

## **CABINET**

**Tuesday 20 March 2018 at 7pm  
Minutes**

### **PRESENT:**

Councillors: Bell, Dheer, Gordon, Johnson, Mahfouz, Mason, Rai and Tailor.

### **ALSO PRESENT:**

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

Item 07 - Continuous Improvement and Efficiencies: Phase 2, Wave 1 Management and Cross Cutting (Councillor G Stafford)

Item 09 - Council Quarter 3 Performance Report 2017/18 (Councillors Malcolm and G Stafford)

Item 10 - Perceval House Redevelopment - Affordable Housing (Councillor Proud)

Item 12- Future Ealing Programme Update (Councillor G Stafford)

Item 18 – Environmental Services Contract (Councillor Malcolm and G Stafford)

Item 19 - Transport Programme 2018-19 (Councillor Malcolm)

Councillor Rodgers, ward councillor for Cleveland ward, spoke on item 14 - Copley Regeneration Programme.

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

Councillor Anand.

### **2. Urgent Matters**

There were none.

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

Items 7, 11, and 13 contained confidential appendices but were not taken in private as it was not necessary to discuss the confidential information provided.

Item 18 contained confidential appendices and was taken in part in private.

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

Councillor Bell declared an interest in item 11, by virtue of being a Board Member of the Pitzhanger Manor Trust Board. He explained that he had exempted himself from discussions at the Board about the management agreement with the Council in order to be able to take part in the decision by Cabinet from the Council side.

Councillor Gordon declared an interest in item 13, by virtue of his employment for one of the partners. Councillor Gordon left the meeting for the duration of this item.

Councillor Bell declared a personal interest in item 17, by virtue of his wife being a carer.

### **5. Minutes**

#### **Resolved:**

That the minutes of the Cabinet meeting held on 13 February 2018 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. Continuous Improvement and Efficiencies: Phase 2, Wave 1 Management and Cross Cutting Resolved**

That Cabinet:

- i) notes the proposals to deliver savings in line with those set out in the budget report in relation to:
  - Management restructure
  - Cross-Cutting support servicesThe savings being in two waves with wave 1 to deliver a net £2.180m allowing for estimated costs of redundancy.
- ii) notes the forward timetable for the implementation of further savings associated with both management restructures and cross cutting support services in wave 2.

**Reason for Decision and Options Considered**

As part of the Future Ealing programme the council has developed the Continuous Improvement and Efficiency (CIE) programme. Within that proposals have been developed and accepted into the Medium Term Financial Strategy (MTFS) with regard to reductions in management capacity and resourcing of cross cutting support services. This report sets out proposals for the first phase of proposals to be implemented.

A cross council management and support service review has not been completed since 2010. The savings generated since this time have been directorate specific. By approaching CIE this way across services we generate both synergies and savings capacity.

The scale of the current financial challenge means that CIE is a key strand in closing our budget gap to protect services to residents and citizens.

**8. Local Discretionary Business Rate Relief Scheme for the Financial Years 2018/19 to 2020/21**

**Resolved**

That Cabinet:

- i) approves the Local Discretionary Rates Relief Scheme for 2018/19 to 2020/2021 as set out in appendix 1 of the report.
- ii) delegates to the Director of Finance the power to make the determinations on whether or not applications qualify for relief under the Scheme, pursuant to the criteria set out in Appendix 1 of the report.

**Reasons for Decisions and Options Considered**

Business rates (also known as non-domestic rates) are a tax on organisations and companies that are using a building or office space for business purposes. This includes shops, offices, warehouses, hotels, some community facilities and factories. Business rates are not charged on homes - these are subject to council tax instead.

Local councils are responsible for the calculation and collection of business rates in their area. All local councils must use the same method of working out the amount of business rates. This method is set by the Government and uses a value for the property given by the national Valuation Office Agency (a branch of Central Government). The amount of business rates charged to each organisation is not the same and depends on:

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- The size of the building or office space used
- A valuation based on the amount of rent that the building or office space would be let for on the open market

Both of these elements are used by the Valuation Office Agency to establish a 'rateable value'. Every year a national 'rate multiplier' is set by the Government, with the total amount of business rates due are calculated by multiplying the rateable value by the rate multiplier.

The Government also determine what relief and discounts can be awarded and these are then applied by the council to determine the final amount due from a business or organisation liable to pay business rates.

The Valuation Office Agency undertook a revaluation of the rateable value of all buildings and office space subject to paying business rates. From 1 April 2017, all buildings and offices in the borough have been given a new rateable value, used to calculate the amount of business rates a business or organisation occupying that space has to pay. The last time there was a revaluation was in 2010.

The 2017 revaluation has resulted in the business rate bills charged on many businesses and companies in Ealing increasing significantly.

The increase in Ealing was greater than the National Average of 9.1% but less than London overall which saw a rise of 22.8%.

Ealing has seen larger increases however in certain sectors with Office accommodation going up 43%, Retail was above the national average at 11% with warehouses and storage seeing a much smaller 1% rise.

Significant business rate bill increases are being experienced across the whole borough as a result of the revaluation, table 2 of the report shows the impact for Ealing businesses;

Following the Budget on 8 March 2017, Government established a £300m discretionary fund, to be spread over 4 years from 2017/18 to support those businesses that face the steepest rates bills as a result of the 2017 revaluation. Local Authorities will be able to distribute funds via a hardship scheme awarded under s47 Local Government and Finance Act, using their discretionary powers.

In addition the government also announced 2 other support schemes;

- Supporting Small Businesses (SSB) Relief Scheme – which will cap increases at £600 for qualifying businesses
- Support for Pubs regarding their 2017/18 business rates – a £1,000 reduction to any qualifying pub with an RV less than £100,000.

Every billing authority in England has been provided with a share of the £300m to support their local businesses. Ealing has to put in place a discretionary hardship relief scheme to deliver targeted support to the most financially disadvantaged ratepayers. The Government's allocation of funding for Ealing is set out below – the award is based on the gross bill increase seen in the Borough. The criteria for this calculation was an increase of more than 12.5% to bills after revaluation and a 2017 rateable value of less than £200K. The Government decided that based on those criteria the Council's gross bill

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increase is £12.578M and the discretionary pot available to Ealing over the 4 years of the scheme will be £2.538M.

With regards the discretionary hardship relief, Ealing will be compensated through a Section 31 grant for the cost to the authority of granting the relief up to the maximum amount.

From data within the Business Rates system, the Council was already paying £10.7M in transitional relief to 5,400 properties affected by the revaluation. For year 1 (2017/18) the transitional scheme does not cover the first 5%, 12.5% or 42% of extra business rates payable depending if the property is classified as small, medium or large according to its rateable value. This effectively means that small businesses have to pay the 5% extra and large businesses up to 42% extra without protection.

### Scheme Options

There were a number of options available and following discussion with Lead Member, Senior Management, benchmarking with other London Boroughs and consultation with the business community, it was agreed the final scheme ultimately must focus on need that will mean targeting the discretionary fund where businesses have seen the steepest increases compared with the business rates payable in 2016/17. The scheme should also not be too restrictive so that it would not allow us to pay/claim the maximum amounts allowed from Government or indeed exceed the grant allocations.

The Options considered by Ealing were

#### Banded Scheme

- The preferred option which was formally approved by Cabinet in September 2017 for 2017/18 was a banded scheme, which would allow a specific relief amount to be awarded based on the individual case circumstances.
- The options around the calculation of relief were carefully considered taking into account system capabilities and funding implications. Awards were capped accordingly to ensure the council stays within funding allocations and the distribution was weighted to allow more relief to smaller businesses.

#### Transitional Adjustments

- Such a scheme would have amended the current transitional scheme to provide additional support for affected businesses. Transitional protection limits the amount that demands can be increased by, from those charged in 2016/17 to the demands of 2017/18 and now 2018/19. This potential scheme would have amended the thresholds allowing increased protection to be applied for qualifying businesses. This would reduce bills accordingly for affected properties.

#### Retail Rate Relief

- Previously the Government had introduced a retail rate relief scheme providing relief to qualifying retail outlets. This scheme could have been re-introduced with either a fixed amount for all or different levels of relief based on qualifying bands.

#### Hardship fund

- Whilst an application based hardship fund would allow the council to review in depth the needs and impacts on individual businesses it would have significant impacts on resources. However, the Council would retain the option for hardship payments for specific businesses even if they fall outside of the direct scheme rules. The Government

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have now advised those authorities who had application based schemes to consider moving to automatic awards

#### Geographic / Sector support

- There was the opportunity to target support at specific geographical areas or particular business sectors, although any complexity in the award scheme process will add to the costs of administration. The scheme approved did exclude certain business types.

### **9. Council Quarter 3 Performance Report 2017/18 Resolved**

That Cabinet:

- i) notes the contents of the report;
- ii) notes the progress made against the Corporate Plan performance indicators.

#### **Reason for Decision and Options Considered**

The purpose of this report is to provide the Cabinet with a summary of the Quarter 3 2017/18 performance against key indicators set out within the Corporate Plan. The report describes performance against key targets for operational delivery and service improvement, as well as the direction of travel of comparable performance indicators since Quarter 3 2016/17.

### **10. Perceval House Redevelopment - Affordable Housing Resolved**

That Cabinet:

- i) delegates authority to the Executive Director for Housing and Regeneration following consultation with the Director of Legal and Democratic Services, the Portfolio holder for Regeneration and the Portfolio holder for Finance and Performance to finalise the terms and enter into the development agreement with Galliford Try on the basis that the Council will agree to purchase all the affordable homes at the pre-agreed price.
- ii) agrees an addition of a new scheme called Perceval House Affordable Housing Acquisition Fund to the capital programme totalling £65.242m to be funded from mainstream borrowing with the short-term revenue implications to be covered from the existing Treasury management revenue budget for a duration of no longer than one year. The new scheme will fund the acquisition of the affordable homes until the forward transfer is completed.
- iii) notes the options for the onward transfer of the affordable housing units outlined in paragraph 4.4 of the report and that a further report will be brought back to Cabinet for a decision on the transfer of the affordable units.
- iv) delegates authority to the Executive Director for Housing and Regeneration following consultation with the Executive Director of Corporate Resources and the Portfolio holder for Regeneration and the Portfolio holder for Finance and Performance to agree the final amount of any Right To Buy receipts to be applied to the scheme as appropriate.
- v) (a) reconfirms agreement in principle to the appropriation of the Perceval House site as originally agreed in July 2017.  
(b) delegates authority to the Executive Director for Housing and Regeneration following consultation with the Director of Legal and Democratic Services to make a final decision to appropriate the Perceval House site for planning purposes when appropriate.

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

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Cabinet has previously considered reports on the redevelopment of Perceval House to agree the principle of redevelopment and to enter into a procurement competition for a development partner. The most recent report was taken to Cabinet on 12 December 2017 and Cabinet agreed:-

- to enter into a development agreement with the preferred bidder (Galliford Try), providing a long lease or leases of 250 years for the Perceval House site and any building licences required and estate management agreements as required.
- to apply Right to Buy (RTB) receipts of up to £10.000m to facilitate the redevelopment and enter into agreements as required to achieve this.
- an addition to the capital programme of £3.705m for the funding of additional commercial floor space as part of the Perceval House Redevelopment scheme, with the cost of borrowing to be covered by rental income from third parties.

Since December 2017, officers have been involved in further dialogue with Galliford Try about the terms of development agreement and this report sets out the results and recommendations.

## **11. Pitzhanger Manor House, Gallery and Amenities - Future Management and Operational Arrangements**

### **Resolved:**

That Cabinet:

- i) agrees to the inclusion of the Rick Yard as part of the wider service offer to be transferred to the Pitzhanger Manor & Gallery Trust.
- ii) notes and agrees the terms of the draft Lease and draft Management and Funding Agreement to include the Rick Yard at a peppercorn rent for 25 years to be entered in to with the Trust based on the summary attached at Appendices 2 and 3 of the report.
- iii) notes that the Council advertised the proposed disposal of open space in accordance with the requirements of section 123 of the Local Government Act 1972 in response to which no substantive representation was made as summarised in paragraph 3.4 of the report.
- iv) delegates authority to the Executive Director, Environment and Customer Services, following consultation with the Portfolio Holder, Policy, Community and Economic Development to finalise the terms and enter into the agreement and lease with the Trust.
- v) notes that the Management and Funding Agreement (MFA) contract for services and the contract management fee payable to the Trust for 10 years under the terms of the Agreement will be funded from the approved existing Pitzhanger Manor House Gallery total revenue budget of £0.490m

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

March 20th 2012 Cabinet received a report, Pitzhanger Manor: Trust Formation. It considered options for securing the future of Pitzhanger, and involving the community in its future governance and operation. Cabinet agreed to the creation of a trust that would support the fundraising strategy for the capital improvements to the site and deliver the Council's ambition for Pitzhanger as a significant heritage and cultural attraction.

The Council facilitated the setting up of the Trust through recruitment of the initial trustees in 2012/2013 and providing a development grant. The Trust registered with the Charity Commission in January 2013.

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February 14th 2014 Cabinet approved the principle to transfer Pitzhanger Manor House and Gallery, the Lodge and the new build café in the Walled Garden to the Pitzhanger Manor & Gallery Trust. The Executive Director Environment and Customer Services was authorised to enter in to negotiations with the Trust on the terms of the Lease and the Management and Funding Agreement.

March 2015 Cabinet agreed the key terms of the legal documents needed to facilitate the transfer of services and the grant of a lease. The Executive Director Environment and Customer Services, in consultation with the Portfolio Holder, was authorised to negotiate further, finalise the documentation and enter in to the agreements on behalf of the Council.

Negotiations with the Trust have been ongoing and progress has been made between the parties on a number of points to give the Trust the flexibility it needs to operate as an independent charity whilst still safeguarding the Council's interest. However, there are still points to be agreed by both parties. This report sets out the terms being negotiated on behalf of the Council for the transfer of the Rick Yard to the Trust and the draft terms of the Lease and Management and Funding Agreement.

### **The Rick Yard**

Further to negotiations with the Trust, the Rick Yard was brought in to scope of services that could be transferred to the Trust. This report recommends, subject to negotiation, the inclusion of the Rick Yard in the bundle of assets to be transferred to the Trust though the Lease and Management and Funding Agreement and sets out the terms on which the Rick Yard is being offered to the Trust as part of the wider negotiations on the Management and Funding Agreement.

The Rick Yard was funded by Ealing Council, a grant from Veolia and the Heritage Lottery Fund Parks for People grant as part of their wider investment in the restoration of Walpole Park. The main objectives were to restore the historic significance of the park as the original grounds of Pitzhanger Manor and to increase understanding and enjoyment of the park and manor by creating a new facility for use by the park's team, schools and community. The building includes a small office space, a volunteer room, park kiosk and public toilets.

The approved purposes of the Park for People grant included conserving Walpole Park and Pitzhanger Manor as an integrated design, reconnecting the Manor with its Regency landscape and restoring links between the two, increasing volunteers and community engagement and learning activities.

The objectives of the Heritage Lottery Fund grant for Pitzhanger Manor House and Gallery includes objectives that compliment those of the Parks for People bid and anticipated a joined-up approach to interpretation activities across the site to be delivered by the operator of the Pitzhanger Manor House and Gallery through its learning and activity programmes.

The Rick Yard will provide an important part of Pitzhanger's offer to the public. It will enable the Trust to deliver its education, outreach and community activities and provide a means of engaging with visitors to the park who might not otherwise engage with the Manor House or Gallery.

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The Rick Yard was not included in the original bundle of assets to be transferred to the Trust though the Lease and Management and Funding Agreement. Since the Cabinet decision in 2015, the Trust has built its organisational capacity in preparation for its future operation of the site. It has strengthened its board of Trustees, begun to establish its staff team and engaged volunteer advisors and supporters. With the growth in the Trust's capacity and emerging business plan, the inclusion of the Rick Yard in the Lease and Management and Funding Agreement is now feasible.

The transfer of the Rick Yard was proposed to the Trust on the basis that the conditions attached to the funding of the Rick Yard are complied with. The asset is offered on the basis that it is self-financing. There is potential to generate income from the Park Kiosk and hires and events in the Rick Yard to complement the community learning programmes and maintain the building, including the maintenance of the green roof. This opportunity is on the basis that the Kiosk provides an essential affordable amenity for park users.

The Rick Yard building also includes the park toilets. The transfer of the Rick Yard would include the transfer of responsibility for maintaining the park toilets.

The draft Management and Funding Agreement is currently drafted to preserve the conditions attached to the funding conditions (HLF, Ealing Council and Veolia). The Agreement would place a duty on the Trust to ensure that the kiosk remains an amenity for park users and is open for a minimum of 360 days a year and minimum opening hours.

## **12. Future Ealing Programme Update**

### **Resolved**

That Cabinet:

- i) notes the progress in delivering the first year of the Future Ealing programme.
- ii) agrees the new organisational values and behaviours.

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

Future Ealing is the council's primary transformation programme to ensure delivery of priority community outcomes in a time of reduced resource and rising demand. The reasons for the report are to update Cabinet, as the council's key governance body, on implementation. The alternative option is to provide Cabinet with updates on an as required basis with regards to specific elements of the programme. Whilst this has and will continue to happen it is important to provide Cabinet with a strategic overview of progress. In addition, it is appropriate for Cabinet to endorse the proposed organisational values and behaviours framework which will be a key tool in shaping and delivering Future Ealing.

## **13. Gunnersbury Park Sports - Sports Operator Appointment and General Updates**

### **Resolved**

That Cabinet:

- i) notes that on 18 October 2016 Cabinet authorised the procurement of an operator to run the new Gunnersbury Park Sports Facilities (GPSF) for a 10-year term with the option of a 5-year extension.
- ii) awards this Sports Operator concession contract, for the operation of the GPSF, to Greenwich Leisure Limited (who will pay a management fee and profit share as set out in paragraph 4.2 of this report), based on the most economically advantageous

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- tender for a term of 10 years with a commencement date for the services to be from spring 2019 to spring 2029 with an option to extend for further five years.
- iii) notes that the Sports Operator concession contract will be entered into directly by Gunnersbury Estate (2026) Community Interest Company (“CIC”), subject to the CIC entering into business transfer agreements with the London Boroughs of Ealing and Hounslow. In the event the CIC does not enter in the business transfer agreements then the London Boroughs of Ealing & Hounslow will enter into the Sports Operator concession contract with Greenwich Leisure Limited and novate this to the CIC or other future operating entity for Gunnersbury Park.
  - iv) notes that the Sports Operator contract award is not expected to result in any financial implications to the London Borough of Ealing. Currently all financial commitments (noted in Section 4’s Table 2 of the report) will be met by the Sports operator’s management fee payable under the Sports Operator concession contract to the CIC.
  - v) delegates authority to Executive Director Environment and Customer Services following consultation with the Director of Finance to grant a lease to Greenwich Leisure Limited for a term of 10 years at a peppercorn rent which delegation is only to be exercised if required.
  - vi) notes the error in confidential appendix 1; table 10 did not reflect the total scores at that stage. The changes did not alter the outcome or the recommendation in terms of the valuation scores or the final evaluation. Members would be sent the revised confidential appendix.

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

In November 2011, the respective Cabinet of the London Borough of Ealing and the London Borough of Hounslow agreed the Gunnersbury 2026 Masterplan, which at the time was a £49.000m regeneration programme. The programme is split into 3 phases:

Phase 1: restoring the heritage core of the park programme cost circa £21.000m

Phase 2: restoring other heritage assets around the park programme cost circa £14.000m

Phase 3: building new sports facilities in the park programme cost circa £14.000m

To date the project has secured £13.650m from both councils and various external funders. Cabinet awarded the construction contract to Keir Construction Ltd in November 2017 and following this the construction of the Sports facilities are due to commence in March 2018 with completion estimated in spring 2019.

In October 2016 both London Borough of Ealing and London Borough of Hounslow cabinets authorised officers to procure an operator for the Sports facilities. In February 2017, a 2-stage tender was issued via a competitive dialogue process through the London Tenders Portal. Bidders were invited to submit best and final tenders in February 2018.

The councils received high quality and competitive submissions as part of the process, with the full assessment against the council’s evaluation criteria. The process resulted in Greenwich Leisure Limited as the successful bidder.

The tender report containing the full evaluation is set out in confidential Appendix 1 of the report.

The core outcomes the Councils were looking to be achieved from this process have been met, with some key highlights below:

- Health activity programmes for: inactive people, BAME groups, those from areas of deprivation, female, disabled people, 0-16 year olds, 17-24 year olds and 60+
- Sports development pathways that cater for all abilities and ages
- 80 apprenticeships and placement opportunities over the term
- Local employment opportunities for jobs
- London Living Wage
- Flexible and comprehensive pricing model
- Ealing's: Physical Activity and Sport Strategy, Health and Wellbeing Strategies.

Once the contract is awarded the operator will input directly into the final design of the facilities. Specifically related to items such as reception desk locations and sockets.

The contract will be initially completed with the Councils but will be novated to the CIC once the CIC's Business Transfer Agreement has been completed in April 2018. The CIC will then go into lease with the operator.

#### **14. Copley Regeneration Programme – Update Resolved**

That Cabinet:

- i) notes the progress towards achieving the new approach to delivering the works at Copley agreed by Cabinet at its meeting on 16<sup>th</sup> February 2016 involving the site being broken into seven phases, each being procured as a separate contract rather than as a whole and the associated funding agreement.
- ii) notes the decision by the Council's Planning Committee meeting held on 17<sup>th</sup> January to grant planning consent to increase the number of homes to be constructed at Phase 6 from 124 to 202 units.
- iii) authorises the Executive Director of Regeneration & Housing, following consultation with the Executive Director of Legal & Democratic Services, will enter into negotiations with One Stop Stores Limited to occupy the new circa 247 square meter (2,659 sq. ft.) retail unit being constructed as part of Phase 6 of the development, and award a lease agreement on conclusion of these negotiations.
- iv) delegates authority to the Director of Housing & Safer Communities, following consultation with the Executive Director of Regeneration & Housing and Executive Director of Corporate Resources, to consider options for granting a lease of the new community centre to a community based group and negotiate and grant a lease of the new community centre and smaller retail unit/coffee shop being constructed as part of Phase 6 to a properly constituted resident-led organisation.
- v) authorises the Executive Director of Regeneration & Housing, following consultation with the Executive Director of Corporate Resources and Director of Legal and Democratic Services, to conduct an open market process to enable the sale and lease back of three flats at Copley Phase 2 with a third party. The flats are currently being used as a sales and marketing suite, show flat and project office.
- vi) notes that a report will be brought back to Cabinet seeking agreement to the disposal of new homes being developed in Phases 4 and 6 of the development to Broadway Living (BL)
- vii) records its thanks to Councillor Rodgers, Councillor Murray and to residents for their efforts enabling this regeneration.

#### **Reason for Decision and Options Considered**

Project Progress:

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The report to the Council's Cabinet meeting on 16<sup>th</sup> February 2016 outlined the revised approach to delivering the regeneration of Copley Close Estate. This involves the site being developed in seven phases, each being procured as a separate contract rather than as a whole.

The table in the report summarises each phase and progress to date, together with the proposed procurement route.

Phase 2 represents the first large-scale sale of properties for open market sale and shared ownership by the borough. Marketing of the new homes commenced off-plan during July 2017 and by December 2017 (prior to practical completion) 90 percent of all homes had been reserved. All were sold at the marketed value, with Help to Buy being the only incentive offered. This exceeded the expected income for this phase. The majority of sales have been to local people, and none to buy-to-let investors. This is an excellent outcome and bodes well for future sales in the neighbourhood.

Phase 4 – preliminary work has now commenced to construct the 29 new flats and two new-build houses at this location by United Living (South) with expected practical completion to be achieved in Spring 2019.

Phase 6 of the scheme was granted planning consent in February to increase the number of homes from 124 to 202 new units. This was achieved principally through reducing the overall percentage of on-site car parking. The site is directly opposite Castle Bar Park rail station (which will become a feeder for the Elizabeth Line – or Crossrail – at West Ealing station in late 2018), has a bus stop adjacent to the site and ample cycle storage. All residents will additionally receive three years' free membership of the on-site car club.

Phase 7 is an exceptionally challenging scheme and includes the extensive refurbishment of 333 flats, major improvements to the public realm to improve poor design and security, and infrastructure work to remedy life-expired and obsolete services. Replacement of the communal heating/hot water system is being given priority. Scoping works have revealed that this phase is likely to be 'packaged' into at least three lots – increasing the flexibility to undertake some with residents 'in situ'. This will reduce the number of residents needing to be decanted at any one time, and the likely length of time they will be required to move away. A fuller report covering this phase of the development will be presented to Cabinet in a future report.

**Broadway Living:** It is proposed that a total of 53 of the new homes being constructed in Phases 4 and 6 be sold to Broadway Living Limited, the Council's wholly-owned development company. It is envisaged that the units being transferred will comprise: Phase 4 – 8 homes for discount market rent, and 13 for market rent; Phase 6 – 32 homes for discount market rent. It is proposed that the decision to dispose of these units and the terms of the sale to Broadway Living is made at a future Cabinet meeting following further assessment of the project as a whole and requirements in relation to best value/best consideration.

**Temporary Shop & Community Centre:** The present shop and community centre sit to the western edge of the development earmarked for Phase 6 of the scheme. Although for logistical reasons it is likely that these buildings will need to be demolished prior to their re-provision later, a temporary building will be provided to ensure these facilities can continue to be provided for residents. A new temporary operator for the convenience store is currently being sought following the recent departure of the previous shop keeper.

**Permanent Shop Operator:** Phase 6 will include commercial premises centred around a new community square directly opposite the rail station. One of these will be a 247-square

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meter (2,659 sq. ft.) retail outlet intended to become a large convenience store. Following a market testing exercise, One Stop Limited have indicated they would like to enter into negotiations to take on the lease of this shop and, owing to lead in times required by such operators, it is proposed that the Council prepare draft Heads of Terms with a view to granting a 15-year lease at a premium in the region £0.032m per annum.

Community Centre & Café/Shop: Proposals have been put forward by resident and community groups to manage the new community centre, smaller shop and/or café (approximately 1,000 square feet / 93 square metres) that are to be constructed as part of Phase 6. These include a possible co-op, community interest company and a 'social firm' employing local people. Although these premises are unlikely to be completed for approximately two to three years, Cabinet approval is sought to progress with negotiations in principle with interested community or resident-led groups at this stage given the clear interest being expressed. A suitable procurement pathway will need to be developed to ensure the requirements for 'best value' is achieved.

Sale & Lease Back of Sales Suite: Three flats at Phase 2 (plots 726, 727, 728; numbers 1-3 Alton Court) are currently being used as: A sales & marketing suite; show flat, and project office respectively. The intention is to keep the sales suite and show flat for future LBE/Broadway Living marketing until a new base can be established within Phase 6 of the development in two-to-three years. In order to recoup development costs, assist cash flow and fix a value for this considerable asset, it is proposed that a marketing exercise is undertaken to enable this self-contained block to be sold to a third party and leased back to the Council until it is no longer required for operational purposes.

## **15. An Update on the Better Lives Programme - Adults' Social Care Resolved**

That Cabinet:

- i) notes the strategic priorities for Adults' Services and the Better Lives Programme in the context of Future Ealing objectives
- ii) notes the progress and achievements to date, and the priorities for the coming financial year
- iii) notes programme risks, issues and financial implications in the context of the Medium Term Financial Strategy.
- iv) notes World Social Work Day (20 March 2018) and thanks social workers for all their hard work.

### **Reason for Decision and Options Considered**

Programme Development

The report to cabinet in July 2017 outlined the context and rationale for transformation in Adults' Social Care. Ealing, like every council in the country, is experiencing significant demographic pressures for Adults' Services. More people are living longer and an ageing population also includes more people with complex care needs, who require support for longer. It has been widely recognised that continued austerity measures from central government, rising demand and cost pressures mean the social care system is not adequately funded and presents a significant challenge. The challenges being faced in social care locally are reflective of a national picture, as outlined in reports over recent years from ADASS, LGA, the Kings Fund, and CQC.

In October 2017, the LGA published "Adult Social Care Funding; State of the Nation"  
Key points include:

- The LGA estimates that local government faces a funding gap of £5.8 billion by 2020.

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- £1 billion of this is attributable to adult social care and includes only the unavoidable cost of demography, inflation and the National Living Wage.
- In addition to the £5.8 billion gap by the end of the decade, a bare minimum of £1.3 billion is required immediately, and in future years, to stabilise the adult social care provider market.

The consequences of underfunding include an ever more fragile provider market, growing unmet need, further strain on informal carers, less investment in prevention, continued pressure on an already overstretched care workforce, and a decreased ability of social care to help mitigate demand pressures on the NHS.

In February 2018, the National Audit Office published a report on the Adults social care workforce in England. This report stated that “Social care cannot continue as a Cinderella service...” and that “pressures and demands on the health and social care systems are increasing, so the Department (of Health and Social Care) needs to respond quickly to this challenge by giving the sector the attention it deserves and needs, instead of falling short and not delivering value for money.” The report calls for the greater national strategic oversight and support for workforce planning in the sector to meet growing demands, and that “the Department cannot demonstrate that the sector is sustainably funded, which makes workforce planning difficult. “

Population projections for the next 10 years from the Greater London Authority show that Ealing’s population aged over 65 will grow by 55%. There are an estimated 2,747 older people with dementia in Ealing. The number is predicted to rise to 4,350 by 2030.

The 2016/17 outturn of £84.773m for the Adults department contained underlying pressures of £22.838m. The Better Lives programme now sets a refreshed strategic direction for the service, tailored to the local context and opportunities to transform the way we work to support “Better Lives” for a growing population of people in need of support, and respond to challenging financial context.

During the summer of 2017, with support from iMPower, the department undertook a series of diagnostic assessments through benchmarking, case studies and observations. This work highlighted areas of good practice, and opportunities for behavioural change and interventions that could more effectively prevent, reduce and delay the need for long term care and support, and maintain a focus on delivering resident outcomes. A Target Demand Model was developed, reflecting our ambition and quantifying the shifts in volume and activity that these interventions might deliver across the adult social care pathway. The model also forecast, with known assumptions and exclusions, what delivery of this change in demand would mean for cost containment on care related spend to 2019/20. The detailed strategic outline for Better Lives was factored into the MTFS and budget setting process for 2018/19 to 2021/22, and has a governance structure that supports alignment with wider Future Ealing objectives and programmes.

The focus on effective service delivery and improving the financial position for adult services has continued throughout the 2017/18 financial year. The synergies between pre-existing initiatives and the Better Lives programme are being managed so that the transformation programme is being designed, delivered and sustained as Business As usual (the “Ealing Way”).

We have been successful in establishing the programme with external implementation support, mobilising key projects, engaging staff and partners, refining cost and activity

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reporting and at the same time delivering in year cost containment activities of over £5m. Additional support from corporate finance has improved the robustness, and transparency of budget and risk management. In addition, the department has engaged with cross cutting council programmes to support Future Ealing and Modern Council objectives.

The Better Lives programme will make a significant contribution to the Future Ealing outcome of “Keeping residents physically and mentally healthy, active & independent”.

The Better Lives strategic outline case proposes to reduce placement spend by £8.625m in 18/19 and by a further £8.625m in 19/20. It should be noted that the above spend reductions assume growth of 1.47% across placement expenditure, however it excludes any inflationary impact on the contractual prices. The targets reflect the combined impact of a change in the volume and flow as a result of delivering the cultural and behavioural changes across the pathway. These are summarised as follows:

- 7.4% reduction in contacts to the front door
- 18% reduction in referrals from the contact centre
- 10% reduction in the in the unit cost of assessment
- 5% increase in the take up of community based services
- 52% increase in reviews

#### Programme Vision and Structure

At its' core Better Lives is a cultural and behaviour focused change programme designed to address the underlying demand that is contributing to the overspend in the service, and so return Adult Social Care to a sustainable financial footing whilst improving outcomes for residents.

At each stage of the customer journey, we will focus on the outcomes people want to help them remain physically and mentally healthy, active and independent as possible. Our staff will concentrate on enabling people to live as independently as possible in their own communities. We will listen to people to understand their strengths and aspirations, and we will support their families and carers where it is needed. This is summarised in the report.

#### **16. Residential Short Breaks Provision for People with Learning Disabilities and Complex Needs aged 16 to 25 years old Resolved**

That Cabinet:

- i) authorises the Director of Adults' Services to adjust the service commissioned at 21 Haymill Close from a residential service for adults with learning disabilities to a residential short breaks service for people aged 16-25 and award a direct contract to Certitude for the provision of short breaks services for a period of 5 years commencing from 1 April 2018 to 31 March 2023.
- ii) notes that placement costs will be contained within the Adults Services and Children's services placements budget.

#### **Reason for Decision and Options Considered**

Cabinet was informed in a report in November 2016 of the intention to develop, in partnership with a local provider, additional residential short break provision for young people with learning disabilities (including those aged 16 plus). The report authorised the Executive Director of Children, Adults and Public Health to consult on provision. The report also approved a £1.500m addition to the capital programme for a new respite residential

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provision facility for children with disabilities. This would be funded from mainstream borrowing to be offset through the eventual sale of the former respite provision facility site at Heller House.

Members gave approval for the new facility at Haydock Avenue, Northolt in a subsequent Cabinet report in April 2017. The report also authorised the Executive Director of Children, Adults and Public Health to award a lease of the new building to a service provider.

A recent report to Cabinet in February 2018 gave an update on respite residential provision for children with disabilities and progress with the new facilities being developed at Haydock Avenue, Northolt, and the additional provision at 21 Haymill Close, Perivale.

This report seeks authority to extend the existing residential short break provision for adults with learning disabilities and behaviour that challenges at 19 Haymill Close to provide a residential short breaks service for people aged 16-25 at the adjoining property, 21 Haymill Close.

The proposal is consistent with the Council's commitment to the provision of residential short breaks for young people over the age of 16 and will provide much needed additional local short break support to families ensuring that people get the support when they need it and thus avoid a placement into longer term residential care.

Ealing Council currently commissions Certitude (also known as Support for Living Limited) to provide a 3-bedded residential short break service for adults with learning disabilities and challenging support needs which operates from 19 Haymill Close. This service is part of a larger contract that the Council has with Certitude that covers several residential and day services. The adjoining property at 21 Haymill Close is part of the wider contractual arrangements that are in place between the Council, Certitude, Notting Hill Housing (Housing Provider) and the Secretary of State, who owns the land. Both 19 and 21 Haymill Close were originally residential care provision and 21 Haymill Close has recently not been used to provide care while the building has been refurbished. This offered the opportunity for 21 Haymill Close to be re-modelled to provide a short break service rather than longer term residential provision.

A commercial strategy has been presented to the Departmental Contracts Board in February 2018 outlining the demand for this service. In Ealing, there is a shortage of short break provision for adults and young people with the most complex needs, and as a result, people have been placed out of borough. This makes it harder to provide appropriate support and creates challenges for their family to visit. It is also usually more expensive.

The service at 19 Haymill Close operates at full capacity and there is growing demand both on Children's and Adults Services to meet the increasing needs and numbers of young people with challenging needs both within Children's Services and transitioning into Adults' Services. The service has a CQC rating of Good.

The lack of local services means that families are not able to travel easily to visit their relatives and the cost of transport for people with high mobility needs is extremely expensive and difficult to manage. Purchasing placements on a spot basis with several providers is also difficult to plan and is not cost effective.

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In response to this increasing demand, Certitude have jointly funded with Notting Hill Housing a works programme to expand the service to offer an additional four bedrooms in the property at 21 Haymill Close. This will be made available to young people with challenging behaviour aged 16 to 25 years old.

#### Options Considered

Several options have been considered to meet the demand for an increase in short breaks provision in the borough.

#### Option 1: Tender for a new service provider for 19 and 21 Haymill Close

This option is not open to the Council as there are contractual agreements in place between the Secretary of State (NHS Property Services), who owns the land for both 19 and 21 Haymill Close, and Notting Hill Housing, who have a 99 year lease on the buildings from 1995. The Lease Agreement between the Secretary of State and Notting Hill Housing runs concurrently with a revenue grant agreement between Notting Hill Housing and Ealing Consortium (aka Support for Living, aka Certitude) to provide property management functions at both 19 and 21 Haymill Close.

Effectively this means that the Council could not put either of the services out to tender as Notting Hill Housing would not give permission for another provider, other than Certitude, to operate from the buildings.

Not Recommended

#### Option 2: Tender for a new short break service on a different site

This option was considered but is not recommended; it would not be cost effective as the Council would need to acquire a property in addition to tendering for the new service, which would have additional costs.

There are also issues of the length of time it would take to put a new service in place and continuity of care. Service users and carers have built up a long-standing relationship with the current service which they value and which provides a high standard of specialist care. There is an immediate service demand and budgetary pressure on the Council to provide additional short break provision particularly within Children's Services.

Not Recommended

#### Option 3: Variation of the Current Contract with Certitude

To vary the current contract with Certitude to extend the short break provision from 3 to 6 beds. This option was considered but is not recommended as the current contract documentation which was inherited from the old PCT is historic and not fit for purpose, with no contract duration, lack of a detailed service specification and performance indicators, poor performance management provisions and inadequate pricing arrangements. Therefore, the necessary changes that would need to be made would not be a minor variation, rather one which is material in its nature and so would require a new contract to be agreed.

Not recommended

Option 4: Adjust and extend the provision at 21 Haymill Close from a residential service for adults with learning disabilities to a residential short breaks service for people aged 16-25. Extending the provision gives the Council the opportunity to put in place a new contract with a new service specification, detailed costings, length of contract and monitoring

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arrangements. CQC have inspected the refurbished property and are willing to change the registration to enable the provision of service to people aged 16 plus. The recent investment by Notting Hill Housing and Certitude has created a newly refurbished accommodation suitable for people with a high level of specialist needs.

Short breaks for people with learning disabilities and challenging behaviour is a specialist market with a small number of providers. Other providers would be able to deliver the new service, but this is not recommended for the reasons set out under Option 1 above relating to the relationship between the Secretary of State as the freeholder for the site, Notting Hill Housing, as the leaseholder, and Certitude as the previous provider. In addition, Certitude and Notting Hill Housing have invested in refurbishing the property at 21 Haymill Close to make it fit for delivery of this service.

This option will be very cost effective for the Council in a timely manner, meeting the demand for short break provision.

Recommended

## **17. Ealing Carers Strategy 2018-2023(2026) CIC Resolved**

That Cabinet:

- i) agrees the four priorities identified within the Carers Strategy shown on page 3 of this report at section 3.10 of the report.
- ii) notes the draft Carers Strategy in Appendix 1 of the report.
- iii) delegates the final approval of the Ealing Carers Strategy to the Director of Adults Services, Director of Children and Families Services and the Portfolio Holder for Health and Adult Services.
- iv) notes that there are no additional cost implications anticipated from the Carers Strategy. All costs would be contained within the overall Adult & Children services budget over the 2018-2023 strategy duration.

### **Reason for Decision and Options Considered**

Ealing Council and CCG have been implementing a Joint Carers' Strategy since 2012 but this comes to an end in 2018. A new Strategy has therefore been developed, reflecting the progress made, priorities identified through the Joint Strategic Needs Assessment (JSNA), and feedback from carers of all ages.

The Strategy is attached, including a summary on pages 3 and draft Action Plan on pages 28 of the report. This has been circulated for comments from carers and other stakeholders over the period August to November 2017.

The report has been presented to the Health and Wellbeing Board on 23 January 2018 and copies circulated to members of Health and Social Care Scrutiny panel on 1 February 2018 for comment.

The Strategy will inform both the Council and CCG priorities for carers from 2018-2023.

## **18. Environmental Services Contract Resolved**

That Cabinet:

- i) notes the findings prepared by Eunomia Research and Consulting Ltd attached at confidential Appendix 1 of the report.

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- ii) agrees to the termination of the Council's Environmental Services Contract with Enterprise Managed Services Ltd for the provision of Waste & Recycling Collection, Street Cleaning, Grounds Maintenance, Burials and Associated Services (subsequently acquired by Amey Plc) with termination to take effect no later than 5 July 2020.
- iii) delegates authority to the Executive Director of Environment and Customer Services, following consultation with the portfolio holder for Environment, Transport & Leisure and the Director of Legal and Democratic Services, to negotiate exit terms with the Contractor and to enter into a Deed of Variation/Exit Agreement to give effect to those terms as necessary.
- iv) agrees that the Executive Director of Environment and Customer Services should give further detailed consideration to bringing the services under Council control through either an in-house option or establishing a wholly owned local authority company and report back to a future Cabinet with a recommendation on the approach that should be taken.

### **Reason for Decision and Options Considered**

The Council commissioned Eunomia Research and Consulting Ltd to assess in detail the costs of performing the services (and thus verify the losses claimed by Amey), assess the possibility of savings in the service, and to detail the costs of the options to re-procure the service, or bringing the services under Council control through in-sourcing or establishing a local authority trading company wholly owned by the Council for the operation of the services. Their summary findings are presented in their report which is attached at confidential Appendix 1 of the report.

Amey have concluded that they cannot continue to make significant financial losses on the contract and would need further funds from the Council. This position supports Eunomia's findings. contained in the appendix to the report.

Analysis by Eunomia Research and Consulting Ltd also shows that there are no significant inefficiencies in the operation of the service by Amey that could be addressed in order to mitigate their losses without substantial changes in service standards.

An assessment of the options available to the Council showing the estimated service costs are included in the report:

All the options include the application of the London Living Wage.

Costs are based on the current operational resources (crews, employee numbers, vehicles, management and supervision, administration) Amey has in place and includes repayment of capital costs for vehicles, set up costs, and in the case of the in-house and local authority trading company, corporate overhead allocations. The outsource option includes corporate overhead and profit at 8%.

Although much detailed work has been undertaken, it should be noted that further detailed analysis is needed to assess the implications arising from either of the options of bringing the services under Council control including employee implications. In addition, further work is needed to assess options for the governance of a local authority company and the financing arrangements.

A substantial increase in service costs reflects that the Council's service has, in effect, been subsidised by Enterprise Managed Services Ltd and then Amey since the contract

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start date in 2012. It is highly unlikely that a company in a further round of procurement would price on a similar basis to that seen under this contract.

On the basis that costs of the service are going to increase in any of the above three scenarios and given the Council's current budget situation, the ability to control and flex service costs directly will be important. The Council has agreed an Active Citizen's programme to increase the level of control and involvement residents have in their environment (such as parks and green spaces) and this will mean the ability to respond and tailor services at a more local level. Such service changes are more easily achieved through a Council controlled entity.

## **19. Transport Programme 2018-19 Resolved**

That Cabinet:

- i) approves the Local Implementation Plan (LIP) and other Transport for London (TfL) grant funded projects and programmes (including the Local Transport Funding allocation) as summarised in section 3 and as shown in Appendix A of the report.
- ii) delegates authority to the Executive Director, Regeneration and Housing to take the necessary steps to implement the schemes identified in the LIP programme and also those schemes funded through S106 monies of £0.765m as set out in Appendix B of the report and the school expansion schemes as set out in Appendix C of the report, of £0.512m following consultation with the Executive Director of Environment and Customer Services and the Portfolio Holder for Transport and Environment, subject to relevant detailed design and approvals and the outcome of any statutory consultation that may be required.
- iii) notes approved TfL grant funding for 18/19 of £3.747m and;
  - authorises addition of the capital elements of the schemes totalling £2.497m to add to the Highways Capital Programme (Environment and Customer Services), to be funded by TfL grant.
  - allocation of funding for TfL revenue expenditure of £1.250m to Built Environment (Housing and Regeneration) as listed in Table 3 of the report.
  - notes the existing approval of funding from TfL for Crossrail Complementary Measures (CCM) funding of £3.639m
- iv) notes the receipt of S106 funding of £5.728m and
  - authorises addition of capital budget £4.963m to the Highways S106 Works Capital Programme (Environment and Customer Services)
  - authorises the allocation of funding for S106 revenue expenditure of £0.765m to Built Environment (Housing and Regeneration), as listed in Appendix B of the report.
- v) delegates authority to the Executive Director, Regeneration and Housing, following consultation with the Executive Director of Environment and Customer Services and the Portfolio Holder for Transport and Environment, to amend the S106 and Schools expansion programmes within available funding as necessary should the scope of any of the proposed projects change during design development and consultation, or delivery be delayed.

### **Reason for Decision and Options Considered**

The Ealing Local Implementation Plan (LIP) 2014-17 sets out the transport strategy for Ealing Council and provides the rationale for the Council spending decisions. The Council's transport priorities are to encourage sustainable travel for social (including health), environmental (including air quality) and economic (regeneration) reasons and the LIP reflects this policy direction.

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The LIP and other TfL grant funded programmes for 2018/19 are allocated on an interim basis whilst the final, new Mayor's Transport Strategy (MTS) is being prepared by Mayor of London Sadiq Khan and TfL. The Mayor has given initial indications of new priorities, policies, programmes and targets in the draft MTS document published in June 2017. The priorities include 'Healthy Streets', air quality, public health and the public realm/placemaking and these have been taken into account when producing the 2018/19 programme. The new MTS is expected to be published in Spring 2018.

A Borough Transport Strategy together with a replacement LIP document for the 2019-22 period will be prepared and are expected to be put before Cabinet for approval in mid-2018 and late 2018 respectively.

The LIP objectives support the Council's Corporate Plan and cover the areas of: road safety, healthy and sustainable travel, traffic flow, accessibility, principal road condition plus air quality. Transport schemes will be identified and designed to make significant improvements to the way people and goods move around the borough, whatever method of transport is used. In particular, evidence from projects completed in Ealing and elsewhere demonstrates that investment in transport can make a strategic difference in terms of regeneration, public health and air quality, whilst achieving positive rates of return within a few years.

The LIP covers several of the statutory duties that the Council is required to fulfil, including road safety and road network management (covering asset liability), plus areas such as planning, public health, equality, crime and disorder. These are detailed in Section 5. Legal of the report.

The LIP is required to be consistent with the Mayor's Transport Strategy together with other emerging strategic transport initiatives across London and will implement these at the local level. Ealing is also the lead borough in the West Trans Sub-Regional Partnership of six boroughs.

## **20. Date of Next meeting**

### **Resolved**

That Cabinet notes that the next meeting of Cabinet will be held on 10 April 2018 at 7pm

Councillor Julian Bell, Chair

### **Date**

The meeting concluded at 8:23pm having completed its business.

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