

Cabinet Minutes



Monday 8 February 2016

PRESENT

Councillor Stephen Cowan, Leader of the Council
Councillor Michael Cartwright, Deputy Leader
Councillor Max Schmid, Cabinet Member for Finance
Councillor Vivienne Lukey, Cabinet Member for Health and Adult Social Care
Councillor Lisa Homan, Cabinet Member for Housing
Councillor Sue Fennimore, Cabinet Member for Social Inclusion
Councillor Wesley Harcourt, Cabinet Member for Environment, Transport & Residents Services
Councillor Ben Coleman, Cabinet Member for Commercial Revenue and Resident Satisfaction
Councillor Sue Macmillan, Cabinet Member for Children and Education

ALSO PRESENT

Councillor Lucy Ivimy

135. MINUTES OF THE CABINET MEETING HELD ON 11 JANUARY 2016

RESOLVED:

That the minutes of the meeting of the Cabinet held on 11 January 2016 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

136. APOLOGIES FOR ABSENCE

Apologies for Absence were received from Councillor Andrew Jones.

137. DECLARATION OF INTERESTS

There were no declarations of interest.

138. DRAFT REVENUE BUDGET AND COUNCIL TAX LEVELS 2016/17

Councillor Max Schmid commended the draft budget papers to the meeting. He noted that the Council had cut the Council Tax on the previous year and had been one of the few councils to freeze it this year, while maintaining and improving services and reducing significant number of fees and charges.

RESOLVED:

That the draft Revenue Budget and Council Tax Level 2016/17 Report be forwarded to Budget Council, subject to any changes agreed by the Cabinet Member for Finance.

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.

139. TREASURY MANAGEMENT STRATEGY REPORT 2016/17

RESOLVED:

1. That approval be given to the future borrowing and investment strategies as outlined in this report and that the Strategic Finance Director be authorised to arrange the Council's cash flow, borrowing and investments in 2016/17.
2. In relation to the Council's overall borrowing for the financial year, to note the comments and the Prudential Indicators as set out in this report and the four year capital programme 2016/17 to 2019/20.
3. That approval be given to pay the Housing Revenue Account (HRA) investment income on unapplied HRA receipts and other HRA cash balances calculated at the average rate of interest (approximately 0.60% p.a.) earned on temporary investments throughout the year with effect from 1 April 2015.

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.

140. CAPITAL PROGRAMME MONITOR & BUDGET VARIATIONS, 2015/16 (THIRD QUARTER)

RESOLVED:

To approve proposed technical budget variations to the capital programme totalling £20.6m (summarised in Table 1 and detailed in Appendix 2).

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.

141. FOUR YEAR CAPITAL PROGRAMME 2016/17 TO 2019/20

RESOLVED:

1. To approve the General Fund Capital Programme budget at £43.5m for 2016/17 (paragraph 5.1, Table 2 and Appendix 1).
2. To approve the continuation of the Council's rolling programmes and the continued use of internal funding for 2016/17 General Fund 'Mainstream' Programme as set out in Table 3 (paragraph 5.2) and specifically as follows:
 - Capital receipts amounting to £5.48m to fund the Council's rolling programmes as follows:

	£m
Disabled Facilities Grant [ASC]	0.45
Planned Maintenance/DDA Programme [ENV]	2.50
Footways and Carriageways [ENV]	2.03
Parks Programme [ENV]	0.50
Total	5.48

- Contributions from revenue amounting to £0.544m to fund the Council's rolling programmes as follows:

	£m
Controlled Parking Zones [ENV]	0.275
Column Replacement [ENV]	0.269
Total	0.544

3. To note existing capital receipts funded schemes previously approved, but now scheduled for 2016/17 (paragraph 5.2, Table 3):
 - Schools' Organisation Strategy - £2.73m
 - Carnwath Road - £ 3.07m
4. To approve the Housing Programme at £69.1m for 2016/17 as set out in Table 5 (paragraph 7.2) and Appendix 1.
5. To approve the annual Minimum Revenue Provision policy statement for 2016/17 in Appendix 4.
6. To approve the Chartered Institute of Public Finance & Accountancy (CIPFA) Prudential Indicators as set out in Appendix 5 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.

142. CORPORATE REVENUE MONITOR 2015/16 MONTH 7- OCTOBER

RESOLVED:

1. That the General Fund and HRA month 7 revenue outturn forecast be agreed.
2. That the drawdown of £1.445m from the Corporate demands and pressures reserve to fund the 2015/16 Children's Services demand pressures arising from unfunded new burdens imposed on the Council be agreed.
3. That all overspending departments to agree proposals/action plans for bringing spend in line with budget.

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.

143. CORPORATE PLANNED MAINTENANCE PROGRAMME 2016/2017

RESOLVED:

1. That the 2016/2017 CPMP be approved subject to any amendments as agreed for operational reasons by the Strategic Director of Finance, the Director for Building and Property Management, with the final commitment of any individual project over £25,000 subject to a Cabinet Member Decision or Key Decision depending on the value of works.
2. That the 2016/2017 CPMP be monitored incorporating operational changes made by the Strategic Director of Financial Corporate Services and the Director for Building and Property Management, via progress reports to the Corporate Asset Delivery Team and the appropriate Cabinet Member.
3. That the 2016/2017 CPMP monitoring report be prepared for the Cabinet Member every quarter to show any deviations over or under £5,000 compared to the original key decision report for the year. Projects with variations under £5,000 are to be reported in the summary as a financial adjustment within 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.

144. FINANCIAL PLAN FOR COUNCIL HOMES: THE HOUSING REVENUE ACCOUNT FINANCIAL STRATEGY, 2016/17 HOUSING REVENUE ACCOUNT BUDGET AND 2016/17 RENT REDUCTION

RESOLVED:

1. To endorse the revised long term 40 Year Financial Plan for Council Homes as set out in section 8 of this report.

2. To approve the Housing Revenue Account 2016/17 budget for Council homes as set out in Appendix 1.
3. To note the 1% reduction in rents for each of the four years commencing in April 2016 the potential £76 million reduction in planned repairs required over the next 10 years as a result of this if the housing stock is not transferred to a Registered Provider.
4. To approve a freeze in tenant service charges at 2015/16 levels as set out in section 9 of this report.
5. To endorse the HRA Medium Term Financial Strategy which plans to deliver further on-going annual revenue savings of £0.9million per annum by 2016/17, rising to £2.4million per annum by 2020/21, with savings coming principally from back office costs.
6. To note that £5.9m of housing debt is due to mature in 2016/17 and to approve the refinancing of £5.5m during 2016/17, in order to both meet the investment in repairs and improvements to Council homes, and to balance the gap in the financial plan that is a result of the combined effect of recent changes in central Government social housing policy and the latest stock condition survey.
7. To note that the water regulator OFWAT is not due to confirm the increase in tenants' water charges until January 2016, and therefore to delegate authority to the Lead Director of Housing (Director of Finance & Resources (Housing & Regeneration) to agree the average increase in water charges as set out in section 14.
8. To approve a freeze in the communal heating charge at 2015/16 rates as set out in section 14 of this report.
9. To approve a freeze in parking charges as set out in section 14 of this report.
10. To approve a freeze in garage charges as set out in section 14 of this report.
11. To note the risks outlined in section 11 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.

145. VARIATION TO THE STRUCTURE AND CONTRACTUAL TERMS OF THE JOINT VENTURE VEHICLE

Councillor Ivimy noted that the response given by Councillor Andrew Jones to the public question at Council on 29 January 2016 regarding the legal status of the Council's housing Joint Venture was misleading.

The Leader noted that he was aware that a complaint had been received regarding the response to this public question and advised that this was purely accidental. There was no intention to mislead at all.

Councillor Jones accurately explained that legal advice had been received which concluded that the Joint Venture was likely to be judged ultra vires. That legal advice was obtained by the funders whilst the Council's own legal advice is that the Joint Venture was not likely to be judged ultra vires.

However the decision to wind up the LLP and create a new company in order to remove any uncertainty from potential funders is a direct result of these competing counsel's opinions and the risk to the JV this caused.

This uncertainty and the risk that the JV could be judged to be ultra vires led to the decision by the Council to change the structure. Had the JV not originally been established as an LLP, neither the risk nor the need for the decision would have arisen. This is what caused the delay, which is the answer to the question asked.

Councillor Jones would like to apologise for any misunderstanding this has caused.

The Leader asked Councillor Ivimy if she accepted the apology. Councillor Ivimy acknowledged that she did but expressed her concerns in relation to the planning consideration of the development which proposed 100% affordable housing to be provided at Edith Summerskill House largely funded by S106 contributions. She noted that this was in breach of the GLA planning guidelines which required a maximum of 40%.

She also added that S106 contributions was meant to be used to mitigate the adverse impact from the development and not to fund more developments. She questioned whether it would be an appropriate use of the funds and if officers had sought legal advice in this respect. Officers advised that the S106 contributions were secured for either affordable housing or social and physical infrastructure purposes in the Borough, and therefore perfectly legal to use that for this purpose.

Councillor Ivimy believed that there would be a financial loss to the Council due to the total number of affordable housing units involved at Edith Summerskill House. She urged Cabinet to reconsider the proposal.

The Leader noted that any potential financial loss would be compensated by the very robust figure negotiated for S106, which had been the most successful anywhere in the country, and that the Administration would use it to tackle the housing crisis to accommodate local people.

RESOLVED:

1. That approval be given for the Council to take such actions as are necessary to wind up the LLP and to establish a new company, with the Council becoming a shareholder in the New Company alongside Stanhope Plc.
2. That delegated approval be granted to the Cabinet Member for Economic Development and Regeneration, in conjunction with the Director for Planning and Growth to enable the appointment of the Council's directors to the New Company and any other decision that is required so as to effect the foregoing recommendations, including the approval of any amendments to existing contracts, termination of existing contracts and approval of new contracts required to effect the foregoing.
3. That the revised SSDP ESH, as set out at Appendix 1 of the exempt report on the exempt Cabinet agenda, be approved so they can be adopted by the LLP (or, if applicable, the New Company).
4. That approval for the appointment by the Council (as a member or shareholder of the JV) of an RP partner by the JV be delegated to the Cabinet Member for Economic Development and Regeneration in conjunction with the Director for Planning and Growth and the Lead Directors of Housing.
5. That approval be given for the Council to directly undertake the demolition of ESH.
6. That approval be given to undertake a procurement exercise to appoint a demolition contractor to undertake the demolition of ESH.
7. That approval for the appointment of the demolition contractor and any consultant appointments required in respect of the demolition of ESH be delegated to the Cabinet Member for Economic Development and Regeneration in conjunction with the Director for Planning and Growth.
8. That approval be given to the Council providing a contractual obligation to reimburse the JV its costs (capped at £2m for ESH and £2.5m for WMC) for fees incurred in achieving planning consent in the unlikely event that the opportunity sites are not redeveloped. In this scenario the land will be returned to the Council free from adverse rights and with detailed planning consent.
9. That approval be given for the Council to incur additional consultancy fees for ongoing legal and professional advice as set out below:

Legal Advice	£100,000
Valuation Advice	£ 75,000
Financial Advice	£ 10,000
Other Professional Advice	£ 15,000

As costs incidental to the disposal of assets, these may be offset against capital receipts that ensue.

10. That approval to incur any additional fees in relation to the Council meeting its obligations under the terms of the conditional JV agreement be delegated to the Cabinet Member for Economic Development and Regeneration, in conjunction with the Director for Planning and Growth and the Lead Directors of Housing as Edith Summerskill House is designated as Housing Land.
11. To note that if negotiations with remaining leaseholders at ESH prove unsuccessful a compulsory purchase order (CPO) will be required to facilitate development.

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.

146. DIRECT AWARD OF A CONTRACT FOR THE PROVISION OF OLDER PEOPLE'S FLOATING SUPPORT

RESOLVED:

That approval be given to a direct award of a contract to the recommended organisation identified in the exempt report for the period and cost as set out in Table 1 in the exempt 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.

147. APPROVAL TO PROCEED TO PROCUREMENT OF GENITOURINARY MEDICINE (GUM)

RESOLVED:

- 1 To support the Council's ongoing participation in the 29 London borough collaborative.
- 2 To agree to progress with the procurement of mandatory open access GUM provision within the three boroughs on behalf of the 29 participating authorities in the London Sexual Health Transformation (LSHT) collaborative as outlined in option 2 below. Each authority retains sovereignty within the collaborative arrangements.
- 3 To agree that the procurement process is progressed on behalf of the London collaborative in line with current framework arrangements.
- 4 To agree that LBHF continue to commit to the inter local authority agreement regarding the London collaborative. This agreement will sets out the liabilities and obligations of each authority across London.

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.

148. PROCUREMENT OF LOCAL HEALTHWATCH SERVICES FOR RBKC, H&F AND WCC

RESOLVED:

1 For the London Borough of Hammersmith and Fulham

- That Cabinet notes that the award of contract is recommended by the Tri-Borough Contracts Approval Board and the Director of Delivery and Value;
- That Cabinet agrees to the award of a contract for the provision of Local Healthwatch Services to Hestia Housing and Support in association with Local Healthwatch Central West London for the fixed period of 1 April 2016 to 31 March 2018 with the option to extend the contract until 31 March 2019; and

- That approval on whether to extend the contract to a third year be delegated to the Cabinet Member for Health and Adult Social Care.

2 For the Royal Borough of Kensington and Chelsea

- That this report be exempt from disclosure by virtue of the Local Government Act 1972 Schedule 12A, Part 1, paragraph 3 (as amended) in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information);
- That the Cabinet Member for Resident Engagement and Voluntary Organisations, notes that the award of contract is recommended by the Tri-Borough Contracts Approval Board and Director of Strategy and Local Services; and
- That the Cabinet Member for Resident Engagement and Voluntary Organisations, agrees to the award of a contract for the provision of Local Healthwatch Services to Hestia Housing and Support in association with Local Healthwatch Central West London for the fixed period of 1 April 2016 to 31 March 2018 with the option to extend the contract until 31 March 2019.

3 For Westminster City Council

- In view of the value of the new contract being below the required threshold for a decision by Westminster's Cabinet Member for Adults & Public Health, the decision will be delegated to the Executive Director of Adult Social Care. The Cabinet Member for Adults & Public Health has been fully briefed on the contract award.

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.

149. CONTRACT AWARD FOR THE VEHICLE POUND AND REMOVAL SERVICES

RESOLVED:

That the London Borough of Hammersmith and Fulham (LBHF) authorise the Royal Borough of Kensington and Chelsea (RBKC) to award a shared contract for vehicle pound management and removals and relocation services to NSL at a total cost to LBHF of £474,000 per annum over 12 years. The contractual

arrangements between the two boroughs will be set out in the in the inter authority agreement.

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.

150. FORWARD PLAN OF KEY DECISIONS

The Key Decision List was noted.

151. 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.]

152. EXEMPT MINUTES OF THE CABINET MEETING HELD ON 11 JANUARY 2016 (E)

RESOLVED:

That the minutes of the meeting of the Cabinet held on 11 January 2016 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

153. VARIATION TO THE STRUCTURE AND CONTRACTUAL TERMS OF THE JOINT VENTURE VEHICLE : EXEMPT ASPECTS (E)

RESOLVED:

That the recommendations contained in 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.

154. DIRECT AWARD OF A CONTRACT FOR THE PROVISION OF OLDER PEOPLE'S FLOATING SUPPORT : EXEMPT ASPECTS (E)

RESOLVED:

That the recommendation contained in 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.

155. APPROVAL TO PROCEED TO PROCUREMENT OF GENITOURINARY MEDICINE (GUM) : EXEMPT ASPECTS (E)

RESOLVED:

That this 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.

156. PROCUREMENT OF LOCAL HEALTHWATCH SERVICES FOR RBKC, H&F AND WCC : EXEMPT ASPECTS (E)

RESOLVED:

That the appendix 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.

157. CONTRACT AWARD FOR THE VEHICLE POUND AND REMOVAL SERVICES : EXEMPT ASPECTS (E)

RESOLVED:

That this 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.

Meeting started: 7.00 pm
Meeting ended: 7.18 pm

Chair