

## **CABINET**

**Tuesday 13 June 2017 at 7pm  
Minutes**

### **PRESENT:**

Councillors: Bell, Anand, Gordon, Johnson, Mahfouz, and Tailor.

### **ALSO PRESENT:**

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

Item 08 - 2016-17 Revenue and Capital Outturn (Councillor Young)

Item 14 - Housing and Regeneration New Build Update (Proposed Buckingham Ave garage site Compulsory Purchase Order (CPO); Copley regeneration programme; underused plots of HRA land; purchase and erection of modular built flats) (Councillor Proud)

Tony Miller, member of the public, addressed the Cabinet in relation to Item 09 – Central Ealing Neighbourhood Plan

### **Also in Attendance**

Councillor Malcolm

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

Councillors Dheer and Rai.

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

There were none.

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

Items 11 and 12 contained confidential appendices but were not taken in private as it was not necessary to discuss the confidential information provided.

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

There were none.

#### **5. Minutes**

##### **Resolved:**

That the minutes of the Cabinet meeting held on 25 April 2017 be agreed and signed as a true and correct record.

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

There were none.

#### **7. Parking Services Procurement**

##### **Resolved**

That Cabinet:

- i) approves the extension of both the parking enforcement contract with NSL dated 30 March 2010 from 31 March 2018 to 31 March 2019 and the parking IT software,

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- cashless Pay and Display systems and printing of statutory documents services contract with Serco dated 17 June 2013 with Serco to 31 March 2019.
- ii) authorises the Executive Director of Environment & Customer Services to undertake the procurement of new supplier(s) for amalgamated parking services using a competitive procedure with negotiation or such other appropriate procurement process as agreed with the Director of Legal and Democratic Services on behalf of itself or on behalf of itself and other local authorities. The services will be tendered as set out in paragraph 2 of the report.
  - iii) notes that officers will continue to take a collaborative approach with other boroughs and authorises the Executive Director of Environment and Customer Services to finalise collaborative arrangements and agreements.
  - iv) authorises the Executive Director of Environment and Customer Services to finalise which parking related services will be included in the procurement including potential optional lots and the ability to include enforcement of parking on private and public land.
  - v) Thanks officers for their excellent work on this project.

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

The current contract arrangements will be coming to an end during early to mid-2018. This opens up an opportunity for the Council to review its current arrangements in relation to Parking Services. The intended start date is 1 April 2019.

Currently, the existing parking enforcement and other parking services are provided by two contractors:

- NSL provide the 'outdoor' services of enforcement and equipment maintenance; and
- Serco provide Pre-notice to owner correspondence, cashless parking systems, provisions of software and the printing of statutory documents.

Serco contract was procured as part of a West London Alliance project involving London Boroughs Brent and Hounslow. Brent and Hounslow are currently utilising the full services provided by Serco, including among other items the provision of Parking Enforcement whereas LBE currently utilises the services of NSL to provide the latter.

The NSL contract will come to an end on 31 March 2018 but has an option for a further two year extension. The Serco contract will come to an end on 3 July 2018 but has an option for a further five year extension.

Whilst undertaking a re-procurement exercise it will be necessary for the Council to align the current service contracts to the same end date. In preparation for this discussions have been held with both contractors to extend their current end dates to 31 March 2019. Written agreement has been received from both contractors in principle.

Table 1 in the report summarises the list of services delivered by NSL and Serco. NSL currently delivers the services to LBE under a direct contract with the Council. Serco currently delivers services to LBE under the West London Alliance Contract which includes Brent and Hounslow councils as partners.

The full lists of services currently provided by the two contractors and others are set out in the table in the report.

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An initial service contracts review identified the need to amalgamate the current service contracts under a single supplier where possible. This will allow Ealing Parking Services to secure a better deal for the Council in maintaining a high quality service and at the same time provide financial efficiencies. Although the parking services will be tendered on the basis of lots, the Council will reserve the right to award all or some of the lots to one contractor where that offers the best overall value to the Council.

It is also proposed that the services to be tendered will include the option for the Council to nominate additional car parks in the ownership of third parties should the Council take over the enforcement of parking of those car parks in the future.

The options considered by the Parking Service were to:

- 1) extend with the current contractors; or
- 2) re-procure an amalgamated parking service which could be procured as either a multiple or single contract (as set out in Table 2 in the report); or
- 3) bring the services in-house.

This industry has advanced at a rapid pace in terms of IT support and staff development. Coupled with the opportunity of an emerging shared service at a reasonable scale, this means the contracted-out option continues to make economic and service efficiency sense. The proposed route combines the need to provide an efficient, cost effective service through a tender process, whilst an option to collaborate with other local authorities is proposed to seek further reductions in cost.

## **8. 2016-17 Revenue and Capital Outturn**

### **Resolved**

That Cabinet:

- i) notes the general fund revenue outturn of £255.129m that shows a balanced position (para 4.1 of the report).
- ii) notes that £19.824m (general fund) and £5.895m (HRA) savings were achieved (para 4.3.15 of the report) of the in year target of £28.699m (general fund) and £5.895m (HRA).
- iii) notes the general fund balance as at 31 March 2017 of £15.473m (para 4.4.1 of the report) and the position on earmarked reserves to be £100.5m as at 31 March 2017 (para 4.4.3 of the report).
- iv) notes the final revenue outturn position for 2016/17 is a balanced budget. The HRA balance as at 31 March 2017 remains at £4.925m (para. 4.5 of the report).
- v) notes the council's in year collection for both council tax and NNDR (para 4.6 of the report).
- vi) notes the capital outturn of £156.011m for 2016/17 (para 4.7.1 of the report).
- vii) approves the re-profiling of capital budgets of £37.443m and carry forward into 2017/18 as set out in section 4.7 of the report.

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

To confirm the financial position as at 31 March 2017. This report outlines the final outturn position for revenue and capital, income and expenditure for the 2016/17 financial year, and the consequent effect on the council's levels of reserves.

## **9. Central Ealing Neighbourhood Plan**

### **Resolved**

That Cabinet:

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- i) agrees to the wording of draft Central Ealing Neighbourhood Plan as set out in Appendix 1 of the report and, in particular, agrees to the revisions to the plan noted in Paras 3.15 of the report.
- ii) agrees to proceed to a residents' and business referendum on the Plan within the boundary as set out in the Annex to Appendix 2 of the report.
- iii) notes that there is no specific budget approved for conducting a referendum but that the Council can draw down a contribution towards its costs from the government's Neighbourhood Planning Grant which will defray most of the costs.
- iv) agrees to meet any shortfall in covering the costs of conducting the referendums from the Council's £75k Corporate budget available in the 2017/18 MTFS for Neighbourhood Planning referendums.
- v) authorises the Head of Elections to publish the Notices of Referendum and take the necessary steps to hold a referendum for residents and businesses.
- vi) agrees that approval of the Boundaries Panel is sought, to use only one polling place for the entirety of both the residents and business referenda.
- vii) notes and agrees that in the event that the outcome of the referendum is split and it falls to the Council to decide whether or not to bring the Plan into force a further report will be brought back to Cabinet for decision in accordance with the criteria set out in paragraphs 3.21 and 3.22 of the report.
- viii) notes that in the event of a positive referendum outcome a report will be submitted to full Council for a decision to bring the Plan into force.

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

To agree proposed modifications and revisions to the Central Ealing Neighbourhood Plan and to proceed to a referendum of residents and businesses on October 12<sup>th</sup> 2017. The Plan has been the subject of an independent examination process including an Examination in Public. Following receipt of an Examiner's report the Council is required to decide whether or not to take the Plan to referendum. Whilst the Council is not bound by the Inspector's recommendations a failure to accept them without good reason runs the risk of legal challenge and/or intervention by the Secretary of State for Communities and Local Government.

#### **10. LGA Peer Challenge Action Plan Update**

##### **Resolved**

That Cabinet:

- i) notes the Council's progress in implementing the action plan from its Peer Challenge in 2016.
- ii) notes the return visit of the LGA Peer Challenge team to Ealing Council on 20-21 July to focus on progress that the Council has made on Future Ealing and the Digital Strategy.
- iii) approves the steps required by Ealing Council to plan for the review.

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

Ealing Council invited the LGA Peer Challenge Team to visit the organisation in March 2016 and review the following areas (the first five are the standard areas for Peer Challenge exercises).

- Understanding of the local place and priority setting: Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
- Leadership of place: Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with

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external stakeholders?

- Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
- Organisational leadership and governance: Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
- Capacity to deliver: Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

In addition to these questions, the Council asked the peer team to consider two Ealing specific issues:

- How well does Ealing's strategic approach to the digital agenda compare to its peers and to good practice?
- Is there scope for the Council to achieve greater alignment between its corporate priorities, its strategies, policies and resource allocation as it makes further decisions on savings (outcome based budgeting)?

The team made several recommendations to the Council and in June 2016 Cabinet agreed an action plan in response to the Peer Challenge (see LGA Corporate Peer Challenge Final Report in section 18 of the report).

It is best practice for the review team to return 12-18 months on from the review. Ealing Council agreed for the LGA Peer Challenge Team to return on 20-21 July. It is proposed that the team focus in particular on the Ealing specific themes, specifically how well the Council is developing Future Ealing and the Digital Strategy. The Future Ealing programme of work aims to address several of the areas highlighted above and Digital is a key work stream supporting this.

## **11. Award of Contract for Expansion of Greenford High School**

### **Resolved**

That Cabinet:

- i) authorises the award of a construction contract to Geoffrey Osbourne Ltd at a value of £9.318M to facilitate the expansion of Greenford High School. The contract is to be funded from within £1.500m of mainstream borrowing and £8.000m of EFA funding as set out in the Capital Programme 2016/17 to 2020/21 and reported at February Cabinet within the overall project spend of £10.500M.
- ii) authorises the Assistant Director Schools, Planning and Resources to conclude negotiations with Seafort Ealing Limited, the PFI Contractor / Special Purpose Vehicle (SPV), who currently manage the school site and to enter into any necessary agreements with the SPV to facilitate these works.

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

Cabinet approval is required to implement statutory proposals and award the contracts for the project described in this report.

## **12. Child and Adolescent Mental Health Services**

### **Resolved**

That Cabinet:

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- i) authorises the direct award of a contract for child and adolescent mental health services to West London Mental Health NHS Trust, (WLMHT). The contract will be for the period October 2017 to April 2019 and
- ii) delegates authority to the Executive Director of Children, Adults and Public Health to award the contract following consultation with the portfolio holder.

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

WLMHT currently provides a wide range of hospital and community mental health services in Ealing, both for adults and children. It is regulated by the Care Quality Commission. It also provides a similar range of services in Hounslow and Hammersmith and Fulham.

Universal and targeted community based services for children (tiers 1 and 2) are commissioned in Ealing by the Local Authority and community based services. Specialist mental health provision (tier 3) is commissioned by Ealing Clinical Commissioning Group (CCG). Inpatient services (tier 4) are funded and commissioned by NHS England.

The current contract between the Local Authority and WLMHT comes to an end in October 2017. Contractual arrangements therefore need to be put in place to cover the period from October 2017 onwards.

In taking this forward, the two main options that have been considered have included:-

- (1) going out to tender and
- (2) direct award of a new contract to the current provider.

The preferred option is (2). This option is supported by the Directorate's Contracts Board, as agreed by exception 1236 (see confidential appendix 1 of the report)

The reasons for recommending option 2 (direct award of contract to the current provider) are as follows:-

- a. WLMHT is the key local provider of mental health services in Ealing and is currently commissioned by both the London Borough of Ealing and Ealing Clinical Commissioning Group to provide services in Ealing that include:-
  - i. adult mental health services (community health services and beds) (commissioned by Ealing CCG)
  - ii. tier three child and adolescent mental health services for children with complex mental, health needs (commissioned by Ealing CCG)
  - iii. tier two mental health services (commissioned by Ealing Council)
- b. The CCG plan at the current time is to re-commission children's mental health services with an implementation date of April 2019.
- c. If the Council were to go out to tender for these services at this stage there would be a risk of fragmentation of service delivery if a different provider were to be selected.
- d. Having one main provider enables continuity of care and a continuum of services.
- e. Having one main provider helps to achieve value for money in that there is one management structure for tier two and three mental health services.

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- f. There is currently a national programme for the improvement of children's mental health services, called Future in Mind. Each CCG receives additional funding for this programme which runs from 2015 to 2020. There is a local transformation plan in place that sets out the local priorities in relation to Future in Mind. Delivery of these priorities is dependent on very close collaborative working between the Local Authority, the CCG and WLMHT. It would be highly disruptive to this programme if another provider was introduced at this stage of the programme.
- g. The CCG has committed to ongoing funding, from April 2017, of one of the key elements of the local tier two contract (the SAFE service). This has enabled the Local Authority to achieve a reduction in funding without having to reduce the level of service provided. The CCG view is that to tender at this stage would cause an unnecessary disruption to the system. The CCG has an interest in working with the Local Authority to plan for a re-commissioned service, with improvement of movement of children and young people between different levels of service. However the proposals for this service model need to be further developed which will take a longer period of time to achieve.
- h. Whilst each element of the tier two mental health contract is important, the Brighter Futures element is particularly important as it helps to manage demand and control spend. In the Brighter Futures arrangements, Local Authority and WLMHT staff work alongside each other in both the prevention of care and the in-care teams. A tender could cause considerable disruption to service delivery at a time when it is essential to support services to deliver the Brighter Futures programme.
- i. WLMHT has been commissioned by NHS England to deliver a new approach to hospital provision for children with the most severe mental health needs. WLMHT, working as the senior partner in a collaboration with another mental health trust, has been given the hospital budget from April 2017, with the aim of preventing admissions whenever it is clinically possible and planning for shorter admission periods and more effective discharge planning. Money that is saved in this way will be invested in community based services. It would cause disruption to this programme if another provider were to commence work in Ealing within the life time of this pilot project.

### **13. Children's Services Capital Approvals**

#### **Resolved**

That Cabinet:

- i) authorises the allocation of £0.900m for the Coston Primary School Additionally Resourced Provision (ARP) from the existing approved Schools SEN Expansion budget of £6.100m as set out in the Capital Programme 2016/17 to 2020/21 reported to cabinet on 14 February 2017;
- ii) authorises the Executive Director for Children, Adults and Public Health to invite and evaluate tenders for the building contracts for the Coston Primary School Additionally Resourced Provision, and delegates authority to the Assistant Director: Schools Planning and Resources, to award contracts if suitable tenders, affordable within the £0.900m budget allocated, are received;
- iii) authorises the allocation of £2.200m for Ealing Primary Centre expansion from the existing approved Capital Programme for Schools SEN Expansion of £6.100m as set out in the Capital Programme 2016/17 to 2020/21 reported to cabinet on 14 February 2017;
- iv) authorises the Executive Director for Children, Adults and Public Health to invite and evaluate tenders for the building contracts for the Ealing Primary Centre expansion,

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- and delegates authority to the Assistant Director: Schools Planning and Resources, to award contracts if suitable tenders, affordable within the £2.200m budget allocated, are received;
- v) delegates authority to the Assistant Director: Schools Planning and Resources, to award contracts if suitable tenders are received pursuant to tender exercises referred to in 3.3 of the report, to award the building contract for the completion of the refurbishment works and extension of the former Ken Acock Youth and Community Centre in Northolt to provide vocational education facilities for pupils with learning difficulties and disabilities as part of Belvue School, to be funded from the £1.794m Belvue School – Vocational Education at Ken Acock Youth Centre capital scheme budget as set out in the Capital Programme 2016/17 to 2020/21 reported to cabinet on 14 February 2017;
  - vi) authorises the Executive Director for Children, Adults and Public Health to seek all necessary Planning and Statutory Approvals for the schemes described in this report; and
  - vii) approves the virement of £0.700m from the existing approved Primary Schools Expansions 2016/17 Onwards budget to contribute to the funding of the rebuild and expansion of Mayfield Primary School, taking the total Council contribution to this project to £2.000

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

The decisions are required to enable the Council to progress to the next stage of the process for expanding school provision to meet its statutory duty to secure sufficient school places. The Council has a statutory responsibility to promote high educational standards, ensure fair access to educational opportunity and promote the fulfilment of every child's educational potential. The Council must also promote diversity and increase choice.

Under the Council's Constitution, Cabinet approval is required to proceed with schemes over £1.000m in value, Portfolio Holder approval is required in order to proceed with schemes between £0.500m and £1.000m, and the schemes up to £0.500m per annum fall within Director delegated powers.

Should these projects not proceed then the additional places would need to be provided through an alternative route.

## **14. Housing and Regeneration New Build Update (Proposed Buckingham Ave garage site Compulsory Purchase Order (CPO); Copley regeneration programme; underused plots of HRA land; purchase and erection of modular built flats)**

### **Resolved**

That Cabinet:

### **Buckingham Avenue CPO:**

- i) notes the authority it granted on 21 July 2015 to the Executive Director of Regeneration and Housing to develop a number of sites including a garage site at Buckingham Avenue Perivale and to take steps necessary for the planning of Buckingham Avenue and to invite and evaluate tenders for the works to build the scheme.
- ii) notes the progress on the planning application and programme to develop the site at Buckingham Avenue to provide 40 new homes on the site as set out in the report.

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- iii) notes the current position with the negotiations with the owners of 4 garages for the Council to acquire the leasehold interests for the purposes of the proposed development.
- iv) delegates authority to the Executive Director of Regeneration and Housing to:
  - a. make a compulsory purchase order to acquire the 4 garages (as shown on the plan in Appendix 1 of the report) should the Council be unable to acquire the leases by agreement generally under the Acquisition of Land Act 1981 and specifically under Section 226(1) (a) of the Town and Country Planning Act 1990.
  - b. secure the compulsory acquisition of all rights over the land by the creation of new rights pursuant to Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 (as required).
  - c. take all steps, procedures and measures necessary to discharge all rights, easements, liberties, privileges, advantages and incidents to which the land may be subject.
- v) authorises the Executive Director for Regeneration and Housing, following consultation with the Portfolio Holder for Finance and Performance and the Portfolio Holder for Housing, both in advance of and after the making and confirmation of any compulsory purchase order, to negotiate with the owners of interests and rights in the CPO land with a view to acquiring those interests and rights by agreement or provide alternative garage accommodation, to conclude such acquisitions or alternative arrangements by agreement, and to pay such compensation for the acquisition of the interests and rights as may be proper and reasonable.
- vi) authorises the Executive Director of Regeneration and Housing, following consultation with the Executive Director of Corporate Resources, to agree to properties built for sale on a large scale and to establish clear and accountable governance protocols via agreed procedures and sign-off processes.

**Copley Regeneration Programme:**

- vii) notes previous authority to dispose of 33 new units on Phase 2 of the scheme on 14 March 2017.
- viii) notes and agrees the proposed marketing strategy for the homes for sale and shared ownership.
- ix) notes the application made for the Council to register as a Help to Buy provider and authorises the Executive Director Regeneration & Housing to market and sell 17 of the 33 units under the Help to Buy scheme.
- x) delegates authority to the Executive Director Regeneration and Housing to negotiate and authorise the Council to enter into any necessary agreements with the HCA to enable the Council to dispose of the 17 units under the Help to Buy Scheme
- xi) delegates authority to the Executive Director Regeneration and Housing to establish a governance protocol relating to the sale transactions following consultation with the Executive Director Corporate resources.
- xii) delegates authority to the Executive Director of Regeneration and Housing to grant a 99 year lease of land adjacent to Oxford Court at Copley Close (shown on the plan in Appendix 3 of the report) to Southern Electric for a peppercorn rent and to accept the surrender of the existing lease dated 19 February 1980.

**Underused Plots of HRA Land:**

- xiii) delegates authority to the Executive Director of Regeneration and Housing to begin a selection process to identify a preferred partner for a sale & development agreement in respect of underused plots of HRA land to construct homes for affordable rent, affordable sale, and market sale.

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- xiv) notes the Executive Director of Regeneration and Housing's intention, using existing delegated authority, to procure Architects, Surveyors and other appropriate professionals to carry out initial site capacity studies of the underused plots of HRA land, and notes the use of up to £100,000 from the Council New-Build Round 3 budget for this work.
- xv) notes and agrees the proposed use of one-for-one capital receipts for this scheme. This is the use of retained capital receipts from sale of HRA properties under the Right To Buy scheme, which allows to fund up to 30% of the costs of the scheme.

#### **Purchase and re-erection of modular-built flats:**

- xvi) notes and delegates authority to the Executive Director of Housing & Regeneration to negotiate a purchase price for, arrange the relocation and re-erection of modular-built block of flats at Lambourn Close for use as temporary move-on accommodation for those in housing need.
- xvii) authorises the use of existing 2017/18 approved budgets for spot property purchases, for this scheme.
- xviii) authorises the Executive Director of Regeneration and Housing to appoint architects, surveyors, valuers and other professionals and contractors as necessary to deliver this project.
- xix) agrees in principle to the appropriation of the garage court on Lambourn Close (shown on the plan in Appendix 2 of the report) from the HRA to the General Fund and delegates to the Executive Director of Regeneration and Housing authority to complete the appropriation process at the appropriate time, and if necessary, to vary the extent of the area to be appropriated.
- xx) requests that ward councillors be consulted on all of the above projects.

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

##### **Buckingham Avenue CPO:**

The current programme to let the build contract development at Buckingham Avenue is:

Stage	Detail	Programme date
Planning		April to July 2017
Garage vacant possession		August/Sept 2017
Phase 1	Demolish garages & upgrade estate car parking facility	Sept/Oct to Nov 2017
Main build contract	Tender period	Sept to Dec 2017
	Contract let	April/May 2018
	Contract completion	Dec 2020

The budget for development of the site in Buckingham Avenue is in part supported through the Government's Local Growth Fund programme 2015-17 (extended to March 2020), through which the HRA borrowing programme made available additional borrowing for Local Authorities. This facility is time limited and the additional borrowing specific to this project has to be drawn down in full by March 2020.

The new development will provide the following new dwellings:

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Tenure	No. of units	Unit mix
Affordable rent	22	1 x 1bed 2person 17 x 2bed 4 person 2 x 3bed 5 person 2 x 3bed 6 person (includes 2 x wheelchair units)
Shared ownership	12	6 x 1bed 2person 2 x 2bed 4 person 4 x 3bed 5 person (includes 2 x wheelchair units)
Outright sale	6	3 x 1bed 2 person 3 x 2bed 4 person
Total	40	

Vacant possession of all garages is needed by August 2017 to facilitate the proposed development and ensure the additional borrowing facility is fully utilised.

The garages are not to current standards and in the main are too small to easily fit current car models. As a result some 50% of the garages are unlet and of those let a substantial number are used for general storage and not for cars as intended.

The garages in use are mainly rented to both Council tenants and private individuals. However currently 4 of the garages are owned by leaseholders who acquired the leasehold interest in the garage when they acquired the lease of their flats under right to buy.

Following Cabinet approval in July 2015 feasibility work for the proposed development has progressed. Consultation has subsequently taken place with both the Council's planning department and by way of several open meetings and newsletters to local Estate residents.

Taking account of feedback, a planning application was submitted on 7<sup>th</sup> April 2017 to demolish the onsite garages, develop 40 Council new build dwellings and reconfigure onsite parking facilities for both existing and new residents once the development is complete.

The Council has consulted individually with all garage leaseholders to understand their priorities and explore options for the Council to either purchase the lease or for the leaseholders to be provided with a new garage elsewhere on the Estate as part of the new development at no cost. Agreement has been reached to provide new garages with 2 of the 4 leaseholders and the remaining 2 leaseholders have accepted a negotiated offer from the Council to purchase the garage.

However, if these negotiations prove to be unsuccessful it may be necessary to make a compulsory purchase order (CPO) in order to secure the site within the necessary timescales. Approval is therefore sought to delegate authority to the Executive Director of Housing and Regeneration to authorise the making of the necessary CPO if required.

#### **Copley Regeneration Programme:**

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As members will be aware from the report to the Council's Cabinet on 14 March 2017, phase 2 of the regeneration programme will comprise 33 new homes due for completion from late 2017. These homes will be sold on the open market, 13 on a shared ownership basis and 20 as outright sale. As well as providing cross-subsidy for the refurbishment of existing and building of new affordable homes on the estate, this will additionally serve to increase the housing tenure "offer" in the Copley area, diversifying what is essentially a mono-tenure social housing estate.

The impact of the proposed sales, together with updated build costs following further detailed evaluation by the delivery team, is shown in the Financial Implications section of this report.

Marketing strategy: A marketing and PR company has been assisting the Council develop its strategy for the homes to be sold on the open market. With a number of schemes in the pipeline in the next few years (both at Copley and elsewhere) where sales form an essential part of the development mix, it is essential that the borough develop a 'brand' that becomes trusted and known locally. To this end, the Broadway Living branding is to be carried forward to become the visible entity for all future sales, irrespective of the direct funding source.

A sales and information suite, show flat and associated offices will occupy one of the blocks being built at phase 2, and it is expected that this facility will be completed in July 2017, in time to market the remaining homes on the site. In addition to being used for sales at Copley phase 2 and subsequent phases of the regeneration programme, the sales and information centre will be used as a marketing base for all future Council home sales (outright and shared ownership) for at least the next two years.

Bell Management Associates (BMA) have initially been selected to provide the sales operation at the new offices. BMA currently provide housing management services for the Broadway Living market rental homes. This arrangement will be reviewed once all homes at phase 2 have been sold.

In order to ensure the new homes for sale at Copley and elsewhere are as affordable as possible, and accessible especially to first time buyers, the Council has made an application to become a "Help to Buy" agent.

Help to Buy is the Government funded scheme that provides an equity loan to the purchaser, interest free for a period of five years. The purchaser then secures a mortgage for of the remaining value, as well as a deposit to be saved by the purchaser. Hence, a Help to Buy grant of 40 percent of the total estimated open market value of the 17 units is anticipated at £2.562m. It is proposed that 17 of the 20 units intended for outright sale be sold under the Help to Buy Scheme. The remaining 3 units will be used as show flats/project office and sold at a later stage; no financial implications are anticipated for the Council.

The Copley regeneration programme will be the first time the Council has built for sale on this scale, and it will be necessary to establish clear and accountable governance protocols via agreed procedures and sign-off processes. These will be established by the Executive Director of Regeneration & Housing, following consultation with the Executive Director of Corporate Resources.

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### **Housing development of underused plots of land in the HRA**

Members will be aware of an existing development agreement the Council has with Hill Partnerships Ltd, wherein underused plots of Council-owned land are being developed to increase the supply of housing. This programme has been a success, and to date has delivered 35 homes for Council rent and is on track to produce a further 35 homes before the scheme's conclusion in 2018.

Officers have identified further land that might form the basis of a second development agreement, and it is proposed that a developer is sought to jointly develop a second agreement for Cabinet's approval. The first agreement was pioneering in nature and a number of lessons have been learnt, the most important of which concerns the point at which the developer partner is engaged. In creating the current scheme the Council spent a considerable amount of time and money establishing certainty of the development capacity of the sites prior to selecting a developer, however it was soon clear that the developer's superior skills and market knowledge in this area enabled a more favourable outcome to be achieved. It is therefore proposed that developer partner appointment is made before the sites are fully explored, and that establishing the best use for each site will be a joint process.

The current scheme did not envisage the use of Council money, other than the initial site preparation costs, however during the course of the programme it became clear that there were considerable benefits for the Council in allocating one-for-one funding (right to buy receipts) to the programme, therefore it is proposed for a second scheme that one-for-one funding is included from the outset.

### **Purchase and re-erection of modular-built flats**

The Council has the opportunity to purchase an existing block of 18 modular built 1 and 2-bedroom flats that is currently located on a site in Camberwell, and it is proposed that the block is dismantled and re-erected on a site at Lambourn Close in Elthorne. Cabinet's authority is sought to use the funding previously authorised for the property purchase scheme for this purpose.

The modular unit of flats was erected in 2003 for Hyde Housing Association on land owned by LB Southwark. It was envisaged that the land would be available to Hyde for 7 years before being absorbed into a wider regeneration programme. That programme has taken longer to bring to fruition than originally expected, however Southwark has recently said that it requires vacant possession of the land by November 2017.

The flats were designed and built on the assumption that they would eventually be relocated, and considerable preparation work was undertaken for a proposal to move them to Haringey. That proposal is no longer proceeding. The project team for that move was the same as for initial construction of the units, and it is proposed that LB Ealing retain the same team members, most of whom have already worked successfully with LB Ealing's Housing Supply team. In due course a suitable building contractor will be selected and appointed to carry out the necessary construction and relocation works.

It is proposed that the units are placed on a little used garage court on Lambourn Close in in Elthorne, as shown in appendix 2 of the report. It should be noted that, depending on the outcome of the appropriate planning application, this site may

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accommodate only 15 of the 18 flats. It is not intended that the flats will be moved again, and part of the costs of this proposal include for upgrading the homes to meet the current planning and building control standards for permanent buildings.

The estimated costs of this proposal are likely to be in the region of £1.6m. Cabinet has previously authorised £3m for the spot property purchase scheme in 2017/18, of which some £1.4m has been committed. It is proposed that the balance of £1.6m is used for the modular scheme.

Hyde Housing expect to obtain the residual value of the property, less costs of relocation, as the “purchase” price, and it is proposed that a valuer is appointed jointly by Hyde Housing and Ealing Council to determine this, and certify that best consideration has been achieved.

While the total cost of the scheme amounts to a value requiring Cabinet authority, each of the individual contracts to be entered into are within the general delegation to Directors and are non-key decisions.

If successful, the scheme will provide homes for significantly less than the cost of newly constructed homes.

The completed flats will be held in the general fund and used as move-on temporary accommodation for those currently in shared accommodation, bed and breakfast or otherwise unsuitable accommodation. It is therefore necessary to appropriate the land on which they sit from the HRA to the General Fund, and Cabinet’s authority is sought for this appropriation

## **15. Date of Next meeting and Vote of Thanks**

### **Resolved**

That Cabinet:

- i) records its heartfelt thanks to Pat Hayes, Executive Director Regeneration and Housing, for his fantastic contribution over the past 10 years in Ealing and wishes him well in his new role.
- ii) Notes that the next meeting of Cabinet will be held on 11 July 2017 at 7pm

**Councillor Julian Bell, Chair**

**Date**

The meeting concluded at 7:55pm having completed its business.

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