 4 providers

Historically, the Council commissioned a block contract arrangement for inpatient detoxification and a range of spot purchasing arrangements with residential rehabilitation providers. There is currently a Contract Procedure Rule exception in place which allows for spot purchasing Tier 4 provision until 31st March 2017.

The allocated budget for Tier 4 drug and alcohol treatment services will be reduced over the next three years and the Council needed to consider alternative procurement options to successfully manage this reduction.

Ealing considered the following options for commissioning these services from next financial year:

- Procuring services collaboratively with other boroughs
- Continuing with the current spot purchasing arrangements
- Adopting a Dynamic Purchasing System (DPS)

To ensure better value for money and to manage further reductions in the budget, Public Health opted to develop a DPS, supported by the Council's Substance Misuse Team and contract managed by the Public Health Team.

**16. Date of Next meeting**

**Resolved**

The next meeting of Cabinet will be held on 14 February 2017 at 7pm

**Councillor Julian Bell, Chair**

**Date**

The meeting concluded at 7:30pm having completed its business.

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