

MINUTES OF THE MEETING OF THE CABINET HELD ON TUESDAY, 12TH DECEMBER, 2017, 6.30pm

Also in attendance - Councillors: Morris, Connor, Brabazon, Carter, Ibrahim, Gallagher

PRESENT:

Councillors: Claire Kober (Chair), Peray Ahmet, Jason Arthur, Eugene Ayisi, Ali Demirci, Alan Strickland, Bernice Vanier, Elin Weston and Joseph Ejiofor

Also in attendance - Councillors: Morris, Connor, Brabazon, Carter, Ibrahim, Gallagher

116. FILMING AT MEETINGS

The Leader referred to agenda item 1, as shown on the agenda in respect of filming at the meeting and Members noted this information.

117. APOLOGIES

Apologies for absence were submitted from Councillor Goldberg.

118. URGENT BUSINESS

There were no items of urgent business put forward.

119. DECLARATIONS OF INTEREST

Councillor Demirci, Cabinet Member for Corporate Resources, declared a personal interest in item 11, Disposal of Fairfax Hall, Portland Gardens N4 under the Community Asset Transfer Policy.

120. NOTICE OF INTENTION TO CONDUCT BUSINESS IN PRIVATE, ANY REPRESENTATIONS RECEIVED AND THE RESPONSE TO ANY SUCH REPRESENTATIONS

There were no representations relating to items on the exempt part of the agenda.

121. MINUTES

The minutes of the meetings held on the 14th of November were agreed as a correct record of the meeting.

122. DEPUTATIONS/PETITIONS/QUESTIONS

Deputation 1 – Unison – Chris Taylor

Mr Taylor spoke, on behalf of Unison, in opposition to the closure of Osborne Grove Nursing Home. Mr Taylor expressed that management were using the earliest opportunity, following the CQC [Care Quality Commission] “requires improvement” rating, to close Osborne Grove Nursing Home and to re - provide the nursing facility with an external provider. The new staff would be employed on lower wages and lower working conditions. Mr Taylor expressed that to close Osborne Grove Nursing Home would leave staff, who were mainly women and from a BAME background, without employment. Furthermore, the closure would lead to vulnerable residents having to be moved, causing undue distress and disruption to their daily lives. Mr Taylor expressed that this action was not needed, if the residential nursing home was likely to be re-opened, providing nursing care beds.

Mr Taylor contended that the CQC had not required the Council to close Osborne Grove Nursing Home and there had been significant improvements made, since the earlier CQC inspection findings. In Mr Taylor’s view, the CQC findings on the failings of the home, were related to senior management and governance failures. Mr Taylor, on behalf of Unison, contended that the issues with staff at the home had been exaggerated.

Mr Taylor referred to the CQC report from February 2017 where the only standard at the home rated as “good” was for caring. This was the standard that related mostly to the actions of the front line staff in the Nursing Home. He spoke favourably of staff interactions with clients and carers. He felt that there was no reason why the Nursing Home could not remain open, continuing to take forward the improvements made.

Mr Taylor further questioned how meaningful the consultation had been, given that only one option of closure had been put forward.

The decision to close Osborne Grove would consequently make staff redundant and this action conflicted with employment law, including TUPE. Mr Taylor called for Cabinet, to not close Osborne Grove. He appealed for this Nursing Home to be either run by the Council or be managed in partnership with the NHS, keeping vulnerable residents living in the Home whilst continuing improvements.

Mr Taylor further reflected that, if an elderly resident was living in a house that was not good, the Council would work to improve this. Therefore, Mr Taylor felt that the same principle should apply to Osborne Grove.

The Leader sought Mr Taylor’s view on the current overspend of £1m on the home, in light of the care quality issues and the pressing financial issues. Mr Taylor questioned whether this money was well spent as there were basic failures identified in the home which, in his view, were compounded by lack of management oversight and inconsistent audits. Mr Taylor contended that with improved processes and proper management oversight, issues at the home could have been resolved without the high level of financial investment. Also the cost of the home had increased recently because of the overdue need to invest in improved equipment to assist carers in the home with clients. The increased cost of moving people from the Nursing Home and re-providing care, needed to be compared to the potential re-opening the Nursing

Home in the future. There was also a potential legal issue, if the Council re-provide the Nursing Home and have made staff redundant.

Councillor Vanier, Cabinet Member for Adult Social care and Culture responded to the deputation. The fact that the CQC did not require the Osborne Grove to close was not disputed. However, the current rating of Osborne Grove “requires improvement” also needed to be considerably factored. There had been three out of four warning notices assessed as being complied with but the Nursing Home, which had been taken out of special measures, still “required improvement” and this fell short of required standards put forward by the Council to other providers which were to be “good” or “outstanding”.

The Cabinet Member asserted that senior management roles and responsibilities in relation to the Nursing Home had been working. The Care Quality Commission, Clinical Commissioning Group and corporate management of the council had provided support to make these improvements. It was important to note, that the embargo on the Nursing Home had been in place since August 2016 and the Council had been working throughout this time to improve the quality of care. The CQC had acknowledged these improvements, in July, but there were still further improvements needed.

In respect of providing alternative provision, 90% of nursing care commissioned externally was categorised as “good or outstanding.”

The Cabinet Member thanked Unison for their deputation and the tabled response to the consultation would also be noted.

Deputation 2 – Gordon Peters representing Haringey over 50’s forum, Haringey Older People’s Reference Group and Hornsey Pensioners action group

Mr Peters, spoke in opposition to the closure of Osborne Grove Nursing Home. He expressed that Osborne Grove was the last remaining full time residential home, caring for residents with frailty and complex needs. Mr Peters felt that the value of the provision was recognised by the Council and was regarded a valuable and well placed site to provide nursing care.

Mr Peters referred to a previous Council led options appraisal exercise concerning Osborne Grove, in late 2015, which explored continuation of nursing bed provision alongside provision of respite care and rehabilitation services.

Mr Peters welcomed the Council’s effort to improve the care provided at Osborne Grove, following a decline in CQC [Care Quality Commission] ratings. He attributed the current high costs of the Nursing Home to the Council’s own admissions embargo, leading to low occupancy levels and higher staffing costs. Although the current position was unsustainable, Mr Peters contended that closure was the wrong option.

Mr Peters asserted that there was already a lack of nursing care beds in the borough and questioned the timing of this closure now. Mr Peters claimed that 41% of care beds in the borough were poor or “requires improvements”. All lives mattered, and Mr

Peters expressed that Cabinet take account of legal and reputational issues that will arise following closure of this Nursing Home

An options appraisal for the Osborne Grove site was due to be considered at the January Cabinet meeting and Mr Peters questioned why the decision on closure was being considered before the options appraisal. Audits of referrals to the home, further indicated there was good potential to provide mixed use nursing beds.

Mr Peters urged Cabinet to listen to the consultation responders, and for social care provision be seen as a contributor to the local economy rather than a drain on resources.

Mr Peters concluded by asking Cabinet, to act on carers concerns and bring forward options for continuing the services at Osborne Grove; fully costed with the NHS or a social enterprise before closure is considered.

The Leader highlighted the previous work of the Council to avert closure of the home in November 2015, when there were discussions with Whittington Health on providing step down accommodation. This demonstrated the Council's willingness to find solutions for the Nursing Home. Mr Peters repeated his assertion that the Council should be working with the CCG to provide a better future for this Nursing Home. Mr Peters, further expressed that the options appraisal with financial projections and guarantees for nursing beds, should come forward to Cabinet for consideration before closure is considered.

The Cabinet Member responded to the issues highlighted by Mr Peters in his deputation. The Cabinet Member explained that the options appraisal had begun last year but the quality of care issues then took precedent over this additional provision, and Whittington Health had stepped back from these negotiations.

The Cabinet Member outlined the gravity of the situation with Osborne Grove subjected to a statutory local authority led establishment concerns process. This was put in place to manage the number of essential improvements required under quality of care and was completed with the support of multi-agency co-operation, local providers of care, and having an embargo in place.

Improvement plans had been in place since 2016 to improve the quality and safety of care. The Cabinet Member re-iterated the standard of care expected for all care providers in the borough and this also applied to Council providers of care. It was important to note, that despite improvements there were still key issues that remained. For example, the embedding of improvements needed to be seen as established and the care quality assurance system still needed improvement, in terms of having evidence of care. The knowledge, skills and competency of staff at the Nursing Home was still of concern. This was in spite of input from senior management, corporate resource additions and working with CCG.

The Cabinet Member concluded, by re-iterating the commitment to explore alternative models of nursing care on the Osborne Grove site.

The Cabinet Member thanked the deputation for their views.

Following the completion of the deputations, the Leader varied the agenda, to allow consideration of item 10 [minute number 125] outcome of the consultation and decision on the proposal relating to Osborne Grove Nursing Home.

123. MATTERS REFERRED TO CABINET BY THE OVERVIEW AND SCRUTINY COMMITTEE

Cabinet were asked to consider the Environment and Community Scrutiny Panel Review on the Fear of Crime which was introduced by Councillor Gallagher and considered the responses to the Scrutiny recommendations, outlined by Cllr Ayisi.

124. CABINET RESPONSE TO SCRUTINY REVIEW ON FEAR OF CRIME

Councillor Tim Gallagher introduced the Scrutiny Review on the Fear of Crime which he had inherited as the Chair of the Scrutiny Panel for Environment and Community Safety. He thanked Councillor Gunes, and her Panel for their considerable work on the review which was put forward for consideration and response by Cabinet.

Cllr Gallagher highlighted the key findings and recommendations of the review which were:

- The relationship between crime and fear of crime was not straight forward and it was important that these were treated as related but distinct issues.
- Haringey residents had some of the highest levels of fear of crime amongst London Boroughs. These levels were higher than many boroughs with similar characteristics to Haringey but with higher levels of recorded crime.
- The Panel took evidence from a number of sources and range of interventions were discussed and identified.
- Further clarity was needed on which interventions could be more successful so there was key recommendation for CSP [Community Safety Partnership] to do more work on this identification.
- It was further proposed that an action plan is compiled, taking forward effective interventions. As this action did not fall in the remit of Cabinet, it was hoped this would be considered by the CSP, going forward.
- The Panel welcomed the proposed Housing in Multiple Occupation Additional licensing scheme, which was currently out to consultation, and will have an impact on anti- social behaviour and fear of crime.

Overall, Cllr Gallagher was pleased that a majority of the recommendations were proposed for agreement and hoped this issue remained a priority for the borough, going forward.

Cllr Ayisi, Cabinet Member for Communities responded, by thanking Cllr Gunes for leading and compiling this Scrutiny review. The recommendations put forward, were consistent with the existing and emerging Community Safety Strategy. Cllr Ayisi was pleased that the recommendations, not only related to crime/antisocial behaviour but involved services such as those contained in the portfolio of the Cabinet Member for

Environment i.e. street lighting and HMO licensing. This was important, given tackling crime and the fear of crime should involve wider council service actions.

In respect of the scrutiny recommendations, the Cabinet Member explained that those which were partially agreed, reflected that work was ongoing. The recommendations which were fully agreed reflected that the required actions were already in place or soon to be actioned.

The Cabinet Member thanked the Panel and looked forward to working with them to ensure the fear of crime in the borough is reduced.

RESOLVED

1. To note the Scrutiny Review into the Fear of Crime set out in Appendix 2.
2. To agree the response to the recommendations of the review set out in the Appendix 1.

Reason for Decision

The Overview and Scrutiny Committee recommendations flow from its extensive investigation and report. They set out a reasonable and measured set of requests which, where they are within the full gift of the Council are recommended for agreement. Where they rely on others the recommendation is partial agreement.

Alternative options considered

The recommendations are consistent with the existing and emerging community safety strategy. This has been informed by extensive consultation. Therefore, no other options have been considered.

125. OUTCOME OF CONSULTATION AND DECISION ON PROPOSAL RELATING TO OSBORNE GROVE NURSING HOME

The Cabinet Member for Adults and Social Care introduced the report, which proposed the closure of the Osborne Grove Nursing Home due to significant concerns about the quality and safety of the care being provided to the residents at the Home.

In response to questions from Cllr Arthur, Connor, and Brabazon, the following information was noted:

- There was concern across North Central London on the availability of Nursing Care beds and this continues to be an issue.
- Since CQC [Care Quality Commission] rated Pricilla Wakefield House as “require improvements”, the Council had only placed one resident there. This was due to very exceptional circumstances to do with the family themselves wanting this place.

- In relation to the consideration of the options appraisal, the Council were following the required process in firstly dealing with the outcome of the consultation before considering the options appraisal.
- The higher order issue, concerned the quality of care at home. The Director for Adult Social care reminded the meeting of her statutory duty of care for the residents at Osborne Grove Nursing Home. The Director was directly accountable for the Nursing Home and regularly considered the detail around the standard of care provided to residents by staff. It was important to note, that staff performance could not be judged on demeanour and first impressions of their interaction with clients. There was a need to consider how the nutritional needs and assessed clinical needs of the clients were being addressed on a daily basis and if identified issues/concerns by staff were progressed upwards through the management line. The embargo on admissions, which had been in place for over a year, reflected the position in relation to staff as this could not be lifted because of concern about care and safety of patients.
- The Director provided assurance that independent advocates would be employed to support and provide a voice for the clients in the closure process. The director understood the concerns of a move being traumatic for clients but evidence showed that moving to a better standard of care would mean their health improves. Therefore, there was a need to balance considerations.
- The £1m overspend on Osborne Grove Nursing Home had arisen due to a number of reasons: the loss of contributions from CCG who have not made block contracts with the home due to the Embargo on placements put in place through the Establishment concerns process , the loss of direct contribution from clients that would have funded their care at the Home, and the additional cost of specialist staff employed because of poor staff practices. There had been significant effort to improve staffing practices. However, despite management oversight, there was still evidence of poor staff practice.
- The interim Chief Financial Officer confirmed that the Nursing Home incurred revenue cost which could not be capitalised. The equipment at Osborne Grove was unlikely to suit capitalisation as it was small in size. Therefore, capitalisation would not make an impact on the budget overspend.
- The Assistant Director for Commissioning emphasised that that the Council were working with the 5 boroughs in North Central London and CCG to keep provision of “good” and “outstanding” nursing care and also working on new models of care. This was an active piece of work in the area. There was support to providing quality and there was an awareness of the other two nursing homes, mentioned by Cllr Connor, which required improvement. The Council were proactively working to improve their level of care. There was an ongoing tally kept of vacancies for good nursing homes next to the borough. The Assistant Director for Commissioning assured Members, that there were more than enough, “good” or “outstanding” homes in immediate neighbouring borough for Osborne Grove clients to move to. This was of course, further to there being a complex and detailed process to assess the move.

- The Assistant Head of Legal Services advised that, in relation to the legal issue raised on closure, this was set out in the Cabinet report from section 8 onwards. The legal aspects of the move were dealt with in the recommendations at section 3.4, bullet points (a) to (c), of the Cabinet report. In terms of the move of clients from the Nursing Home, this would be subject to capacity assessment completions and also the best interest decision making process would be applied which required engagement with family members and carers as well.
- Where a resident, residing at Osborne Grove, was under a court protection order, an application would need to be made to the court to vary this.

RESOLVED

1. To consider and take into account the detailed feedback from the consultation undertaken and at Appendix 1.
2. To consider and take into account the qualities Impact Assessment undertaken which includes actions proposed to mitigate the impact of the proposed closure on protected groups and at Appendix 2.
3. In light of the information in 3.1 and 3.2 and the mitigation responses in section 6, to close Osborne Grove Nursing Home on the grounds of sustainability of quality and safe care of residents.
4. To agree that the closure be subject to an implementation plan that includes:
 - Engagement with all stakeholders including service users and carers:
 - The re-assessment or review of the care and support needs of service users with a view to identifying suitable alternative provision to meet assessed needs; and
 - Individual transition plan that is sensitive to the needs of service users mitigates the impact of the closure, ensures the process of change is safely handled and the care and support needs of the service user continue to be met.
5. To ensure that the closure be managed in accordance with the Managing Care Home Closures Good Practice Guide and Management Checklist approved by the CQC.
6. To agree that the options appraisal for the future use of Osborne Grove Nursing Home for nursing care provision can be completed and brought to the Cabinet at the earliest opportunity.

Reason for decision

Osborne Grove Nursing Home is run by the Council and provides nursing and residential provision for up to 32 older people with complex needs. The Council has a responsibility to ensure that safe and effective care is provided at all times.

The Home has been subject to a local authority led “Establishment Concerns” process to manage through a number of essential improvements to service user safety and the quality of care. Since August 2016, an embargo was put in place on new placements whilst an improvement plan was implemented aimed at improving the safety and the quality of care delivered at the Home.

There has been a comprehensive improvement plan in place as well as a thorough inspection and auditing regime which includes 3 CQC inspections, an audit by Mazars (Council’s internal auditors), a number of Care Commissioning Group (CCG) inspections and one joint CCG and Commissioning Inspection. In addition, an extensive new auditing arrangement was put in place to monitor practice on a daily basis. All activity has been overseen by the Director Adult Social Services and the Joint Improvement Steering Group which has responded to the findings of each audit and inspection to improve practice and care. Despite this, and the associated significant investment in resources, improvements have not been made at the pace or to the level required.

The latest CQC inspection in July 2017 found there to be sufficient improvement to take the Home out of Special Measures and to be awarded an overall rating of “Requires Improvement”. Whilst 3 of the 4 warning notices were assessed as being complied with, one remained outstanding. The rating of Requires Improvement continues to fail to meet our own placement standards requirements which set the standard at Good or Outstanding.

There have been extensive additional resources deployed and spent in the Home, this has included specialist improvement resources as well as additional operational staff (Nurses, HCA’s and Domestic) and new equipment.

Due to the embargo, and its own significant concerns, the CCG can no longer make the 8 continuing health care placements in the Home which it has done for some years. From a financial perspective, this has meant a drop in income to the Home which is now operating at well below capacity.

The embargo also means that there are 15 empty beds at the Home in total and that 15 additional nursing care places have had to be purchased outside the Home to accommodate those in need of nursing care.

The impact of the additional investment required to improve the quality of care being provided at the Home, combined with the loss of income as the Home is operating below capacity and the fact that additional beds have had to be purchased externally for a considerable period, is a projected overspend of £1m. This is not sustainable given the Council’s financial position and is not affordable given the overall spend on 17 people is now standing at a figure in excess of £2m.

There are many aspects to providing good care and whilst the definition of caring in the CQC Inspection Framework is Caring: staff involve and treat you with compassion, kindness, dignity and respect, there is a more fundamental requirement of caring to ensure that individuals are having all their needs identified and to take appropriate action to ensure that this happens on a daily basis. This includes, but is not limited to: appropriate nutrition so that people are well fed with food they enjoy;

personal care delivered in a timely and appropriate way; ensuring that turning and regular checks are in place to prevent pressure sores; maintaining people's dignity by enabling them to undertake tasks such as using the bathroom; offering a range of activities that they enjoy. Critical to all of this is ensuring that any potential issues are identified in a timely manner and appropriate action is taken and recorded accordingly.

In order to ensure that residents are receiving this appropriate care on a day to day basis the Home's management team undertakes an extensive range of audits, the frequency of which vary from daily, weekly to monthly depending on the area of inspection. The main one is the Clinical Audit, which involves two key charts being checked daily by management and a full audit on alternate days of all charts.

The Home's own auditing arrangements, which are far in excess of normal practice, continue to identify and raise practice issues with the quality and safety of care provision. These additional issues also require management intervention and extensive management oversight, due to significant continuing concerns that they may result in further safeguarding issues because of ongoing failures by the staff team proactively to identify issues and take appropriate and timely action.

The recent consultation, which is set out in more detail in section 6 of this report, raised a number of issues for consideration in relation to closure of the Home. The consultation report is attached as Appendix 1. Following in-depth analysis of these issues, mitigating actions have been identified for each of the issues raised and it is believed that they do not provide sufficient grounds to keep the Home open as currently managed and delivered.

A best practice guide on Care Home Closures has been developed through work with a significant number of stakeholders including the Association of Directors of Adult Social Services, Local Government Association, NHS England, the Care Quality Commission, provider and commissioning organisations and representative bodies for people using services and their carers. The Managing Care Home Closures Guidance aims to ensure that, where temporary or permanent care home closure situations arise, there is a joined-up and effective response from all partners involved to minimise as much as possible the impact on people using services, their families, carers and advocates and to keep them as fully informed and involved as possible throughout the change. Moves to higher quality settings are also associated with improved outcomes. Thorough assessments of both needs and risks, on an individual basis and for individual plans would be developed accordingly. This means that no timescale for closure can be given until the completion of the assessments and understanding of the care and support planning requirements.

The Council will continue to provide access to suitable nursing care for the residents of Haringey and recognises the need for ensuring a range of provision to meet local need. An options appraisal on the future of the Home, previously underway, was paused pending the quality concerns about the service provision at the Home. The work on the options appraisal will be resumed once a decision on the

Home has been taken and recommendations for consideration will be brought to a future Cabinet.

Staff have been consulted on the closure of the Home. If the decision to close is made a further consultation with staff will be required in accordance with the Councils HR policies and procedures.

Any decision to close a residential or nursing care home is a significant one and has implications for the current residents, future provision in the area and for staff within the Home. However, in light of the above, including the protracted practice and staffing issues, that are impacting adversely on the standards required to ensure compliance, the recommendation is that OGNH be closed on quality of care and safety grounds and on the lack of sustainability of current arrangements to ensure continued quality of care and safety for the full capacity of 32 residents. There has been a period of consultation with residents, family members and other stakeholders on the proposal. The service will continue to work to meet full compliance with the required standards of care and ensure that residents care and support needs are met.

Alternative options considered

The consultation focused on whether the Home should close as a result of significant care quality concerns and of the sustainability of arrangements to maintain high quality standards in the Home. As well as the option of closure, the option of keeping the Home open the “as – is” option was also considered.

As – Is

Due to ongoing concerns about the current service provision at the Home. it would be necessary to retain the level of resourcing and associated management oversight that is currently in place. In light of these on-going concerns, the embargo would also be required to remain in place. This would have significant financial costs associated with it, particularly as a result of the reduced income. However more significantly the risks to residents care and safeguarding remain the significant concerns.

126. DISPOSAL OF FAIRFAX HALL, PORTLAND GARDENS N4 UNDER THE COMMUNITY ASSET TRANSFER POLICY

(Clerks note - Councillor Demirci left the meeting at this point, following a declaration of a personal interest at the start of the meeting).

The Leader of the Council introduced the report which sought approval for the disposal of the Council's freehold interest in the Kurdish Community Centre. This proposal was guided by the principles of the Council's Community Asset Transfer policy, safeguarding the building for future community use.

The Kurdish Community Centre made a significant contribution to the community and the organisation had already funded and completed significant improvements to the

building. They had further been continuing to fundraise, over a number of years, to acquire the building.

The Leader referred to the safeguards in place, following the proposed transfer of the freehold. These were set out at paragraph 4.7 and included:

- A covenant to ensure that no redevelopment of the site and building can take place.
- A covenant restricting use of the site and building to community use only.
- An option that the Council would have first right of refusal to re-purchase the site if the organisation is no longer able to manage or maintain the condition of the site and building. If this happens at any point in time in the future, then the re-purchase price would be at the same consideration sum that Yek-Kurd CIC paid the Council plus an on a RPI increase.

RESOLVED

1. To declare the Kurdish Community Centre site (as shown in the red line Plan in **Appendix 1**) surplus to requirements.
2. To authorise the disposal of the Council's freehold interest in the Kurdish Community Centre site to Yek-Kurd CIC for a sum of £593,000 (Five Hundred and Ninety-Three Thousand Pounds) for the reasons set out paragraph 4 of this Report and on the terms and conditions set out in Appendix 2 of this Report.

Reasons for decision

The Kurdish Community Centre have long expressed a desire to acquire the freehold of the Kurdish Community Centre site. In the event that the Council would support such a position the organisation has systematically fundraised to enable them to purchase the building with the aim of continuing to provide social and economically beneficial services to the Kurdish Community and run the Centre for general Community Wellbeing.

The Cabinet on 3rd July 2017 approved a Community Asset Transfer (CAT) Policy which generally supports the transfer of Community Buildings on a leasehold basis where it can be shown that:

- a) there is a social and economic benefit,
- b) where communities can be enabled to take a long term interest in the building
- c) organisations can be better enabled to take attract long term funding

In preparation for the acquisition, a separate community asset company, Yek-Kurd CIC has been set up KCC. The Community Interest Statement states that:

“the company will carry on its activities for the benefit of the community, or a section of the community. The company's activities will provide benefit to Kurdish people living in London and the United Kingdom. Yek-Kurd aims to

provide services to meet the social, cultural and legal needs of Kurdish people. These services also include working with other organisations in the UK to build a greater network to support its activities for helping people in difficulty in the UK.”

Freehold disposal

KCC have requested the acquisition be agreed on a freehold basis in the light of the significant improvements they have made to the building; they are however very willing to accept restrictive covenants to ensure that that the building remains in community use.

The Council has the powers under section 123 of the Local Government Act 1972 to dispose of land in any manner it wishes, including sale of its freehold interest. The only constraint is that a disposal must be for the best consideration reasonably obtainable, otherwise the Council must obtain the consent of the Secretary of State.

The Kurdish Community Centre have demonstrated a significant contribution to social and economic outcomes in the borough (as set out in paragraph 4.9) and have secured external funding from the National Lotteries Board to enlarge and improve the condition of the building for the benefit of the community. In 2015 KCC fundraised to refurbish the canteen/kitchen area which is being used by a local women’s Kurdish group who provide meals on wheels’ services.

It is proposed that in this case the Council transfers the freehold interest to KCC’s newly formed Community Interest Company. To safeguard the continued community use of the building in the context of the freehold transfer it is proposed to impose conditions on the sale in line with those set out in the CAT Policy which will include:

- a) A covenant to ensure that no redevelopment of the site and building can take place.
- b) A covenant restricting use of the site and building to community use only.
- c) An option that the Council would have first right of refusal to re-purchase the site if the organisation is no longer able to manage or maintain the condition of the site and building. If this happens at any point in time in the future, then the re-purchase price will be at the same consideration sum that Yek-Kurd CIC paid the Council plus an on a RPI increase.

Community Benefits:

KCC provides significant socio-economic benefits to the Borough. The site is identified as a key area of community space in the Borough and the terms of the transfer will safeguard this use. The aims and objectives of KCC is to:

- To relieve poverty and have provisions to provide advice in areas such as immigration, welfare rights, housing, health and education.
- To work towards the preservation and promotion of Kurdish language, art, literature and cultural heritage.
- To assist Kurdish children in their mainstream education by running a supplementary school to develop their core subjects.

- To encourage adult education, increase access to employment and enable Kurdish people to gain confidence by providing language courses and information technology training.
- To improve the social and cultural lives of the Kurdish community by organising entertainment events.
- To divert the Kurdish youth from crime by providing social, cultural and educational activities for them.
- To provide advice & advocacy, educational, and cultural activities for adults and children throughout London.

Below briefly describes the social and economic benefits KCC provides to the community in line with the Council's Corporate Plan and Priorities:

For Community Resilience - KCC provide:

- Sources of general information, advice and guidance to the Kurdish and wider local communities on benefits, immigration, employment, and housing – this project supported 650 clients between September 2016 to July 2017.
- Housing related support and interpreting services is available free to local residents
- Access to free English classes/courses – approx. 200 clients
- Kurdish language classes are offered – approx. 55 children attending

For Community Participation - KCC work with a wide network of members offering peer support and engagement in community activities.

For Community Health and Wellbeing - KCC provides:

- Free nutritious meals are available in a community setting to improve health and reduce social isolation for older and disabled community members
- Turkish and Kurdish talking therapy sessions for those suffering with mental ill health

For Community Identity and Cohesion - KCC is a base for Kurdish cultural events and lessons i.e. folk dance classes which has 45 community members

For Community Asset - KCC provides free access to small local community groups to use meeting spaces in the Centre and to local residents to host family events at an affordable cost.

KCC's Improvements

Historically, the Kurdish Community Centre (KCC) occupied the site (being the former Fairfax Hall building) under a Tenancy at Will (TAW) from 31st December 1997. On 20th August 1998 the main hall of the building was severely damaged by fire and the cost of the reinstatement works for the building were recoverable under the Council's Building Insurance policy.

As the building had to be largely rebuilt, KCC wanted to take the opportunity to carry out improvement and refurbishment works to the building in parallel to the insurance works.

During 1999, KCC had in principle secured funding in the sum of £180k from the National Lottery for the planned improvements works. It was a requirement of the community fund that the organisation had a formal lease in place for the building for a term of 25 years. As a result, a full repairing lease dated 20th December 2001 was entered into with KCC for a term of 25 years from 20 December 2001 at an initial annual rent of £22,000 exclusive (current rent payable is £32,200 per annum).

In addition, the Council entered into a Collateral Agreement with the National Lotteries Board which covered repaying back the community fund in case the Council exercised the Landlord's option to break the Lease within the duration of the lease term.

Landlord's formal consent was granted and documented under a Licence to Alterations dated 18th July 2003 to enable KCC to undertake the improvement works. Essentially, the works included extending the first floor to create more teaching classrooms, library space and a new roof. KCC also appear to have invested some funds raised directly by the community into improving the ground floor space.

The Lease states that the cost of improvements is not to be reimbursed to KCC if the lease terminates, therefore, any increase in capital value as a result of the KCC's improvements made to the building is to the benefit of the Council as the landlord. Nonetheless, KCC also benefits as under the Landlord and Tenant Act 1927 tenant's improvements are to be disregarded upon rent review for a period of 21 years, during which time the newly assessed rent per annum should reflect the value of the unimproved building.

Valuation of the site

The Council instructed Property Consultants GL Hearn to value the building based on its existing use. The main factor affecting value is that the property must only be used as a D1 Community Centre.

The market valuation for the Kurdish Community Centre site is £829,000 (Eight Hundred and Twenty-Nine Thousands Pounds). The valuation remains the same whether the transfer is freehold or leasehold because the use will remain restricted to D1 – Community Centre.

The current rental value payable for the building excluding the tenant's improvements is £32,200k per annum. This rent was being supported through circular funding, a policy which is now being phased out across Haringey's community buildings, meaning KCC would have to pay the rent from 1st April 2019.

The rental value of the improved space (tenant's improvements) has been assessed at £33,750 per annum but this is currently disregarded as set out in para 4.14 above.

Sale value

Notwithstanding the provisions of Section 123 of the Local Government Act 1972 (see para 4.5) the Council may, under the General Disposals Consent Order (England) 2003, dispose of assets for less than market value where it considers that the disposal

would help secure the promotion or improvement of the economic, social or environmental well-being of the area.

It is recommended that the site is offered to KCC at an undervalue as it fully meets the requirement of providing a significant contribution to the promotion and improvement of the area in socio-economic terms as set out in paragraph 4.8 of this Report.

In order to calculate the value of any discount applied to the market price, account is taken of the substantial investment secured and made by KCC in the fabric of the building. The methodology for the discount calculation is to capitalise the annual rental disregard to which KCC would have otherwise been entitled if they had continued to rent the building.

There are seven years remaining of the disregard period. The aggregation of the rental discount over seven years of the current lease is £236k (£33,750 per annum x 7 years = £236k). The net present value (NPV) of the discount sum in seven years' time has been calculated at £121,105. For the purpose of this report, it is recommended that the sum of £236k is reflected and reduced from the capital valuation (i.e. £829k - £236k = £593k).

It is recommended that KCC is offered the Council's freehold interest of the site at an undervalue in a sum of £593,000 (Five Hundred and Ninety-Three Thousand Pounds).

Where the Council decides to dispose of an asset at undervalue a clear rationale must be evident. In this instance the rationale for the undervalue is the socio economic contribution made by the organisation in question.

The undervaluation calculation is made possible by a fairly unique set of circumstances in the borough in that this organisation has carried out improvements by investing a significant amount of money, effectively increasing the floor space of the building by 100%.

Alternative options considered

The following alternative options have been considered:

- Do nothing: under this option the KCC would pay the phased community market rent then move onto full lease terms upon lease renewal;
- Disposal via a 125 lease as per the CAT policy at market value;
- Disposal via a 125 lease at an undervalue;
- Disposal via freehold at full market;
- Disposal via freehold at an undervalue value (CAB report of July 3rd July 2016 states that there can be a freehold disposal but certain conditions must be met such as investment not being available unless there is a freehold transfer).

Given the significant improvements KCC have made to the building and having regard to the organisation's social and economic impact, it is considered appropriate to dispose of the freehold interest rather than a leasehold interest, therefore 5.1.1, 5.1.2 and 5.1.3 are not suitable options. Freehold disposal at market value has been considered however given the reasons as set out in section 4.20 above option 5.1.5 is

considered to be appropriate. KCC have stated that they are able to fundraise better and leverage more community funds if the building is freehold. They have already raised the capital funds from the Kurdish community to purchase the building freehold.

In order to safeguard the Asset for community use and purpose the freehold disposal will also contain restrictive covenants and conditions as per the CAT Policy. The main covenants being that a) no redevelopment of the site and building is permitted, b) the site to be used for community use only and c) a requirement that the Council would have first right of refusal on the site if the organisation is no longer able to manage and maintain the condition of the building and site.

If the freehold disposal does not proceed then KCC will remain a tenant under the terms of the existing lease. The rental value of the tenant's improvements would only be taken into account after year 2025 which would be upon the next rent review or lease renewal date. The current Lease expires on 31 March 2027 and KCC have security of tenure giving them a legal right to renew the lease.

127. QUARTERLY BUDGET MONITORING REPORT

The Cabinet Member for Finance and Health introduced the report which set out the 2017/18 quarter 2 financial position for the Council; including the Revenue, Capital, Housing Revenue Account(HRA) and Dedicated Schools Grant(DSG) Budgets.

The Cabinet Member for Finance and Health summarised the quarter 2 position as follows:

- An overspend of £6.6m General Fund
- An underspend £200k on the HRA [Housing Revenue Account]
- Priority 1 budget position as a significant improvement with a fall in projected overspend of £1m
- Priority 2 has a worsening budget position of £2m in the budget position which could lead to an overspend of up to £3,4m for this financial year.
- Services projecting that 49% of 2017/18 of savings will be achieved – This was a worsening from 67% position reported in quarter 1 but still in line with assessment for the MTFs which had 67% of savings rated as amber or red.

In response to questions from Councillor Morris the following information was noted:

- Cabinet Member for Children and Families provided assurance that the Children's Service always ensure the safety of children is the priority when making or putting forward savings.
- In respect of reported Children's Centre under -occupancy, the Cabinet Member underlined that this was in reference to vacancies for childcare rather than use of the Children Centre by the community. This information was provided at the recent Children's Scrutiny Panel and could be sent through to Councillor Morris. The Children's service was working with Children's centres to ensure that as many children that were eligible, are taking up the child care places.

- The Priority X overspend, included the cost of corporate project management provision to Osborne Grove and section 7.27 explained the legacy issues around the under provision for staff salaries
- In relation to the delivery of savings, officers would still need to assess risk around the savings but the finance team will work on having a greater grip to enable the delivery of savings and guard against double counting. The savings which were not achieved would be transferred to the 18/19 budget year and there will be consideration of alternative savings to replace some savings which were not deliverable.

RESOLVED

1. To note the Q2 forecast revenue outturn for the General Fund of £6.6m overspend, including corporate items. (Section 5, Table 1 and Appendix 1);
2. To note the net HRA forecast position of £0.2m underspend. (Section 5, Table 2 and Appendix 2);
3. To note the latest capital position with forecast capital expenditure of £101.59m in 2017/18. (Section 7, Table 4);
4. To note the risks and mitigating actions identified in the report in the context of the Council's on-going budget management responsibilities/savings, as detailed in Appendices 3 (a) (g);
5. To note the measures in place to reduce overspend in service areas; and
6. To approve and note the budget virements set out in Appendix 4 of this report.

Reason for Decision

A strong financial management framework, including oversight by Members and senior management, is an essential part of delivering the Council's priorities and statutory duties.

Alternative Options Considered

This is the 2017/18 Quarter 1 budget monitoring financial report. As such, there are no alternative options.

128. MEDIUM TERM FINANCIAL STRATEGY 2018/19-2022/23

The Cabinet Member for Finance and Health introduced the report which set out the Medium Term Financial Strategy for 2018/19-2022/23 which now reflected and refined the priorities for the challenges that the Council and its residents and businesses faced. This was based on further reductions in resources over the next 5 years.

The Cabinet Member outlined that this report builds on the Medium Term Financial Strategy agreed last year. The Cabinet Member reiterated the present challenging financial period. There had been a 63% reduction in real terms to council budget at a time when more support was required to residents that were living longer with complex needs and at a time of increased homelessness. The Council had previously taken the decision to freeze Council Tax and this would continue. The levy for social care precept for adult social care to support pressures would be applied.

The Cabinet Member reminded the meeting that, in this financial year, the Council had accessed £8.8m of reserves to help smooth effects of cuts. The Council would also need to rely on reserves in 2018/19 and it was proposed to access a further £7.5m. This was not sustainable long term solution but at the moment a reasonable step. The budget would therefore have a £15m gap which would need to be tackled in the next and future financial years.

In response to Councillor Morris questions:

- Beyond 2018/19, the council tax figure in the report was modelled and subject to a decision by the next administration.
- The budget assumes greater level of growth for adults than had been assumed in February 2017 budget. The Children's budget was now protected but not assumed in Feb 2017 budget. There were only new savings assigned for P2 which the service feel is achievable but will be tested.
- The Cabinet Member wanted to ensure back office savings were completed but where there was no impact on the efficiency of Council.
- Overall the strategy focussed on transformation and growth and included efforts to support residents stay in their home longer and gave priority to intervention.
- It was important to note, that by the end of the decade, the Council will rely on 86% of funding from local sources and this was why regeneration schemes were being taken forward to increase homes and businesses and in turn the income from council tax and business rates.
- The Capital programme makes allowances for land acquisition with short term low rate borrowing methods used to fund this at the moment. The value of the acquisition will come back into the budget later on in those schemes.

RESOLVED

1. To note the initial budget proposals and financial planning assumptions set out in this report and note that they will be refined and updated after the provisional Local Government Finance Settlement is published in December;
2. To consider and note that the draft 5 year MTFS 2018/19 to 2022/23 is to be reviewed at Cabinet in February 2018, and to be recommended for approval at Full Council's meeting in February 2018 to set the budget for 2018/19;
3. To note new savings proposals summarised in section 9 and Appendix 2;
4. To note the draft capital budget for as set out in Appendix 3;
5. To agree to commence consultation with residents, businesses, partners, staff and other groups as necessary on the draft revenue proposals for 2018/19-2022/23;
6. To note that the results of the consultation on the draft revenue proposals will be considered by Cabinet in February 2018 and recommendations made to Full Council at its meeting in February 2018 for the Council's formal budget setting for 2018/19;
7. To note that the detailed proposals will be submitted to Scrutiny Committees in December and January for scrutiny and comments;
8. To note proposed changes to fees and charges in respect of executive functions will be considered by Cabinet in February 2018 and those requiring approval by the Regulatory Committee to be considered at its meeting in January 2018;
9. To note that the Housing Revenue Account (HRA) budget will be considered by Cabinet in February for approval – this will include:
 - Council housing rent charges for 2018/19;
 - Proposed weekly tenants service charges 2018/19;
 - HRA hostels rent charges for 2018/19.
10. To note the proposed changes to the draft Dedicated Schools Budget (DSB) set out in section 18 and that the final agreed budget will be presented to Cabinet in February.

Reasons for decision

The Council has a statutory requirement to set a balanced budget for 2018/19 and this report forms a key part of the budget setting process by setting out the likely funding and expenditure for that year. Additionally, in order to ensure the Council's finances for the medium term are put on a sound basis, this report also sets out the funding and expenditure assumptions for the following four years in the form of a Medium Term Financial Strategy.

Alternative options considered

This report recommends that the Cabinet should consider proposals to deliver a balanced and sustainable MTFS over the five-year period 2018/19 to 2022/23, to be reviewed further at Cabinet in February, and ultimately adopted at the final budget meeting of Full Council in February 2018, which is a statutory requirement in terms of agreeing the Council's 2018/19 budget.

Clearly there are a number of options available to achieve a balanced budget and officers have developed the proposals for determining levels of both income and service provision in this report taking account of the Council's priorities, the extent of the estimated funding shortfall and the Council's overall financial position.

These proposals are subject to consultation both externally and through the Overview & Scrutiny process and the outcomes of these will inform the final budget proposals.

129. DISABLED FACILITIES GRANT POLICY FOR ADAPTATIONS AND ASSISTANCE IN HARINGEY

The Cabinet Member for Adult Social Care and Culture advised that the report was deferred to the January Cabinet meeting to allow the Policy to be amended to incorporate some technical points in the document

This will ensure that the DFG policy has greater technical clarity to provide the framework and flexibility to support Haringey residents to remain in their own homes for as long as is practicable to do so.

130. REPORT TO AWARD CONTRACT(S) FOR THE SUPPLY OF PUBLIC LIBRARY STOCK

The Cabinet Member for Adult Social Care and Culture introduced the report which was continuing the Council investment in Libraries.

The report further sought approval to enter into call-off contract for the purchase of Library Stock with the preferred Contractors (Askews and Holts Library Services Ltd and Peters Book Selling Services) for a period of 3 years with an option to extend for a further 2 years as allowed under the Council Contracts Standing Order (CSO) 9.07.1(d) for a total contract value of not exceeding £1,000,000.

RESOLVED

1. That approval be given for the Council to enter into Call-off contracts with Askews and Holts Library Services Ltd and Peters Book Selling Services for purchase of library stock in accordance with CSO 7.01(b) as permitted under CSO 9.07.1(d) for a maximum value of £1,000,000.
2. That the contract period is 1 January 2018 – 31 December 2020 (with option to extend for up to a further 2 years).

Reasons for decision

Library services contribute to key priorities 1, 2 & 3 by providing access to education, learning and employment opportunities through the resources they provide and staff expertise. They are at the heart of communities and help to foster a sense of place, helping to combat social isolation.

The purchase of stock is budgeted for and forms a fundamental part of Business as Usual. Library stock is a core element of the service. It provides communities and individuals with access to materials that facilitate learning for all ages, it supports educational attainment, helps to improve literacy levels and to get people into further education and the work place. It combats social isolation, for example through book groups and baby and toddler story times.

Failure to provide quality library stock impacts significantly on the levels of use and the ability of libraries to contribute to the Council's priorities; it carries a reputational risk for the Council and compromises our ability to comply with the Public Libraries Act of 1964.

In order to ensure compliance with procurement legislation and ensure value for money, strategic procurement led a Mini Competition exercise in accordance with CSO 7.01(b). The ESPO Framework, Library Stock supply (ref 376F) was used. The tender was sent to six suppliers (industry leading suppliers) that were registered in the Framework Agreement. The Mini Competition was based on:

Price 50%
Quality 50%

The reason the above evaluation weighting was applied was to ensure the Council's requirement for high quality, sensitive, accurate and critical data was met by the winning supplier/s.

The Pricing Schedule for each Lot was a shopping basket of 50 books (for Lots 1 and 2 and audio visual material for Lot 3), that suppliers were asked to bid for (net of discount of retail price).

Suppliers

The following is the summary of the outcome of the tender evaluation and clarification process for all Suppliers that tendered for the various Lots:

Lot 1

Supplier	Price Score	Quality Score	Final Score	Ranking
Askews and Holts Library Services Ltd	47	45	92	1st
Supplier B	50	41	91	2nd

Lot 2

Supplier	Price Score	Quality Score	Final Score	Ranking
Peters Book Selling Services	50	45	95	1 st
Supplier A	49	45	94	2 nd
Supplier B	49	44	93	3 rd

Lot 3

Supplier	Price Score	Quality Score	Final Score	Ranking
Askews and Holts Library Services Ltd	50	40	90	1st
Supplier D	49	39	88	2nd

Alternative options considered

Do nothing

This was not an option as purchase of new library stock is essential to ensure that library provision is current and in the case of non-fiction and reference materials accurate.

Direct Award as an alternative to a mini competition

This was not considered as viable option as the mini competition would yield a better cost effective (value for money) outcome.

131. MINUTES OF OTHER BODIES

RESOLVED

To note the minutes of the following:

Cabinet Member signing 8 November 2017 – 10.30am
Cabinet Member signing 8 November 2017 – 11.00am
Cabinet Member signing 24 November 2017
Corporate Parenting Advisory Committee 19 October 2017

132. SIGNIFICANT AND DELEGATED ACTIONS

RESOLVED

To note the significant and delegated actions taken by Directors in November 2017.

133. NEW ITEMS OF URGENT BUSINESS

None.

134. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded from the remainder of the meeting as the items below contain exempt information, as defined under paragraph, 3 Part 1, schedule 12A of the Local Government Act 1972.

135. REPORT TO AWARD CONTRACT(S) FOR THE SUPPLY OF PUBLIC LIBRARY STOCK.

As per item 130.

136. NEW ITEMS OF EXEMPT URGENT BUSINESS

None

CHAIR: Councillor Claire Kober

Signed by Chair

Date