

Cabinet

Minutes

Monday 23 April 2012

PRESENT

Councillor Stephen Greenhalgh, Leader
Councillor Nicholas Botterill, Deputy Leader (+Environment and Asset Management)
Councillor Mark Loveday, Cabinet Member for Strategy
Councillor Helen Binmore, Cabinet Member for Children's Services
Councillor Joe Carlebach, Cabinet Member for Community Care
Councillor Harry Phibbs, Cabinet Member for Community Engagement
Councillor Andrew Johnson, Cabinet Member for Housing
Councillor Greg Smith, Cabinet Member for Residents Services

ALSO PRESENT

Councillor Colin Aherne
Councillor Daryl Brown
Councillor Michael Cartwright
Councillor Iain Coleman

212. MINUTES OF THE CABINET MEETING HELD ON 5 MARCH 2012

RESOLVED:

That the minutes of the meeting of the Cabinet held on 5 March 2012 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

213. APOLOGIES FOR ABSENCE

RESOLVED:

There were no apologies for absence.

214. DECLARATION OF INTERESTS

RESOLVED:

There were no declarations of interest.

215. EARL'S COURT STATUTORY AND WIDER CONSULTATION

The Leader invited the Executive Director for Housing and Regeneration, Mel Barrett, to provide an update on the progress on the Conditional Land Sale Agreement (CLSA) and the outcome of the formal consultation with residents on the details of the proposals to include the estates within the comprehensive redevelopment scheme. Mel Barrett introduced the Council's three main advisers – Richard Budge (SNR Denton), Christopher Pratt (Jones Lang Lasalle) and Richard Parker (Price Waterhouse Coopers).

The Executive Director informed the meeting of the following key points:-

- The proposal is a major opportunity for growth and development of the borough.
- The proposed development will consist of four new villages linking Earls Court station to North End Road with a mixed use development to include 7,500 new homes, 2 million square feet of Commercial space, a new Lost River Park and playgrounds and facilities for children of all ages.
- 36,000 temporary construction jobs and 9,500 permanent jobs will be provided.
- Once completed, the development could bring an estimated £99million per annum of additional local expenditure into the economy.

The draft Conditional Land Sale Agreement (CLSA) is a draft agreement for the transfer of the Council's land in phases, with phases of land not being drawn down until replacement homes have been provided. The Council is under a duty to consider the views of its tenants, leaseholders and the wider population in the area. It must also obtain 'best consideration' for its interest.

The proposed guarantees for tenants and leaseholders include:-

- Brand new replacement homes, one move only within the local area,
- Tenants remain secure Council tenants and continue to pay Council rents – there is no stock transfer and therefore no requirement for a ballot,
- Phased approach allows communities to be moved together,
- The compensation package for tenants covering statutory home loss payment, disturbance payment to cover moving costs and additional new white goods, carpets and curtains is generous,
- Resident leaseholders/ freeholders receive Market Value plus 10% statutory disturbance plus a further 10% early purchase discount on replacement property, i.e. two payments, and
- Service charges capped for 5 years and agreed by the Council beyond that.

Benefits for the Council include:-

- Comprehensive redevelopment allows existing housing stock to be replaced on a "new for old" basis and 16% of existing tenants who are overcrowded can be re-housed in homes with enough bedrooms to meet their need.

- Replacement housing funded by private sector funding through the developer rather than scarce public sector resources.

Richard Budge (SNR Denton) provided advice on the legal agreement. He stated that Capco must serve a Notice to Trigger the CLSA within 9 months of the completion of 150 replacement social housing units at Seagrave Road, or within 5 years, whichever is the earlier, otherwise the Council can terminate the agreement. Consideration for the Council's land is 760 new replacement homes and £105 million. Capco must have delivered all replacement homes before any land can be transferred. This will require a significant amount of investment to carry through the scheme.

Christopher Pratt (Jones Lang LaSalle) noted that after considerable analysis the proposals present Best Consideration for the Council. Richard Parker (Price Waterhouse Coopers) reported that Capco, a FTSE 250 company, had over £1 billion worth of assets and the ability to raise funds from the market and guarantees from its parent company.

Ms Jo Rowlands reported on the findings of the formal consultation with residents on the details of the proposal to include the estates within the comprehensive redevelopment scheme. 30,000 information packs and feedback forms were distributed. 1,427 feedback forms were received and considered; 622 from the wider area and 805 from estates. It was noted that initial analysis showed a majority of those who are regarded as indicating support are from the wider area covered by the consultation and those who are regarded as indicating objection are from the two estates. Although consultation had closed, the Council will continue to listen to and work with residents on the estate.

Ms Shirley Wiggins on behalf of West Kensington and Gibbs Green Estate and West Kensington and Gibbs Green Community Homes Ltd and Ms Maureen Way of West Kensington and Gibbs Green Steering Group presented deputations to Cabinet. Ms Wiggins stated the Council's consultation showed that residents said "no" by three and a half to one to its proposed sale of their homes for demolition. This confirmed the result of the 2009 petition signed by residents from more than 80% of households, who demanded that their estates be saved and that the community should decide its own future. She was of the view that the West Ken & Gibbs Green Community Homes Limited (WK&GGCHL), a Company registered to take ownership of their estates, represented a majority of residents. Ms Wiggins was also of the view that the households which support the WK&GGCHL community ownership plan outnumber those residents who support the Council's redevelopment scheme by twelve to one. Ms Wiggins stated that the Council had persisted in ignoring the overwhelming majority view expressed by the residents and members of WK&GGCHL and their elected representatives.

She urged the Council to immediately fall in line with coalition Government policy by empowering residents to take ownership of their own homes so that they can all shape their own futures. She also asked the Cabinet to instruct the Leader of the Council to write to the Government explaining that because the residents are against demolition and in favour of community ownership, he will cancel the proposed sale of the houses to Capital &

Counties, co-operate with the transfer of the estates to West Ken & Gibbs Green Community Homes Limited, and commission an independently scrutinized ballot of residents.

Ms Maureen Way of West Kensington and Gibbs Green Steering Group spoke in favour of including the West Ken & Gibbs Green Estates in the redevelopment of Earl's Court land. She noted that the Steering Group which represented a majority of residents who are in support of the redevelopment proposals was not controlled by the Council. During the consultation, many tenants were confused when they signed the consultation letters. Residents deserve new homes, leisure facilities and better shopping areas. This large scale development would affect and benefit future generations and is an opportunity not to be missed. The offer by the Council is the best deal offered in any part of London to residents. She urged the Council to give the next generation of children a better future and a decent place to live.

The Committee went into a question and answer session. Councillor Binmore inquired whether the proposed development would tackle youth employment. Councillor Cartwright suggested that a proper consultation should be undertaken by the Electoral Reform Society. He noted the report did not give a comparison of the Parker Morris standards and the London Mayor's new design guidelines. He expressed concern that the size of the rooms built to the Mayor's standards would be smaller. He was of the view that for the purpose of the section 105 consultation the Council should distinguish between "legitimate" and "tolerated" tenants. Councillor Aherne also inquired why the Electoral Reform Society was not invited to undertake a formal ballot of residents as previously done when the Council set up the ALMO.

In response to the questions, Cabinet was informed that the redevelopment proposals will help raise aspirations for young people; job brokerage facilities will be established and outreach programmes introduced to help local young people to better compete for the opportunities that would become available. It was noted that none of the 17 Estate Regeneration Programmes across London had undertaken a formal ballot. The Council also had undertaken an open consultation and not a ballot. Members and residents were encouraged to review the responses received as all are available for inspection. It was noted that it would be possible for households which were currently overcrowded to benefit from additional bedrooms to meet their need. The compliance of the development with new standards would allow better use of space and land. The Council would note the concerns regarding the size of the dwellings. However, no decision would be taken today on the form of the development. In relation to "tolerated" tenants, the Council had secured Government funding to look at fraudulent tenancies and were carrying out Experian checks. Less than 4% fraudulent tenancies have been identified, which is below the London average, and these are being investigated. The affordable housing on offer would approximately double the existing number from 760 to 1,500 units.

Councillor Aherne noted that the number of construction jobs promised was undeliverable. He recalled the unfortunate experience of Westfield which did not deliver the promised number of jobs for local people. He was of the view that the consultation responses should be weighed in favour of the secured

tenants. Councillor Phibbs expressed grave concern at the inappropriate methods used by some people knocking on doors, intimidating and threatening residents on the estates. He noted that the Council's offer was better than any offer made by any Council involved in a regeneration project across London.

A resident was concerned that two of the Council's advisers - Price Waterhouse Coopers and Jones Lang Lasalle - were also employed by CapCo in other capacities. He believed that CapCo was not financially strong enough to fund the development. Finally, he urged the Council not to undertake business with a company that used hidden subsidiaries which do not publish their accounts. He advised that the Council should seek guarantees from its parent company before doing business with it.

In response, Cabinet was informed that both Price Waterhouse and John Lang Lassale take conflict of interest very seriously. Both have effective rules to ensure that there is no access to any information between the consultancy and audit arms of the organisations. There are real barriers in place. Independence and integrity was of utmost importance. If any issues arose, these would be reported back to the Council. The valuation of the Council's land was an objective valuation open to scrutiny. It was noted that sufficient guarantees were in place, with more work being undertaken to ensure that it covered all areas. The blight indemnity was secured by the parent company.

Cabinet acknowledged the concern of not being able to secure jobs for local people at Westfield and asked officers to take this up as part of the section 106 negotiations to ensure that jobs are offered to local people. It was noted that the consultation result had separated the responses from the Section 105 tenants and the wider area consultees. A fuller report would be circulated to Members at a later meeting. It was noted that of the total consideration that would be received by the Council, approximately two thirds would be received in the form of brand new replacement homes. The remaining £105 million cash consideration would be available for housing and regeneration purposes within the borough, including the redemption of housing debt. The redevelopment proposals would address overcrowding. In comparison to the offer from 17 other regeneration projects across London, this proposal offered one move only, security of tenure, and security of rental levels as Council tenants. None of the regeneration projects in London listed below had a ballot.

Estate Regeneration	Borough
Aylesbury	Southwark
Heygate (Elephant and Castle)	Southwark
Dickens (Bermondsey Spa)	Southwark
Elmington	Southwark
Peckham (5 estates)	Southwark
Barham Park Estate	Brent
Bourne Estate	Camden
Gospel Oak	Camden
Canning Town	Newham
South Acton	Ealing
Green Man Lane	Ealing
Rectory Park	Ealing

Woodberry Down	Hackney
Silwood	Lewisham
Sundermead	Lewisham
Connaught	Greenwich
Kidbrooke (Ferrier)	Greenwich

Finally, Councillor Loveday highlighted the key economic benefits expected from the redevelopment of the land as outlined in the Jones Lang LaSalle economic assessment report, to include:-

- Temporary construction employment created during the construction phase; providing 36,033 person years of construction employment. This is an opportunity for local people to take up local jobs.
- Permanent employment created through the provision of new employment floor space; creating around 9,528 new gross direct jobs from the office, retail, hospitality, hotel and leisure sectors.
- Additional local expenditure; over £99 million of additional expenditure would be generated through this proposal which would be a significant injection of expenditure to the local economy.

The Leader read out a statement attached as an appendix to the minutes. He set out the vision for the redevelopment of Earl's Court land which would be used for homes and businesses. He noted that the Council had long said that it was interested in seeing if residents, both current and future, could also benefit from this strategic redevelopment opportunity. The officers' report had outlined the provisional analysis of the consultation to date, including the proper statutory consultation with tenants. The report openly highlighted the terms of the possible land deal with CapCo.

The Council had consulted in various ways and over long periods of time, paying special attention to the statutory tenants. It was not the right decision to try to reduce the complex issues that these proposals raise to a simple ballot. Whilst it is right to note the strong support for comprehensive redevelopment by those in the wider area, the Council also needs to recognise the outcome of the statutory consultation with the tenants. Even though the statutory consultation had now finished, the Council will continue to listen to the views of its statutory tenants, leaseholders and residents in the wider area.

He was of the view that Cabinet should note the current state of play on the discussions on the CLSA; note that the Council had yet to consider the equalities impact implications, note the legal and financial advice and then instruct officers to carry on to conclude a report with final recommendations for consideration by the Council. He reiterated that only full Council could take the final decisions in the best interests of our statutory tenants, our leaseholders, the wider area and the borough as a whole.

RESOLVED:-

1. To note :

- a) The current progress in analysing the results of the consultation, and to ask officers to continue to complete this process so as to

present a final analysis of the consultation outcomes when Cabinet next discusses the overall proposals.

- b) The proposed terms of the Tenant and Freeholder guarantees.
 - c) That discussions with Capital and Counties Properties plc will continue to clarify remaining matters so that Cabinet is in a position to consider a final decision on the transfer of land as soon as possible.
2. That expenditure of up to £116,710 per annum to provide additional staff resources to manage the ongoing process be approved.
 3. That expenditure of up to £1,070,000 of fees to provide professional advice as set out in section 8 of this report be approved.
 4. That officers be instructed to continue negotiations with Capco; continue to ensure the Cabinet can take a future decision on the best possible advice and that, if the Council decide to proceed with the CLSA, it should do so on the understanding that it will offer further opportunities to affected tenants and other residents to better understand the possible ways in which the comprehensive redevelopment option might work out for them.
 5. That Cabinet notes that the current terms in the draft CLSA as suitable for recommendation to Council, subject to no new issues being raised, no changes in the major terms and no adverse advice from our advisers, or other compelling problems arising, and
 6. That Cabinet receives a further report at a future date that brings together current advice at that time; the completed analysis on the statutory consultation undertaken, and all other matters relevant for future decision, be approved.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

216. THE GENERAL FUND CAPITAL PROGRAMME, HOUSING REVENUE CAPITAL PROGRAMME AND REVENUE MONITORING 2011/12 - MONTH 10 AMENDMENTS

RESOLVED:

1. That the changes to the capital programme as set out in Appendix 1 of the report be approved.
2. That the changes to the General Fund revenue budget and Housing Revenue Account as set out in Appendix 2 of the report be approved.
3. That the debt write off of £0.254m as set out in section 4 of the report be approved.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

217. AWARD OF A CONTRACT AND FRAMEWORK AGREEMENT FOR THE PROVISION OF SERVICE FOR FACE TO FACE CUSTOMER TRANSACTIONS

RESOLVED:

1. That approval be given to award a contract and framework agreement for the Provision of Service for Face to Face Customer Transactions to Post Office Ltd to commence in mid May 2012 for a period of 4 years.
2. That the contract award for the services be as outlined in the report.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

218. CARE PROCEEDINGS PILOT

RESOLVED:

That approval be given to the care proceedings pilot at a total cost of £95,000 to Hammersmith and Fulham Council out of the total expenditure in the project of £220,000 as set out in paragraph 5.7 of the report.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

219. REVIEW OF THE H&F ARCHIVES SERVICE

RESOLVED:

1. That approval be given to proceed with option 2 for 2012/13 as outlined in paragraph 2.2 of the report, at a total maximum cost of £50,000 that will be met by carrying forward departmental underspends from 2011/12, and to waive the application of Contract Standing Orders to this award.
2. That authority be delegated to the Cabinet Member for Residents Services, in consultation with the Executive Director for Environment, Leisure and Residents Services, to consider, agree and implement what they decide is the most appropriate longer term solution.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

220. HAMMERSMITH LIBRARY REFURBISHMENT

RESOLVED:

1. That the sum of £200,000 received from the Section106 fund as set out in this report be used to enable consultation with customers and stakeholders to commence, to scope and determine the costs of the building works and to engage an architect for the design element of the project.
2. That the sum of £725,000 released from the Section 106 fund on the commencement of the construction of the South Building of Hammersmith Car Park be used to commence the build and refit of the library.
3. That £725,000 be released from the commencement of the construction of the North Building (timeframe to be advised by developers).

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

221. HOUSING ESTATES INVESTMENT PLAN

RESOLVED:

1. That the evaluation of estates as set out in Section 2 of this report be endorsed.
2. That Fulham Court and Barclay Close be approved as the pilot HEIP scheme and that the framework of the Draft Investment Plan for Fulham Court and Barclay Close as set out in Section 4 and Appendix 3 of this report be agreed as the basis for developing the detail of the specific projects.
3. That approval be given to the proposed physical improvements components of the Draft Investment Plan for Fulham Court and Barclay Close as set out in Section 4 and Appendix 3 of this report, at an estimated cost of £0.750m to be funded from the existing budget for Fulham Court of £3.469m held within the Decent Neighbourhoods Pot.
4. That authority be delegated to the Cabinet Member for Housing, the Executive Director of Housing and Regeneration and the Executive Director of Finance and Corporate Governance to develop an initial pilot

project to oversee the disposal of up to 10 void properties to the Council's Local Housing Company as low cost home ownership units, following which a report will be brought to Cabinet.

5. That the receipts generated from the sale of void properties be earmarked for affordable housing and regeneration investment purposes at Fulham Court estate and Barclay Close (so far as possible and consistent with statutory pooling regulations), with the first call for reinvestment being the £3.469m.
6. That a Local Lettings Plan be drafted on the basis set out in Section 5 of this report.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

222. TENDER ACCEPTANCE REPORT FOR A CONTRACT FOR SERVICING AND MAINTENANCE OF FIRE FIGHTING EQUIPMENT IN HOUSING PROPERTIES BOROUGHWIDE

RESOLVED:

1. To note that the average anticipated works spend for this contract is £44,500 per full financial year, including an annual indexed uplift, and contingencies of 5%.
2. To note that the new contract is expected to start on 1 July 2012 for a period of five years with optional annual extensions up to a maximum of three years.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

223. INTRODUCTION OF A RECHARGES POLICY

A Member queried the level of charges outlined in the report. It was noted that there will be a minimum call out fee for repairs undertaken. The purpose of the report was to act as an incentive for people not to damage Council property and where damage had occurred the person who caused the damage was to be liable for the repair cost. It agreed that the communication must be clear and level of charges easily understood by tenants.

RESOLVED:

That approval is given to implement the Recharges Policy for Repairs as set out in the Appendix to the report.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

224. FORWARD PLAN OF KEY DECISIONS

RESOLVED:

The Forward Plan was noted.

225. SUMMARY OF OPEN DECISIONS TAKEN BY THE LEADER AND CABINET MEMBERS REPORTED TO CABINET FOR INFORMATION

RESOLVED:

The summary was noted.

226. SUMMARY OF URGENT DECISIONS TAKEN BY THE LEADER, REPORTED TO THE CABINET FOR INFORMATION

RESOLVED:

The summary was noted.

227. EXCLUSION OF PRESS AND PUBLIC

RESOLVED:

That under Section 100A (4) of the Local Government Act 1972, the public and press be excluded from the meeting during consideration of the remaining items of business on the grounds that they contain information relating to the financial or business affairs of a person (including the authority) as defined in paragraph 3 of Schedule 12A of the Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

[The following is a public summary of the exempt information under S.100C (2) of the Local Government Act 1972. Exempt minutes exist as a separate document.]

228. EXEMPT MINUTES OF THE CABINET MEETING HELD ON 5 MARCH 2012 (E)

RESOLVED:

That the minutes of the meeting of the Cabinet held on 5th March 2012 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

229. AWARD OF A CONTRACT AND FRAMEWORK AGREEMENT FOR THE PROVISION OF SERVICE FOR FACE TO FACE CUSTOMER TRANSACTIONS : EXEMPT ASPECTS (E)

RESOLVED:

That the report be noted.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

230. **TENDER ACCEPTANCE REPORT FOR A CONTRACT FOR SERVICING AND MAINTENANCE OF FIRE FIGHTING EQUIPMENT TO HOUSING PROPERTIES BOROUGHWIDE : EXEMPT ASPECTS (E)**

RESOLVED:

That the recommendations contained within the exempt report be approved.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

231. **SUMMARY OF EXEMPT DECISIONS TAKEN BY THE LEADER AND CABINET MEMBERS, AND REPORTED TO CABINET FOR INFORMATION (E)**

RESOLVED:

The summary was noted.

232. **SUMMARY OF EXEMPT URGENT DECISIONS TAKEN BY THE LEADER, AND REPORTED TO THE CABINET FOR INFORMATION (E)**

RESOLVED:

The Summary was noted.

Meeting started: 7.30 pm

Meeting ended: 9.13 pm

Chairman