

Minutes of the meeting of the Cabinet

Date: Tuesday, 16 October 2018
Time: 19:00
Venue: The Liz Cantell Room, Town Hall, New Broadway, Ealing, W5 2BY

Attendees:

Councillor Jasbir Anand, Councillor Julian Bell, Councillor Yoel Gordon, Councillor Yvonne Johnson, Councillor Bassam Mahfouz, Councillor Peter Mason, Councillor Binda Rai, Councillor Mik Sabiers

Apologies for Absence:

Councillor Joanna Camadoo

Also Present

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

- Item 07 - Delivery Strategy for 2,500 Genuinely Affordable Homes (Councillors Malcolm and Morrissey)
- Item 11 - Westgate House, West Gate, London W5 1YY – Broadway Living Funding Approval (Councillor Morrissey)
- Item 13 - ICT Digital Implementation Contracts (Councillor Malcolm)
- Item 16 - Update on the School Expansion Programme, SEN Statutory Proposals and BSF PFI Re-financing (Councillor Millican)

Mrs McGinty (member of the public and parent) and Ms Bistrick-Bryan (chair of governors at Springhallow school) addressed Cabinet with regard to item 16 - Update on the School Expansion Programme, SEN Statutory Proposals and BSF PFI Re-financing

Also in Attendance

Councillor Lusuardi

1 Apologies for Absence

Councillor Camadoo

2 Urgent Matters

There were none.

3 Matters to be Considered in Private

Items 7, 8, 11, 14, 15, 16 and 17 contained confidential appendices but were not taken in private as it was not necessary to discuss the confidential information provided.

4 Declarations of Interest

Councillor Gordon declared an interest in item 14 (Gunnersbury Park Sports Facility-Artificial Grass Pitch Contract Award) by virtue of his work for the International School of London which is one of the partners in the sports scheme. Councillor Gordon left the room for the duration of this item

5 Minutes

Cabinet Minutes - 11 Sept 2018

Resolved:

That the minutes of the Cabinet meeting held on 11 September 2018 be agreed and signed as a true and correct record.

6 Appointments to Sub Committees and Outside Bodies

There were none.

7 Delivery Strategy for 2,500 Genuinely Affordable Homes

Resolved

That Cabinet:

- i) approves the strategic approach and delivery plans for 2,500 genuinely affordable homes set out in s.6 onwards of this report.
- ii) notes that a bid has been submitted to the GLA to secure GLA affordable housing grant as part of the Mayor's Affordable Homes Programme.
- iii) delegates authority to the Executive Director of Regeneration and Housing following consultation with Executive Director of Corporate Resources and Director of Legal and Democratic Services to take any necessary steps to secure GLA affordable housing grant including entering into any grant agreements necessary to secure the funding.
- iv) delegates authority to the Executive Director of Regeneration and Housing, following consultation with the Director of Legal and Democratic Services to draft and consult on an intermediate tenure allocations policy, setting out Ealing's priorities for allocation, in addition to the GLA's eligibility criteria to support Ealing households who aspire to buy within the next 5 years.
- v) notes that a further report will be brought back to Cabinet to consider and approve the intermediate tenure allocations policy.
- vi) notes and approves the Affordable Housing Statement at Appendix 1 of the report to inform discussions with developers.
- vii) notes the council investment required (through the General Fund Account and Housing Revenue Account) alongside the GLA Affordable Housing Programme grant and HRA Borrowing funding to deliver Ealing's Affordable Homes delivery programme over the next 4 years.
- viii) notes that subsequent budget updates, via the council's annual GF

and HRA Budget Reports, will seek approval from Cabinet to support financial resource allocation, in light of the MTFs position, to deliver the strategy for 2,500 Genuinely Affordable Homes.

ix) approves the proposed change in approach for 21 units at Copley Close Phase 4 (originally approved for disposal to Broadway Living as presented in July Cabinet report titled 'Copley Close Estate Regeneration Project - Disposal of Homes to Broadway Living - Funding Approval') and to now retain the units within the HRA as set out in paragraph 11 of the report (subject to GLA funding be secured).

x) delegates authority to the Executive Director of Regeneration and Housing, following consultation with Executive Director of Corporate Resources and the Director of Legal and Democratic Services to incorporate another company as a delivery vehicle to support the delivery of genuine affordable housing as presented in section 6 of this report.

xi) notes and agrees that the role of Shareholder Representative for Broadway Living Ltd be moved from the Chief Executive to the Executive Director of Regeneration and Housing.

xii) thanks officers for their work on this project and on all of the housing related items on this agenda.

Reason for Decision and Options Considered

The lack of affordable homes in Ealing and wider London is a key issue affecting residents' quality of life and well-being. Homes to buy and rent in the open market are increasingly expensive and unaffordable to many households. Genuinely affordable homes, such as low-cost rent and intermediate homes to buy, play an important role in supporting residents' aspirations.

Ealing Council has a very ambitious target to deliver 2,500 genuinely affordable homes over the next four years, including both starts and completions, which is embedded in the new Corporate Plan. "Genuinely" affordable homes are defined as those at Social Rent, London Affordable Rent or London Living Rent. Other intermediate housing to buy or rent may be included where housing costs take up no more a third of gross household income (in line with the rent setting methodology for the GLA's London Living Rent product).

In order to achieve the target of providing 2500 genuinely homes, all parties, including the council will need to substantially increase their delivery from currently building a forecasted average of 275 homes per year to 625 per year over the next 4 years. This presents an increase of 350 per annum.

The current projections for the next 4 years show a sizable number of other affordable housing tenures in the pipeline which are below market prices and rents. These homes are predominantly shared ownership and discount market rent which need further analysis at scheme level to see if the housing costs could be within 1/3rd of income therefore meeting a 'genuinely affordable housing' consideration and therefore likely to directly impact on the council's homeless costs or indirectly and support those on low or very low incomes.

8

Increasing the Supply of Tenancies in the Private Sector for Targeted Prevention Work - Scoping and Options

Resolved

That Cabinet:

i) notes the Strategic Business Case provided in confidential Appendix A of the report, which provides an appraisal of the various commercial options available to the council to increase the supply of accommodation and support temporary accommodation cost reduction.

- ii) delegates authority to the Executive Director of Regeneration and Housing, following consultation with the Portfolio Holder for Housing, Planning and Transformation, Director of Legal and Democratic Services and the Executive Director of Corporate Resources, to consider the options outlined in the Business Case in Appendix A of the report and, subject to further financial and legal due diligence, implement some or all of the options within available budgets and resources.
- iii) delegates authority to the Executive Director of Regeneration and Housing, following consultation with the Portfolio Holder for Housing, Planning and Transformation, Director of Legal and Democratic Services and the Executive Director of Corporate Resources, to select and, if appropriate, establish a suitable delivery vehicle to hold Assured Shorthold Tenancies as indicated in the Business Case in Appendix A of the report.
- iv) notes that if the implementation requires additional financial resource above budget availability and Flexible Homelessness Support Grant, further reports will be presented for Cabinet approval.
- v) thanks officers for their work on this project.

Reasons for Decisions and Options Considered

This report addresses the Administration manifesto commitment to increase the supply of council-owned temporary accommodation to ensure that we reduce the number of families needing to spend time in bed and breakfast, whilst ensuring these measures remain temporary as a way of families getting into permanent homes. It is also consistent with the Administration's key aim to raise the standard of accommodation and management across the borough.

The conclusions set out in the business case have been endorsed and adopted by IMPower and Grant Thornton as part of the Outcomes Review and form part of the proposed savings. The accommodation targets set out in the Outcomes Review are ambitious but the Housing Demand service is fully signed up to meeting these targets.

The cost of temporary accommodation has grown considerably in recent years and there is now a significant gap between the cost of acquiring temporary accommodation and the amount of housing benefit payable reflecting the fact that housing benefit subsidy has reduced significantly in recent years. In addition, the level of homelessness has increased the demand for statutory homelessness services. Between 2011 and 2017 the number of households in temporary accommodation more than doubled and the council now spends in excess of £30.000m on temporary accommodation each year. Whilst most of this expenditure can be recovered through the housing benefit subsidy system, the general fund has had to shoulder an increasing share of the overall cost, principally because subsidy rates have remained static since 2011 despite rising unit prices. The net cost to the council is projected to be in excess of £8.5m in 2018/2019, once all relevant budgets are taken into consideration.

Existing arrangements are not only expensive but lead to very poor customer outcomes. There has been marked decline in the supply of longer-term accommodation. Unfortunately, this has led to families spending longer periods of time in emergency B&B accommodation with shared facilities. Not only is this a poor outcome for residents, it is particularly expensive to the council, because subsidy is capped at the one-bedroom rate. Ealing's innovative modular homes programme has made a significant contribution towards addressing this problem, and additional sites should be explored to further reduce the authority's reliance on Bed and Breakfast accommodation. Nevertheless, the need for longer-term accommodation remains.

The council's ambitious programme to deliver 2,500 genuinely affordable homes over the next four years undoubtedly has an important role to play. However, this will not address the problem immediately.

Officers have therefore been reviewing a range of other commercial options for increasing supply as part of the Homelessness Outcomes review. This exercise has identified a number of opportunities that have the potential to reduce the net cost to the authority. Some are schemes that Ealing has undertaken before, others respond to commercial proposals brought to the council by the private sector, while entirely new initiatives are also under consideration, that have emerged from internal discussions within the council and conversations taking place at a pan-London level. It is unlikely that any one option will deliver all the necessary supply or be viable in all circumstances. Rather they represent a basket of options that could contribute towards a more cost-effective strategy.

The salience of temporary accommodation cost reduction has grown following recent government policy changes. In 2017/2018 there was a significant change to temporary accommodation subsidy arrangements, with the introduction of Flexible Homelessness Support Grant (FHSG). The stated intention was to give local authorities greater flexibility to pursue homelessness prevention initiatives. However, it has resulted in the cost of self-contained accommodation increasing by more than 80%, because the grant is principally funded through a concurrent reduction in housing benefit subsidy. Whilst Ealing's current allocation exceeds the additional costs imposed, in the longer-term, there is a high degree of uncertainty about the size of future grant payments - indeed, whether the grant will continue in any form at all. As such, the temporary accommodation portfolio represents an ongoing financial risk to the council. Reducing the cost of new supply, by advancing initiatives that are closer to longer-term cost neutral arrangements, could therefore generate significant savings to the council, alongside efforts to stem new demand through homelessness prevention.

9 Participation in the Pan London Accommodation Procurement and Lettings Schemes

Resolved

That Cabinet:

- i) notes the two pan-London schemes led by London Councils that have the potential to deliver cost effective temporary accommodation.
- ii) notes the types of Company membership that are available to boroughs participating in the schemes outlined at 2.1.1 and 2.1.2 of the report.
- iii) delegates authority to the Executive Director Housing and Regeneration, following consultation with the Portfolio Holder for Housing, Planning and Transformation, the Director of Legal Services, and the Executive Director of Corporate Resources, to participate in either or both schemes and become a member of either or both companies, subject to financial and legal due diligence.
- iv) notes that the Executive Director of Housing and Regeneration will recommend to Full Council a representative to the board of either organisation if and when required.
- v) notes that these proposals form part of a wider Temporary Accommodation strategy, called *Increasing the Supply of PRS tenancies – Scoping the options* presented to Cabinet in October 2018.
- vi) thanks officers for their work on this project.

Reason for Decision and Options Considered

Both pan-London initiatives are consistent with manifesto commitments. In the case of Capital Letters to “work with the Mayor of London to establish a publicly owned lettings agency, ensuring that residents get good quality homes and managing agents they can trust”. In addition, both schemes meet the administration commitment to “increase the supply of council owned temporary accommodation, to ensure that we reduce the number of families needing to spend time in bed and breakfast, whilst ensuring these measures remain

temporary as a way of families getting into permanent homes”.

The cost of providing temporary accommodation is estimated to be over £1 billion nationwide, with London boroughs responsible for the vast majority of expenditure. The GLA, London Councils and London Directors Group have therefore been developing proposals to address this issue on a Pan-London basis. Two distinct schemes have emerged from this exercise, which have the potential to reduce the cost of temporary accommodation and provide better outcomes for residents. “Capital Letters”, the outcome of a feasibility study, co-funded by the Mayor of London, to establish a publicly owned letting agency to assist boroughs in the procurement of accommodation for homeless households, and “Place Ltd”, a collaborative route to delivering high quality modular housing on meanwhile sites across London. The PLACE programme is supported by £11m of grant funding from the Greater London Authority Innovation Fund and seed funded from Capital Ambitions through the London Ventures programme. Ealing’s own Chief Executive, Paul Najsarek is advisor to Capital Ambitions. In addition London Ventures have developed the specification for an IT system which will provide a digital Property Listing Platform in consultation with the Capital Letters working group. Both initiatives require Ealing to become a member of a Company Limited by Guarantee.

These proposals have been considered in detail as part of a separate options appraisal undertaken by Ealing, as part of the Homelessness Outcomes review to see how temporary accommodation costs might be reduced. This is presented to Cabinet, by way of a confidential appendix A, to the Cabinet Report *Increasing the supply of PRS Tenancies – Scoping the Options*. The preferred way forward recommends that Ealing takes forward a range of proposals to increase the supply of low cost accommodation.

10 Ballots for Housing Regeneration Schemes

Resolved

That Cabinet:

- i) notes the two pan-London schemes led by London Councils that have the potential to deliver cost effective temporary accommodation.
- ii) notes the types of Company membership that are available to boroughs participating in the schemes outlined at 2.1.1 and 2.1.2 of the report.
- iii) delegates authority to the Executive Director Housing and Regeneration, following consultation with the Portfolio Holder for Housing, Planning and Transformation, the Director of Legal Services, and the Executive Director of Corporate Resources, to participate in either or both schemes and become a member of either or both companies, subject to financial and legal due diligence.
- iv) notes that the Executive Director of Housing and Regeneration will recommend to Full Council a representative to the board of either organisation if and when required.
- v) notes that these proposals form part of a wider Temporary Accommodation strategy, called *Increasing the Supply of PRS tenancies – Scoping the options* presented to Cabinet in October 2018.
- vi) thanks officers for their work on this project.

Reason for Decision and Options Considered

Both pan-London initiatives are consistent with manifesto commitments. In the case of Capital Letters to “work with the Mayor of London to establish a publicly owned lettings agency, ensuring that residents get good quality homes and managing agents they can trust”. In addition, both schemes meet the administration commitment to “increase the supply of council owned temporary accommodation, to ensure that we reduce the number of families needing to

spend time in bed and breakfast, whilst ensuring these measures remain temporary as a way of families getting into permanent homes”.

The cost of providing temporary accommodation is estimated to be over £1 billion nationwide, with London boroughs responsible for the vast majority of expenditure. The GLA, London Councils and London Directors Group have therefore been developing proposals to address this issue on a Pan-London basis. Two distinct schemes have emerged from this exercise, which have the potential to reduce the cost of temporary accommodation and provide better outcomes for residents. “Capital Letters”, the outcome of a feasibility study, co-funded by the Mayor of London, to establish a publicly owned letting agency to assist boroughs in the procurement of accommodation for homeless households, and “Place Ltd”, a collaborative route to delivering high quality modular housing on meanwhile sites across London. The PLACE programme is supported by £11m of grant funding from the Greater London Authority Innovation Fund and seed funded from Capital Ambitions through the London Ventures programme. Ealing’s own Chief Executive, Paul Najsarek is advisor to Capital Ambitions. In addition London Ventures have developed the specification for an IT system which will provide a digital Property Listing Platform in consultation with the Capital Letters working group. Both initiatives require Ealing to become a member of a Company Limited by Guarantee.

These proposals have been considered in detail as part of a separate options appraisal undertaken by Ealing, as part of the Homelessness Outcomes review to see how temporary accommodation costs might be reduced. This is presented to Cabinet, by way of a confidential appendix A, to the Cabinet Report *Increasing the supply of PRS Tenancies – Scoping the Options*. The preferred way forward recommends that Ealing takes forward a range of proposals to increase the supply of low cost accommodation.

11 **Westgate House, West Gate, London W5 1YY - Broadway Living Funding Approval**

Resolved

That Cabinet:

- i) notes and approves the Broadway Living Limited purchase of 26 affordable homes at Westgate House, subject to the finalisation of the purchase contract due diligence and a business case assessment which demonstrates that Broadway Living Limited will sufficiently cover the debt repayment and interest costs for the loan facility.
- ii) delegates authority to the Executive Director of Housing and Regeneration, following consultation with the Portfolio Holder for Housing, Planning and Transformation, the Executive Director of Corporate Resources and the Director of Legal and Democratic Services to agree the detailed business case following due diligence on the contractual arrangements with Westgate House Developments Limited (“the Developer”).
- iii) authorises the Executive Director of Regeneration and Housing, following consultation with the Executive Director of Corporate Resource and the Director of Legal and Democratic Services to provide, if necessary, a guarantee from the Council to the Developer in respect of Broadway Living’s obligations as set out in confidential Appendix 1 of the report.
- iv) notes and approves the associated funding for the Council guarantee to be repurposed from the existing approved Broadway Living funding facility commitment.
- v) delegates authority to the Executive Director of Corporate Resources, following consultation with the Portfolio Holder for Finance, the Executive Director for Housing and Regeneration and the Director of Legal and Democratic Services, to negotiate and enter into the necessary

funding arrangements with Broadway Living Limited, including a Funding Facility Agreement (loan agreement), to enable Broadway Living to purchase the 26 affordable homes, and other related agreements.

vi) notes that the Funding Facility Agreement is factored into the Council's capital programme and accords with the Council's Treasury Management Strategy. The interest costs arising from the Council borrowing will be covered by interest payments to the Council by Broadway Living Limited.

vii) approves (in the Council's capacity as shareholder of Broadway Living) a change to the objects of Broadway Living Limited to enable it to sell homes for shared ownership.

viii) thanks officers for their work on this project.

Reasons for Decisions and Options Considered

Westgate House offers an immediate opportunity for the Council to invest in the purchase of affordable housing via Broadway Living, the Council's wholly-owned housing company. Securing this opportunity will enable the Council/Broadway Living to make 26 newly built homes available to local residents.

The Westgate House development is being undertaken by Westgate House Developments Limited, which is a joint venture company between Galliard Homes and C J O'Shea and Company. It comprises the refurbishment and extension of Westgate House, an eight storey ex-office block within a five-minute walk of Hanger Lane tube station. The development will provide 311 homes over ten floors, through permitted development and upwards extension of the former office block. In addition, there will be 26 homes in a self-contained new build block in the southwest corner of the main site; this is the block which is offered for affordable housing. The extension of the existing office block, from the original eight floors to ten floors, and the self-contained block, was approved (reference 181010FUL) at planning committee in June 2018, subject to S106 Agreement.

The construction of the affordable housing block is (subject to conclusion of the S106 Agreement, and the approval of TFL/HS2 to structural engineering proposals) is forecast to commence in late 2018, with completion estimated in October 2020.

12 Central Ealing Neighbourhood Forum

Resolved:

That Cabinet:

- i) notes the updates on the development of national legislation and guidance relating to neighbourhood planning, and of neighbourhood plans within the Borough.
- ii) notes the results of the 6 July to 17 August 2018 consultation on the renewal of the Central Ealing Neighbourhood Forum and agree to the renewal of the Forum for another fixed period of 5 years as set out in paras 3.9-3.11 of the report.
- iii) agrees to the neighbourhood planning principles set out in para 3.8 of the report and, in particular, delegates authority to the Executive Director of Regeneration and Housing to designate a neighbourhood forum or area (including whether it is to include a business forum) following consultation with the Lead Member for Planning and the councillors for any wards that are included in the proposed area and any other necessary arrangements to enable the Council to meet its obligations under the Neighbourhood Planning (General) Regulations 2012 (as amended).

Reasons for Decisions and Options Considered

Further to the report to Cabinet of 25 July 2012 that set out Ealing's approach to neighbourhood planning, this report provides an update on progress and legislative change in the interim, as well as seeking authority to update the Council's governance arrangements for neighbourhood planning.

13 ICT Digital Implementation Contracts

Resolved:

That Cabinet:

- i) authorises the award of a call off contract to Microsoft from the Crown Commercial Services G-Cloud 10 framework for Adoption and Change management and implementation of Citizen Engagement with Microsoft Cloud.
- ii) authorises a variation to the existing Infrastructure Managed Services ICT Server and Storage Support contract with Microland for technical platform implementation and support and transitional onboarding of service lines.
- iii) authorises a variation of the existing Microsoft Enterprise Agreement with the License Solution Provider to supply the software licenses required to deliver the digital programme.
- iv) delegates authority to the Director Strategy and Engagement to call off from relevant framework agreements and award contracts for the provision of:
 - a) Business Analyst Support, Change Management Support, and Implementation Support.
 - b) The resources needed for website content and development.
- v) delegates authority to the Assistant Director of ICT, IDM and CIO to call off from relevant framework agreements and award contracts for the provision of:
 - a) Independent software vendors for the provision of software and services to support the roll out of Dynamics.
 - b) Data Cleansing and Data Analytics resourcing for the duration of the programme.

Reasons for Decisions and Options Considered

A reviewed approach to data needs to be implemented to ensure the new CRM solution works to its fullest potential. The resourcing required will enable the Council to have good, accurate and clean data as the new processes and systems are executed.

Having transitioned data into the new system via data cleaning, resources will be required to develop a data analytics solution and the management of new data entering Council systems.

14 Gunnersbury Park Sports Facility- Artificial Grass Pitch Contract Award

Resolved:

That Cabinet authorises the award of a construction contract to Tiger Turf UK Ltd for the value of £1.300m for the construction of 2 full sized artificial grass pitches at Gunnersbury Park, subject to finalising the BFCCST and University of West London funding agreements.

Reasons for Decisions and Options Considered

The Gunnersbury Park Sports Hub (GPSH) aims to deliver an upgraded park car park and sports pavilion, with café, office space, studio space, full sized

sports hall, eight team changing room and gymnasium. Additionally, two-full sized artificial grass pitches, three cricket pitches, six adult football pitches, three junior football pitches, one rugby pitch and eight all weather tennis courts will be constructed as part of the project.

In October 2017 the tennis court construction was completed, and since there have been several tennis development programmes held at the newly accessible park facility for park users.

When the project team secured the required level of funding to construct the GPSH pavilion and car park and complete the natural turf pitch upgrade works, Cabinet authorised the award of a construction contract to Kier Construction Ltd. on 14 November 2017. Kier Construction Ltd has since commenced works on site constructing the pavilion, which will be used as an ancillary facility to the Artificial Grass Pitches. Works have progressed well on site and the project team are on track for achieving practical completion in May 2019, with a view to have the facility fully operational by June 2019. Additionally, the natural turf upgrade works have progressed well and PHS Greenleaf has recently vacated the site to allow the contractor to commence works to the Park car park, which is also targeting a May 2019 completion.

On 5 March 2018 Cabinet authorised the site operator award to Greenwich Leisure Ltd, who will take ownership of the natural turf pitches, artificial grass pitches and sports pavilion.

The final element of the GPSH project which has yet to have a contractor appointed to complete the work is the AGPs. The AGP construction has a far shorter construction programme when compared to the pavilion construction programme. Currently, the project team is targeting November 2018 to commence works on site for the AGP construction, meaning a March 2019 completion for AGP construction.

On 18 October 2016 Cabinet were informed that that the Park Life funding bid had been successful. Under the terms and conditions of the Football Foundation grant, the Council were required to appoint Robinson Low Francis (RLF) as quantity surveyors for the AGP construction. RLF were appointed with a contract value of £0.032m to complete the project feasibility study, develop site specific information, outline the design and planning, complete the tender process and monitor the construction phase of the project. Following planning approval RLF invited the five contractors on the framework to submit bids. To secure the Park Life funding one of the five framework contractors must be selected, failing to do so would put the £4.000m Park Life funding the project is receiving at risk

The contractors that were invited are as follows:

- Support in Sport UK Ltd
- FieldTurf Tarkett
- TigerTurf UK Ltd
- Lano Sports NV
- Limonta Smith JV Ltd

Tenders were received from all contractors who were invited to bid for the construction contract. The tender documents were analysed by the Council's cost consultant, RLF. The details of each of the tenders and analysis of their tender returns are set out in tender analysis report (Confidential Appendix 1 of the report). Tenders were scored out of a possible 100%; 60% for the quality of the tender submission and 40% for the tender price, with the quality determined by a panel of assessors. The lowest priced tender was awarded the maximum score of 40%, other submissions' scores will be calculated against the lowest tender. The calculation used was the lowest price divided by that company's price times 40%.

TigerTurf achieved the highest score of all the contractors who submitted tender returns. TigerTurf had the highest quality score and submitted the cheapest tender price giving them the best overall score, as detailed in the table 1 in the report.

Accessing the high-quality sports and leisure facilities is a key factor in improving the quality of life for residents and the local communities. The creation of the proposed facility mix, in line with the ability to further enhance the site will ensure that Gunnersbury Park is a well maintained, safe and a community accessible site that can be used for a variety of different activities for the foreseeable future. It will allow for a wider community development programme to be delivered; using the facilities that will also include a two-full sized floodlit Artificial Grass Pitches.

15 Strategic Investment Pot Management and Delivery

Resolved:

That Cabinet:

- i) agrees the recommendations set out in the SIP Panel Consultation Report produced by the City of London Corporation, which is attached as Appendix 1 of the report.
- ii) agrees that the London Borough of Ealing will be the Accountable Body, in respect to the two recommended WLA SIP Bids as outlined in Appendices 2 and 3 to this report, and will receive the £11.13m SIP award and apportion it accordingly.
- iii) delegates authority to the Director of the WLA, following consultation with the Director of Legal and Democratic Services and the Executive Director of Corporate Resources, the development of appropriate monitoring, performance, and management arrangements for the delivery of programmes and projects associated with SIP across West London Boroughs, in line with guidance from the City of London Corporation, which is awaited.
- iv) delegates authority to the Executive Director of Corporate Resources, following consultation with the Director of Legal and Democratic Services and the Director of the WLA, to negotiate and enter into the Grant Agreement with the City of London Corporation, and the corresponding agreements with WLA Boroughs which will be required for the onward transfer of funds and to apportion risk and accountability.
- v) delegates authority to the Director of the WLA, following consultation with the Director of Legal and Democratic Services and the Executive Director of Corporate Resources to negotiate and enter into agreements between the Accountable Body and TfL, GLA, or any other public or private body that will be involved in the delivery of the recommended SIP bids.
- vi) notes that a further report will be brought back to Cabinet by the relevant Service director/s in relation to the use of Ealing's apportioned share of SIP resources, and that other WLA boroughs involved with this bidding round will be responsible for their own decisions relating to the use of their apportioned share of SIP resources, following their own internal governance processes.

Reasons for Decisions and Options Considered

In the Spring Budget 2017 the Government indicated its support for the pooling of business rates in London. It confirmed in the November 2017 Budget that it had accepted the proposal for a 100% business rates retention pilot for the 2018-19 financial year which had been submitted by London Councils and the Mayor of London, covering the GLA and all 33 London billing authorities.

In April 2018, London Councils wrote to all Leaders in London setting out how the Strategic Investment Pot (SIP) process would work in practice, including a number of principles for allocating resources via a competitive bidding round, including a particular focus on bids from groups of Boroughs that focused on strategic cross-cutting priorities relating to economic growth.

In May 2018 the seven Boroughs of the West London Alliance submitted three joint bids to the City of London Corporation following a process of development to ensure bids fully reflected the priorities of all West London Boroughs.

On 31 July London Councils launched a consultation report setting out its recommendations for allocating SIP resources to individual bids across London. It noted that 22 bids were received from across London, with a total value of £123m bid for against a total available SIP resource of £46.83m. Two of the three bids submitted by West London Alliance Boroughs were recommended for approval in the consultation. These are;

- Digital investment - £7.7m (Appendix 2 of the report for detail of the bid)
- Boosting Skills & Productivity - £3.4m (Appendix 3 of the report for detail of the bid)

West London Boroughs responded individually and collectively to the consultation confirming support for the overall recommended package by the deadline on 14 September 2018.

The final decision on allocating SIP resources to Boroughs was made at London Council Leaders Committee on 9 October 2018.

Individual West London Boroughs, including LB Ealing, are making separate arrangements to deliver SIP projects locally that are distinct from the arrangements for receiving and apportioning SIP resources, following their respective governance and decision-making processes. This means that there is not a transfer of financial risk back to the Accountable Body associated with the use of SIP resources in other local authorities engaged with the West London process (Recommendation 1.6 of the report).

16 Update on School Expansion Programme, SEN Statutory Proposals and BSF PFI Re-financing

Resolved:

That Cabinet:

- i) notes sections 3.1 and 3.2 of the report, which set out the updated projections in relation to demand for primary and secondary school provision across the borough and the proposed strategy to meet increased demand.
- ii) notes the progress made with regards to securing additional provision for pupils with Special Educational Needs.
- iii) authorises the Executive Director Children, Adults and Public Health, following consultation with the Portfolio Holder, to publish the necessary Statutory Proposals for extending the age range at Springhallow School from 4-16 to 4-19, which adds 30 Special Educational Needs (SEN) Places, and publish any further consultative documents required.
- iv) authorises the Executive Director Children, Adults and Public Health, following consultation with the Portfolio Holder, to publish the necessary Statutory Proposals for setting up a 21-place Additionally Resourced Provision (ARP) at Willow Tree Primary School and publish any further consultative documents required.
- v) authorises the Executive Director Children, Adults and Public Health,

following consultation with the Executive Director of Corporate Resources and the Director of Legal and Democratic Services, to commence the refinancing of the Council's BSF PFI Project Agreement in respect of Dormers Wells High School.

vi) subject to the terms of the refinancing arrangement being favourable to the Council, delegates authority to the Executive Director Children, Adults and Public Health, following consultation with the Executive Director of Corporate Resources and the Director of Legal and Democratic Services, to approve the refinancing of the Council's BSF PFI and enter into all the necessary documentation to give effect to the refinancing, including the Deed of Variation to the BSF PFI Project Agreement.

Reasons for Decisions and Options Considered

The Council has a statutory duty to secure sufficient school places and to promote high educational standards, ensure fair access to educational opportunity and promote the fulfillment of every child's educational potential. The Council must also promote choice and diversity.

The Legal Framework within which Cabinet must consider the proposals is set out in section 5 of the report.

The relevant background report on projected future demand, which was last presented to Cabinet on the 17th of October 2017, can be accessed via the link below:

Update on the School Expansion Programme and Site Acquisitions October 2017

<http://ealing.cmis.uk.com/ealing/Committees.aspx>

The refinancing of the Council's BSF PFI contract has been identified as a potential area to yield savings under the Future Ealing programme. Cabinet authority is required to authorise the refinancing of this contract.

17 Parking Services Procurement - Contract Award

Resolved:

That Cabinet:

- i) authorises the following contract awards for Lots 1, 2 and 5 on the basis of the most economically advantageous tenders:
 - a) Lot 1- Enforcement and Related Services contract to Serco for a term of 5 years with an option to extend for up to another 5 years for a value of approximately £2.7m per annum, funded from the parking account (total contract value circa £13.5m);
 - b) Lot 2 - Cashless Parking Services contract to Pay-by-Phone for a term of 5 years with an option to extend for up to another 5 years on a cost neutral basis to the Council;
 - c) Lot 5 - Enforcement Agents (Bailiffs) Services contracts to Marston Limited & Newlyn Plc for a term of 5 years with an option to extend for up to another 5 years;
- ii) authorises that no contract is awarded for Lot 4 - Printing and Scanning Services and that these services are brought in house at an estimated cost of up to £500k per annum (£2.5m over 5 years).
- iii) delegates authority to the Executive Director of Environment and Customer Services to negotiate and authorise grant of the following leases/subleases co-terminous with the relevant services contract to Serco in respect of the office areas at Herbert Road Car Park for a period of up to 10 years at a peppercorn rent following consultation with the Director of Legal & Democratic Services. These areas are shown on the plans at Appendix 2 of the report.
- iv) In respect of Springbridge Road Car Park, authorises that the Council enters into a memorandum with Serco granting access to the offices for a

period co-terminous with the relevant services contract to Serco in respect of the office areas at Springbridge Road Car Park for a period of up to 10 years at a peppercorn rate.

Reasons for Decisions and Options Considered

In the Transport Strategy 2018, Ealing Council prioritises making the borough a safer, cleaner and more environmentally friendly place. The way in which the provision of parking is managed plays a role in helping to make this happen. This is an important job, the borough is one of the most populated districts in the UK, home to over 342,000 people and has around 470 million miles of accumulated through vehicle journey's each year.

In their document 'The Control of Parking by Local Authorities', the RAC acknowledge the importance of proper parking management: *"Proper management of parking on public roads is essential to ensure the smooth flow of traffic and to allow drivers to park near their destinations. It is right that parking restrictions and charges should be imposed and that penalty charges should be imposed on those who do not comply"*.

The job of keeping traffic moving falls to the Council, with the management of parking playing a significant role in improving road safety, congestion, air quality, the environment and making life easier for all road users, whether in a vehicle or on foot. The responsibilities of an authority are defined in the Traffic Management Act 2004, the Road Traffic Regulation Act 1984 and associated guidance published by the Department for Transport. The Council uses contractors to undertake the majority of work relating to the provision of parking services.

The current contractual arrangements for Parking services are split between a number of different suppliers, as shown in Table 1, in the report.

Some contracts were extended to end on March 31 2019 to allow the Council to repackage the service into different lots and present them all to the market at the same time. Permission was obtained to proceed to the marketplace with a EU compliant procurement using the Competitive Procedure with Negotiations

To facilitate an orderly procurement the services bundle was split into logical LOTS where natural operational or procurement synergies existed:

- a. LOT 1 – Enforcement and related services
- b. LOT 2 – Cashless Parking Services
- c. LOT 3 – Parking Management IT
- d. LOT 4 – Printing and Scanning of mail
- e. LOT 5 - Enforcement Agents (Bailiffs)

The process commenced in January 2018 with the publication of the procurement notice (OJEU Notice) on the London Tender Portal and had a 50:50 Price / Quality split. The requirement for LOT 3 Parking IT provider was withdrawn in May 2018 and a call off was made from a framework because the IT system (Conduent) at that time did not confirm they would continue to provide the system beyond 1 July 2018. A replacement system was procured through the ESPO framework under Chief Officer Delegated Powers and was successfully implemented in July 2018.

The overall scores achieved by each bidder are shown in the report.

LOT 1 Enforcement and related services is currently split across two suppliers, NSL and Serco. This procurement brought that service mix into a single LOT which both incumbent suppliers bid for. The bid from Serco scored highest in both in terms of quality and price with combined score of 81.09%. It is recommended that this lot is awarded to Serco.

LOT 2 Cashless Parking is used by hundreds of people per day as an alternative to traditional Pay & Display. The bid from Pay-by-Phone scored highest with a combined score of 69.83%. It is recommended that this lot is awarded to Pay-by-Phone.

It is recommended that no award is made for LOT 4 - In & Out bound mail as the in-house option provided the lowest cost option.

LOT 5 Enforcement Agents (Bailiffs) was a strongly contested LOT that attracted substantial interest from the marketplace including the current four service providers. The published intention was to award to just two companies rather than the current four in order to encourage long-term partnerships and better performance. Marston Limited & Newlyn Plc were the two highest scoring bids, scoring 81.20% & 87.36%, and it is recommended that they are awarded Lot 5. There is no payment made to enforcement agents by the Council because the fees which enforcement agents may collect when collecting debt on behalf of a local authority are set out in statutory guidance – the local authority may not amend this.

The award of these contracts is for a period of five years as a minimum, with the option to extend up to ten years.

The preferred suppliers in each LOT are well established companies in the marketplace which offers a degree of reassurance when mobilising such a wide range of services.

The provision of the offices at Ealing's two multi-storey car parks enables the LOT 1 provider to offer a more efficient and targeted service. Use of the sites is offered at zero cost because there was little value in charging the contractor for their use, only to see the contractor charge the Council, in return.

Springbridge Road Car Park is leased to the Council by Network Rail. 50% of any income generated by the Council from leases must be paid to Network Rail – however the LOT 1 provider will make use of this space on the basis of a zero-value memorandum.

18 Regulation of Investigatory Powers Act 2000 (RIPA) Update

Resolved:

That Cabinet:

- i) notes the current use of RIPA in relation to surveillance and acquisition and disclosure of communications data as set out in this report.
- ii) approves the updated RIPA policy at Appendix 1 of the report.
- iii) approves the continuing appointment of the following:
 - a) Helen Harris (Director of Legal and Democratic Services) as senior responsible officer for directed surveillance, use of covert human intelligence sources, and obtaining communications data.
 - b) the following as authorising officers for directed surveillance and the use of covert intelligence under s.28 and S.29 of RIPA 2000 (prior to judicial approval):
 - Mark Wiltshire, (Director of Safer Communities & Housing)
 - Mike Pinder (Head of Audit and Investigations)
 - Jackie Adams (Head of Legal (Property and Regulatory))
- iv) authorises the Director of Legal and Democratic Services to:-
 - a) make any further necessary amendments to the RIPA Policies which are necessary to maintain consistency with legislation, Codes of Practice, good practice and
 - b) make any necessary changes in authorising officers, and
 - c) review the authority's procedures, policies and training on a quarterly basis.

Reasons for Decisions and Options Considered

The Protection of Freedoms Act 2012 requires that councillors be kept informed about the Council's use of powers under RIPA and that Cabinet approves a policy for the use of directed surveillance.

19

Date of Next Meeting

Resolved

That Cabinet notes that the next meeting of Cabinet will be held on 13 November 2018 at 7pm

Paul Najsarek, Chief Executive, 8 October 2018

The meeting concluded at 8:05pm having completed its business.

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.