

MINUTES OF THE MEETING OF THE CABINET HELD ON TUESDAY, 14TH AUGUST, 2018, 6.30pm

PRESENT:

Councillors: Joseph Ejiofor (Chair), Emine Ibrahim (Vice-Chair), Charles Adje, Patrick Berryman, Mark Blake, Zena Brabazon, Noah Tucker and Elin Weston

Also Present Councillors: Demir and Dennison

43. 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.

44. APOLOGIES

There were apologies for absence from Cllr Hearn and Cllr Ahmet.

45. URGENT BUSINESS

There were no items of urgent business.

46. DECLARATIONS OF INTEREST

There were no declarations of interest put forward.

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

There were no representations received at the agenda publication stage in relation to the exempt items on the agenda.

48. MINUTES

The Cabinet Member for Corporate Resources and Insourcing queried page 3, paragraph 8 of the minutes, which set out the response from Mr Labbad to a question on asset transfer. The Cabinet Member queried whether this should indicate the 100% transfer of commercial assets to the HDV rather than Lendlease. Cabinet agreed this change to the minutes subject to review of the recording.

The remainder of the minutes were agreed as an accurate record of the meeting.

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

There were no Overview and Scrutiny matters for consideration by the Cabinet.

50. DEPUTATIONS/PETITIONS/QUESTIONS

A deputation had been received from Mr Paul Nicolson, representing Tottenham Residents, in relation to item 9 of the Agenda - Council Tax Reduction Scheme.

Mr Nicolson spoke as the representative of Tottenham Residents and firstly welcomed the implementation of the new Council Tax policy, as per item 9 of the Agenda. Mr Nicolson remarked that it was unfortunate this change would not take effect until 2019/2020 although he recognised that half of the 6000 families with children claiming working tax benefits would be relieved not to get a Council Tax bill in April 2019. However, many would still have Council Tax arrears from previous years. Additionally, it was queried whether the 4000 working adults claiming benefits would still have to pay Council Tax from 2020.

Mr Nicolson continued to raise the following:

- The changes were a vital start to tackling the results of austerity. It would be used by campaigning organisations as an example to other Councils of what can and ought to be done.
- The national campaign against the Council Tax was continuing as there were 289 out of 326 Councils in England yet to be persuaded.
- Regarding single-adult job seekers allowance, noted that it was valued at £73.10 a week, and equated to the incoming Universal Credit of £317 a month which Mr Nicolson stated had been losing value since 1979 and had been frozen since 2011. In Mr Nicolson's view, the value of single-adult job seekers allowance was not enough to pay for a healthy diet, water, fuel, clothes and transport or other necessities. Furthermore, since April 2013, the Job Seekers allowance had been paying a proportion of rent and Council Tax (plus enforcement costs) whereas, before April 2013, it was supported by 100% Council Tax and housing benefits. Mr Nicolson advised that this benefit can be stopped for one or three months with a benefit sanction by the Jobcentres and can be at the same time as the Council sending out the bailiffs to collect Council tax arrears, from a claimant with no income. This situation reflected that the benefit system was not supporting residents in most need.

Mr Nicolson advised that in 2013/14, the Council sent out the bailiffs 12,484 times adding to the arrears, (a) £125 court costs a time payable to the Council, and then (b) £75 a time payable to the bailiffs. A total of £200 a time had added to the arrears which added a total of £2.5 million to the cost of Council tax to Haringey Residents. Mr

Nicolson referred to the Treasury Select Committee of MPs report “Household finances: income, saving and debt” published on the 26th July which stated that people become over-indebted through arrears on bills, including those owed to central and local government, such as Council Tax. This report advised that public authorities often pursue debts over-zealously, uncompromisingly, and with routine recourse to bailiffs, which risks driving the most financially vulnerable people into further difficulty.

In conclusion Mr Nicolson emphasised the negative impact on individuals who found themselves in arrears, specifically to their health and the wellbeing of their families, and requested that Cabinet to institute a thorough overhaul of its Council Tax enforcement practice. Although he acknowledged that half will now not be taxed, but will be in arrears.

The Leader thanked Mr Nicolson and then invited Cabinet Members to comment and/or ask questions.

- Following a question by Cllr Blake, Mr Nicolson commented on his support to residents, and noted that the following rules and legislation were used to help dispute the unfair Council Tax related situations being dealt with: Wednesbury rules and national guidance for bailiffs that deals with vulnerable residents. Also where small amounts are owed, it was noted that Local authorities had the power to reduce the amount of Council Tax residents owed to nil as set out under section 13A of the Local Government Finance Act 1992 and reintroduced in 2012.
- Mr Nicolson acknowledged that the CTRS, proposed at Agenda Item 9, was a positive step in the right direction but that the Council Tax enforcement would need to be addressed to see how this was dealt with. Mr Nicolson found there to be a positive public reaction to the Council Tax Reduction Scheme proposed.

Cllr Berryman, Cabinet Member for Finance, also thanked Mr Nicholson for his efforts on behalf of Haringey residents and looked forward to seeing him on the Fairness Commission as one of the commissioners. The Cabinet Member responded as follows to the issues raised:

- The Council Tax Reduction Scheme was the first step to achieving the Labour administration’s manifesto commitment to providing 100% support for those most in need within the borough. Residents used to receive such support but this was removed following the Conservative/Liberal Democrat government coalition which allowed Councils to impose minimum tariffs on the most in need people most in need.
- The Council Tax Reduction Scheme was aiming to assist those most in need and would help 6,000 households with children, a majority of which were single parent families.

- Regarding the Council Tax enforcement, the Cabinet Member noted that the report was about reducing what was due from those most in need within the borough but that it was still important to collect what was owed. The Cabinet Member assured Mr Nicolson that the Council would ensure that this was conducted in an ethical way, in line with the administration's manifesto commitment, and that enforcement officers were all members of the Civil Enforcement Association, which aimed to provide higher industry standards.
- Acknowledged that the Council Tax system was complicated and the Council would be working hard to help residents who most needed its support.

51. COUNCIL TAX REDUCTION SCHEME

Following the deputation, the Cabinet Member for Finance formally introduced the report which set out the process and content of proposed potential changes to the 2019/20 Council Tax Reduction Scheme. The report set out a series of options to amend the current scheme, with a preferred option highlighted as being a combination of increasing the maximum level of Council Tax Reduction from 80.2% to 100% for working age claimants with children and updating the CTRS to align with some national welfare changes.

The Cabinet Member emphasised the Labour administration's manifesto commitment to ensuring fairness for all. Costs were continuing to rise but the Council was not able to respond with fair increases to collect what was needed to carry on delivering vital services. The Cabinet Member acknowledged that old commitments by previous local government administrations were sometimes not deliverable but the focus was to deliver key services for residents and to recognise the problems they faced. The Cabinet Member concluded his presentation by commending the report to the Cabinet for approval.

Following questions from Cllr Dennison, the subsequent points were noted:

- For working age claimants, the Council Tax Reduction Scheme had not been updated since 2013 but the new scheme would bring this up to date. The complexities involved in updating such figures under this scheme (going out to consultation) and working through quite prescriptive government guidance meant that this exercise was completed periodically.
- Whilst almost all of those affected by the Council Tax Reduction Scheme would be better off as a result of the preferred proposals, there was a small number of residents identified that would not be financially better off. For those identified, it was estimated that this would result in no more than a 95p increase a week and, although it was not possible to identify how many would be affected negatively, for most residents it was clear that they would gain from the revision.
- The Council Tax Reduction Scheme was aimed at helping the 6,000 most in need working age claimants, rather than all 10,000 working age claimants, because it was anticipated that this was as much as could be done within

2019/2020 budget. Nonetheless, this was an important step in delivering on a key manifesto commitment and a positive step in the right direction.

- With regards to funding the proposed changes to the scheme, this would be part of budget discussions that would take place later in the year.
- In relation to individual's eligibility under Universal Credit being used as the basis for their entitlement for the Council Tax Reduction Scheme, it was acknowledged that there was a number of ways in which to deliver the Council Tax Reduction Scheme. This option was considered but was not a preferred method as Haringey Council was at an early stage of implementing Universal Credit. It was therefore decided that, at this time, it would not be appropriate to use this as the basis of any new Council Tax Reduction Scheme.

RESOLVED

1. To agree to go out to consultation on the following preferred option to replace the existing CTRS. This option is a combination of:

- a) Increasing the maximum level of Council Tax Reduction from 80.2% to 100% for working age claimants with children.
- b) Updating the CTRS to align with some national welfare changes. The maximum level of Council Tax Reduction would continue to be 100% for pensioners and working age claimants in receipt of disability related benefits, as it is under the existing CTRS.

2. To note that, following consultation with the Greater London Authority ("GLA") and having considered the GLA's response:

- i) A draft CTRS will be published;
- ii) A consultation on that draft CTRS will be carried out with persons likely to have an interest in its operation;
- iii) An initial Equality Impact Assessment will be published, which will assess the proposals for consultation; and
- iv) The findings of the consultation and an Equality Impact Assessment will inform the final CTRS, which will be put to Members to consider at full Council in January 2019.

Reasons for decision

The stated ambition of the current administration is to:

- a) Ensure the greatest weight is placed on the broadest shoulders by consulting on options that make Council tax and our policies for charging for Council services fairer; and
- b) Extend the level of Council tax relief for our least well-off residents to 100%.

Councils have limited powers to effect change to Council Tax without primary legislation. However, the CTRS offers a vehicle through which the Council can

redistribute the burden on Council Tax payers and provide additional financial support to those in receipt of Council Tax Reduction.

Since 2013, the existing CTRS has capped the maximum amount of Council Tax Reduction at 80.2% for working age claimants who were not in receipt of disability related benefits. It is recognised that some residents have increasingly struggled to pay contributions towards their Council Tax. Therefore, there is a desire to provide additional financial support to residents who are the least well-off.

The proposal to increase the maximum level of Council Tax Reduction for working age claimants who have children is thought better to balance affordability with the need to provide more financial assistance to a group in particular need.

It is also proposed to update the scheme to bring it in line with some national welfare changes that have taken place since 2013. For pensioners, the CTRS automatically updates each year to align with national welfare changes. For working age claimants, the CTRS has not been updated since 2013. Therefore, it is proposed to update the scheme to ensure it is up to date, easier to understand and reflects inflationary changes. As a result of these changes, most working age claimants would have an increased level of Council Tax Reduction (i.e. would be financially better off) whether or not they have children.

The proposal to align with some national welfare changes is considered to balance the benefit of making the CTRS up to date and easier to understand by reflecting the national welfare scheme, reflecting inflationary changes since 2013, and the desire to provide additional financial support to a group who are in particular need. It is not proposed to align the CTRS with all national welfare changes. For example, it is not proposed to align with the two child limit for child allowances. This is because it would decrease the level of Council Tax Reduction a claimant would be entitled to (i.e. make them financially worse off). It is considered that aligning the CTRS with all national welfare changes would worsen the financial position of groups who are in particular need.

The Council is obliged to consider whether to revise or replace its CTRS each year. However, it is not obliged actually to revise or replace it. If any revision or replacement is to be made, the Council must follow the consultation process set out in the legislation and changes must be made by 11 March, to take effect from 1 April. The decision has to be made by Full Council. In order to give the Council sufficient time to implement any changes, Full Council should formally agree the proposals in January.

Therefore, the proposal is made now to ensure that any additional financial support for residents can take effect as soon as possible, from 1 April 2019.

Alternative options considered

The number of possible changes to the CTRS are virtually infinite. Councils have a wide discretion to tailor support based on factors such as:

- a) Income;
- b) Capital;

- c) Number of dependants;
- d) Whether the person has made an application for a reduction.

Bearing in mind the Council's draft policy position referred to above, the following other options in particular have been considered in detail, but are not being included in the consultation process:

- No change to the existing CTRS;
- Increasing the maximum level of Council Tax Reduction from 80.2% to 100% for all working age claimants;
- Limiting the amount of Council Tax Reduction received in higher value properties to the amount provided in a designated band; and
- Altering the capital savings limit.

It should be noted that the Council could also reduce the maximum level of Council Tax Reduction from the existing rate (80.2%). However, this would not be consistent with the Council's stated purpose to provide increased support to those residents most in need and so is not put forward as an option here.

No change to the existing CTRS

This is not recommended because the Council has indicated a commitment to providing additional financial support to residents in receipt of Council Tax Reduction to alleviate the financial burden for the least well-off.

Increasing the maximum level of Council Tax Reduction from 80.2% to 100% for all working age claimants

This is not recommended because it would mean a significant additional cost (£843,000) to the Council's budget that would increase the additional cost of the scheme from an estimated £1.6m, of the preferred option, to £2.44m in 2019/20. The preferred option, which relates principally to a particular group of working age claimants considered to be in particular need, is thought to strike a balance between providing additional support to a group in need and the financial impact on the Council and its services.

Limiting the amount of Council Tax Reduction received in higher value Properties to the amount provided in a designated band

The Council could "cap" the level of support based on the Council Tax liability of a designated Band. For instance, if the limit was set at Band D, the maximum support a claimant could receive would be no more than they would get if they lived in a Band D property, even if they lived in a higher Band property.

This is not recommended because it would significantly increase Council Tax bills for residents who are affected by the cap (i.e. those in bands above the limit). It is recognised that claimants in receipt of Council Tax Reduction are financially burdened and need support.

Altering the capital savings limit

Currently, if a resident has more than £10,000 in capital they do not qualify for support under the CTRS.

Changing the capital savings limit is not recommended because it is considered that the £10,000 limit strikes the right balance between recognising residents have a need to save and develop sustainable long-term financial plans, and ensuring the scheme reaches the most vulnerable residents.

52. AWARD OF CONTRACT FOR BROADWATER FARM ESTATE DISTRICT HEATING SYSTEM

The Cabinet Member for Housing & Estate Renewal introduced the report which related to the medium-rise blocks on the estate that had failed a test relating to blocks with piped gas. It was noted that the only way to fully mitigate this risk was to remove piped gas to the blocks entirely. Homes for Haringey had already started the work to achieve this, and this report recommended the approval of a contract to carry out the next stages of the work.

Following questions from Cllr Dennison the subsequent points were noted:

- Regarding the discrepancy between 1.4 and 6.12 of the report, the latter paragraph was intending to indicate the lead in time from January 2018 to October 2018 for fitting temporary boilers.
- The Council would be providing financial assistance to residents who found their heating bills were higher as a result of the use of temporary boilers (as temporary boilers were oil fired which was more expensive than gas). It was the Council's intention to make sure that residents were not worse off during the period of the temporary boilers. By phase 3, when gas boilers would be replaced by a district system, the Council would be acquiring gas at block prices and this would decrease the prices for residents.

Following consideration of exempt information:

RESOLVED

1. To approve the direct award of the works contract at an estimated value of £12.6m to Engie LTD (formerly Keepmoat LTD) through the LHC framework (N7 – workstream three) for the works required to install and commission a temporary heating system across Broadwater Farm and latterly install and commission the full energy system.
2. To approve as required by Section 1 – Financial Regulations paragraph 5.23 (b) the virement of £3.210m from the HRW leaseholder acquisition budget to the Broadwater Farm heating scheme.
3. To approve as required by Section 1 – Financial Regulations paragraph 5.23 (b) the virement of £4.008m from the Building Regulations Review budget to the Broadwater Farm heating scheme.

4. To agree the budget of £13.0m for the Broadwater Farm heating scheme.
5. To agree not to seek to recharge leaseholders their proportion of the cost of these capital works linked to the provision of temporary heating systems and the full energy centre upgrade.
6. To note that unrecovered leaseholder charges will be no greater than £2m.

Reason for decision

The nine medium-rise blocks on Broadwater Farm (Croydon, Debden, Hawkinge, Hornchurch, Lympe, Manston, Martlesham, Rochford, and Stapleton) have failed structural tests for Large Panel System buildings with piped gas. A gas leak and explosion in one of these blocks could lead to progressive collapse of the building and significant loss of life.

The following steps have been taken to mitigate the risks arising from the findings of the structural test

- The replacement of gas cookers with electric cookers in 464 flats in nine medium rise blocks (the remaining flats already had electric cookers)
- The installation of gas interrupter valves in all the 728 flats in nine medium-rise blocks which will switch off the gas if a leak is detected

To mitigate the risk more fully, piped gas must be removed from the blocks entirely. Heat and hot water will be supplied to the medium-rise blocks initially through temporary boilers installed at the foot of each block. These blocks will then be connected to a renewed estate-wide district heating system. The temporary boilers need to be commissioned before the end of October 2018, as this is the date the gas provider has said that it will switch off gas to the blocks.

Although a tenth block, Kenley, does not have piped gas and is served by a district heating system, the system at Kenley will also be upgraded as the works to the medium rise blocks will require the disconnection of the Kenley pipework.

In April 2018 a design and enabling contract was let to progress design of the new heating systems and essential enabling works, such as the erection of scaffold, the removal of redundant pipework and the forward order of Heat Interface Units.

The design is now sufficiently progressed to award the works contract. A direct award is being made as there is insufficient time to run a mini-competition. A direct award is permissible under the terms of framework selected. The proposed contractor - Engie – is ranked 2nd on the framework. The contractor ranked 1st has been approached and they have formally declined the offer to undertake the work.

Legal Services has advised as to recoverability of the costs of these works from leaseholders through the service charge provisions in their leases. Although the level of leaseholder charges depends on individual calculations for each leasehold property, it is likely that this will lead to approximately £2m of leasehold charges being unrecovered.

Alternative options considered

It is not an option to do nothing, as the blocks do not currently meet building regulations and the works are therefore essential to more fully mitigate the risks identified. The works also need to be completed by the October deadline that the energy suppliers have set for the removal for the gas supply to the blocks. If the work is not completed before the end of October, then alternative accommodation may need to be provided for the 728 households living in the medium-rise blocks.

Homes for Haringey could have run a full procurement process instead of using the LHC framework. This was discounted as there was not enough time to undertake a full procurement exercise to meet the end of October deadline for completing temporary works.

Homes for Haringey could have run a mini-competition using the LHC framework. This option was discounted as there is not enough time to run a mini-competition to meet the end of October deadline for completing temporary works.

Homes for Haringey could have delivered the project in-house, but Homes for Haringey do not have the necessary skills in-house to make this option viable.

53. AUTHORITY TO DELEGATE AWARD OF CONTRACT FOR PROVISION OF A SINGLE WIDE AREA NETWORK SERVICE

The Cabinet Member for Corporate Services and Insourcing introduced the report, which sought approval to delegate an award of contract for provision of a singlewide area network service.

The Cabinet Member explained that the Council relied on a wide area network to connect computers and other electronic devices across Council sites to allow the Council to perform its daily duties. The network also allowed the Council to establish connections with other third parties to carry out the daily requirements of the organisation. A third party provider was required to provide the service.

Following the Cabinet decision in July, the Shared digital model with Camden and Islington had reduced in scale and scope and so there would be some IT and digital functions that that the Council would take forward directly and under its own control. The shared digital model still allowed the three boroughs, the financial advantage, in a procurement process, of being in a better negotiating position and driving a better deal.

With this in mind, the report was seeking authority for Camden to negotiate and purchase a Wide Area Network system from a single provider but with the Council still able to subsequently manage its own network, depending on the degree of control required. This decision was connected to achieving efficiency and value for money and allowing Council to do its job well.

RESOLVED

To delegate to the Executive of the London Borough of Camden, authority to award a contract for the provision of network services to a single supplier on behalf of all three Councils.

Reasons for decision

The delivery of this procurement exercise was delayed whilst decisions were made over the future shape and focus of ICT services across the three Councils.

At the Cabinet meeting on 17 July, the Council approved the new model for delivery of local and Shared Digital services and the SDJC has been disbanded. Under the previous terms of reference for the SDJC, the decision to award the contract for the Wide Area Network service would have been taken by the SDJC. This decision-making authority has been reserved for Cabinet until the new services agreement and TUPE transfer process completes in October 2018.

This report seeks permission to delegate the award of contract to the Executive of the London Borough of Camden ensuring that the contract can be awarded as soon as practical.

This decision will not affect the future delivery of networks services at a local level as the services can be delivered and managed as a sovereign service for each Council, but continuing the procurement jointly will generate savings and enable future transformation work to be completed.

For Haringey any further delay in undertaking the procurement could place delivery of the programme at risk as the refresh and move to a new service will take a significant time, perhaps as long as 18 months.

Alternative options considered

There are two options available currently: delegate the decision or retain individual Council approvals:

i) Delegate award of contract to the Executive of the London Borough of Camden – recommended

In the same way that other services have been contracted with a single supplier, there is an opportunity for the three Councils to enter into a strategic relationship with the successful bidder, which would have the advantage of aggregating the Councils' influence on the supplier to deliver a high quality service and drive competitive pricing through economies of scale. By delegating the contract award decision to the Executive of the London Borough of Camden, this would increase the pace at which the procurement activity can be completed, enabling transition to the service more quickly.

The Councils can choose at a later stage to either enter into a single contract with the successful bidder or call off individual contracts.

ii) Retain individual approval of contract award – not recommended

It is recognised that each Council will want to be able to influence the decision on what technology is used to delivery network services and also who the successful supplier would be. All three Councils approved the procurement strategy for the services; and, by having an evaluation panel made up of representatives across all three Councils this requirement can be met. The project, which is running against a deadline to refresh the existing services, has already been significantly delayed. Further delays whilst the three Councils complete contract award governance would place effective delivery of the programme at risk.

54. AWARD OF CONTRACT FOR ADULTS ADVOCACY SERVICE

The Leader introduced the report which concerned the provision of advocacy under the Mental Capacity Act and the Mental Health Act, work which has been led by Haringey in partnership with Barnet and Enfield in light of our shared mental health provider the Barnet, Enfield and Haringey Mental Health Trust. Provision of advocacy under these Acts was statutory and required specialist arrangements to be in place given the vulnerability and the particular circumstances of the people affected.

The Leader confirmed that the two organisations named in the recommendations were London Living Wage employers.

In response to questions from Cllr Dennison, the following was noted.

- Assurance was provided that the Council would continue to monitor the efficiency of the services to ensure the required outcomes for concerned residents was being achieved. There was a Quality Assurance team in the Commissioning team that undertook outreach work that fulfilled this role and regularly monitored the quality of existing and new contracts.
- With regard to the withdrawal of the first ranked provider, considerable efforts were made to discuss their withdrawal, including face-to-face contact.
- In relation to the differences in scoring, this information was contained in the exempt part of the report and could not be divulged in the open part of the meeting.

Following consideration of the exempt information:

RESOLVED

- 1.1. That cabinet approves the award of contracts in respect of the provision of Joint Advocacy Services for the London Boroughs of Barnet, Enfield and Haringey to Bidder B and Bidder C for an initial period of 3 years with an option to extend for a further period of one plus one year.

- 1.2. Subject to approval being granted the London Borough of Haringey will enter into contractual agreements jointly with the London Boroughs of Barnet and Enfield, and award contracts to the successful bidders.

Reasons for decision

The current contracts for IMHA / IMCA and Care Act expire on 30th September 2018.

A full tender process was carried out for the services and the award of contract approved by Cabinet in February 2018. Following the Cabinet decision, award notifications were issued and the process for establishing contracts with the 1st ranked tenderer was commenced to ensure the start of contracts in July 2018.

This provider withdrew from the tender in May 2018 and as such officers have extended our current contracts for IMHA/IMCA and Care Act Advocacy services until 30th September 2018 with a view to ensuring enough time for effective transition arrangements to be put in place with the incumbent providers and incoming providers.

Cabinet is asked to agree to award to the 2nd ranked tenderers following the withdrawal of the winning tenderer.

Alternative options considered

Haringey to commission advocacy services independently:

This option was considered but it was deemed more beneficial to jointly commission the services with neighbouring boroughs in order to benefit from economies of scale associated with collaborative procurements.

Haringey, Enfield and Barnet to re-commission IMHA, IMCA and Care Act Advocacy services again via a new procurement process, extending our existing contracts until 2019.

The option of undertaking a 2nd procurement exercise for these services following the withdrawal of the 1st ranked bidder has been explored with the boroughs of Barnet and Enfield but discounted because officers believe the market in these services is such that the outcome from any subsequent tender exercise is unlikely to be markedly different. Officers do not expect additional providers beyond those who engaged in the procurement to partake in a tender exercise. Officers are also concerned that interim arrangements do not provide the necessary certainty for operational staff and indeed residents who access advocacy services as services can be required over a long period of time (12 months plus). To ensure continuity of advocate is available to residents the sooner long-term contracts can be established the better.

Do nothing

This is not an option as these are statutory services

55. OUT OF HOME 'STREET FURNITURE' ADVERTISING

The Leader introduced the report, outlining that the Council had a duty to communicate and engage with all Haringey residents. Part of that duty involved ensuring that residents are aware of services that are available, activity and events that were taking place in the borough and any key messages the Council and partners needed to convey.

One channel used for this communication activity was on-street sites such as poster sites. The existing contract, which had run for over 20 years and included 29 static single and double-sided poster sites, which did not offer best value for the Council or residents. It currently incurred cost for the Council to utilise these sites and was an outdated method of communication. Therefore, it had been decided to review the current contract and set out an invitation to tender (ITT) and procurement process to deliver not only a more current method of communication but also engage in a contract that could deliver a commercial return. The report set out the result of the procurement process.

In response to questions from Councillor Dennison, the following was noted.

- In relation to the potential £2.5m income over 3 years, this was a guaranteed potential income based on the sites that have been identified. This was at a minimum level, depending on success rate.
- Noted that the conditions of the new contract allowed the Council to review the contract implementation, once sites set out in report were implemented, and then take a view, based on assessment of delivery against the contract, on whether to increase the threshold for income.
- In relation to the collection of information from the beacons and forward facing cameras, the Assistant director for Strategy and Communications would provide a written response.
- The digital screens would be placed on existing Poster sites so there was no conservation assessment required. The successful bidder would be working with Highways Team to ensure installations were well implemented.

Further to considering the exempt information:

RESOLVED

To approve the request for the Council to enter into a contract with Supplier A for the Provision of Digital Street Advertising in accordance with CSO 9.01.1 (Tender Process) as permitted under CSO 9.07.1(d) (Award Process) for a period of 10 years from 1 October 2018 – September 2028 for a contract income value of £2.05 million. There is an option to extend for a further 5 years for a total contract income value of £3 million.

Reasons for decision

The current contract will soon expire and there is a requirement for the Council to use all possible channels to communicate with residents.

The Council is increasingly seeking opportunities to generate income and therefore contribute towards achieving the savings targets set in the medium term financial strategy.

The appointment of the Supplier (Supplier A) will allow the Council to achieve the aims set in 4.1 and 4.2.

Through the new contractual arrangement, the Council will receive an expected income of £3 million over a 15-year period. This is in contrast to the current contract, which costs the Council £13,600 per annum in business rates and £495 for each campaign or use of the poster sites.

The current contract allows for 29 double-sided paper panels (58 screens in total). These panels will initially be replaced with 15 double-sided digital screens (30 screens in total). The advantage of digital screens over paper screens is that they can significantly increase the volume of commercial advertising. Smaller, local retailers will be able to buy digital screen space time for their own advertising (currently this is not the case) and corporate messages can be displayed for up to 15% of the assets' inventory.

As a result of 4.5, the Council will be meeting its objective of decluttering its pavements of unnecessary street furniture. The reduced number of screens will actually generate a sizeable income stream for the Council. This is a good example of the Council achieving its "more for less" initiative.

In order to ensure compliance with EU procurement legislation and to ensure value for money, Strategic Procurement led an Open Tender exercise in accordance with CSO 9.01.1. The tender was advertised in the Official Journal of the European Union (OJEU) and Contract Finder. The Competition was based on:

Price 50%
Quality 50%

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

Responses

Two bids were received following the Open Tender Process.

Suppliers

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

Supplier	Price Score	Quality Score	Final Score	Quality Score
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Supplier B	23	40	63	2nd
Supplier A	50	47	97	1st

Alternative options considered

Do nothing

This was not an option as the income (£3 million) generated by this contract would contribute to the Council's aim of increasing income where possible and appropriate.

Use of Frameworks as an alternative to an Open Tender process

This was not considered as an option as there was no existence of any Framework Agreements that accommodated this provision.

56. UNOCCUPIED AND UNFURNISHED PROPERTY DISCOUNTS

The Cabinet Member for Finance introduced the report, which summarised the proposed cessation of two of the Council's discretionary Council Tax discounts related to (i) unoccupied and unfurnished properties, and (ii) vacant properties requiring or undergoing major repair or structural alteration.

The Cabinet Member for Finance continued to outline the manifesto commitment to redistribution of the Council Tax burden. This included exploring discretionary relief and targeting support for residents in particular need. Over the last 4 years the Council had managed to maintain a balanced budget in a difficult financial context and these financial pressures were likely to continue. The cessation of two of the Council's discretionary Council Tax discounts would also mean that the Council joined the pool of neighbouring boroughs that had already abolished this discount.

In taking forward this decision, Cabinet were aware that Council services need to be run and properties in the borough benefit from these services, including those that were vacant. The cessation of these discounts would enable the Council to raise money to mitigate the cost in supporting families most in need.

The following information was provided to questions from the Leader and Cllr Dennison:

- The cost of not abolishing these discounts sooner was more than £1m to the taxpayer over the last 3 years.
- In relation to homeowners of vacant properties which were undergoing major repair and restructure being deterred from bringing their home back into use, due to additional expense of the Council Tax payment, the Cabinet Member contended that the property would still benefit from Council Services and house price rises and therefore this was a fair charge.

- With regards to a Housing Association being deterred from updating properties or bringing them back into use by these discounts, the Cabinet Member responded and advised that Housing Associations had their own business model and would likely be able to take account of these additional charges.
- With regards to getting more empty properties back into use, and the suggestion to increase the liability of the home owner on a month-by-month basis, this would be considered going forward.
- Noted that there was a high degree of description, contained within government guidance, on what the Council could do with discounts and the report was seeking to operate within these descriptions, whilst seeking to bring properties back into market as soon as they can be included.

RESOLVED

To recommend to Full Council to cease two of the Council's discretionary Council Tax discounts from 1 April 2019, namely for:

- Unoccupied and substantially unfurnished properties; and
- Vacant properties that either require or are undergoing major repair work to render them habitable; that have undergone such work in the past six months; or that are undergoing structural alteration.

Reasons for decision

The two Council Tax discounts are at the Council's discretion. The administration has indicated a desire to appraise the existing fleet of discretionary powers given the continuing need to make savings to the wider budget.

Abolishing the two Council Tax discounts would generate an estimated saving of £462,800 per year, which would support the Council's Medium Term Financial Strategy and help mitigate its funding pressures.

Under the current arrangements, an unoccupied and furnished property receives no Council Tax discount, while an unoccupied and unfurnished property receives the discount. The Council seeks to address the imbalance and bring the arrangements in line with those for unoccupied and furnished properties.

Some of the Council's neighbouring boroughs, such as LB Enfield, LB Islington and LB Barnet have abolished both Council Tax discounts. Therefore, the proposal would bring Haringey in line with its neighbouring boroughs.

It is recognised that Council Tax payers who currently claim these discounts are unlikely to be making full use of Council services whilst the property is unoccupied. However, Council Tax is not charged on the basis that every payer will use every service and Council services do not stop or reduce in cost when a property becomes empty.

There are a number of means of reducing or eliminating Council Tax liability available and that would not be affected by the recommendation. For example, the exemption following the death of the occupant, the single person discount and disregards for students or those detained in hospital.

Alternative options considered

No Change

The Council could choose not to abolish its Council Tax discount for either (i) unoccupied and unfurnished properties, or (ii) vacant properties requiring or undergoing major repair or structural alteration.

This is not proposed because the Council is under significant financial pressure to deliver a sustainable Medium Term Financial Strategy. Abolishing the Council Tax discounts would generate substantial savings to the Council.

Remove only one of the discounts

Removing only the discount for unoccupied and unfurnished properties would generate an estimated saving of £341,300 per year. Removing only the discount for vacant properties requiring or undergoing major repair or structural alteration would generate an estimated saving of £121,500 per year.

This is not proposed because the Council is under significant financial pressure to deliver a sustainable Medium Term Financial Strategy. Abolishing both Council Tax discounts would generate substantial savings to the Council.

Extend the scope of the Discounts

This is not proposed as it would increase the level of funding pressures already

57. SIGNIFICANT AND DELEGATED ACTIONS

RESOLVED

To note the significant and delegated decisions taken by Directors in July.

58. NEW ITEMS OF URGENT BUSINESS

None

59. 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 and 5, Part 1, schedule 12A of the Local Government Act 1972.

60. AWARD OF CONTRACT FOR BROADWATER FARM ESTATE DISTRICT HEATING SYSTEM

As per item 52.

61. AWARD OF CONTRACT FOR ADULTS ADVOCACY SERVICE

As per item 54.

62. OUT OF HOME 'STREET FURNITURE' ADVERTISING

As per item 56.

63. EXEMPT MINUTES

RESOLVED

To agree the exempt minutes of the meeting held on the 17th of July 2018.

64. NEW ITEMS OF EXEMPT URGENT BUSINESS

None

CHAIR: Councillor Joseph Ejiofor

Signed by Chair

Date